

STATE TRANSPORTATION BOARD STUDY SESSION
MEETING MINUTES
Wednesday, September 1, 2010
Human Resource Development Center (HRDC) Grand Canyon Room
1130 N. 22nd Avenue
Phoenix, Arizona 85009

Roll Call

In attendance: Bob Montoya, Bill Feldmeier, Felipe Zubia, Bobbie Lundstrom, Victor Flores, Steve Christy (telephone), and Kelly Anderson.

Call to the Audience - None

ITEM 1: I – 11 Update – Bob Hazlett, MAG

John McGee: I am sure that the Board has heard from a number of different sources about the concept of development of an I-11 between Tucson and Las Vegas overlying current SR93. This is a very long term concept but one that we believe, MAG believes, and the Governor's office believes is something that we should be looking very hard at developing. There are a number of steps in this process. As I said it would be a very long-term concept to actually get to that stage but we believe that there are good reasons for pursuing this course and so we have invited Bob here today to talk about the concept and to give the Board the opportunity to ask any questions.

Bob Hazlett: Mr. Chairman, I am Bob Hazlett, MAG Senior Engineer. We have been discussing this idea for the last couple of years as we started to complete some of the framework studies here in MAG region. ADOT and their statewide framework study identified the potential for this interstate corridor as well. MAG has embellished upon this concept and is looking at what some of the implications would be for this. This extends back to the Statewide Mobility Recognizant study, a joint study between MAG, PAG, ADOT, as well as the other COGs and MPO's. As part of that study, which also begets the statewide frameworks, we went around the state and received a lot of information from people that talk about where transportation is going. We did a lot of this before the downturn in the economy but I think that some of the item's that we see here on the map are still very prevalent. We still have a lot of commerce that is going to be coming in from Mexico in terms of making those connections especially to Guaymas / Hermosillo and Punta Colonet. We still have a lot of people from California, especially as their economy continues to falter and waiver, people wanting to move into Arizona and bring with them a lot of commerce and business. We still see a lot of that happening here in Arizona.

We have taken the tactic at MAG that if you are not moving the commercial vehicles and not moving freight, then we are not creating jobs and moving our economy forward. We know that at this time here in 2010, we need to do all we can to try and bring more jobs not only to the MAG region but also to our state of Arizona. Long Beach, Los Angeles seems to be a hub for a lot of freight activities. Across Arizona our mainland routes are going to have some very significant traffic on I-40 and I-10 and even the stretch of I-15 that is up in the northwest corner of the state.

Information we learned from the Transportation Research Board is that about one-third of all freight movements in the United States passes through Arizona, which is really significant. Long Beach and Los Angeles right now is responsible for almost 40% of this nation's freight and it is just going to continue to grow. We are looking at our neighboring states (reviewing pie charts) California, Colorado, and Texas and you see that the through traffic is not nearly as great as it is in Arizona. MAG has tried to figure out if there is any way we can start to work with that freight and add some value to it and maybe at the same time too increase our ability to be able to provide and allow for greater freight movements. There is a port that is being talked about in Mexico, by the name of Punta Colonet; 160 miles south of Ensenada. It has been talked about now for the better part of the last 15 – 20 years but what we have been hearing out of Mexico is that there seems to be a lot of movement on pushing that forward. It is identified to be one of the carriers for the super freighters that carry the goods back and forth across the Pacific Ocean. They are saying that Long Beach at Los Angeles is at capacity and would not be able to accept those super freighters. They are projecting for Punta Colonet that they will have about 1M TDU containers that will actually go back and forth and will contain goods, both raw goods as well as constructive goods. At the opening it is already at 1M and this puts it ahead of a lot of ports here in the United States: Oakland, Seattle, Tacoma, Houston, and Charleston. What it is projecting to do by 2030 is carry almost 6M TDU. What it is important to note about this is that this port is really being constructed not only to help Mexico out but it is being targeted at the United States. When you look here at Long Beach / Los Angeles and you think about the population growth of the United States on a whole, right now we are roughly about 310M people. We are projecting to go to 450M people by the year 2050. That is a 25% increase. Unfortunately, given the current environmental regulations and zoning it makes it very difficult to really expand anything in Long Beach / Los Angeles. That is when we start to see Punta Colonet starts to really shine through. When we take a look at the trains for Pacific Shipping Times, these are days of traveling; right now between Shanghai to New York, it is roughly about 20 days to be able to traverse. This is still better than the travel time for vessels going through the Panama Canal. It is our understanding that even with the widening of the Panama Canal underway, these sailing times do not change very much. When you think about business being about time and time being money, we said that what if we did go through Punta Colonet and came through Arizona, we see that time could be sliced by as much as an entire day's worth of travel. Boats can only go so fast. A lot of the Far East shippers like to do is try and get the cargo off the boats as quickly as possible and put it onto the rail where it can move a more quickly. You can kind of see that you get almost a day's travel time saved which from what we have heard through one of our logistics friends that this is almost gold in terms of what it can do for the economy and what it can also do for Arizona. We have been talking about trying to find ways to make us a little bit more attracted to the entire state in terms of being able to take these goods in. MAG has had some meetings with people from the SRT which is the kind of equivalent to the FHWA in Mexico. Representatives have sought us out and the thing that they have said is that they would like Punta Colonet to be able to have access to two Class I railroads in the United States. So when you start to take a look at the Class 1 railroads here in the Western United States, there are only three spots where the come together, El Paso, Los Angeles, and Phoenix and we start to see that we might have an opportunity here to be able to capture on this. Then when we include I-11, you start to see back haul opportunities; back to San Francisco, back to Portland, back to Seattle if the port does go all the way through there which makes this inland port opportunity, we feel, to be a game changer for MAG, Maricopa County, and the entire state's economy. Some statistics that we would like to throw out, everyone knows that Mesa, Tucson, Las Vegas that they have all grown significantly since the interstate system was laid out. In fact when you take a look at the original lay out of the interstate

