

STATE TRANSPORTATION BOARD MEETING

9:00 a.m., Friday, December 21, 2018

Morenci Club Hall

413 Plaza Drive

Morenci, AZ 85540

Call to Order

Chairman Cuthbertson called the State Transportation Board meeting to order at 9:00 a.m.

Pledge

The Pledge of Allegiance was led by Chairman Cuthbertson.

Roll Call by Board Secretary Linda Priano

A quorum of the State Transportation Board was present. **In attendance:** Bill Cuthbertson, Jack Sellers, Mike Hammond, Steve Stratton, Jesse Thompson, Sam Elters and Gary Knight. Board Attorney Michelle Kunzman was also present. There were approximately 45 members of the public in the audience.

Opening Remarks

Chairman Cuthbertson gave a heartfelt thanks to Greenlee County Supervisor, Richard Lunt and County Administrator, Kay Gale for hosting the Thursday evening reception. He noted that representatives from Greenlee County, Town of Clifton, Town of Duncan Graham County and Freeport-McMoRan were all in attendance. He stated he was deeply and sincerely touched by everything that was done for him and serving on this board was an honor and an experience he will never forget.

Vice Chair Sellers thanked Greenlee County for making everyone feel so welcome. Board Member Hammond added that he was looking forward to visiting Morenci again and he can feel such a sense of community here. Board Member Stratton echoed the other members comments and added it was nice to see friendly faces. He thanked the Chairman for his leadership and wished him future success. Board Member Knight thanked everyone for their hospitality and added that he is looking forward to another visit to Greenlee County. Board Member Thompson thanked Chairman Cuthbertson for his leadership and stated he was a good mentor and he admired him. Board Member Thompson added that he was very happy to have an informal discussion with Freeport-McMoRan representatives in regards to potential employment opportunities once the Navajo mines shut down.

Title VI of the Civil Rights Act

Executive Officer, Floyd Roehrich, Jr., reminded all attendees to fill out the optional survey cards to assist our Civil Rights Department.

Call to the Audience

An opportunity was provided to members of the public to address the State Transportation Board. Members of the public were requested not to exceed a three minute time period for their comments.

ARIZONA STATE TRANSPORTATION BOARD
STATE TRANSPORTATION BOARD MEETING

REPORTER'S TRANSCRIPT OF PROCEEDINGS

Morenci Club Hall
413 Plaza Drive
Morenci, Arizona 85540

December 21, 2018
9:00 a.m.

PREPARED FOR:
ADOT - STATE TRANSPORTATION BOARD

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CALL TO THE AUDIENCE

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1 (Beginning of excerpt.)

2

3 CHAIRMAN CUTHBERTSON: We'll now move on to the
4 call to the audience. To address the Board during the call to
5 the audience, we'll ask that you fill out a request for public
6 input form, present it to Secretary Priano. In the interest of
7 time and in fairness to all wishing to speak, we'll impose a
8 three-minute time limit on each speaker. So when your three
9 minutes is up, you'll receive an audio signal, and that's your
10 clue that it's time to wrap it up and close your comments, so...

11 I do notice that we have a couple of requests
12 here from what I suspect is to comment on one of the contracts
13 that we've been talking about for the last few board meetings,
14 and so if you would prefer, I will pull those two comments and
15 allow you to speak before that -- that will be Item 9B in our --
16 when we discuss contracts, if that's your pleasure. So -- yeah.

17 UNIDENTIFIED SPEAKER: Yes, Mr. Chair. That
18 would be great.

19 CHAIRMAN CUTHBERTSON: Okay. We'll do that then.
20 We'll still hold you to three minutes, but we'll allow you to do
21 it right before the item's addressed, so...

22 Okay. With that, our first speaker is Richard
23 Lunt, County Supervisor, Greenlee County.

24 MR. LUNT: Once again, Mr. Chairman, members of
25 the Board, we want to thank you for being here. You know, they

1 say seeing is worth a thousand words, and we do appreciate the
2 long hours that you gentlemen put in serving all of Arizona.

3 One item I'd like to bring up is the importance
4 of 191. You know, there have been rumors, there's been studies
5 about closing 191. For the safety of this county, 191 is very
6 important. It's a very economical driver for us because of
7 hunting. Some of the best elk hunting and deer hunting in the
8 state and -- is in Greenlee County. In fact, our supervisor,
9 you ought to -- if you get a chance, I'm sure he'll show you a
10 picture of the elk he shot in Greenlee County.

11 Also, we appreciate the infrastructure that we
12 have here. We have lots of truck traffic and then workers that
13 unfortunately live outside of our county, and they come every
14 morning and evening. 191 and 75, there's a lot of traffic
15 because of workers coming in and out of the mine.

16 Another thing that's real important to us,
17 Highway 70, I've asked for signage for bicyclists where there's
18 -- we're on a -- now Highway 70 is a national route to cyclists
19 to go cross country. In Greenlee County, we do value cyclists
20 and their safety, and also the safety of the motorists. So
21 anything you could do to help. And that's not a big ticket
22 item. I know that, but I know Bill Harmon, he's -- every time
23 he sees me, he probably lowers his head, and now I talked with
24 Donna.

25 Last of all, Bill, thank you for your service.

1 You have represented us well. We couldn't be prouder of you,
2 and we wish you and Suzanne the best. And like I say, she's
3 making a list and checking it twice. Thank you.

4 CHAIRMAN CUTHBERTSON: Thank you.

5 Peggy Judd, County Supervisor from Cochise
6 County.

7 MS. JUDD: Good morning, Chairman of the Board
8 Cuthbertson, and board -- ADOT board. I appreciate being here
9 this morning. I do have kind of a laundry list, and just to let
10 you know, yesterday -- or Tuesday I talked it over with our
11 county administrator. So I made sure that I got pretty much the
12 representation that -- the issues that we need to take care of
13 in our area.

14 One thing is that our county's looking at passing
15 the hands-free driving ordinance. We have some administrative
16 people that are thinking that it just needs to go to the State,
17 so here I'm bringing it to ADOT. I know you're not exactly
18 responsible for that. We're working with our legislators. But
19 we would love to have your support to bring that to fruition
20 throughout the state.

21 The second is the highway -- many of the weeds
22 have been shredded on our highways, and I appreciate that, but
23 we still have some issues. And the biggest issue right now is
24 tumbleweeds, because they're dried and breaking free, and every
25 time we get wind, traffic really likes to play that game they

1 play with tumbleweeds. Instead of just running them over, they
2 like to swerve around them, and I know that's an issue all
3 throughout, but that -- those need to be concentrated on. There
4 is even some of those on the interstate, and that is a whole
5 different ball game, because people on the interstate aren't
6 necessarily familiar with tumbleweeds.

7 I want to encourage you to help us out with our
8 interstate -- our smaller communities in the eastern part of
9 Cochise County that -- especially the ones on the interstate
10 need signage that -- a different type of signage. They've
11 sometimes got a few little amenities in town, and they're even
12 having a little struggle with getting the highway signs that say
13 gas stations and restaurants, and those are typical throughout
14 the interstate system, but for some reason they're -- they're
15 being -- they're not being addressed in those communities the
16 same way.

17 And then for other signage, we're the wine
18 capital of Arizona now. I hope there's no one in the room
19 disagreeing. Well, not the wine capital, but we do grow more
20 wine grapes than anywhere, and we are starting to grow. New
21 wineries are starting to pop up, and so we're trying to get a
22 sign campaign for the wineries, and that includes signage on the
23 interstates. So we're -- we need you to be considerate of that
24 in industry in our area.

25 And then a road I'm on all the time, Highway 191,

1 again, different portion, near Sunsites. I know you're going to
2 work on that bridge, crossing the railroad tracks right in
3 Cochise. When you get to that, please consider doing a repaving
4 job right near the Pearce/Sunsites community. It's heavily
5 traveled, and a lot of elderly people, and the road is where
6 it's starting to bump you off of it. It's really getting to
7 where they might need to lower the speed limit if they don't do
8 something to that. It's kind of spider webby.

9 And then the last issue that I have been -- had
10 since I started, San Simon School is right on the -- oops. I'm
11 out of time. Anyway, they need a school crossing. I think I've
12 brought it up before, and I will continue to -- we'd like to
13 look into that. Thank you.

14 CHAIRMAN CUTHBERTSON: Okay. Thank You.

15 LeAnne Roy, GIS Supervisor for Navajo Department
16 of Transportation.

17 MS. ROY: Good morning. Thank you for this
18 opportunity.

19 Hello. My name is LeAnne Roy from Navajo
20 Division of Transportation, or Navajo DOT, from Window Rock,
21 Arizona, representing the Navajo Nation and tribal communities
22 in the state of Arizona.

23 The Navajo Nation appreciates ongoing and
24 forthcoming preservations and modernization efforts on the
25 Navajo Nation, though it would like to see increases in those

1 projects through coordination with Navajo DOT. In the next
2 phase of the Navajo Nation, concentrating on ADOT partnership,
3 Navajo DOT would like to pursue a pilot 202(a)(9) agreement with
4 ADOT. The 202(a)(9) agreement are powerful tools that ADOT has
5 already developed with Federal Highway Administration to
6 transfer funds to tribal nation via FHWA's Tribal Transportation
7 Program.

8 While nearly any sort of federal, state or local
9 funding may be transferred via this process, the Nation is
10 interested in administering an ADOT modernization on
11 preservation projects on the reservation. As ADOT said in a
12 July 10th press release, the transfers save ADOT time and
13 resources. We believe that by combining state and tribal
14 resources that the best product will be delivered for the
15 traveling public.

16 Additionally, the increase corporation that's
17 such an undertaking would require and well identify best
18 practices for both parties with respect to planning, design,
19 procurement and construction administration on the reservation.
20 Also, a deep understanding of how Navajo DOT administers FHWA
21 funds. And most importantly, how to maximize investments while
22 supporting tribal sovereignty.

23 Navajo DOT suggests exploring and pursuing the
24 202(a)(9) agreement for school bus pullouts on US Highway 160 in
25 efforts to modernize the State Route 98 near LeChee, Arizona, at

1 the entrance to Antelope Canyon.

2 When ADOT and Navajo team partner effectively, as
3 we imagine these agreements would produce, our citizens and the
4 traveling public yield better results than working in
5 (indiscernible). Again, thank you very much.

6 CHAIRMAN CUTHBERTSON: Thank you.

7 Paul Ward, the Executive Director for the Yuma
8 MPO.

9 MR. WARD: Mr. Chairman, members of the State
10 Transportation Board, thank you for the opportunity for
11 speaking. Going to make it relatively brief this time. I'd
12 love to be able to give a couple of minutes over to someone
13 else, but I guess that's not allowed. Maybe I can reserve it
14 for a future Transportation Board meeting.

15 CHAIRMAN CUTHBERTSON: You'll have to talk to the
16 other...

17 MR. WARD: I'll do some negotiating with Floyd on
18 that one.

19 MR. ROEHRICH: That's not allowed either.

20 MR. WARD: Darn it. Okay. Never mind. I'll
21 pack everything into one small piece then.

22 First of all, we've completed ADOT -- Paul
23 Patane, the Southwest District Engineer, with his crew, they've
24 finished the Araby Road roundabouts very close to I-8. They've
25 done a fantastic job. Worked very well indeed. The only

1 problem that we have right now, and it's not a problem with the
2 roundabouts, per se. It's with some of our winter visitors
3 trying to work out how these things work.

4 From that point of view, at the Rural
5 Transportation Summit that was held in Lake Havasu City, we put
6 out a drone video of that -- of those particular roundabouts
7 during construction or partial construction, one of -- the north
8 one had been completed. The south one was still under
9 construction. I think it may be appropriate to ask ADOT to
10 actually take a closer look, number one, at having a drone video
11 of roundabouts in action as a teaching tool, as perhaps a public
12 service announcement tool. We're going to be looking at doing
13 that indeed at the roundabouts that we have in the Yuma region.

