

MINUTES
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, July 15, 2016
Town of Camp Verde
Council Chambers
473 S. Main Street, Suite 106
Camp Verde, AZ 86322

Pledge

The Pledge of Allegiance was led by Board member Deanna Beaver.

Roll call by Board Secretary Mary Beckley

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

Absent: None.

Opening Remarks

Chairman La Rue requested Vice Chair Beaver to present an update on Thursday night activities. Vice Chair Beaver thanked the Town of Camp Verde for buffet dinner at Gabriella's Taco Shop. She acknowledged Town Mayor, Vice Mayor, Council members, Yavapai Co. Supervisor and Bill Jump, from Out of Africa Wildlife Park. Sun Corridor has selected new executive director, Irene Higgs. Vice Chair Beaver also acknowledged the presence of Chris Fetzer, NACOG; David Wessell, FMPO; Chris Bridges, CYMPO; and Jean Knight, LHMPO.

Chairman La Rue thanked Board members for attentiveness and work completed on the five year program the last several months, meeting with stakeholders. Thank you to family members for the Board's time commitment. Chair acknowledged Suzanne Cuthbertson in the audience.

Board member Stratton thanked Mary Lou Tamplin for all of her support and then he proposed marriage to Mary Lou, and she accepted. Applause abounded from the audience.

Call to the Audience:

The following members of the public addressed the Board:

1. Charlie German, Camp Verde Mayor, re: congratulations to Mr. Stratton; thank you for conducting your meeting in Camp Verde, and attending dinner with the Town; thank you for funding Highway 260; complimented ADOT staff for meeting with public with explanations of roundabouts and funding; thank you for finishing third leg of Hwy 260; Verde Valley community is ecstatic; acknowledge Board of Supervisors and NACOG and its efforts for funding remaining \$900,000 necessary.
2. Sandy Moriarty, Sedona Mayor, re: thank you for coming to Verde Valley; support of Hwy 260 and happy that Board chose to complete this project; would request signage to effect if SR 179 is congested, to direct travelers to take Hwy 260 to get to Sedona; appreciates ADOT agreeing to install the fencing on Midgley Bridge to assist with the unfortunate number of suicides; unique having a proposal at a board meeting and congratulations; invitation to have a meeting in Sedona.
3. Christian Price, Maricopa Mayor, re: congratulations Steve; thank you to Board for hard work and service to the community and state; thank you for approving Maricopa project in the five year plan; ADOT hosted a public meeting on scoping – many City of Maricopa commuters to Phoenix – over 200 people attended meeting to learn about the overpass and time frames; Pinal County has been working toward an RTA and going to work closely with legislature to get something done in the spring.

4. Art Babbott, Coconino County Supervisor, re: thank you for coming to the equatorial region of AZ; RTP process to identify investment needs in community is being finalized; priority is Forest Street bridge over I-40 – programmed in 2019 for some work, great opportunity to use a TIGER Grant that City of Flagstaff applied for to accomplish that project; relationships with all entities have a mutual understanding for bringing resources to the table; transportation is the economic driver for the Flagstaff area; thank you for work on the five year program.
5. Diane Joens, Cottonwood Mayor, re: thank you Board for all your work which helps economic development in the community; thank you for approving the Hwy 260 project in the five year program, especially in Cottonwood; there was a terrible accident a few years ago (on Hwy 260); Cottonwood pleased to collaborate with all neighboring communities and excited to see the work begin.
6. Casey Rooney, Cottonwood Economic Development Director, re: SR 260 means everything in the Verde Valley, a great economic tool for Cottonwood; recently attended WASHTO conference in Laramie WY and impressed with the ADOT presentations during that conference; AASHTO conference coming to Phoenix in September 2017 and suggest that we do a bus tour for participants to come up to Cottonwood and also a conference session about public private partnerships and how Cottonwood worked with State Transportation Board and ADOT to get this project done; also there will be a WASHTO conference in three years and that would be a great time to do a presentation and talk about partnerships to improve economic development in the region; he also represents Verde Valley economic development organization which supported SR 260; all communities worked together.
7. Chris Bridges, CYMPO Administrator, re: thank you for inclusion of I-17 in year six of the program, very well received in the community and state; if you are at the League of Cities conference, you may see 3D presentation on 2-way reversible lanes on I-17; next week CYMPO meeting to finalize funding for SR 69 final design, funding locally and hopefully added to next year's five year program.
8. William Jump, Principal, Out of Africa Wildlife Park, re: personally and publically thank you for support for Hwy 260 project, took a lot of dedication to make that commitment; as a beneficiary of the project, it has been a great addition to ramp up development for the park, accelerate business/economic development in the area.