system, Phoenix, Tucson, Las Vegas, and Reno have been high in population of 700K. Today, that is 8M. When they were laying things out back in the 1950's, they were more interested in getting everyone to California. With our need for greater mobility here and out west you start to see that maybe there are some routes missing on the system. There have been some routes added between 57 and 92 and you see these routes near by I- 82 and Washington state with the extension of I -70 from Denver over here to the fork in Utah, I- 44, I -27, and I -24. The concentration is really in the east where the population is, but out here in the west we have seen the same types if not greater population growth so that is where we start to see this I- 11 that is not necessarily going through just central Arizona and Las Vegas but may be extending all the way into Oregon or to Boise, we do not know yet. This may be the route where we start to see great opportunities on being able to move freight from Mexico to help service the intermountain west and start to see this corner start to thrive. This has been talked about with some of the people in the California Congressional Delegation and they are very excited about it, just at a different standpoint as this would provide relief to I-5. I-5 is heavily used and will continue to be heavily used, even with improvements to it. We start to see that I-11 may help relieve traffic and provide greater mobility.

Some of the things that we have talked about with ADOT staff and among ourselves is how to bring this into the state and how do you make this work. As John said in his opening remarks that we kind of see a big part of this being the overlay of US 93 and it is really terrific to see that ADOT and the Board have been very aggressive in maintaining the US 93 widening, adding a Right of Way if possible to convert it into a potential freeway. In Nevada, the section here between Las Vegas and Phoenix is the Boulder City Bypass that is really the last bit that needs to be looked at. Nevada DOT already has their EIS. It has already been recorded with a decision on it just trying to find funding for it. That leaves these other two critical issues is bridging it at the Hoover Dam and also to the extension into Phoenix. I think the Hoover Dam bypass bridge is a remarkable feat. It is really an amazing structure but it can carry interstate type facilities and can be built to interstate standards from what we understand. Bringing it into the Phoenix metro area, we have discussed that maybe we bring it straight down Grand Avenue. I made an opportunity for the Grand Avenue Freeway that was identified and brought here. That whole opportunity is lost and so when you look at our framework studies that have been identified for Hassayampa and Hidden, and you see this natural freeway corridor happen, you can see the natural progression of I-11 actually wrapping around Phoenix instead of coming into Phoenix itself. That again has been reflected in the statewide framework which was accepted by the Board in January. It is identified on the map as IX which is what we have to identify it as because there is no official designation for it yet. There is a coalition of business owners looking at this, the Can Do Coalition, connecting Arizona and Nevada, delivering opportunities. These are a few of the members of this and you can see that they represent business interests as well as governmental interests for both Arizona and Nevada. They are doing their best to try and move this forward in terms of replacing US 93 as the I-11.