14 From that point of view, and speaking
15 specifically about the roundabouts, as you can probably gather,
16 in the dark, distant past, although I've been in Arizona 30
17 years, in Britain they have a lot of roundabouts, and they work
18 very well indeed.

19 I'm a big -- not a big fan of roundabouts, but
20 the problem that I've been hearing is there are a lot of drivers
21 out there who don't like them, primarily because they don't
22 understand them. And I think ADOT could also do a really good
23 job in taking a look at some of the roundabouts that have been
24 constructed and then giving the numbers, doing the studies,
25 doing the analysis of what sort of accident rates were there

1 prior to the roundabouts being in place, then taking a look at
2 the accident rates since then.

3 And as the general opinion goes, as the general
4 knowledge goes, roundabouts don't necessary reduce the number of
5 accidents, and arguably, they maybe increase the number of
6 accidents, but the accidents are far, far less severe. You have
7 far less deaths. You may have a few more fender benders.
8 People tend to survive those. From that point of view, that's
9 the part about the roundabouts.

10 The next part has -- with regard to the Yuma
11 Metropolitan Planning Organization, we have one major, major
12 project that we're still looking at. It is still the highest
13 priority, US-95 from the city of Yuma, leading up to the Yuma
14 Proving Grounds, the largest proving grounds in the nation. We
15 need to have that widened. It's on consideration for the
16 program coming up, and we would appreciate your support.

17 Since you didn't allow me to carry time, I used
18 it all, sir. Thank you.

19 CHAIRMAN CUTHBERTSON: Okay. Thank you.

20 Ivan Abrams, an attorney and slash railroad buff,
21 speaking for Greenlee County Railroad Engines and -- of the
22 Southwest Weekend.

23 MR. ABRAMS: Well, good morning to the Board and
24 to everyone else and to the very few people who know me. I hope
25 that you won't hold my being an attorney against me. But I am

1 an attorney. I have fallen in love with the county in my role
2 as a contract attorney doing indigent criminal defense here. I
3 live in Tucson, but I spend about half my time in Greenlee
4 County.

5 Along with the economic development office of the
6 county, we, those who love the county, have been looking for
7 attractions to bring people into Greenlee County and the area,
8 and one that we came up with, and this is really the first
9 public notice of a plan, is a railroad fair. That would be a
10 focal area. Railroads are very popular. They're not quite as
11 visible as they used to be, but the freight railroads of America
12 are carrying more freight than ever before, and the railroads in
13 Greenlee County are extremely important as a lifeline to the
14 mine, the railroad being the Arizona Eastern.

15 We believe, and hopefully this will be borne out
16 by some studies we're doing, that a railroad fair would attract
17 tourists into Greenlee County, and then they'll be exposed to
18 the other attractions. People who don't know, for example,
19 about the beauties north of here or the very stark but
20 incredibly beautiful mountains, and Morenci and its mine,
21 Clifton and its history.

22 We think we can bring people in. It wouldn't be
23 simply a railroad fair, but that would be the focal area. There
24 could be a -- for example, many times done, but still
25 attractive, a chili cook-off or some sort of a market, a crafts

1 market.

2 We're aiming for next fall, 2019. Plans are
3 really now being developed. I don't have anything I could
4 present to the Board, but the relevance, I think, to this board
5 meeting is that a railroad fair held down by the old station in
6 Clifton would probably affect traffic, both in possibly blocking
7 it, and also the volume of traffic coming in and out of the
8 county. And those are things we'd want to coordinate with ADOT,
9 and I think it's probably a good time to at least be aware that
10 something might happen. This is a beautiful county. I
11 personally would do just about anything to make it better known
12 to the public in general, and as a railroad buff, a railroad
13 fair seemed a possibility. I hope it works. Thank you.

14 CHAIRMAN CUTHBERTSON: Yeah. Thank you.

15 Akos Kovach, Economic Development Coordinator for
16 Greenlee County.

17 MR. KOVACH: Thank you, Mr. Chairman. Excuse me.

18 First of all, I also wanted to echo the thanks
19 for your leadership the last few years, and you've represented
20 our area so well. It's been -- it's been a very educational
21 experience having you on the board, because it gives a direct
22 contact with what's going on with the State Transportation
23 Board, so thank you.

24 And welcome to all the board members. This is my
25 first time to speak here at a Transportation Board meeting.

1 I've attended meetings before, but only as an observer. Today,
2 because I am the economic development coordinator for the
3 County, I wanted to just kind of bring you up to date on a few
4 things that we have planned, and thank you for this time to
5 share that with you.

6 First of all, as Mr. Abrams just mentioned, you
7 know, we do have a very robust calendar of events coming up for
8 2019, one of them being a railroad weekend. The plan is to
9 bring in engines from all the various railroad companies that
10 are in the Southwest United States, as well as Sonora. We're
11 going to get Ferromex up here, and it should be a pretty
12 interesting weekend. Hopefully we'll have a chili cook-off and
13 a Dutch oven contest at the same time so we can tantalize your
14 taste buds at the same time that we give you some visual
15 stimulation.

16 We also -- and I also wanted to echo Supervisor
17 Lunt's request for signage for the bicyclists on Highway 70.
18 That's a very big issue with us. We do have biking events here
19 in Greenlee County. They're very important to us. Highway 70,
20 as Supervisor Lunt mentioned, is a thoroughfare for a lot of the
21 cross-country cyclists, and so help with that, assistance with
22 that signage would be very appreciated.

23 And then the same goes for Highway 191 north of
24 Morenci, as we go into, you know, Alpine, and then also Highway
25 78, called the Mule Creek Bypass. Both of those are ideal for

1 upcoming or hopefully upcoming races, foot races, as well as
2 cycle events. So those are in the planning stages. We have
3 some really good people very interested in organizing those
4 events.

5 And hopefully, before you leave today, you have a
6 chance to get down to historic Chase Creek. It's been the main
7 street, the main part of this community since the 1880s. Some
8 of those buildings are still there, and they're occupied by, for
9 example, the Greenlee County Historical Society Museum, which is
10 worth the minute or two to go in there. They also have a
11 fabulous gift shop. Probably five or six interesting little
12 gift shops. And that -- my time is up, so thank you for being
13 here.

14 CHAIRMAN CUTHBERTSON: Thank you.

15 Kara Harris, a concerned citizen from Huachuca
16 City.

17 MS. HARRIS: I'm back, guys. I've been following
18 you around since Show Low, and I intend to continue next year.
19 On my own dime, by the way. I'm an Arizona resident. I was
20 born and raised in Tucson, Arizona. My husband was born and
21 raised in Bisbee. We've been married 40 years. He does still
22 kind of like me, even though I tend to annoy him, and he
23 wouldn't like me to go away.

24 Now, my issue is 82. Highway 82 between Nogales
25 and Highway 90. It has become a major commercial route. DPS

1 has even told me there are more issues to damage on the roads,
2 and as a bicyclist -- thanks for bringing up bicycling -- I'm in
3 danger in that mile and a half I have to get to Highway 90. I
4 have 18 inches. Since I came here -- before I came here to Show
5 Low, to your first meeting that I came to, I had been asking in
6 Saint David that they just repair the fissures on that 18 inches
7 in the eastbound lane, and they've done nothing. They put
8 signage up, said they were going to work on the road. They then
9 took the signage down and proceeded to work east of 90 toward
10 Tombstone.

11 The majority of these 18 wheelers don't cross the
12 highway and go on that end of the highway. They're on my end,
13 and they use it to access 90. I think they're coming from
14 Nogales and the port of entry. We've seen an increase of
15 livestock. In fact, when I left at six o'clock this morning,
16 there was a livestock truck turning on -- headed west on 82.

17 I mean, I can't tell you how scary it is as a
18 cyclist to have trucks coming and trucks going. I mean, I hug
19 that 18 inches. I never demand my right to the lane. If
20 there's traffic coming both ways, I try to respect the traffic,
21 because they're bigger than me, and I stay on that part. But
22 honest, the eastbound is bad. All they need to do is fill those
23 cracks, those fissures, so they don't rattle what teeth I have
24 left in my head.

25 And my husband really doesn't want to lose me

1 after 40 years of marriage. We're also raising our
2 eight-year-old great grandchild we adopted. So I'm a mom again.
3 And I really, really, really plead that with the increase of
4 commercial traffic that you put up 82 at least between Nogales
5 and 90 on your map to widen, because the commercial traffic has
6 become bad.

7 And my bedroom, by the way, is on the north -- or
8 the south end of our little trailer, and I can hear them at
9 night coming down the hill. So I know it doesn't stop no matter
10 what part of the day it is, and with it being cold, I've been
11 riding in the afternoon.

12 There are also, like he mentioned, a lot of tour
13 companies that have their cyclists ride from Sonoita to Sierra
14 Vista, and they really cause problems on the road, because
15 unlike me, some of these cyclists demand their ways. I don't.
16 Thank you.

17 CHAIRMAN CUTHBERTSON: Thank you.

18 Atisha Russam. Sorry if I mispronounce your last
19 name, Atisha. Morenci citizen speaking for Humanity Served With
20 a Smile.

21 MS. RUSSAM: Good morning. Thank you for
22 allowing me to speak. I am the lady that was doing coffee out
23 on the byway in Graham County.

24 My concern is for that stretch of highway on 191
25 from Milemarker 130, 131 to 139. You guys were doing some

1 repaving or resurfacing of the road on 70, and then you have
2 that turnoff onto -- it was 71 onto 191. Anyway, you completely
3 skipped that area. You picked up repaving at Milemarker 191 --
4 or 139 through to about 150, somewhere in there.

5 Anyway, my request would be that you guys
6 consider doing something with that stretch of highway. We have
7 lost several people out on that stretch. You've got hundreds of
8 people commuting for the mine. So if there's any way that -- I
9 know that there's -- you're limited in what you can do, but if
10 you can do something, we would appreciate it, even if it's
11 nothing more than, you know, that center line, a rumble strip,
12 more rumble strips on the edges of the road. You know, anything
13 that we could do, we would appreciate it. Thank you.

14 CHAIRMAN CUTHBERTSON: Thank you.

15 Tim Sumner, the Sheriff of Greenlee County.

16 SHERIFF SUMNER: Mr. Chairman, members of the
17 Board, my name is Tim Sumner. I'm the Sheriff of Greenlee
18 County.

19 One of the things I just wanted to address, as
20 you saw, there was the I-10 closures and the rerouting of I-10
21 interstate traffic, the main thoroughfare of the southern part
22 of the United States, and the commerce that comes along through
23 US-70, through Duncan and over into Safford and then back down
24 towards I-10. And particularly, the area that I'm speaking
25 about is 70 from the state line over to the Graham County line

1 for us, because it deals with the county here in Greenlee
2 County, but it does reach out beyond that. It reaches all the
3 way into Lordsburg on 70, and it also -- across the Graham
4 County line into Safford.

5 The reason I'm bringing that up, I've spoke about
6 it a couple times. I've spoken at a couple other public venues
7 on this, and the problem is that the interstate commerce that
8 comes through just -- the volume of it cannot be handled on
9 US-70.

10 I've requested some studies to be done. I know I
11 was recently spoke to by Mr. Harmon through email correspondence
12 about some meetings that are coming up on that to address the
13 studies looking to see if, indeed, US-70 is suitable to hold the
14 interstate traffic that comes through. It is becoming on a
15 semi-regular basis. It's going to be a situation that's going
16 to continue into the future, I've been told, indefinitely.

17 So I think it's something that really needs to be
18 looked at and addressed. And particularly, what I'd request on
19 the Arizona side is that you would reach out to your
20 counterparts in New Mexico, because this is an interstate issue.
21 It's not simply just an Arizona issue on the US-70 side.