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1 (Beginning of excerpt.)

2 CHAIRMAN LA RUE: So let's quickly move on to
3 Agenda Item No. 1, and I'll turn it over to Floyd to introduce.

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

5 We know that transportation safety and highway
6 safety, there has been a number of issues that the agency has
7 talked about. The Board had it at their study session, and
8 through the Strategic Highway Safety Plan, the department has
9 been working with many of our sister agencies or other
10 stakeholders, Governor's Office of Highway Safety, as well as
11 DPS, really looking at ways how we can address, you know, the
12 engineering component of it, the enforcement component of it,
13 the education component of highway safety, and really looking at
14 making the roads safer and better for everybody's use.

15 And one of the issues that has come up was I was
16 approached by Mr. Chris Bridges that the Yavapai area, Central
17 Yavapai Municipal Planning Organization, CYMPO, had been looking
18 at that them self. And regionally, they've decided to take on a
19 public service announcement, or at least action, that expands
20 the education of highway safety and distracted driving and those
21 safety measures in their region.

22 So, Mr. Chair, I'm going to actually turn it over
23 to Supervisor Brown, who is going to kind of introduce. And we
24 were going to hear a little bit about how they've approached
25 this, and then there is a short video that they have as a public

1 service message to, again, bring more awareness of education on
2 the people on the importance of safety and driving, and again,
3 helping with the overall message of use our roads, but use them
4 safely and wisely.

5 MR. BROWN: Great. Thank you, Board members, for
6 having us on the agenda this morning. We wanted to make sure
7 that we had these public service announcements ready for you.
8 And I'm Craig Brown, Board of Supervisors of Yavapai County, and
9 welcome to our county. And I'm also the chairman of CYMPO,
10 Executive Board.

11 What we have here is we all realize that we see
12 people every day doing different types of things in their
13 vehicles, doing things that they shouldn't be doing while
14 they're driving at high speeds, and even low speeds, which
15 causes what we call distracted driving. We know that eight
16 people a day die in the United States because of distracted
17 driving. And that's probably a very low estimate in number,
18 because most traffic reports taken by police officers do not
19 usually go into the investigation of whether distracted driving
20 was a factor or not, and it's not, basically, on the form.

21 So our -- we believe the statistics are a lot
22 lower than they really, actually are. So we have undertaken a
23 project, first in Arizona that I believe taken on by a county or
24 a metropolitan planning organization and -- to bring distracted
25 driving to the awareness of all -- all of our citizens in

1 Yavapai County.

2 We've partnered with all of our law enforcement
3 agencies, and we've also partnered with one of our cable service
4 providers, Cable ONE, and to do this particular type of
5 activity. Our sheriff has already done the first ad that we're
6 going to be putting out, shall we say, and it's going to be
7 usually 30- to one-minute type of presentation. And we've just
8 now, just recently in the last couple of weeks, have also had a
9 sponsorship by one of our radio stations that's countywide. So
10 we're very excited about that.

11 So with -- this is a long project. We're going
12 to involve a lot of different people, a lot of different law
13 enforcement agencies, and we're going to try and address those
14 issues of distracted driving that we see every day. When we --
15 the one we've liked most is eating a bowl of cereal while you're
16 driving, so... Yeah, I know it's unimaginable, but we all do
17 it.