One last thing to point out is the whole thing on freighting, the information that I have delivered to you today is mainly at a goal at this point. We are launching a framework study as part of our FY2011 unified planning work program, the RFP is on the street right now and we are both moving to get a number of solicitors to consult us and be able to help us with this study. We want to try and take the data that I have shown you and take from anecdotal and see what it is that we can honestly do in terms of moving freight. I will be happy to answer your questions or any of the Board members questions.

ITEM 2: Snow Removal and Maintenance Budgets – Floyd Roehrich

Floyd Roehrich introduced Lonnie Hendrix, State Maintenance Engineer to review the program. Lonnie oversees the program from a management level and working with the district.

Lonnie Hendrix: We will start with what just occurred over the past winter. The series of storms that we received about the third week in January was about our third highest in history. Correspondingly, we had incurred a historical high for our snow and ice control costs. During that week in January when we had the back to back storms, we incurred \$1.4M in costs. We made a claim against FEMA hoping to receive federal funds, not knowing that a few months earlier they had changed the bar and were no longer reimbursing for snow removal. Twice our claim was denied. We had \$16M in damages to our highways due to that same storm but fortunately the FHWA has an emergency relief program that reimbursed for that amount so those projects are ongoing and we expect to be fully reimbursed for that work. In spite of budget cuts and the struggles that we are having as an agency, we are still able to maintain public safety and emergency response activities without any degradation.

(A graph is displayed showing snowfall in Flagstaff for the past 6 years) Flagstaff is a good indicator for how well we are doing statewide in terms of our storms. The graph displays expenditures in fighting those storms and there is a pretty good correlation between those two. You can see that we had a big storm in 2005 and expenses to match. 100 inches is about the average so you can see the degree of which we went over average. Really these two charts in my mind are graph representation of that statement that is there at the bottom is our resources that ADOT has that are dedicated for public safety activities are targeted based on need and priority and not necessarily budget or geography. In 2010 we probably had our worst budget in history, and were able to meet the need of probably our largest snow storms in history. Obviously, something had to give. We have reduced snow patrols; supervisors going out ahead of the storm and are reporting back. We have replaced a lot of that through the use of technology and I will mention that in just a second. In some of our lower volume secondary routes, we have mixed cinders with our deicer. It does not diminish the level of service and it does not put anyone at risk. When I refer to technology, we have roadway information system sites on I- 40 and I-17, which report pavement temperature, wind speed, precipitation, and with that information remotely we can make smarter decisions when it is combined with forecast as to when we call in our crews. If we call in a crew and pay them overtime, we would like them to show up a few hours before the storm rather than 12 hours before the storm.

Looking ahead to this coming winter, we feel that we are prepared even better than last year. We have increased our storage capacity in Flagstaff. Right now all of our storage facilities across the state are full and are ready to go. The budget situation has improved for us slightly so we have proceeded in hiring more plow drivers and operators. I also understand that in the northern districts, they like to ensure that their construction posts also have CDL's and they are ready to plow snow if necessary. We think that our capability and our level of service is expected to be as high as ever this coming winter.

This is an interesting slide from the National Weather Service web page on January 21st. When the people up north were fighting snow, a lot of storm events were going on around the state. A high wind warning in the Yuma area, flash flood warning in the Phoenix area, flood warning in Prescott, winter storm warning across Flagstaff, a dust storm along I- 40 and a blizzard warning in Safford. This gives an example of winter storm events we may have to fight in one day.

In summary, ADOT's commitment to our winter maintenance mission remains unchanged. It has remained at the high level that we have always expected. We have not compromised on the level of service that we have provided on any of our routes. In the last statement, it is really a simple statement but it really summarizes it. We try to manage our available resources as efficiently as possible but we do it based on the priority and need.

Mr. Feldmeier: When you talk about the funding that is needed to respond to these places and the adjustments that have been made, we certainly appreciate it up north. This funding level, is it kind of off of the top?