22 I believe that we need to reach out also to the
23 New Mexico State Transportation Board, along with the governor
24 on the New Mexico side, and see the counterparts working
25 together, figure out how we can try to solve this issue about

1 the Interstate I-10 getting pushed up on to US-70 with the
2 unsuitable road conditions. I don't believe that the -- well,
3 there's no shoulders that are suitable in that area. Some of
4 the issues that I've brought up with the shoulders and also the
5 actual infrastructure of the road, the base and things
6 themselves.

7 And then the last one is the -- a big public
8 safety concern is right in the town of Duncan, and the school
9 buses from the Duncan Unified School District that have been
10 affected by these school buses -- I particularly -- as the
11 Sheriff, I've followed some school buses, and also our deputies
12 have followed the school buses to shut down the road while
13 they're trying to drop kids off along US-70, about five miles,
14 when the interstate traffic is coming through there with all the
15 semis, and it becomes very problematic.

16 And the last one is that there's another highway
17 that intersects, which is State Route 75, and that is right in
18 the town of Duncan, and that intersection with a simple stop
19 sign, often State Route 75 and a through on US-70 gets very
20 problematic. And I know ADOT has been out there to assist with
21 traffic control when the traffic from the interstate has come
22 through, and so I do appreciate ADOT. They've responded and
23 they've been out there to assist with those things, but this is
24 an issue that needs to be looked for in the future about really
25 how to get US-70 to be suitable to handle the interstate

1 traffic. So thank you.

2 CHAIRMAN CUTHBERTSON: Thank you.

3 Okay. The last two input cards, I believe, are
4 to address one of the contracts. So that's -- here's a card
5 from Sunland Asphalt folks, and also from Fisher Sand & Gravel.
6 So if you would prefer, I will just defer those to right before
7 we actually address that contract.

8 UNIDENTIFIED SPEAKER: That's fine.

9 CHAIRMAN CUTHBERTSON: Okay. All right. We'll
10 do that then.

11 And so now we will -- having worked my way
12 through the stack of cards, we will conclude at least this
13 portion of the call to the audience and move on to Item No. 1,
14 which is the director's report.

15 Floyd, do you have a director's report for us
16 this morning?

17 MR. ROEHRICH: Thank you, Mr. Chair, members of
18 the Board. No.

19 Okay. I better -- in case the director reads
20 these notes... He sends his apologies. Obviously he meant to
21 be here, not only just to recognize, you know, your tenure and
22 the time here, but also to -- because I know he's missed a
23 couple of meetings with some conflicts. Unfortunately, a court
24 date got moved. He's in arbitration this morning, and I do
25 think he'd rather be here than in court, going through the

1 arbitration, but he does send his apologies.

2 CHAIRMAN CUTHBERTSON: Okay. Thank you.

3 So that moves us on to Item No. 2, the district
4 engineer's report. Bill Harmon, the Southwest District
5 Engineer, will provide an update and overview on the issues of
6 regional significance, for information and discussion only.

7 MR. HARMON: Lynn, are my controls here?

8 UNIDENTIFIED SPEAKER: Yes. This is --

9 MR. HARMON: These are mine.

10 UNIDENTIFIED SPEAKER: Yeah. Yeah. This is the
11 one.

12 MR. HARMON: Okay. Chairman Cuthbertson and
13 members of the State Transportation Board, welcome to Greenlee
14 County and Morenci. It's great to have you here. My name is
15 Bill Harmon. I'm the district engineer for the ADOT Southeast
16 District headquartered in Safford.

17 And I would also like to echo your comments and
18 thank Freeport-McMoRan for providing this facility, the great
19 tour yesterday of the Morenci mine, and thank Greenlee County
20 for the dinner and the music yesterday. Listening to that young
21 lady sing *Silent Night*, it was hard to keep the tears back. It
22 really was. That was a very powerful moment, and I think as you
23 saw last night, there's a lot of people in this community who
24 take great pride in the area, and really work hard to bring
25 things together.

1 Just going to go through a few things here.
2 Recently completed projects, we've done quite a bit of work on
3 the San Carlos Apache reservation, safety work. Bylas, it was
4 only a bucket list. We worked for 15 years together on this
5 project, and finally we made it come together, and with the
6 pedestrians and the -- combined with the high speed traffic
7 through there, we've done a lot of safety mitigations, and
8 really pleased with what we've been able to do there with a
9 pedestrian hybrid beacon, sidewalks and raised median, things
10 like that. The San Carlos Apache have been just awesome
11 partners in helping us.

12 The same with the passing lane, which is just
13 completed west of Peridot, and if any of you drove US-70 from
14 Phoenix through Globe to Safford, there's another one I'll point
15 out here in a minute going the other way. And one we recently
16 completed was the chip seal in the Bowie bypass. Small job, but
17 one that's been pending for quite awhile. It helped quite a
18 bit.

19 Projects that are either under construction or
20 are advertised, Greenlee County, the Black Hills, Back Country
21 Byway Section 131 -- 139 to 151 is in progress right now. It
22 knocked off for Christmas, winter break, but it will be back
23 here shortly. That is going on.

24 Two other projects that will be coming up here
25 soon in Safford, Highway 70, 20th Avenue to 8th Street, doing

1 some ADA work. The renewal of the street lighting from the old
2 low pressure sodium to the LED. Interesting that the LED
3 lighting that we'll put in there in Safford will be on a
4 computer controller. While we're in the late night and early
5 morning hours, they will automatically dim to be telescope
6 friendly to the activity on top of Mount Graham with the
7 observatory, but still be bright around the intersections for
8 the pedestrian needs. And then doing some drainage work south
9 of town.

10 Jumping ahead here. Ah, I can do this.

11 Okay. In development locally here, that picture
12 is right in Clifton, Zorilla Street Bridge. That's a project
13 that went to bid, got one -- advertised, got one bidder. It was
14 above the budget, so we backed off of that, and we're -- we are
15 repackaging it. Seeing to adjust the specifications of what
16 we're going to do with the lead paint abatement. In talking to
17 SEAGO and our finance people in Phoenix, looks like we'll be
18 able to advertise that this coming spring sometime.

19 In Thatcher, Church Street widening. They've
20 just completed their utility work. They will launch out in
21 doing that work very soon, as well as Graham County, the
22 roundabout on 8th Avenue/Airport Road intersection.

23 Safford, the 20th Avenue job is -- they've done a
24 lot of work with utilities and right-of-way, but the
25 construction's not programmed yet.

1 Okay. State projects in development. State
2 Route 366, otherwise known as Swift Trail, up on Mount Graham
3 saw some significant damage from the fire last year, and the
4 FHWA emergency repair program is helping us to line up on a lot
5 of work up there and bridge repairs, damaged embankments, scour,
6 removal of hazard trees, those kind of things. What we were not
7 able to do immediately after the fire that were project-level
8 activities that we'll be doing here in the near future.

9 Lets see. US-70, Ramboz Wash. That one is
10 actually not in the Greenlee County area. It's in Gila County,
11 but I point it out because that's my Christmas gift to Gila
12 County.

13 If any of you have driven eastbound on Highway 70
14 past the casino, a few miles east of the casino, there is a
15 passing lane that if you blink, it's gone, and it's an
16 aggravating spot, and a lot of people don't like it. I don't
17 like it. So it is under design right now to reconstruct and
18 extend here in the near future.

19 Then we -- aside from that, we have a lot of
20 maintenance activities, pavement preservation, other spot
21 improvements on the interstate and our secondary routes
22 throughout our district.

23 Okay. All right. Sheriff Sumner, all right, as
24 you pointed out, interstate detours through the communities and
25 off of I-10 are very problematic. They are sporadic. They are

1 random. They're hard to predict, although certain times of the
2 year they are more frequent than others. It can happen any
3 time. Let's say a dust storm. It can be a winter storm. It
4 can be a multi-vehicle collision on I-10 that shuts things down.
5 HAZMAT incidents, those things -- things like that. Dust storms
6 seem to grab a lot of attention, because you know when you're in
7 one. But we've been awarded a planning project to look at the
8 corridor between Safford and New Mexico to inventory needs and
9 develop opportunities that we'll be able to move forward into
10 future projects.

11 That one is one that is an extension of work that
12 we've done. We've been dealing with this issue for decades.
13 We've already done a lot of work, intersection improvements,
14 pull-down signs, developing a relationship with the New Mexico
15 DOT as well as our own Arizona Department of Public Safety and
16 the New Mexico State Police. It's a lot of work, and Sheriff
17 Sumner's a part of that. We're grateful for his leadership and
18 his encouragement for us.

19 As well as in Pima and Thatcher, we're going to
20 undertake some pedestrian safety studies for the school-age kids
21 in those communities.

22 All right. Freeport. Everyone's interested in
23 what's going on here. A lot of construction activity. Two
24 major projects to highlight. The realignment that's under
25 construction right now is building a grade separation to take

1 mine traffic out of highway traffic and -- so they don't
2 interfere with each other. We're looking at completion this
3 coming spring.

4 A larger project that is sort of started right
5 now that the design and construction are somewhat concurrent in
6 parts of it will realign four miles. If any of you are familiar
7 with the old rock tunnel, that will be decommissioned. So if
8 you want to go up there and take a picture of it, you better do
9 it now, because here pretty soon, it will be off the state
10 system.

11 Again, with Freeport's partnership, Freeport
12 funds these activities, and they're significant investments.
13 Major costs that the finished products are always much safer
14 than what we began with. So that partnership has been with us
15 for decades, and we are very appreciative of their efforts to
16 make this corner of the world a better place.

17 Okay. With that, Mr. Cuthbertson, on the left is
18 the old rock tunnel, and on the right is -- that is the new
19 grade separation between the highway and the mine traffic that
20 will be part of the upgrades here in this area. And it's --
21 Mr. Cuthbertson has had a big hand in helping us achieve a lot
22 of these accomplishments, of course, and we were grateful for
23 him, his leadership, and wish him the best.

24 And with that, I know Santa Claus is in a hurry
25 but you still can't plow -- get -- you're not supposed to pass

1 snow plows. But I want to wish everyone happy holidays and that
2 if you are traveling, please be safe.

3 Any questions, Mr. Chair?

4 CHAIRMAN CUTHBERTSON: Board Member Stratton.

5 MR. STRATTON: I wanted to compliment you on the
6 safety improvements in Bylas. That turned out very, very well.
7 As I traveled home last night, I was curious to see how well it
8 would be illuminated, and it's very good. But it did bring to
9 mind a question.

10 To me, as you do these improvements in
11 communities, Bylas, Thatcher, Globe, wherever it may be, and you
12 add the lights for safety reasons, who picks up the monthly
13 bill? Do we or does the local entity?

14 MR. HARMON: So lighting, typically the local
15 community will pay the electric bill for illumination as well as
16 signals.

17 MR. STRATTON: I just noticed a lot of lights
18 there, and I thought --

19 MR. HARMON: And I say that --

20 MR. STRATTON: -- and I've thought (inaudible) --

21 MR. HARMON: Right.

22 MR. STRATTON: (Inaudible.)

23 MR. HARMON: Yes, sir. A lot. Right. Yes, sir.
24 Yeah.

25 MR. STRATTON: (Inaudible.) Thank you.

1 CHAIRMAN CUTHBERTSON: That's a good question.
2 Okay.

3 MR. HARMON: Thank you.

4 CHAIRMAN CUTHBERTSON: Thank you, Mr. Harmon.
5 Okay. We'll move on to Item 3 on the agenda.

6 The Board will consider items included in the consent agenda for
7 information and possible action.

8 Board members, were there any items in the
9 consent agenda that you would like pulled for individual
10 discussion?

11 Hearing none, is there a motion to approve the
12 consent agenda as presented.

13 VICE CHAIR SELLERS: So moved.

14 CHAIRMAN CUTHBERTSON: Moved by Chairman -- Vice
15 Chair Jack Sellers. Seconded by Board Member Stratton.

16 Any discussion? Hearing none, all in favor
17 indicate by saying aye.

18 BOARD MEMBERS: Aye.

19 CHAIRMAN CUTHBERTSON: All opposed, say nay.
20 Ayes have it, motion passes.

21 We'll move on to Item 4 on the agenda, the
22 legislative report. Floyd will provide us the legislative
23 report for information and discussion only.