18 UNIDENTIFIED SPEAKER: Reading a book.

19 MR. BROWN: And we all do it. You know, I -- you
20 know, when you pick up your cell phone, texting, dialing,
21 whatever you're doing, this is distracted driving. You should
22 be driving. So with that, I'm going to give it to Vinnie.

23 MR. GALLEGOS: Thank you, Mr. Chairman, Vice
24 Chair, members of the Board. Thank you to Floyd for the
25 introduction. And Supervisor Craig Brown hit on some really key

1 points.

2 A few months ago, as Floyd was mentioning, I was
3 actually in attendance, and you all were receiving an update on
4 the statewide strategic highway plan, and the discussion came up
5 about some of those emphasis areas, and the discussion was what
6 can be done about things such as distracted driving. And the
7 discussion that you all had, I think, with staff was, you know,
8 that really is a tough thing. Behavior is a tough thing. We do
9 get -- as Supervisor Brown said, get into habits. A lot of
10 those are bad habits.

11 So the good thing from that discussion is, you
12 know, we were able to come back to CYMPO and start having that
13 discussion, along with a roadway safety assessment that was done
14 on Highway 89 and Robert Road in the town of Prescott Valley.

15 As ADOT reviewed that intersection, along with
16 your discussion, one of the things that came up out of that RSA
17 was an immediate countermeasure that can be done is education;
18 is a public safety campaign. So through Chairman Brown, our
19 CYMPO executive chair, through our staff, through our board, we
20 began the discussion, as Supervisor Brown said, with our
21 partners in the community.

22 The first partner we approached was Cable ONE,
23 and we sat down, and we said, you know, "What would this look
24 like?" We obviously have limited resources, as we do with most
25 of our projects. So as you all know, and we see it done here so

1 well, it really does require a number of partners in the
2 community. So Cable ONE listened to Chris and I pitch the idea,
3 and quickly, they went back, came -- and came back to us and
4 said, "Absolutely. We want to be a partner in this. This is an
5 important message. This is saving lives. This would be a good
6 opportunity." So essentially, they came back and said, "What
7 we'll do is we will stretch your dollar out," if you will,
8 almost -- it's over two to one. It's almost two-and-a-half to
9 every one of our dollars.

10 So they were able to help us to focus a message.
11 It's web based. And they, in addition to that, threw in the TV
12 commercial ads; through Supervisor Brown's leadership said, "We
13 really do need the engagement of our local law enforcement." So
14 we had a meeting with all of the chiefs of the law enforcement
15 agencies throughout Yavapai County, pitched the idea to them,
16 got their support, got their buy in. They said, "Absolutely.
17 We see this on a regular basis."

18 And the key part to our campaign is, as
19 Supervisor Brown said, was distraction is not the most common of
20 texting and driving, but it's -- as you all mentioned today,
21 it's reading. It's eating. It's doing makeup. It's a dog in
22 your lap. It's even the things that maybe we get commonplace
23 with, the radio, climate control, other people in the car. We
24 obviously recognize as technology has grown, there is a lot more
25 distractions, but without technology, there's still distractions

1 that are taking place.

2 So Cable ONE is our partner. Law enforcement is
3 our partner. And last but not least, the Arizona Department of
4 Transportation. So I want to thank you. I want to thank your
5 staff, your participation through the Board, through our local
6 ADOT office. This would all not be possible if staff from ADOT
7 didn't come back and say, "Yeah, you would be able to use some
8 of this funding for educational purposes." So we truly want to
9 thank ADOT today, and know that you're a part of this campaign,
10 and that we take the commitment of the statewide strategic plan
11 very serious, and that vision is towards zero deaths. So we
12 recognize that. We take that seriously.

13 We believe passionately through this campaign
14 that we can help with that. We can be partners in that. Cable
15 ONE's made the commitment. Our chiefs of police and the sheriff
16 have made that commitment. Our county board of supervisors
17 officially kicked this campaign off last week at their board of
18 supervisors meeting by officially proclaiming in Yavapai County
19 the month of July as distracted driver awareness month.

20 So we truly want to thank our county board of
21 supervisors, Supervisor Brown, for taking that leadership.
22 That's really important. And we had a room full of law
23 enforcement and media in the room to see that, to kick off this
24 year-long campaign.