Lonnie Hendrix: No, we have been in a little different scenario over the last couple of years because our budget has been lowered. We have pulled back and centralized the budget a little bit more. For instance, if John Harper needs to buy chemicals, in a normal year they would have been allocated those funds and they would spend accordingly. These last two years, I have held them back and released those funds to the districts as they have hit the need and priority. Every year we go into the year with all options open. We have not set aside anything that is predetermined or off the top.

Floyd Roehrich: When we set the maintenance budget for the year, again, it is based upon a portion that we determine is necessary out of our full budget. Because off the top basically is, you have your people, approximately 50 people that fill it. You have their salaries, ERE, benefits, and things. Those come off the top on that. Then you have some standard costs that we have because we have got some red expenditures and things that come off it but the rest of the discretionary budget, that is where Lonnie starts looking at, into the districts, looking at what the needs are, some of the priorities of effort that we know routinely happen whether its Winter maintenance or other emergency events and other actions. He maintains a contingency that he manages exclusively and starts working with the districts. When they start seeing their expenditures decrease, he has the availability to put more in each district. I know there has been some talk recently that you cannot treat every district the same because they have different needs, and that is correct. We do not treat every district the same. It is based upon the size, need, availability of the priority of issues. There is the discretionary process for distribution as Lonnie works with the professionals to meet their needs.

Mr. Zubia: When you are talking about the Flagstaff District in particular, in the intensity of the past winter and the snow removal efforts that were placed there. In an effort to balance his ledger, was there money taken from other areas of the districts to cover for the snow. Did it hurt other areas of maintenance that needed to take place?

Lonnie Hendrix: I think statewide, I can say yes because obviously when we grant our activities with public safety first, mobility second, preservation third, and aesthetics fourth, undoubtedly, some of our preservations and our aesthetics areas suffered and you see that in our spending. That is to make sure that we always had whether it was on statewide levels or at a district level that we gave them all the tools that they needed to make sure they performed all their public safety and emergency response effectively. I am sure that every district felt that again on the lower level priorities.

Mr. Zubia: A couple of questions, one dealing with the actual maintenance, is there one form of snow removal that deteriorates the roadway system faster?

Lonnie Hendrix: There is probably one method I do know, and the people up north will see it in terms of the pavement markings and is hard on the raised pavement markings. A lot of times the stripers will have to go in and re-stripe spring. We use primarily a product called Ice Slicer and we monitor its use by calibrating our equipment to make sure we are only using the minimal amount and try to save on degradation or the impact on the system.

Mr. Zubia: What I am trying to understand the impact on the overall maintenance perspective after the winter season. By trying to be more cost effective, are we actually in fact degrading the system faster?

Lonnie Hendrix: Our old way of doing business was applying cinders and then plowing. That obviously had some effect. We moved over to chemicals and did it in a proactive mode; our roads have become a lot safer and we have had fewer accidents because it prevents ice from bonding to the pavement. We cannot ever go back because it is now the national standard.

Floyd Roehrich: The deicing materials are a little corrosive and do have some impact over time, it is not something that within 5 years our trucks are completely corroded through and our guardrails rust, but over the course of 10, 12, or 15 years you will see those impacts. There is a little bit of that cost, but we do not feel it is detrimental to the benefit and safety of using that material. We want to balance the environmental and the impacts of using it with the benefit of having them with the safety to the public. It is still is the best method for removing the ice and snow safely.

Mr. Zubia: The second question I had, had more to do with the National Weather Service map, which is actually a very powerful map when you start talking to legislators about funding. With that in mind and dealing with the significant event like that, describes a little bit of the interaction between what we do as ADOT in relation to whether it is the Homeland Security office with the state or Emergency Management system. Is there a way to tie the two together more from a funding perspective so that in the event, there are funds available that we could tap into as well particularly given the impact of the overall issue?

Lonnie Hendrix: During this event, the Governor did declare an emergency. The Division of Emergency Management usually stands up their emergency operations center, and often we will also. We made a very large claim against FEMA for snow removal but were unsuccessful. All the damage we will get back through FHWA. There is a high degree of interaction during this work. We are very tightly tied to DPS involving road closures and reopening. We send situation reports to the counties, Division of Emergency Management, DPS, and to any of our other stakeholders.

Felipe Zubia: I think that this map would work really well when Kevin Biesty and the Director are sitting in front of the legislators and Transportation subcommittee, because it affects all of us.