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

25 At the state level, obviously we're waiting for

1 the Legislature to kick off in January. The Governor's working
2 on a state of the state, and he's preparing his legislative
3 agenda, and we're working very closely with him to make sure
4 that we can include as much transportation issues in there as
5 possible.

6 But in the meantime, the big issue I guess we're
7 kind of still dealing with is, and the Legislature already
8 identified, is the public safety fee and how that discussion
9 might come in on this session and how much that will be debated
10 either through the Legislature and in conjunction with the
11 Governor's staff. So we're continuing to monitor that, and
12 obviously we will have a role in whatever their final decisions
13 are made in addressing that issue and continuing to move forward
14 with that issue. That's kind of it at the state level.

15 At the federal level, a couple of things just to
16 identify. We have been pursuing a BUILD grant. That's one of
17 the federal grants that was included in the last highway bill,
18 and unfortunately, we were not able to get that grant. We had
19 hoped to be able to use some of that funding to help with the
20 Interstate 17 work. But Arizona was successful in getting a
21 grant into the state for the Verde connection up in Yavapai
22 County. It's a 1.7-mile road, a bridge crossing at the Verde
23 River, just adjacent to, and it ties into State Route 260. So
24 Yavapai County submitted that. They were selected.
25 Unfortunately, ADOT did not -- that's the only BUILD grant that

1 was successful within the state.

2 A couple of things. We've got obviously two new
3 senators starting. Senator Sinema is selected to be part of the
4 Senate Commerce Committee as well as Homeland Security
5 Committee. She has in the past been a very strong advocate for
6 transportation as well. We've already had discussions with her
7 staff to continue to bring transportation issues forward that
8 she will champion.

9 And as well, the Governor has appointed
10 Representative Martha McSally -- former Representative Martha
11 McSally to be the Senator that fills the position that Kyl had
12 filled, and he will leave at the end of this year. So she will
13 move forward with that. And as well, we've had many
14 conversations with her in the past, and transportation was an
15 issue she was very keen on. So we feel very strong on the
16 Senate side. We've got two senators that are moving forward
17 that have an interest in transportation that will be champions
18 for us.

19 The last item, obviously, is the big item
20 everybody's talking about, is will the government shut down over
21 the spending bills that are currently being debated. Yesterday
22 the House did pass a bill that included \$5.7 billion for a wall
23 construction that the President asked for. It went to the
24 Senate. This morning, I've been checking my emails just to see
25 if we got any update from our legislative people. The last

1 update they gave me about an hour and a half ago was this
2 morning the Senate was to meet and go ahead and vote on that
3 spending bill and see if it passes. Then it will go to the
4 President. If it doesn't pass, and they were not sure where
5 they stood with the total votes, then they'll have to work from
6 there.

7 So right now, the shutdown is scheduled to happen
8 at midnight, and I see a couple of our federal partners are
9 here, the FHWA administrator and deputy administrator. So you
10 guys better get home before midnight or you might be stuck --
11 you know, pull you off travel, right? You don't want that. So
12 if you need a ride, let us know. We'll get you back to Phoenix.
13 We want to make sure you get home.

14 But obviously, that's got to play itself out, and
15 whatever happens, if it's a short-term, you know, they can work
16 through this if it's just a matter of a few days. Obviously, we
17 have the ability to work very closely with our partners to keep
18 our program going. If it's a long-term -- and who knows what
19 long term might be. I have no idea -- we'll just have to
20 monitor and work very closely with Ms. Petty and her staff, and
21 we've always worked very good together here in the State to
22 address those issues. So we'll let Washington, D.C. figure
23 itself out, and we'll just have to react from there.

24 With that, Mr. Chair and board members, that's
25 the end of the legislative report.

1 CHAIRMAN CUTHBERTSON: Okay. Comments or
2 questions from Board Members?

3 Board Member Hammond.

4 MR. HAMMOND: Floyd, how much was that federal
5 grand for Yavapai County? Do you know?

6 MR. HAMMIT: 25.

7 UNIDENTIFIED SPEAKER: 25 million.

8 MR. ROEHRICH: Thank you, Mr. Chair, Mr. Hammond.
9 It's 25 million. And I want to recognize the state engineer who
10 identified that. I did not remember that off the top of my
11 head. So thank you.

12 CHAIRMAN CUTHBERTSON: Questions or comments?

13 Okay. We'll move to --

14 MR. THOMPSON: Chairman.

15 CHAIRMAN CUTHBERTSON: Yeah. Board Member
16 Thompson.

17 MR. THOMPSON: Floyd, if there's a shutdown that
18 happens tonight, how much would that impact -- I know that
19 (inaudible) Federal Highway (inaudible), but how about in
20 particular on our side of it, working with other partners?

21 MR. ROEHRICH: Mr. Chair, Mr. Thompson,
22 initially, like I said, if it's a short-term, we don't think it
23 will have an impact. We'll keep our projects going, because we
24 have the cash reserve that the CFO, Kristine Ward, has. That
25 will help make sure that we keep builds going.

1 But if it does extend out a longer period of
2 time -- and I can't tell you does that mean weeks or -- you
3 know, is it one week, two weeks or is it longer? At some point,
4 though, we will not have enough cash reserve to continue to make
5 payments. Then we have to start looking at how do we either
6 stop projects, slow down projects or prioritize what we continue
7 to move forward with.

8 And there's been guidance that has been presented
9 before from the Federal Highway Administration. We've worked
10 closely, as I said, with Ms. Petty with her staff on those
11 issues. All that will be discussed. If it's a short-term, a
12 few days into next week type of thing and they can get it
13 resolved, we don't see much of an impact. If it ends up
14 becoming a few weeks or longer, it definitely will have an
15 impact, and we will have to address that.

16 MR. THOMPSON: Thank you.

17 CHAIRMAN CUTHBERTSON: Okay. Thank you.

18 We'll move on to Item 5. I don't see Ms. Ward
19 here today, so Floyd, are you handling the financial report as
20 well?

21 MR. ROEHRICH: Mr. Chair, I am now. So --
22 actually, I'm just being funny. She did yesterday come to me
23 and say, "Floyd, I really need your help." She has an issue.
24 And she does send her apologies as well. I know,
25 Mr. Cuthbertson, if she was here, she would have definitely

1 expressed her thanks of working with you, because it was always
2 a pleasure. But something has come up that was of a personal
3 nature that it was very difficult for her to be here. I said,
4 "You know, please, Kristine, don't worry about it. I'll come
5 take care of it."

6 So I do want to -- just a couple of points that
7 she did want to point out that if you look at it, she was very
8 pleased. If you will look at the HURF collections for the past
9 couple of months. Specifically it was in the use fuel diesel
10 tax. But as they started to dig into those numbers, what they
11 were finding is some irregularities that she thinks either there
12 might be some issues with what was reported or people are
13 getting caught up by -- have not been reporting enough, and so
14 they're trying to get either caught up or get things corrected.

15 So she goes, "My concern is people will look at
16 that and say, 'Hey, revenues are up. We're going to have extra
17 money. Let's start thinking about it'." And obviously, two
18 months or a month plus isn't enough information to say it's --
19 it will be sustained, but what she's hoping is that in January's
20 board meeting, she'll have had a chance to really dig into that,
21 talk with industry, do some more research to understand. Do we
22 think we're going to see a big increase in usage, and that that
23 will be sustained, or is it just over this short period of time?
24 And then as it balances out, then the rest of the year, she'll
25 be back within forecast. So obviously she wanted to make sure

1 to point out it looks good, but she wanted to make reservations
2 before anybody starts spending money that she may not have in
3 the till. Other than that, that's kind of the HURF status.

4 RARF status, as you can see, she's right on her
5 forecast. That means the program is maintaining exactly where
6 it's at. Doesn't see any impact with delivering the existing
7 program, if you will, but does not see a lot of growth where
8 again, you'll be expanding the availability of funds within the
9 Maricopa metropolitan urban area where the RARF funds go.

10 And at the federal level, obviously we've talked
11 about shutdown. That's the big point she just wanted to make.
12 A short-term shut down, she's got cash reserve. We'll keep
13 projects going. Even she was not fully confident in what short
14 or long-term means. We have to see what comes out from
15 Washington, D.C.

16 She's already started putting in those -- some
17 contingency plans if it ends up exceeding the period of time
18 where she feels cash flow becomes an issue, and as we've said
19 before, we've been through this drill a few times. She's
20 already started her team working on it, and we'll be monitoring
21 that closely. If between now and the next board meeting
22 something significant does come up, we'll be -- make sure to
23 send a notice out to all the board members so you're aware of
24 any further developments on this issue.

25 With that, that's the end of the financial

1 report.

2 VICE CHAIR SELLERS: Mr. Chair.

3 CHAIRMAN CUTHBERTSON: Vice Chair Sellers.

4 VICE CHAIR SELLERS: Yeah. Floyd, and maybe it's
5 too early to know this, but the vehicle license tax revenues
6 grew by 8 percent. Do we think that was people renewing early
7 to avoid the increase?

8 MR. ROEHRICH: Mr. Chair, Mr. Sellers, that's
9 what she thinks, actually. Absolutely. When they started
10 seeing a lot more discussion in the media on that tax and that
11 additional fee -- wow, can I strike "tax" from the record? That
12 fee. Woo. So I just --

13 VICE CHAIR SELLERS: (Inaudible.)

14 MR. ROEHRICH: It was an additional public safety
15 fee. We -- she did see a spike, and the -- and Motor Vehicle
16 Division as well saw the spike and had brought it up in our
17 leadership meeting. So we think that a lot of that contributed
18 to that.

19 VICE CHAIR SELLERS: Thank you.

20 MR. ROEHRICH: It's a public safety fee.

21 CHAIRMAN CUTHBERTSON: Board Member Stratton.

22 MR. STRATTON: If this -- if there were a
23 shutdown and it were -- if it did happen to be for any length of
24 time (inaudible) my request would be that we watch the Airport
25 Fund Very closely due to the sensitivity that we've had in the

1 past (inaudible) that we make sure that the sponsors don't get
2 in trouble with those, and we work with those people very
3 closely.

4 MR. ROEHRICH: Mr. Chair, Mr. Stratton, that's an
5 excellent comment. Absolutely. And I'll make sure to point
6 that out when we get back to our staff. They're looking at it
7 as well. We tend to talk a lot more on the highway program, but
8 you're right, the aviation program as well is susceptible to
9 that.

10 CHAIRMAN CUTHBERTSON: Okay. Other comments?
11 Okay.

12 MR. ROEHRICH: Thank you.

13 CHAIRMAN CUTHBERTSON: Thank you, Floyd.

14 Move on to Item 6, Multimodal Planning Division
15 report. Greg Byres, the Division Director for Multimodal
16 Planning, will present an update on the current planning
17 activities pursuant to ARS §28-506 for information and
18 discussion only.

19 MR. BYRES: Thank you, Mr. Chairman, Board
20 members.

21 I just want to kind of give you a quick update on
22 where we're at with our current program. So what we've done is
23 -- and I'm -- yeah. We've got -- where we're at right now is
24 we've completed our P2P, which is the planning-to-programming
25 process, which took and prioritized all of the projects that

1 have come into MPD, and we utilize that list to take and put
2 projects into our program. So that has been completed. All of
3 those projects have been prioritized. So currently, what we're
4 doing is going through the different prioritizations. So that
5 includes our pavement preservation, the bridge preservation,
6 modernization projects that we're trying to get through.

7 So at this point in time, we're going through all
8 of those. It's kind of a long, drawn-out process trying to
9 figure out where the funding can go, how each one of these
10 projects is related. One of the other big things that we're
11 doing is at this point in time we're taking those -- the upper
12 20 to 30 projects, and we're going through and doing our
13 planning-level scoping, which will set the true scope as well as
14 costs for each one of these projects so that when they do make
15 it into the program, we have a real scope, we have a real budget
16 to go from as they go through the rest of the program and go
17 into construction. So again, that's part of the cost validation
18 of all of the projects that are coming into the program.