25 Know that we're starting with distracted driving.

1 We're going to evolve into impaired driving, aggressive and
2 speeding. So we really do want to focus on those emphasis areas
3 that you have in the statewide strategic plan.

4 What I'd like to do before we show you our
5 commercial is just give Cable ONE just a minute to come up to
6 share their partnership with us, and really, how this was made
7 possible. So again, thank you very much for your ongoing
8 leadership.

9 MR. GREAVES: Hello. Thanks for having us here
10 today. Kurt Greaves. I'm the general manager of Cable ONE for
11 Arizona.

12 MS. BANKS: And I'm Becky Banks, Arizona, with
13 Cable ONE.

14 MR. GREAVES: So we wanted to just do a brief
15 overview of our partnership, and we appreciate what Supervisor
16 Brown and Vinnie and Chris have put together. It's been a great
17 partnership with these guys.

18 The goal from our corporate office in Phoenix was
19 to make sure that we could help as much as possible in this
20 campaign. Specifically, we know the hazards of distracted
21 driving, because we're doing a lot of driving back and forth
22 from Phoenix to Prescott and northern Arizona. So it's an
23 important issue for us.

24 We went back, put a plan together, and as Vinnie
25 had mentioned, mostly what we're doing is a two for one, because

1 we knew the budget was limited. So our corporate office was
2 very interested in making sure that it was an effective campaign
3 that included digital as well as television, and we're also
4 doing long and short form video.

5 Becky's going to go into the details about that,
6 and if you have any questions, just feel free to let us know.
7 Our contact information is on the back of the presentation.

8 MS. BANKS: You have information on this, but
9 number -- the first commercial that we did that you'll be seeing
10 shortly is on distracted driving. We are going to be doing five
11 different commercials. The first three will be on distracted
12 driving, because there are so many different distractions.
13 Eating cereal. Cell phone is what everybody thinks about, but
14 there is a lot of distractions. So we're going to gear on that,
15 and we're also going to do it in a lighthearted manner. So it
16 is not going to be so serious that people want to turn it off.
17 We're not going to show dead bodies in the street. We're going
18 to keep it light and entertaining so that people want to
19 continue to enjoy and talk about it.

20 The next ones will be on impaired driving and
21 speeding. So it is a whole series that we are going to be
22 doing, and the commercials will come out about every six weeks.
23 We'll also be available to do long and short form video. So
24 long form would be anywhere to five minute video that some
25 municipalities and the police departments might want to use for

1 training videos. Might want to use to take to an educational
2 seminar. So we have the ability to do that for each individual
3 area. But I think you'll enjoy seeing what we did, and we're
4 going to continue to do that same type of thing as we go along.

5 Do you have any questions?

6 CHAIRMAN LA RUE: Questions of Board members?

7 MS. BANKS: Then I hope -- Vinnie.

8 (Video playing.)

9 MS. BEAVER: Chairman, I do have a question to
10 ask you. I happen to have the benefit of actually seeing it on
11 Chris' phone. So I kind of got it --

12 MR. ROEHRICH: While she was driving.

13 CHAIRMAN LA RUE: Yeah.

14 MS. BEAVER: Actually, at the last meeting, he
15 says, "You want to look at this." But my question would be it's
16 around --

17 MR. ROEHRICH: Can you pause it while
18 Mrs. Beaver's asking her question?

19 (Video paused.)

20 MS. BEAVER: -- around the state, if there are
21 other communities that would be interested in this, who is going
22 to be the point of contact where they can -- and what would the
23 number or the contact information be? That would be something
24 to -- for the benefit of the whole state.

25 MS. BANKS: I would be that contact, and I can

1 give you contact information. You have it on your sheets, but I
2 can give it out to anybody else.