Bob Montoya: I have met over the last couple of years with different counties and cities, and they want to be more cooperative and more coordinated with ADOT. We have a lot of routes going through the middle of town and we are trying to expedite traffic flow. The common thing that I have heard from all the different communities is that they would appreciate some coordination as to maybe plowing to the center of the road rather than to the edges of the road as it messes up the sidewalks and

creates other additional expenses for the cities and the counties. Is there a way that ADOT and specific counties can coordinate better, maybe even offer to help?

Lonnie Hendrix: Mr. Chairman, each district begins to have their snow meetings, I believe in September. ADOT brings the local law enforcement in the counties and local people together and they will talk through all these issues.

Floyd Roehrich: It is very common that as we start going into our winter management program, that we work with people, cities, and even counties. We started the year plowing to the middle of some areas but the agreement was the locals would come in and remove that material for safety sake and therefore we could plow up the road. That was not happening and when we addressed the issue with a few cities, they said that their budget cuts were so deep that they were not going to be able to do that. It is a liability to plow to the center because it creates a barrier that a vehicle can hit and possible be redirected into traffic, or go over it. We cannot honor those agreements any more with the locals because if we do plow to the outside to clear the road for safety. Our second priority after the road is cleared is to clear the sidewalks, but it has never been to the time frame that obviously the locals like. We will continue to have those discussions but the priority again is going to be safety over aesthetics or safety over convenience. We are very happy to enter into those agreements but if we do not see those agreements happening, we still have to look at the priority and safety and we will continue to do that. I encourage that as you talk to the locals about it, everyone participate in the snow management and snow meetings that we host. We will even host those with other organizations and counties to do that. We need that feedback and we want to work cooperatively with the locals.

John Halikowski: I would like to add we are working with our District Engineers to make sure that we are doing that cooperatively. If the agreements are not being honored, we continue to work with them and find out why. We will work with our District Engineers as much as possible. This is an issue that came up through the legislature last year as well.

ITEM 3: Sedona – Red Rock NSA Designation Update -- Eileen Colleran

I would like to bring you an update with the HR4823, the Sedona Red Rock National Scenic Area Act 2010. On July 26th, the House Resource committee held a hearing and three amendments were passed during that hearing. Those amendments were intended to address technical issues by Core service, concerns about the ability to perform, transportation and water infrastructure improvements, and also concerns that ill language would be used to file lawsuits on behalf of environmental concerns. Those amendments have not yet been incorporated into the original bill. They are at a stronghold about the best way to present something so that you can see what actually the bill looks like today. What I did was took the original bill and took the amendments and amended them in and color coded them. I have also attached the amendments back behind that packet so you can see those as they sit separately. The first amendment was done by Congressman Grijalva to provide tactical changes requested by the Core service and that amendment was actually a substitute for the original bill but again so you can see it in its context, I took this bill and mended it into the original. If you take a look at that in the color coding, that the Grijalva amendment is in green and any line through something means it has been deleted and if you see a color that means that something has been added. Congressman Bishop of Utah also included in the amendment and that was specifically to address issues that he had seen occur in some of the other scenic areas where environmental groups use the designation in lawsuits. His

amendment is in blue and finally Congressman Bishop also offered an amendment on behalf of Congressman Flake to ensure that the government is clear that new transportation and water infrastructure projects could be built within the scenic area. His amendment is in red. I will briefly go over what the impact of that is in just a minute. Finally, what is going to happen is that the bill still needs to go to the full House for a vote and then it has to go through the Senate. The House schedule is to be back in Washington DC on September 14th and their target date to adjourn so that they can go work on their elections is October 8th so they do not have a lot of time. On the Senate side, they are scheduled to return on September 13th and they do not need a target date for adjourning but I am sure that it will be very similar to the House again, they want to go back and work on their elections. It is likely that both Houses will return after the election in a session to deal with unfinished business. Depending upon the make up of the new Congress, it will probably impact what they will actually try to take up in that session. Finally, if the bill is not heard before the end of this year, the bill itself will die because of the 111th Congress has now adjourned and a new Congress will be coming in January. So if it does not pass both the House and then through the Senate, then it will have to be reintroduced as a new bill in the 112th Congress and it starts the process all over again. I want to briefly go over the changes. This is generally what the amendment did to the original bill.