19 One of the other things that we're doing is the
20 projects that are in the current program, because we've seen
21 this variability in construction costs, we're going back,
22 looking at every single project that is in the current program,
23 and putting together a current cost associated with it to make
24 sure that as we put this new program out, we don't have a
25 discrepancy between those costs of -- those project costs and

1 what's really coming out for bid. So we're trying to account
2 for all those discrepancies.

3 One of the other things we're doing is
4 prioritizing each of those program projects so that in case
5 there's a need for moving projects around, we have a true
6 prioritization of each one of those program projects. Now, this
7 prioritization is a little different than our P2P process, which
8 is based on need. This is more of an economic analysis that
9 we're doing for prioritization so that we are a true big -- what
10 we're looking for is trying to get the biggest bang for the
11 buck. So making sure that the projects that are in the program
12 are giving us the most efficient, most effective use of our
13 dollars. So that's a big part that we're trying to do.

14 We're also working on the subprogram budget
15 amounts, going through each one of the different subprograms and
16 making sure that the budgets are set so that they're utilized
17 properly, and that's pretty much what we're -- where we're at
18 right now. We're trying to get all of this -- we have tons of
19 information, but we're trying to get together before next month
20 so that -- for the workshop so that we've got all of our ducks
21 in a row to present to all of you with recommendations.

22 So with that, that's all I have for my report.

23 CHAIRMAN CUTHBERTSON: Any questions?

24 UNIDENTIFIED SPEAKER: I have a question.

25 CHAIRMAN CUTHBERTSON: Yeah.

1 UNIDENTIFIED SPEAKER: Greg, I think this has
2 been addressed before, but I'm just curious. I mean, for
3 example, let's say the greatest need is I-17. It takes the
4 entire budget. Obviously you're not going to spend everything
5 on I-17, because you're going to spend money on other projects.

6 How do you take these smaller projects and like
7 50,000, 100, 150,000, even though there may be higher
8 priorities, it's a big impact to smaller communities, and do you
9 have a way to move those into the budget regardless of how they
10 prioritize in the big picture?

11 MR. BYRES: The short question is yes, we do have
12 a means of doing that, but there is a real strong balancing act
13 in trying to get that done. And so in our recommendations that
14 we will -- we'll give to this board, that's exactly what we're
15 doing. We're trying to balance what we can. Again, we could
16 use up a huge amount of our budget in one shot. So we're
17 looking at those particular projects and how those projects can
18 be broken up or phased out over years so that we're not using up
19 100 percent of our budget in a single year on one project. So
20 that is a huge consideration of what we're doing.

21 UNIDENTIFIED SPEAKER: That's more subjective
22 than objective, though.

23 MR. BYRES: Correct. Right.

24 CHAIRMAN CUTHBERTSON: Okay. Other questions?

25 Okay. Excuse me. We'll move on to Item 7. Greg

1 will present recommended PPAC actions, including consideration
2 of changes to the 2019-2023 Statewide Transportation Program for
3 discussion and possible action.

4 MR. BYRES: Thank you, Mr. Chairman, board
5 members. The PPAC committee brings forth to you for
6 consideration with a recommendation for approval -- we have
7 seven projects for modification, seven new projects on the
8 highway side. So I'd like to start off with the project
9 modifications, which are Projects 7A through 7G, with a
10 recommendation for approval.

11 CHAIRMAN CUTHBERTSON: Okay. Board members have
12 had a chance to look at those. Are there any questions?

13 Do I have a motion to accept and approve project
14 modifications to Items 7A through 7G as presented?

15 MR. STRATTON: So moved.

16 MR. THOMPSON: Second.

17 CHAIRMAN CUTHBERTSON: Moved by Board Member
18 Stratton, seconded by Board Member Thompson. Discussion?

19 Hearing none, all those in favor, indicate by
20 saying aye.

21 BOARD MEMBERS: Aye.

22 CHAIRMAN CUTHBERTSON: Opposed, nay? The ayes
23 have it. The motion passes.

24 MR. BYRES: Thank you, Mr. Chairman.

25 The next items are the new projects, which are

1 Items 7H through 7N. I have -- I do have one comment on Item
2 7N. The JPA was approved since -- by the City of Nogales City
3 Council, which was on December 12th, which occurred after PPAC
4 had met, but it is -- has been completed. And with that, again,
5 7H through 7N comes to you with a recommendation of approval
6 from ADOT.

7 CHAIRMAN CUTHBERTSON: Questions?

8 MR. KNIGHT: Mr. Chair.

9 VICE CHAIR SELLERS: Board Member Knight.

10 MR. KNIGHT: Just one question. There are new
11 projects (Inaudible). That means they were not formally in the
12 program. (Inaudible) moved up.

13 MR. BYRES: That's exactly right. Some of these
14 -- that's exactly right. Some of these projects are moving up
15 in the year, and that's why we're taking -- presenting them.
16 Some of them -- we have one project that is actually being --
17 coming out through private funding, but in this particular case,
18 it's a new project, because we're administering the construction
19 contract. So it's coming forth that way.

20 CHAIRMAN CUTHBERTSON: Okay. Further questions?

21 Hearing none, do I have a motion to accept and
22 approve new project Items 7H through 7N as presented?

23 MR. ELTERS: So moved.

24 MR. KNIGHT: Second.

25 CHAIRMAN CUTHBERTSON: Moved by Board Member

1 Elters, seconded by Board Member Knight. Any discussion?

2 Hearing none, all in favor indicate by saying
3 aye.

4 BOARD MEMBERS: Aye.

5 CHAIRMAN CUTHBERTSON: Opposed, nay? Ayes have
6 it. The motion passes.

7 MR. BYRES: Thank you, Mr. Chairman.

8 The next item is Item 70, which is the Big Sandy
9 Airport in Kingman, Arizona. As per Statute §28-8205, the Board
10 has to approve any new airports. So this came through our PPAC
11 meeting, but it came through that meeting just for information
12 purposes. PPAC didn't have an action on this, but the Board
13 does.

14 We do recommend that this airport be approved.
15 They have gone through FAA and gotten -- I'm not going to call
16 it an approval, but they have no issues with it. So it's a
17 privately-funded airport that will not be eligible for any
18 funding through the aeronautics division. I just want to make
19 that clear. So with that, again, there's a recommendation to
20 approve this airport.

21 CHAIRMAN CUTHBERTSON: Questions from board
22 members?

23 Hearing none, do I have a motion to accept and
24 approve airport project Items 70 through 7U as presented?

25 MR. KNIGHT: So moved.

1 MR. ELTERS: Second. Second.

2 MR. ROEHRICH: Excuse me. Mr. Chair.

3 MR. BYRES: Yes.

4 MR. ROEHRICH: Greg, didn't you just -- he just
5 presented Item O.

6 UNIDENTIFIED SPEAKER: Yeah.

7 MR. ROEHRICH: So the motion would be just to
8 approved Item O, the new airport.

9 CHAIRMAN CUTHBERTSON: Okay.

10 MR. ROEHRICH: Not all the aviation items, right?
11 Isn't that how --

12 MR. BYRES: That is correct. It is only 70.
13 Okay.

14 MR. ROEHRICH: Sorry. Sorry, Mr. Chair.

15 CHAIRMAN CUTHBERTSON: So I retract that. Let's
16 rephrase that motion.

17 UNIDENTIFIED SPEAKER: So moved.

18 CHAIRMAN CUTHBERTSON: So --

19 MR. KNIGHT: (Inaudible.)

20 MR. ELTERS: Second.

21 CHAIRMAN CUTHBERTSON: So we have a motion to
22 accept and approve airport project new Item 70 as presented.
23 Moved by Board Member Knight, seconded by Board Member Elters.
24 Any discussion?

25 All those in favor indicate by saying aye.

1 BOARD MEMBERS: Aye.

2 CHAIRMAN CUTHBERTSON: Opposed, nay? Ayes have
3 it. Motion passes.

4 MR. BYRES: Thank you, Mr. Chairman.

5 The last item that we have is Items 7P through
6 7V. These are new airports that are being added through the
7 Aeronautics Fund. I'd like to just mention that the reason we
8 have new projects that are being added to the program is that
9 the Aeronautics Fund is actually pretty strong right now. One
10 of the big changes that we've made in our approaches is keeping
11 that fund drawn down as far as we can at all times so that we
12 can avoid any potential sweeps. So we have projects prioritized
13 that hadn't made it into the program prior. We're moving those
14 projects up, and so that's what you're seeing here with these
15 new projects. So...

16 CHAIRMAN CUTHBERTSON: Okay.

17 MR. BYRES: And again, this comes to you with a
18 recommendation for approval.

19 CHAIRMAN CUTHBERTSON: Okay. Let me just
20 clarify. I thought I heard you say 7V, and we don't have a V.
21 We have a U. Is it 7U?

22 MS. PRIANO: 7P through 7U.

23 CHAIRMAN CUTHBERTSON: 7P through 7U. I don't
24 have a V on our package.

25 MR. BYRES: (Inaudible.)

1 MR. ROEHRICH: You only show U up there.

2 MR. BYRES: Oh, U. I'm sorry. It's U.

3 CHAIRMAN CUTHBERTSON: Okay. The V looks like a
4 U.

5 MR. BYRES: I'm going one past it. Sorry.
6 Excuse me. It should be 7U.

7 CHAIRMAN CUTHBERTSON: Okay. Okay. Good. Any
8 questions?

9 Hearing none, do I have a motion to accept and
10 approve April project items 7P through 7U as presented?

11 VICE CHAIR SELLERS: So moved.

12 MR. KNIGHT: Second.

13 CHAIRMAN CUTHBERTSON: Moved by Vice Chair
14 Sellers, seconded by Board Member Knight. Any discussion?

15 All those in favor indicate by saying aye.

16 BOARD MEMBERS: Aye.

17 CHAIRMAN CUTHBERTSON: Opposed, nay? Ayes have
18 it. The motion passes.

19 MR. BYRES: Thank you.

20 MR. STRATTON: I do have a question, Mr. Chair.

21 CHAIRMAN CUTHBERTSON: Yes. Board Member
22 Stratton.

23 MR. STRATTON: Will these funds be brought down
24 before the Legislature meets.

25 MR. BYRES: No, they will not. These funds will

1 -- what we're doing is approving this project. All of these
2 projects have actually already been through -- these are FLS
3 projects, federal, state, local projects. So they've already
4 been bid out and have been appropriated by FAA.

5 MR. STRATTON: But the money will be committed
6 (inaudible)?

7 MR. BYRES: Correct.

8 MR. STRATTON: Okay. Thank you.

9 MR. BYRES: So there will be an obligation for
10 them. So yes.

11 MR. STRATTON: (Inaudible.)

12 CHAIRMAN CUTHBERTSON: Okay. All right. Good
13 question.

14 Okay. We'll move on to Item 8, State Engineer's
15 Report. Dallas Hammit, Deputy Director of Transportation and
16 State Engineer will present the report showing the status of
17 highway projects under construction for information and
18 discussion only.

19 MR. HAMMIT: Lynn, can you help me out here?

20 UNIDENTIFIED SPEAKER: I'm sorry. Sorry about
21 that. I apologize.

22 MR. HAMMIT: No problem. I had a clicker, but I
23 couldn't control the other.

24 Thank you, Mr. Chairman.

25 Currently we have 96 projects under construction

1 totaling approximately \$1.6 billion. Ten projects were
2 finalized in November, totaling 22.6 million, and year to date,
3 we have 44 projects. And a lot of it's with the districts.

4 I want to go back to a question Mr. Hammond just
5 asked on those smaller projects with -- in the program. One of
6 the things that we are recommending this year is -- when I was a
7 district engineer and Mr. Elters was a district engineer, we had
8 a minor -- district minor program that the districts chose
9 projects that worked. Because of some challenges we had in our
10 program, we went to -- we took that money and had a minor
11 program, which was competitive throughout the state.

