

STATE TRANSPORTATION BOARD MEETING MINUTES**9:00 a.m., Friday, February 18, 2011****La Paz County****Board of Supervisors Meeting Room****1108 Joshua Avenue****Parker, Arizona 85344****Pledge**

The Pledge of Allegiance led by Steve Christy.

Roll Call

Roll call by Board Secretary, Mary Currie.

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

Opening Remarks

He has been to Parker a couple of times and likes it especially in the winter where it is a lot warmer than it is in Prescott. He has also noticed over the years that it is a very clean town and people are friendly.

Call to the Audience

Jack Hakim, Mayor of Bullhead City: He spoke about concerns that traffic is being congested in the Boulder City area and it was disrupting the businesses in the community because of the back up of the trucks. The proposed solution is to send the truck traffic back to Bullhead City on 68 and 95 over the existing Bullhead – Laughlin Bridge and transfer the problem back to Arizona. Mayor Hakim distributed information about some of the issues to the Board Members and ADOT staff for the record.

Paul Johnson, Councilmember, City of Yuma: On behalf of the Rural Transportation Advocate Council, he invites the Board to the Rural Transportation Summit January 18th to January 20th, 2012 in Yuma. The existing CIP, there is \$20M in FY2012 and 2013 to begin the first part of CANAMEX corridor north of Yuma. In the revised draft it has disappeared. There is a resolution that was passed by the State Transportation Board, designation of the CANAMEX in Arizona when Jim Martin was Chairman of the Board. The \$20M for this project is the first step. This is important because it is the only paved road that goes to Yuma Proving Grounds and the Army's premier test center.

Sanford Cohen, Open Trails Association: He is the Chairman of the Landowner-Lessee/Sportsman Relations Committee and Arizona Game and Fish. His suggestion is that when

sending registration renewal notices to OHV owners, can another line be added where they will be notified of their need to renew their OHV decal. Currently, they are leaving it up to the owner of the vehicle to remember to renew the OHV decal. Compliance statewide is languishing at less than 25%. That would allow for the full funding of monitoring and law enforcement activities that are under consideration that the legislature was originally crafted.

ITEM 1: District Engineer's Report – Alvin Stump, Yuma District Engineer (Acting)

Alvin provided an update on the projects in the La Paz County area. In the next couple of years, there is roughly \$42.5M program for the La Paz County region

ITEM 2: Director's Report – John Halikowski, Director

There are two Items he would like to bring to the attention of the Board.

- 1) I-11 Update – The owners that cover a substantial portion of that property and the future freeway corridor. They have been working with ADOT to try and identify approximately \$1.25M to complete the \$3.5M of funding necessary that they estimated needed for phase I from the I-11 environmental study. The department had previously committed \$2M to this effort at the request of the Governor and the landowners have secured \$250K from Congress. Phase I extends from I-10 west of phoenix at about 365th Avenue to US 93 north of Wickenburg.

2)

Victor Flores: He does not oppose I-11, although his concern has been that since he started commenting on issues that he had is that the moneys that are being asked for are asked for in a time when they do not have much money. He wants the conclusion to be to ask the Chairman to put this as an Agenda Item and discuss further and at that particular point debate whether or not it is the issuance of \$1.5M or \$3.5M that is in fact a Board Policy.

Bill Feldmeier: He will put it on the agenda for either a regular meeting or study session which ever is the first that provides them with the ability to come up with the answers that they are going to need.

John Halikowski: He briefly reviews the executive and the legislative budget proposals as they affect ADOT. These are what the executive and the legislative budget proposals include:

- New lane miles, neither of the executive or the JLBC proposal do anything for them with the increase of maintenance money for new lane miles.
- The building renewal fund is at \$1M. If full funding was looked at for the facilities renewal, they would be at \$9.6M
- LB& I and JLBC gives nothing for those. The executive budget proposes giving \$2.3M per DI storage buildings provided that they are state highway fund revenue sufficient and \$3M for the vehicle wash systems.
- Both of budgets proposed continued suspension of the HURF and the state highway fund transfer caps. Those are set by law at \$12.5M and for years those have been ignored and essentially they are going to continue the \$43M VLT transfer into FY2012.

- The aviation fund balance is \$13.6M. There is an outstanding balance of about \$20M and what the executive proposes to do is take an additional \$3.2M transferred from the aviation fund.
- Prison labor is an issue that comes up as to why they cannot use more inmate labor. In fact the use has increased. They are performing nearly all of the facility related landscaping activities for the buildings in Phoenix and Tucson.
- Moving from 2009 to 2010, things look pretty grim. They have had to take some significant actions to make the budget balance. They continue to look closely where they spend money and achieve savings.