On page 2, the amended bill states that the scenic area will be approximately 160,000 acres of National Forest system land and it does not include any land outside of the Coconino Forest. It also requires a map to be filed with the Secretary of Agriculture showing exactly of what that plan amounts to. That map is not currently out and available. I am trying to get my hands on it and if I do I will get that map to you. A change was also made to the House and Senate committees where the map was going to be filed. Originally, they had it filed with the committees on Agriculture, they changed that to committees on Natural Resources.

On page 3, the amended bill allows the Core service to amend or revise their land and resource management plan. They were concerned to make sure that that was very clear and they were able to manage their plan within that scenic area designation. It also provides that there will be no net loss of National Core system land and requires analysis prior to potential land exchanges.

On page 4, the amended bill provides that any funds from the sale or exchange of land within the scenic area is available for use in acquisition of land within the Arizona National Forest system.

On page 5, it states that the establishment in the scenic area does not effect the construction or placing of transportation projects or water projects associated to these facilities. That was some language that our Congressman Flake put in here to make sure and address any concerns about that that it can not only be contained but that we can construct when necessary and in capacity.

On page 6, the amended bill has language to state that nothing in a bill creates a private cause for action and that was from the concern that environmental groups may try to use the bill itself to prevent infrastructure from being built. With that I am happy to answer any questions.

Mr. Flores: According to page 5, the transportation projects, I do not remember the map, but what about other utilities.

Eileen Colleran: It did not address other utilities, but specifically addressed transportation and water infrastructure.

ITEM 4: Safe Routes to Schools Grants – Tammy Flaitz

Effective October of last year due to organizational shift, the Safe Routes to Schools program was moved to the Transportation Enhancement and Scenic Roads group. Brian Fellows is our Arizona Safe Routes to Schools coordinator and is here to answer any specifics.

The program was created under the last reauthorization of the National Transportation bill and the goal of the program is to make it easier and safer for students from Kindergarten to 8th grade to walk and to bicycle to school. The motivation behind that addition to the regulations was a growing national concern regarding childhood obesity and Type-2 Diabetes. The requirements provide for both infrastructure and non-infrastructure projects to be funded through the program. The non-infrastructure projects are to educate and encourage students. The requirements specifically state that no less than 10% and no more than 30% of a states Fiscal allocation for the program is to be used for non-infrastructure projects. Also in that section of the legislation that deals with the non-infrastructure projects, it talks about activities to encourage walking and bicycling to school and some of the samples that are presented are public awareness campaigns, outreach, education and enforcement around the schools, student sessions and curriculum in schools about bicycle and pedestrian safety and also health and again the environmental impact. Finally, for training and administrative programs and for training volunteers and conducting workshops throughout the state to help us to best institute it throughout the schools.

Non-infrastructure projects that have already been implemented throughout the state are:

- Provide crossing guard kits and they include the hats, vests, pants, as well as the training.
- A curriculum that was built into the classroom for training and safe mobility to and from school.
- International Walk to School Day celebrations to use that as an opportunity to educate.
- A program called childhood fitness encouraging walking, biking, fitness curriculum, and working up a logo with a local artist and the school to define and develop the logo.
- A bicycle rodeo to teach bicycle safety. This involves public safety officials and local health care institutes that talk about the potentials for brain injuries.
- Fit Kids for Helmets are sometimes even providing helmets and they work through various exercises. Usually there is some kind of awards or ceremonies for completing these courses.

There seems to be an increasing amount of support as we program out and looking at what we anticipate at the next reauthorization. There has been discussion about increasing the program. It is particularly championed by the Secretary of Transportation. As far as how the grants are applied for and how their money is allocated, there is an annual cycle call for applications and there is a template for the process along with a criteria that relates back to the requirements of the program and that they are scored by an advisory committee based on the need, how they meet the program requirements, of whether or not they have attended training or participated in the training that we offer throughout the state, how well they are working with community partners, and obtaining their resources, and just the quality of the grant application itself. Once those recommendations are made by the advisory

committee, then the go back through the ADOT approval process and of course back to the School Board.