12 So not every district had a set amount. We are
13 recommending to go back to a system where the districts will
14 have -- they will still prioritize within their districts, but
15 we are looking to move back towards that with a minor program,
16 and that will help a lot with those small projects that you
17 mentioned.

18 Currently, you can see here this is a breakdown
19 of our different districts and the projects going on, and of
20 course, our biggest project is the South Mountain 202 project,
21 which it's moving along pretty well.

22 That's all I had for the state engineer's report,
23 Mr. Chair.

24 CHAIRMAN CUTHBERTSON: Questions or comments to
25 Dallas?

1 Board Member Elters.

2 MR. ELTERS: Just a comment.

3 CHAIRMAN CUTHBERTSON: Yeah.

4 MR. ELTERS: Just A comment. No question.

5 (Inaudible) district fund that Mr. Hammond just
6 mentioned. That's a great idea. For my part, I really
7 understand it and support it. It's a great tool to allow the
8 district engineers to work with the community to resolve those
9 challenging issues that aren't big projects but are as
10 important, and it truly fosters partnerships in communities
11 (inaudible). So to that end, I just applaud your thought
12 process, your effort, and I hope (inaudible).

13 CHAIRMAN CUTHBERTSON: Thank you. Good comment.
14 Okay. We're ready for -- we're ready for Item 9,
15 construction contracts.

16 MR. HAMMIT: Mr. Chairman, thank you for -- in
17 the consent agenda awarding the four projects. I would really
18 like to say, hey, we've seen our prices leveling off and getting
19 better because we have more in the consent agenda. Really, we
20 just had an opportunity to catch up on our estimating. The
21 prices, we're still seeing higher prices, but we've had time and
22 our estimates have caught up. Prices have not come down to meet
23 our budgets. So I wanted to point that out.

24 We had watched the trends, have adjusted our
25 estimates to meet where trends are, and we're getting closer to

1 estimating, but prices are still going up within the industry.
2 And we have three projects that we need to discuss a little more
3 as actions.

4 With that, Mr. Chairman, let's see. Oops. Item
5 9A. This is a local project in the city of Prescott. On the
6 project, the low bid was \$499,993. The State's estimate was
7 \$341,374. It was over the State's estimate by \$158,619, or 46.5
8 percent. In talking to the local community, the request has
9 been to reject all bids. They will repackage to something more
10 within their budget and re-advertise. So the recommendation is
11 reject all bids.

12 CHAIRMAN CUTHBERTSON: Okay. Questions from the
13 board members? Okay. Hearing none, do I have a motion to
14 accept and approve staff's recommendation to reject all bids on
15 Item 9A as presented?

16 MR. KNIGHT: So moved.

17 MR. HAMMOND: Second.

18 CHAIRMAN CUTHBERTSON: Moved by Board Member
19 Knight, seconded by Board Member Hammond. Discussion?

20 Hearing none, all in favor indicate by saying
21 aye.

22 BOARD MEMBERS: Aye.

23 CHAIRMAN CUTHBERTSON: Opposed, nay? The ayes
24 have it. The motion passes.

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

1 On the next item, Item 9B is a project on
2 interstate 10, Fairway Drive project. On this project, the low
3 bid was \$20,807,745. The State's estimate was \$17,770,463. It
4 was over the State's estimate by \$3,037,282, or 17.1 percent.
5 And Mr. Chairman, I believe you'd set aside some time for others
6 to talk on this item.

7 CHAIRMAN CUTHBERTSON: Yes. Yes. Yeah. Being
8 as we've had a couple months, board members, to look at this,
9 and there's some discussion on this item still. I will go ahead
10 and invite the last couple speakers in the call to the audience
11 to come up and address the Board one last time on this, and
12 you'll have three minutes to discuss, and then we'll go back to
13 Dallas.

14 So the first, Jack Sestak and Robert Ross, I
15 believe it is, and/or Robert Ross, counsel for Sunland Asphalt
16 and Construction. I apologize if I mispronounced your name.

17 MR. ROOS: Thank you, Mr. Chairman, members of
18 the Board. I'm Robert Roos from Lewis, Roca, Rothgerber,
19 Christie, and I'm counsel for Sunland Asphalt and Construction
20 and Mr. Sestak is co-counsel. He's with me here today.

21 This is a project where ADOT has followed all of
22 its rules, and Sunland properly was prequalified before the bid.
23 There was free and open competition. Six contractors submitted
24 bids, and Sunland was found to be the lowest bidder, and ADOT
25 has recommended award. Sunland fully supports the

1 recommendation or the -- the recommendation from staff.

2 And under the circumstances, there's no reason
3 for the Board not to follow staff's recommendation.

4 Importantly, an award to Sunland will save the State over a
5 million dollars. Second, the award would be in full accordance
6 with the bid documents, all of ADOT's rules, and the standard
7 specifications.

8 Now, with respect to prequalification, the
9 prequalification rules establish very broadly a prequalification
10 board, and establish written criteria for a determination of
11 prequalification.

12 Sunland went through that prequalification
13 process on two separate occasions. They filed an application at
14 the beginning of the year, and they were properly prequalified
15 for a variety of different types of work, and well over the
16 amount of money identified for this project.

17 And then Sunland did what ADOT wants contractors
18 to do. It observed what projects were being bid, what projects
19 it was well qualified to perform, and when it saw this project,
20 it approached ADOT and asked for and submitted a job-by-job
21 request. It found that it was uniquely suited for the job, and
22 it submitted a bid.

23 And this is not a new application. Sunland was
24 already prequalified. It requested for this job only, and ADOT
25 granted that request based on the additional information that

1 Sunland submitted to the prequalification board. Importantly,
2 there's nothing in the prequalification rules or otherwise that
3 prohibit ADOT and the prequalification board from proceeding as
4 it did.

5 First, following the procedures that were
6 followed here maximizes competition. It encourages contractors
7 to participate, to look for work like this, and to give the
8 State sort of the best value for their money.

9 I might just say it's a well-known process, and
10 it was followed here. It's been followed for 20 years, and 20
11 contractors at least over the last two years have followed this
12 process. Thank you.

13 CHAIRMAN CUTHBERTSON: Thank you.

14 I'll invite Tim Priebe, legal counsel for Fisher
15 Sand & Gravel.

16 MR. PRIEBE: Mr. Chairman, board members, first I
17 want to thank you again. I think this is the fourth meeting
18 that this issue has been addressed. I've been at three of them.
19 And I anticipate that when you look at your agenda and you
20 circle this one, it's not the one you really look forward to,
21 but I have to say this board has been professional and given us
22 a great deal of time and read our material. So that's all we
23 can ask for. We really appreciate that.

24 Clearly, I think with everything being talked
25 about and all the written materials, there are issues with the

1 prequalification rules for ADOT. I don't know that anybody can
2 seriously dispute that. If nothing else, this protest has
3 brought to light that there are issues with the
4 prequalification. There are issues with the rules and the
5 procedures. ADOT is not treating all contractors the same.
6 They have gotten into picking winners and losers on these
7 projects.

8 If you remember at the last meeting, Mr. Acosta
9 stood up and said this board should not be involved in
10 prequalification, and we don't dispute that. This board should
11 be able to rely on what ADOT says, be comfortable the process is
12 fair, be comfortable they've done their due diligence, and then
13 you can go with the recommendation. But I don't think the Board
14 should have confidence in that process.

15 The other thing that I've been thinking about is
16 as a board member, I anticipate that you have to respond to
17 questions from the general public. If you grant this award on
18 one of the most heavily traveled roads in the state of Arizona
19 with bridges, with retaining walls, a complicated project, and
20 from all the information we have, Sunland has never done a job
21 by this -- like this. So if there's an accident, if they run
22 over money, if they don't construct it properly, there's going
23 to be questions about the qualifications of this contractor to
24 do the job.

25 We don't have anything against Sunland. We just

1 want them to follow the same rules that we do. In your board
2 policy says that you need to ensure there's no discrimination
3 amongst contractors. If you approve the award to Sunland today,
4 what you're doing are a couple of things. You're saying there's
5 no discrimination in the award, and you're being complicit in
6 agreeing that it's okay to pick winners and losers in this
7 process.

8 So in closing, Fisher would love to do this job.
9 It's a job that fits us well. We've been fully prequalified.
10 One of the things Mr. Roos said, there were six other
11 contractors bid. Every contractor other than Sunland was
12 prequalified through the normal process, we're fully qualified
13 to do this. They are the only one that did the job-by-job.

14 But if you choose not to award it to Fisher,
15 we'll respect that decision. This is a quality board. But we
16 think you should at minimum send it back to ADOT. It's their
17 issue. It shouldn't be your issue. You shouldn't be involved
18 with this. So I would urge you to either reject the bids or not
19 follow the recommendation of ADOT to award it to Sunland. So
20 again, I appreciate your time. Thank you very much.

21 CHAIRMAN CUTHBERTSON: Okay. Dallas, you have
22 any other comments you'd like to make?

23 MR. HAMMIT: Not on the protest.

24 I did have some reasons, justifications for the
25 current price. As we did review the bid, we did see that prices

1 were higher, mainly in the borrow area, the portland cement
2 pavement and the asphalt binder. In reviewing those bids,
3 though, the department has reviewed the bid and believes it is a
4 reasonable and responsive bid and recommends award to Sunland
5 Asphalt and Construction, Inc.

6 CHAIRMAN CUTHBERTSON: Okay. Thank you.

7 Questions or comments by board members?

8 MR. KNIGHT: Mr. Chair.

9 CHAIRMAN CUTHBERTSON: Board Member Knight.

10 MR. KNIGHT: Just for clarification. The money
11 to pay for this, it says 100 percent stay. Is it MAG money or
12 is it -- is this coming out of the five-year plan funds or...

13 MR. HAMMIT: Mr. Chairman, Mr. Knight, this is
14 regional freeway funds. So it is not federal funds, but it's
15 from the half cent sales tax from Maricopa County's. So it is
16 regional freeway funds. It is not from the HURF funds, from the
17 State funds.

18 MR. KNIGHT: So it's not going to affect our
19 five-year plan (inaudible)?

20 MR. HAMMIT: Mr. Chair, Mr. Knight, those funds
21 are taken into account in the five-year plan, but it will not
22 affect projects in Greater Arizona.

23 MR. KNIGHT: Great. That's -- that was my --
24 that's my biggest concern, because I'm more concerned about this
25 being \$3 million over bid or over estimate than anything else.

1 Thank you.

2 CHAIRMAN CUTHBERTSON: Board Member Hammond would
3 like to make a comment.

4 MR. HAMMOND: Yeah. I -- you know, in general, I
5 don't have any issues with, you know, a study session on this
6 subject, and invite these comments back and look at this issue
7 on a broader basis on whether the process is fair.

8 I do have a problem being an arbitration board
9 and deciding this using, frankly, some of the same arguments
10 that were presented by the latter speaker. So I -- I'm inclined
11 to accept the recommendation of staff, but I understand that
12 maybe it's time to look at the process, and I know ADOT staff
13 well enough that they're totally open to an examination of are
14 we treating these contractors fairly. I just as a board member
15 feel that the -- the process is a staff issue, and that this
16 contractor does have recourse outside of our decision to go
17 further in the court system if they so choose. So those are my
18 comments.

19 CHAIRMAN CUTHBERTSON: Okay. Board Member
20 Elters.

21 MR. ELTERS: Mr. Chairman, I think just for the
22 record --

23 MS. PRIANO: Can you speak up so it picks up,
24 because we don't have a microphone.

25 MR. ELTERS: Okay. For the record, this project

1 has been through MAG Regional Council, and so to that end, it
2 has been moved -- it has been funded. For us, I must say that
3 the Board has had much discussion on this item. We've heard
4 competing views and perspectives. We've been asked to balance
5 all these concerns and interests. We have received and reviewed
6 a lot of information. We've even had an executive session with
7 our legal counsel to understand and to be informed of the Board
8 rules, rules and responsibilities.