Victor Flores: I've got a number of questions. It's no secret, at least to this body that I've had some concerns about this issue, I've talked to Mr. Halikowski, I've met with recently Mike Inghram and the first thing that I want to say is that I do not oppose I-11. My concern has been since I started commenting on issues that I had is the monies do the EIS in a time where we don't have much money. So I have done a little researching and I doI'm not deliberating, I'm commenting, I appreciate yourSo, I wanted to make some comments and perhaps at the conclusion ask you Mr. Chairman to put this as an agenda item to discuss further, and at that particular point to debate whether or not it is the issuance of \$1.5M or \$3.5M perhaps is not perfunctory is not an administrative, but is in fact a board policy, so that is one of the reasons that I would hope that this would be put as an agenda item. I did do some research and my understanding that even though the Governors letter talks about the \$2M, my understanding that the \$2M was acquired in 2008 when there a lot of money, there was another state that did not use it. It was appropriated toward this project and has since been spent on other projects, which are worthy projects I'm sure. So I question whether that \$2M is actually in a kitty, and secondly if we are in fact going allocate \$2M plus another \$1.5 that the Governor's asking for, at minimum we ought to identify where the money is coming from, including other EIS projects that perhaps are not being done because its redirected to this particular project. So because it's not an agenda item I just wanted to comment my concerns, I do support as well as all of the folks on the CAN DO Coalition, I'm sure that the resolutions are still in _____ support. I doubt very seriously if two years ago, whenever they signed this that they knew where the money was coming from. I don't know that, that's speculative, but I would ask that the Director consider holding off on this item, and you Mr. Chairman putting it on as an agenda item for our next meeting.

Bill Feldmeier: First of all, I'm fine with that; in terms of agendizing it for either a regular meeting or a study session, whichever is the first that provides us the ability to come up with the answers we need. Any other questions related to this?

Bill Feldmeier: I have also a comment in your research John I would need to understand if this becomes a reality in the future what kind of obligation are the rural counties going to have toward its ongoing, number one, funding and then its long term maintenance. As we all know the money is tight, even when there's a lot its been tight. Its worse now than its been in forever, but highway 93 as it now sits consumes vast amounts of rural dollars and this change in potential status to an interstate could obligate the rural counties even further. And I would need to understand during your research and your return with information to us, how that may or may not impact rural counties down the line.

Victor Flores:

Mr. Chairman, if I might, John for clarification on I-11, and again I am a big supporter of you and also a big supporter of I-11, just got some issues. The letter from the Governor asked you to find the \$1.5M dollars, so there is no time constraint, so if we do put it as an agenda item for the next meeting or study session, is the understanding that there is no action going to be taken prior to that or is there \$1.5M ever been found?

John Halikowski: *It is kind of a double-edged sword. If the desire of the Board is to come back and identify where this money would be coming from, we obviously have to start looking at that right now. However, as I noted, the Governor understands that the money for this study needs to be approved not only by MAG's Regional Transportation Council, but also by the State Board. So, if your asking me if we are going to go out and expend this money absent board approval, the answer is no. But we will do some activities to identify where that's coming from and begin looking at the scope of the study and be able to give answers as to what the money would be expended for.*

ITEM 3: Consent Agenda

Motion to approve Consent Agenda made by Kelly Anderson and a second by Steve Christy, in a voice vote, motion carries.

ITEM 4: Legislative Report – Eileen Colleran

FY 2011 Appropriation - The House introduced a Continuing Resolution (CR) last week HR 1 which would provide funding through the rest of the federal fiscal year (September 30, 2011). The proposal would cut spending and represents \$100 billion less than the President's budget recommendations.

FY 2012 Appropriation - The President introduced his budget recommendations this week for federal FY 2012. For transportation he is recommending an additional \$50 billion to kick off a 6 year reauthorization and includes: \$70.5 B is requested to rebuild our roads and bridges, \$22.4 B is requested to support public transit, \$8.3 B rail.

SAFETEA-LU Reauthorization -- President introduces a 6 year reauthorization proposal which includes \$556 billion with \$50 billion "Up-Front" economic boost that would foster job creation and a \$5 billion Infrastructure Bank. There have been no recommendations on how to pay for the bill. The House Transportation and Infrastructure Committee passed HR 662 on Wednesday which continues SAFETEA-LU at current funding levels through 9/30/11. Senator Boxer, Chair of the Senate Environment and Public Works Committee continues work on her piece of the reauthorization bill.

FAA Reauthorization - The Senate continues hearing S 223 on the floor. The House Transportation and Infrastructure Committee introduced HR 658 last week.

John Halikowski: There are about 12 bills moving through with brand new special license plates honoring everything from professional hockey to food banks.

ITEM 5: Financial Report – John Fink

Highway User Revenue Funds:

- January HURF was about \$102.7M, down about 2.2% compared to last year. Last January was a very high month at \$105M. They are up 4.4% compared to the estimate.
- For the year, HURF now stands at \$694.9M. That is up 1.6% compared to last year and up about 1.2% compared to the estimate.

Regional Area Road Funds: He will only discuss the January results.

- January RARF stood at \$30.1M. That is up 6.3% compared to last year and up 3.1% compared to the estimate. There are four straight months where the RARF monthly results were above the comparable period for last year.