Mr. Feldmeier: I asked to have this discussion today because of the concern relating to the Boards meeting in Prescott relating to the grant that came from this program. I think that it has been very helpful to have this discussion because it clearly defines the differences between the infrastructure and non-infrastructure and the issue particularly addressing this non-infrastructure portion where funding was utilized for murals on some of the walls that created the issue with the Congressman. I want to make it clear that I think this program in relation to the infrastructure is tremendous and really everyone benefits from these infrastructures schools, kids, and neighbors, it is a huge help and the people in Prescott are doing a great job in providing the grants for not just Prescott and Prescott area schools as well as to this process. The difficulty falls into the non-infrastructure in particularly the murals that were painted on historic walls at schools that apparently fit the criteria. That is where I and a lot of people are having trouble. My question pertains to that non-infrastructure portion. Can you tell me what percentage, you said that no less than 10% and no more than 30% of the total goes towards non-infrastructure work, where does this fall within that range?

Brian Fellows: We are targeting 30%.

Tammy Flaitz: Out of that 30%, that would not be necessary on the applications but we also include staffing, training, bringing in natural workshops, and other administrative costs.

Bill Feldmeier: I understand that. I am okay with that. It is the paintings on walls that I am just not accepting that. I am having a tough time with that myself. Is there a way where we can review those early on and set them aside and move that more towards infrastructure or other parts of the non-infrastructure that are not controversial to eliminate that problem in the future.

Tammy Flaitz: I think that we would have to go back to the Safe Routes to School Committee and discuss whether or not there is something that could be put in the language of the application that would preclude that use. We need to go back to the federal requirements for the national program. One of the issues we may run into is it has on the National Safe Routes to Schools as being an example of showcase projects. The reason being is that that was one small part of an overall education and encouragement project which brought the kids together and they designed the murals with the locals, school, educators, and they went through this competitive process. It was something to build in unity. I am not sure standing here today would do what we would need to do but it is certainly something we can look at.

Mr. Feldmeier: In this case in particular it might have been well for the kids but it divided the community and that is not in the end what we want to have happen. I think there are better ways to deal with this. If it is the language then we need to look at it and redirect that money to other important parts of the non-infrastructure or to the infrastructure then it works in a more acceptable manner for most folks out there.

Victor Flores: With all due respect to my colleague, I do not think that the decisions on something specific as this that affect xenophobes, if I can be candid. I think that if we remove the mural that is something that should be determined by the school. If nothing else, this is something that should be

discussed with the advisory to be compliant with all rules and think that you are doing what the community wants. This is my personal opinion, the reaction to that was basically because of a particular hue of one of the characters and it did in fact divide the community then I think the result in restoring it to what the original intent was, is a positive thing that happened. I do not think that it belongs in the discussion in terms of making decisions at this point.

Bill Feldmeier: With respect to my colleague, what we end up with is a deteriorating conversation that ends up in a discussion like this which has nothing to do with it. I am looking for ways to avoid those kinds of things in the future and put me and others in awkward positions.

Bobbie Lundstrom: I am not familiar with the mural and I do not understand because we have a lot of murals in Nogales. I understand where the community comes from in doing this together and showing spirit in the community. What was so offensive; how could a mural divide a community.

Bill Feldmeier: From my part, we have not traditionally done this in Prescott. It is not unheard of, but very new. For me and for others, the objection was painting a historic wall. It would not have mattered if it was a mural of George Washington at Valley Forge. They did something that I do not believe they should have done.

Bobbie Lundstrom: Maybe the language should read just avoid historical buildings out of respect of the history rather than saying absolutely no murals and doing specific to historical monuments, historical walls, historical facilities. I can understand preserving the history.

John Halikowski: We do not have control over the language, this is a federal program. This money comes to us from the federal government. The implications of what has been done is not corrected by the Department. These were coming from the community and if the community decided if they want to apply a program like this to raise awareness for children. It comes to that committee. If it falls within the federal rules and guidelines to award, we have a tough time turning that down. ADOT ensures that it meets the federal requirements.

Floyd Roehrich: The criteria are to make sure it is eligible. The advisory panel ensures that available funding meets the number of projects or the non-infrastructure. It is not to determine eligibility. It is a federal law and federal statute and as long as the project complies with those requirements and it is the priority of the advisory board to do that, it is eligible expenditure.