9 And I think I can say for myself, I believe it is
10 for other board members as well, that we take this very
11 seriously, and I think we've been challenged with this decision.
12 At the end of the day, understanding the Board rules, I must say
13 this has been a difficult decision, and it will be a difficult
14 vote, at least for myself. I am inclined to just vote with the
15 recommendation, because in the big scheme of things, this is a
16 project that is key. That's why it is in the program, and it's
17 been moved forward, and it needs to advance and move forward.

18 So those are my comments. Thank you.

19 CHAIRMAN CUTHBERTSON: Great. Other comments?
20 Questions?

21 VICE CHAIR SELLERS: Mr. Chairman.

22 CHAIRMAN CUTHBERTSON: Yeah. Vice Chair Sellers.

23 VICE CHAIR SELLERS: Yeah. And I agree with what
24 Board Member Elters and Board Member Hammond both said. You
25 know, I guess that -- again, this for me is going to be a

1 difficult thing, but I'm inclined at this point to think that
2 our choice is to accept the recommendation of staff. But I
3 would like to have the Board further educated on the
4 prequalification process so that we don't go through this in
5 future sessions.

6 So that being said, I'll make a motion that we
7 approve the staff's recommendation.

8 CHAIRMAN CUTHBERTSON: Okay. So I have a motion
9 to approve staff's recommendation that's presented for Item 9B
10 by Vice Chair Sellers. Do I have a second?

11 MR. KNIGHT: Second.

12 CHAIRMAN CUTHBERTSON: Seconded by Board Member
13 Knight. Any discussions?

14 Board Member Stratton.

15 MR. STRATTON: Mr. Chairman, I'd like for the
16 record to show that I abstain.

17 CHAIRMAN CUTHBERTSON: Okay. Can you note that,
18 please, Secretary Priano?

19 Any others?

20 Okay. All in favor indicate by saying aye.

21 BOARD MEMBERS: Aye.

22 CHAIRMAN CUTHBERTSON: Opposed, nay? The ayes
23 have it. The motion passes.

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

25 The next item is Item 9C. This is a project on

1 the Loop 101 in northern Phoenix from I-17 to Pima Road. This
2 project was contracted as a design-build project. The low bid
3 was \$184,835,000. The State's estimate was \$131,173,680. It
4 was over the State's estimate by \$53,661,320, or 40.9 percent.

5 This project is, like I said, a design-build. So
6 very limited engineering going -- by the department going into
7 the bid. We had a scope and we priced it. One of the things,
8 as we talked to the bidders and reviewed, we underestimated, as
9 you see, a roadway construction drainage and the lighting, but
10 we dug in further, and really, it's materials and labor are
11 where we're seeing the higher prices.

12 On this project, so the Board's aware, the way we
13 pick the best value, so it's not just the low bid. It's the
14 best value. You take the low bid, this number here, plus they
15 bid how many days it's going to take them. So there's
16 competition there. Those days are multiplied by \$40,000 a day
17 and then divided by their technical score. So we determined it
18 was a best value.

19 In this case, the low bid was determined the best
20 value, but as a note, they had the second technical score,
21 second high -- they were not the highest technical store, but
22 their bid put them in the place where they were the best value.

23 In reviewing the bids -- oh, I also want to add
24 that there was a very lengthy discussion at the MAG Regional
25 Council. All of this money, to go back to Mr. Knight's previous

1 question, are funds that were dedicated to the region, and as a
2 result of this project, we will have to look at the program and
3 potentially -- I don't know if it takes rebalancing, but
4 definitely reprioritize the MAG program to make this work. The
5 Maricopa agency of government is taking that on, and we'll move
6 that forward.

7 With that said, the Department has reviewed the
8 bid and believes it is a responsive and responsible bid and
9 recommends award to Coffman Ames joint venture.

10 CHAIRMAN CUTHBERTSON: Board Member Hammond.

11 MR. HAMMOND: So the fed portion stays the same.
12 It's MAG, the State portion is picking up the 53 million?

13 MR. HAMMIT: Mr. Chairman, Mr. Hammond, on the
14 funds that go to the regional council, and I'd have to look at
15 the breakdown. But as we develop our program, of the federal
16 funds, 37 percent of the federal funds go to the MAG region, 13
17 to the PAG region, and 50 percent to Greater Arizona. It will
18 not exceed that 37. I'd have to look at how we fund source it,
19 but it won't exceed that percentage.

20 CHAIRMAN CUTHBERTSON: Board Member Stratton.

21 MR. STRATTON: That answered my question,
22 Mr. Chairman. I wanted to make sure it had no effect on Greater
23 Arizona.

24 CHAIRMAN CUTHBERTSON: Board Member Elters.

25 MR. ELTERS: Mr. Hammond, I understand this has

1 been through the MAG Regional Council. I was not present at
2 that meeting. (Inaudible) and I received information to review.

3 I guess my comment is it's not so much it's 40
4 percent over. It's \$53 million. And while I understand it is a
5 design-build, a design-build project, you advance it with less
6 design. So you don't have the detailed information to -- but
7 I'm also mindful that the design-build, there's a benefit of
8 that competitive process. And this isn't necessarily the first
9 design-build we've done in this state. So to miss it by \$50
10 million is -- you know, it's very visible and makes one pause
11 and wonder -- it isn't so much reflecting on this one, but it's
12 what can we do going forward to address that? We've had
13 design-builds before that really have not seen this kind of
14 overrun in the bids compared to the State estimate.

15 MR. HAMMOND: Mr. Chairman, Mr. Elters, one of
16 the things we're doing, as we program these projects, they're
17 programmed years out. One of the things we haven't done as well
18 is once they've programmed them, and as we've seen prices
19 increase, to update those to the year of expenditure.

20 As Mr. Byres was talking in his presentation for
21 the next board meeting, we will be doing that every year,
22 because once we programmed them, generally -- especially on a
23 design-build, we're not updating the costs. And as we've seen
24 costs increase over the time of the program, we -- and I'll say
25 we've been remiss. We have not updated those costs in the past.

1 That's one of the things we will be doing.

2 We have gone through the complete MAG program
3 with our consultant to update every project -- I think there's
4 37, if I remember right, projects, and we've updated them to
5 current prices, and we will do that every year so we don't get
6 into this situation in the future. We program them out a few
7 years in advance, and then we get an update with what we saw
8 with current pricing.

9 MR. HAMMOND: Thank you.

10 VICE CHAIR SELLERS: Mr. Chairman.

11 CHAIRMAN CUTHBERTSON: Vice Chair Sellers.

12 VICE CHAIR SELLERS: Yes. And Dallas is
13 absolutely correct. This was a very contentious, long discussed
14 item at the MAG Regional Council meeting, and I guess my -- at
15 least my impression is that this doesn't really directly impact
16 any of the programs in the MAG plan, but it uses up the majority
17 of the contingency funds that were in the plan so that if
18 anything else goes over budget, it could be a problem.

19 Again, my impression from the discussion was that
20 some of the major cost involved in this is this is already a
21 roadway that's over capacity, and so doing this construction and
22 maintaining traffic at the same time became a major issue, and
23 that was a lot of the argument for the cost overruns.

24 MR. ELTERS: Mr. Chairman.

25 CHAIRMAN CUTHBERTSON: Yes. Board Member Sellers

1 -- Elters.

2 MR. ELTERS: As I said, thank you, Mr. Sellers,
3 for the explanation. I was not at the meeting. My
4 understanding from the debrief that I -- it's comforting to hear
5 you say that this will not impact the 37 other projects. I did
6 not get that impression in the debrief (inaudible) and
7 understanding that just a couple of months ago, \$20 million
8 increase on the Happy Valley Road and Pinnacle Peak, and with
9 this 50, \$60 million increase, I would -- I would very much
10 appreciate hearing you say what you said, that this will not
11 have any impact. If it stops just eating up the contingency, I
12 guess hopefully maybe we can figure out a way to build it up
13 some other way, but that would be great. That would be really
14 my concern.

15 VICE CHAIR SELLERS: But a follow-up to that, I
16 think, is that -- another concern is that the projects are
17 coming in over estimate, in the MAG region as well as statewide.
18 And so not having a lot of money left in the contingency does
19 become a concern. But again, because this particular roadway is
20 already significantly over capacity, there was a lot of concern
21 about trying to rebid it or do anything differently. It was
22 felt that it really needed to move forward.

23 MR. ELTERS: Yeah. And to your point, my
24 understanding was there was a lot of discussion at the regional
25 council. Everyone agreed that this is a high priority, this is

1 the highest priority for the region, and they went ahead with
2 it, so...

3 With that, Mr. Chairman, I don't know if you have
4 a motion to move this item forward, but if not, I would so move.

5 CHAIRMAN CUTHBERTSON: Okay.

6 MR. HAMMIT: Mr. -- can I add one thing real
7 quick?

8 CHAIRMAN CUTHBERTSON: Yes.

9 MR. HAMMIT: To both of your points, if we see
10 these pricing increases throughout the program, there will be
11 some rebalancing if this continues. So I don't want anyone to
12 think that we're out of the woods, but if every project in the
13 program saw even half of this increase, the MAG program is
14 challenged with where we're at today. But we are going through
15 and checking that, and we'll -- and can report out at a future
16 time.

17 CHAIRMAN CUTHBERTSON: Okay. Okay. So I have a
18 motion on the floor from Board Member Elters to award the
19 contract for Item 9C to Coffman Ames joint venture as presented.
20 Any further discussion?

21 MR. ROEHRICH: Mr. Chair, you need a second.

22 CHAIRMAN CUTHBERTSON: Do I have a second?

23 VICE CHAIR SELLERS: Yeah.

24 CHAIRMAN CUTHBERTSON: I've got a second by Vice
25 Chair Sellers?

1 VICE CHAIR SELLERS: Yes.

2 CHAIRMAN CUTHBERTSON: Okay. Any discussion,
3 further discussion? Thank you, Floyd.

4 MR. KNIGHT: Mr. Chair.

5 CHAIRMAN CUTHBERTSON: Board Member Knight.
6 (Inaudible.) Board Member Knight.

7 MR. KNIGHT: To go to what Mr. Stratton pointed
8 out, this is it going to affect Greater Arizona and their
9 projects; is that correct?

10 MR. HAMMIT: Mr. Chair, Mr. Knight, that is
11 correct. But for the same challenges that's going on in the MAG
12 region, the Greater Arizona program is being re-evaluated
13 because of prices, too. That could affect it, but this project
14 or this thing will not affect Greater Arizona.

15 MR. KNIGHT: Okay. Thank you.

16 CHAIRMAN CUTHBERTSON: Okay. Further discussion?
17 Okay. I have a motion made and properly
18 seconded. All in favor for awarding the contract for Item 9C to
19 Coffman Ames joint venture as presented, indicate by saying aye.

20 BOARD MEMBERS: Aye.

21 CHAIRMAN CUTHBERTSON: Opposed, nay? Ayes have
22 it. The motion passes.

23 Okay. That moves us on to Item 10, involving the
24 Transportation Board organization. So the Board at this time
25 may take action to designate a board chairperson and vice

1 chairperson for 2019 in accordance with ARS §28-303(B).

2 VICE CHAIR SELLERS: So we can renominate you,
3 huh?

4 CHAIRMAN CUTHBERTSON: You may not.

5 MR. ROEHRICH: So Mr. Chair, I'm a little worried
6 after today that the next chair might decide to move this item
7 to the front of next year's agenda, do this, and then drop the
8 mic and say, "Thank you very much." So but it is -- it is after
9 six years, and after 12 -- these last 12 months as well, it is
10 your last month as board chair.