Aviation funds:

- Aviation fund revenue in January was \$2.5M. That is down quite a bit from last year but is up about 10.7% compared to the estimate.
- For the year now, aviation fund revenues stand at \$14.2M. That is up 14.6% compared to last year and is up 11.3% compared to the estimate.

Investment report:

- In January there was an average monthly investment balance of \$1.165B.
- Investment earnings for the month were about \$1M for an annualized yield of 0.71%. Investment earnings for the year now stand at about \$5.2M for an annualized yield of 0.81%.

HELP fund:

- HELP fund balance on January 31st was about \$70.4M. There are currently four loans outstanding totalling about \$5.4M.

ITEM 6: Financing Program – John Fink

John provided information on a rule that has been proposed by the Securities and Exchange Commission that would have the effect of requiring appointed Board members or bond issuing entities to register as municipal advisors with the SEC.

ITEM 7: Multimodal Planning Division Report – Scott Omer

They are scheduled to finish the long range plan at the end of June. They will be having a policy committee meeting which generally is chaired by the Director and the members of the policy committee, the elected officials, mayors, and local communities throughout the state of Arizona. The policy committee meeting is coming up in March. They will also have public involvement that starts in March. An ADOT kickoff meeting was held for inner city rail on February 16th for ADOT senior staff as well as the consultants. There will be a stake holder kickoff meeting on March 10th.

ITEM 8: Priority Planning Advisory Committee (PPAC) – Scott Omer

Item 8b is a new project on US 89 in Coconino County in Flagstaff. It is emergency drainage repairs. It is an emergency project to restore and improve the drainage system within ADOT Right of Way on US 89 due to the July 10th fires in the area.

Motion to approve Items 8b – 8d made by Victor Flores and a second by Kelly Anderson, in a voice vote, motion carries.

Item 8e is for the City of Scottsdale Reliever Airport. It is the state and local sharer of the FAA grade and Item 8f is in Wickenburg, the Town of Wickenburg Public Airport.

Motion to approve Items 8e and 8f made by Steve Christy and a second by Bobbie Lundstrom, in a voice vote, motion carries.

ITEM 13: Sedona Route Transfer - PPAC – John McGee

- Item 13a is request for motion to return the project from FY 2013 to FY 2011 in the Highway Construction Program. This is part of the negotiations for Sedona Route Transfer.
- Item 13b is a request for approval of a debt service repayment for \$2,640,000.
- Item 13c – A request for a motion directing Department staff to develop all documents necessary to accomplish the transfer of the Transfer Segment to the City of Sedona, conditioned on the City of Sedona's execution of the Transfer Agreement.

Motion to approve Items 13a – 13c (13a and 13b on a conditional basis) made by Steve Christy and a second by Kelly Anderson, in a voice vote, motion carries.

ITEM 9: State Engineer's Report – Floyd Roehrich

There are 123 projects in the program but the dollar amount has stayed relatively low compared to some years. The \$1.1B on the contract really has less than \$300M worth of work left to do. He provided follow-up on the Adopt a Highway program. They have decided to modify the policy and look at it as a way to make it incentive wise or make it more attractive for groups to do this more times a year.

Chairman Feldmeier: He would also like to have them come to one of the Board Meetings and have the Board recognize them for their special efforts and give them a certificate.

ITEM 10: Construction Contracts – Floyd Roehrich

There are 11 projects on the projects listed for award this month. Three of them were a part of the Consent Agenda. A few of these that are on there are ARRA projects which were local government projects in the Towns of Buckeye, El Mirage, and Gilbert.

Motion to approve Items 10a, 10c, 10d, and 10g made by Steve Christy and a second by Bobbie Lundstrom, in a voice vote, motion carries.

The action requested today for Item 10b and 10h is to defer until the special board award to coincide with the Board Study Session on March 1st.

Motion to approve Item 10b and 10h deferred to the March 1st Special Board Meeting to coincide with the Study Session made by Bobbie Lundstrom and a second by Kelly Anderson, in a voice vote, motion carries.


Item 10f, is a project on SR77 in the City of Mammoth. There may be a possibility of an irregular bid, unbalanced bid that was submitted. The request is for a motion to defer this item to the March regular Board Meeting.

Motion to defer award discussion on Item 10f to March regular meeting made by Victor Flores and a second by Bobbie Lundstrom, in a voice vote, motion carries.

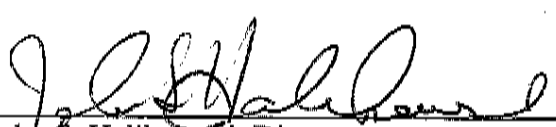
ITEM 11: 2012 – 2016 Tentative Program Review and Request for Approval for Public Comment – Scott Omer and Steve Hull

Motion to approve Item 11 made by Victor Flores and a second by Kelly Anderson, in a voice vote, motion carries.

Motion to adjourn the meeting, in a voice vote, motion carries.



Bill Feldmeier, Chairman
State Transportation Board



John S. Halikowski, Director
Arizona Department of Transportation