Bobbie Lundstrom: For instance, with the Historical Society of Prescott, could they, within your guidelines, as preservation at a community, make that choice for themselves so that the community is in agreement to preserve their historic sites?

Bob Montoya: Good point, I think that is a good discussion but I think there is a policy that needs to be addressed by the committee, but more importantly, I imagine that if someone was going to do a sign or a mural they would have to apply to the sign commission for that and if it was offensive [inaudible]

Tammy Flaitz: Because this is federal funding then the National Environmental Policy Act must be adhered to for any federal projects and those environmental clearance processes does come back through ADOT and through our staff to review. We would go through a full consultation with the

states historic preservation office and any of the other involved historical committees in the area. I think that one thing we can take away from this is to make sure that we are cognizant that we need to be vigilant that we adhere to that process that may have a historic building or something in the application permitting that.

Mr. Christy: I regretfully have to leave for another commitment.

ITEM 5: SR89A Lighting – John McGee

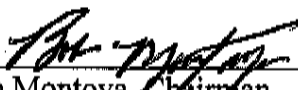
I believe there have been a number of very positive actions happen that have resulted in both the Department and the City of Sedona coming together to start looking at the possibility to doing a transfer of all or some portions of SR89A within the city of Sedona, From 179 to the end of 89A, approximately Airport Road down to Dry Creek for the proposed continuous lighting project. Several weeks ago the Director along with the Chairman and Vice Chairman met with the people in Sedona about this project to discuss once again the Department's desire to give Sedona the ability to determine their destiny in this region. As a result, the Director on July 8th sent a letter to Mayor Adams stating our desire to move forward with this potential transfer and also put within that letter the actions that the Department was going to take with regard to the transfer. One of the things that Sedona had asked for was more time to gather facts and enter into negotiations. We had been planning on awarding the lighting project in the September – October timeframe. We agreed that this was an important enough matter that Sedona should have the time to seriously consider this issue. So within the letter, the Director did indicate that we would be willing to put off the project until the early part of next year so long as the city counsel passed a resolution authorizing their representatives to work with the Department to gather background information and proceed with negotiations. The Transportation Board does have the authority to remove routes from the state highway system and this lays out the specifics of what the Board is required to do if we take those actions. We believe that there are definite advantages to both the Department and the city to engage in the route transfer agreement for 89A and we have numerated those advantages. Going through the route transfer process, we really have essentially 5 basic steps. 1. Each party will be look at and determine their priorities, 2. Defin the transfer elements, 3. Come to a consensus on terms, 4. Develop a JPA, 5. Monitor those commitments.

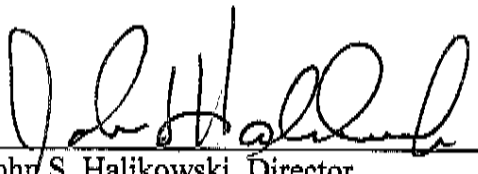
There have been a number of what I believe to be positive steps that have taken over the last 6 – 8 weeks. ADOT did alter the timeline in advertising this project. We have developed a timeline for working with Sedona. The Director has designated representatives to participate in the route transfer discussions. For the Department, that would be Mr. Harper, Audra Merrick, both from the Flagstaff District, Jennifer Toth, Matt Burdick and myself. We believe that that team gives us a high enough level of staff participation that we should be able to answer any questions that the city might have with respect to financial, programming, and technical issues. The Sedona City counsel, through Resolution 2010 – 22, did elect representatives to begin fact finding and to enter into negotiations on a potential route transfer. That is also a very positive step. The representatives are performing fact finding for counsel considerations of this route transfer. There have been two to three meetings to date to start gathering the facts on the potential transfer. The City of Sedona has designated their representatives for participating in these discussions. There have been a number of positive steps on both sides to try and come to an amicable conclusion. The Department and Sedona do have a long history of being able to work things out over time in an agreeable manner. We hope and expect that we will be able to do

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the same here. I will also state that we will be meeting with the full teams of both Sedona and ADOT later today. I will be happy to answer any questions.

Motion made by Mr. Anderson and a second by Mr. Feldmeier, in a voice note, motion carries to adjourn the meeting.


Bob Montoya, Chairman
State Transportation Board


John S. Halikowski, Director
Arizona Department of Transportation

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