11 And just to remind the Board, by statute, if you
12 remember, the Board designates the district member -- and this
13 is by statute -- the Board designates the district member with
14 the shortest period of time remaining to serve a complete term
15 as chairman, one year, and the vice chair will be the person --
16 the board member with the second next shortest period of time
17 remaining to serve a complete term as vice chair, which, again,
18 would be two years.

19 So as has traditionally been done, the board
20 chair and vice chair have been the -- identified as the most --
21 the two most senior people on the board, and in this case that
22 would be -- the chair would be Mr. Sellers, and vice chair would
23 be Mr. Hammond as part of the statute.

24 So at this time, I'd open it up for the Board to
25 decide if they're going to motion and action a new board chair

1 and vice chair given that condition within the statute.

2 CHAIRMAN CUTHBERTSON: Yes. Board Member Elters.
3 Okay.

4 MR. ELTERS: Mr. Current Chairman, I so move to
5 have Mr. Sellers serve as the chair and Mr. Hammond serve as the
6 vice chair.

7 CHAIRMAN CUTHBERTSON: Okay.

8 MR. ROEHRICH: And Mr. Chair, if I could add to
9 that motion, would be the condition that it's effective on
10 January 1st of 2019, which is the start of the new fiscal year
11 and the start of the new term year condition within the statute
12 as we've reviewed it.

13 MR. ELTERS: Mr. Chair, I amend it to reflect
14 what Mr. Roehrich just stated.

15 CHAIRMAN CUTHBERTSON: Okay. Okay.

16 MR. KNIGHT: Second.

17 CHAIRMAN CUTHBERTSON: Okay. So I have a motion
18 to accept and approve the designation of Jack Sellers as the
19 State Transportation Board chairman, and Michael Hammond as the
20 vice chairman for the State Transportation Board for 2019
21 effective January 1st, 2019. Any discussion? Okay. Moved
22 by --

23 MR. ROEHRICH: We do need a second.

24 CHAIRMAN CUTHBERTSON: Moved by Board Member
25 Elters, and it was seconded by Board Member Knight.

1 All in favor indicate by saying aye.

2 BOARD MEMBERS: Aye.

3 CHAIRMAN CUTHBERTSON: Opposed, nay. The ayes --

4 MR. ROEHRICH: Wait a minute. Did you just say
5 "nay"? Did you oppose?

6 CHAIRMAN CUTHBERTSON: No, I did not say "nay."
7 I said "yay."

8 MR. ROEHRICH: Okay. You said "yay." I bet you
9 said "yay."

10 CHAIRMAN CUTHBERTSON: Okay. Congratulations,
11 Chairman-Elect Sellers and Vice Chairman-Elect Hammond.

12 MR. ROEHRICH: Congratulations, gentlemen. Thank
13 you.

14 CHAIRMAN CUTHBERTSON: Thank you. Yes.

15 UNIDENTIFIED SPEAKER: Congratulations.

16 CHAIRMAN CUTHBERTSON: Okay. So we're down to
17 Item 11. Recognition of the old chairman.

18 MR. ROEHRICH: As the recent -- recently chair --
19 so Mr. Cuthbertson, the director had put together some comments,
20 and he did ask me to read them. So I'm going to read -- these
21 are his comments that he was hoping to be able to share with you
22 and the rest of the Board.

23 And I know last night we had a very -- a really
24 nice reception and an opportunity to recognize you as well that
25 Greenlee County put on, and I know the mine here,

1 Freeport-McMoRan had also hosted. The high school had
2 presented some people, and then we had the lady and her
3 daughter sing, and it was a really nice tribute. And it was a
4 great opportunity for us to recognize the six-year commitment
5 that you made, as well as your wife, Suzanne, who had spent --
6 who had been to basically every meeting you did with the
7 exception of just a few. That dedication and commitment is
8 honorable, and I know we as staff felt very pleased to have
9 that opportunity to work with you. So I'm going to just read
10 John's comments.

11 Today is Chairman Cuthbertson's last meeting
12 as a member of the State Transportation Board, and we'd like
13 to take this moment to recognize the work he has put in over
14 the years and thank him for service to Arizona, the citizens
15 of Arizona and the Arizona Department of Transportation. When
16 Mr. Cuthbertson was appointed to the Board back in 2013, then
17 Governor Jan Brewer said that as a lifelong Arizonan with
18 decades of service to his community, Mr. Cuthbertson would be
19 of tremendous value to the Transportation Board and the
20 traveling public.

21 Standing here almost six years later, we now
22 know how true a statement that was. Representing Cochise,
23 Greenlee and Santa Cruz counties, Mr. Cuthbertson was a strong
24 advocate for developing strong partnerships with local
25 governments, and he has really pushed to find solutions that

1 worked for communities. It would be impossible to sum up
2 everything that's been accomplished during your tenure, but
3 here are just a few of the key projects that the Board has
4 moved forward on and that have helped to improve safety and
5 mobility in our state.

6 In the counties you represent, the Board has
7 moved forward on several pavement preservation projects over
8 the past six years, including one on State Route 75, which was
9 completed in 2016. That spanned between US-60 and the Apache
10 Creek Bridge. There was another notable preservation project
11 on I-10 between US-191 and the east Willcox TI, along with
12 numerous projects on I-19, State Route 80 and others.

13 Along with pavement preservation, there have
14 been a number of modernization projects, including a
15 pedestrian pathway project in 2014 on State Route 80, a rock
16 fall mitigation project in 2016 on I-10 in Cochise County, and
17 again, a number of intersection improvement projects that
18 enhanced the mobility and safety within those communities.

19 While preservation and modernization projects
20 don't always get a whole lot of attention, as you know, they
21 are so important to the health of our state's transportation
22 system. The Board has also helped move forward improvements
23 to State Route 189, which will ensure international commerce
24 can efficiently and safely travel between Arizona and Mexico
25 at the Mariposa port of entry.

1 You and your board members have seen lots of
2 innovation used in some of our rural areas, including the use
3 of technology and traffic calming solutions to improve safety
4 on US-191 through the town of Clifton, and this past year of
5 chair, you've also seen some real progress on several major
6 initiatives and projects, to include the start of construction
7 on the Loop 202 South Mountain Freeway, the multiple freeway
8 improvements at various locations, and installation of the
9 first of its kind wrong-way driver detection system on
10 Interstate 17.

11 Once again, we want to thank you for your
12 dedication, the expertise you've offered over the years, and
13 all of the many hours you've given to the State Transportation
14 Board. We know that this position can take a lot of time from
15 your personal life. You should know it has been greatly
16 appreciated by staff.

17 And finally, I do have to tell you how sincere
18 it was, not only as this year as chair working with you,
19 Mr. Cuthbertson, and the guidance and the calm demeanor, as I
20 said last night how you really helped us address a lot of
21 these issues and how you, in your six years here, have been a
22 real calming influence and a real voice of reason throughout
23 all of the transportation issues that we've had to deal with.

24 We wish you and your wife and your family a lot
25 of success, and we thank you, and hope that we will see you

1 around sometime in some of our meetings.

2 CHAIRMAN CUTHBERTSON: Yeah.

3 MR. ROEHRICH: So happy holidays. Thank you
4 again.

5 CHAIRMAN CUTHBERTSON: Thank you very much.

6 MR. ELTERS: Chairman.

7 CHAIRMAN CUTHBERTSON: Yes.

8 MR. ELTERS: Let me take this opportunity. I
9 was the only one to not speak earlier from the board members.
10 I'll be brief.

11 Years ago as state engineer, I served, served
12 several boards, and I got to work with board chairmen and
13 board members, and it's -- and fast forward. I got to meet
14 you and got to know you before I got on the Board. This is my
15 first year on the board, so it's from that perspective and
16 having worked with different boards and chairmen and styles
17 and approaches. I want to say I thank you for your service to
18 the State and on this board. It's been truly an honor and a
19 pleasure serving with you on the Board, and I, too, want to
20 wish you the very best of luck. May all your wishes and
21 dreams come true, and happy holidays.

22 CHAIRMAN CUTHBERTSON: Okay. Thank you very
23 much. And really, thank you all. I mean, it was -- last
24 night was very -- was a very nice sendoff, and really I don't
25 know how to follow that up other than saying, you know, it is

1 an honor and a privilege to have served on the Board, and you
2 know, I think one of the things I'll miss most is going to the
3 little various towns and meeting with the local folks there
4 and talking with people that really were -- are passionate and
5 engaged in trying to make their communities better. And, of
6 course, also, I'll miss working with professionals and folks
7 from ADOT and from all of you board members certainly. So
8 yeah. Suzanne and I will probably kick around once in awhile,
9 and you'll see us at a board meeting or two, but...

10 MS. PRIANO: You only get three minutes public
11 comment.

12 CHAIRMAN CUTHBERTSON: Are you ringing the bell
13 on me? Okay.

14 MR. ROEHRICH: Actually, you can have all the
15 time you want until December 31st.

16 CHAIRMAN CUTHBERTSON: Okay.

17 MR. ROEHRICH: Then open up to Mr. Sellers on
18 the time you've got.

19 VICE CHAIR SELLERS: Mr. Chairman.

20 CHAIRMAN CUTHBERTSON: Yeah.

21 VICE CHAIR SELLERS: Yeah. I just want to make
22 one quick comment, and that is that, you know, after the last,
23 what, three or four board meetings that we've had, no one's
24 going to miss Chairman Cuthbertson more than I will.

25 CHAIRMAN CUTHBERTSON: I think we've got --

1 you're very good hands with Chairman Sellers and Vice Chairman
2 Hammond. I honestly -- you know, you can tell all those old
3 board members in Wickenburg next time that I think this is
4 probably the strongest board that I've been on. So -- and
5 like I say, you'll find an upgrade from Cochise County for me
6 next year, and so you'll be even better served going forward.
7 So anyway, thank you and good luck in the future.

8 Okay. With that...

9 MR. ROEHRICH: Just a reminder, Mr. Chair, that
10 the next meeting is January 18th, which is in the city of
11 Kingman. Ms. Priano will be sending out festivity
12 information, hotel information, all the other important
13 information, and as per your wishes, we are taking you off the
14 Board info email. You will not get any more emails from us.

15 And if there are any other suggested topics at
16 this time, we'd ask for any board members to let us know or
17 email me between now and the next meeting so we can review
18 them for the agenda.

19 CHAIRMAN CUTHBERTSON: Additional topics? No?

20 Okay. With that is there a motion --

21 MR. THOMPSON: Chairman.

22 CHAIRMAN CUTHBERTSON: Yeah. Board Member
23 Thompson.

24 MR. THOMPSON: There is a study session. The
25 last time we gave you some information, we had a lot of

1 concerns and issues (inaudible) selecting projects, how we're
2 moving forward. I know that there are probably (inaudible)
3 big consideration and where we need to maybe make some
4 adjustments. I think that's what the public is asking for as
5 well, and I would appreciate that (inaudible).

6 MR. ROEHRICH: So Mr. Chair, Mr. Thompson, if I
7 understand that right, you would like to make sure that we go
8 a little bit more extensively into the project evaluation,
9 prioritization projects as part of the five-year program and
10 look (inaudible) at the study session (inaudible).

11 MR. THOMPSON: You stated better than I did.

12 MR. ROEHRICH: And we did have the request to
13 also at the study session go through and have the Department
14 brief its prequalification process so the Board can see more
15 detail into that specific process of how we're administering
16 that.

17 CHAIRMAN CUTHBERTSON: Okay. Any other
18 questions?

19 Okay. Before I make a motion or ask for a
20 motion for adjournment, I will just make a final request. If
21 the board members could hang around for one second. I've got
22 a new camera. I'd like to take a picture, group picture
23 with -- my wife will actually do that -- and some of the
24 staff. So I would appreciate that.

25 (End of recording.)

Adjournment

A motion to adjourn the December 21, 2018 State Transportation Special Board meeting was made by Board Member Hammond and seconded by Board Member Knight. In a voice vote, the motion carried.

Meeting adjourned at 11:01 a.m. MST.



Jack Sellers, Chairman
State Transportation Board



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