3 MS. BEAVER: Maybe could you provide that to --

4 CHAIRMAN LA RUE: (Inaudible.)

5 MS. BEAVER: Okay.

6 MS. BANKS: Provide extra, I can give my card to.

7 MR. ROEHRICH: We have sufficient information.

8 This will be posted as part of the board meeting and the agenda.

9 So people will have access to it.

10 MS. BEAVER: Okay.

11 MR. ROEHRICH: Thank you.

12 MS. BANKS: So we can do that throughout Arizona.

13 MS. BEAVER: I didn't notice. Is there, like, an
14 e-mail address or something?

15 CHAIRMAN LA RUE: (Inaudible) we'll contact.

16 (Inaudible conversation.)

17 MR. BRIDGES: So I'm going to come to Lynn's
18 rescue here.

19 MR. GALLEGOS: I did the same thing. Good tag
20 team for Lynn.

21 MR. BRIDGES: You go ahead, Vinnie.

22 MR. GALLEGOS: Okay. Just to kind of give you a
23 setup, and you'll see where we're going, as Becky said, there
24 are some incredible national campaigns that exist. We know. We
25 respect and recognize this is a serious matter. A lot of the

1 campaigns have taken a very serious approach. When we had the
2 local discussion, as Becky said, we thought, well, could we go a
3 little bit lighthearted to at least hook people in?

4 What you're going to see is the first of a series
5 of commercials. This is the only one we have produced so far.
6 But what I would like to ask is for you to think of professions
7 that you don't want distracted. In this first one, you're going
8 to have a surgeon. You would not want your surgeon distracted,
9 texting and working on you. So our commercials to follow are
10 going to be different professions that you don't want
11 distracted: Your dog groomer, your hair stylist, your barber,
12 your surgeon, your dentist. Think of all these professions that
13 you and I would make -- it would be complete common sense. They
14 would be 100 percent focused. So this commercial's going to
15 say, "Wait a second. If you do not want your surgeon
16 distracted, we don't want you distracted behind the wheel." So
17 that is setting up our series of commercials.

18 Lynn, did I buy you enough time or should I keep
19 going?

20 (Inaudible conversation.)

21 UNKNOWN SPEAKER: Thank you.

22 (Inaudible conversation.)

23 (Video plays.)

24 UNIDENTIFIED SPEAKER: So if you could hear
25 that --

1 UNIDENTIFIED SPEAKER: Yeah, we got it.

2 (Inaudible conversation.)

3 CHAIRMAN LA RUE: Yeah. We probably should head
4 on to some Board business.

5 Floyd, do you have any final comments?

6 MR. ROEHRICH: We would like this -- obviously
7 this will be part of the record for the Board. The information
8 will be available. Chris, this is up online. We could also --
9 a link to it --

10 MR. BRIDGES: Yeah.

11 MR. ROEHRICH: -- when it's good to go. So we'll
12 continue the dialogue, and I do appreciate knowing, and I'm sure
13 the Board does as well, that other local communities are looking
14 at educating. It's going to take a big effort to get the word
15 out. So thank you.

16 MR. BRIDGES: Right. And just for the one last
17 word is it is posted on the CYMPO web page, cympo.org. It's a
18 YouTube channel. So you'll be able eventually to watch all of
19 them. But we are partnering with the ADOT communications team
20 to help spread that word. They've been willing to put it out on
21 the ADOT Twitter feed, which is very popular, to help get the
22 views going. In the first week, we had 270 views. I swear I
23 was only about five of them. But it's going fairly well, and
24 we're looking forward to continuing this on in the future,
25 because it is very important for the entire region. So thank

1 you very much.

2 CHAIRMAN LA RUE: Thank you.

3 MS. BEAVER: Chairman, I would just like --

4 CHAIRMAN LA RUE: Yes.

5 MS. BEAVER: -- to add one thing. It's just
6 coincidental, apparently, that in the last two weeks, there's
7 been a big phenom. with the Pokemon. It was a Nintendo game
8 back about 20 years ago, and now there is an app that can
9 downloaded on the phones, and basically, it is hooked into, as I
10 understand it, Google Earth. And so they will have these
11 monsters that pop up. They're invisible, but on a person's
12 phone, they can see them. So they're chasing them into
13 freeways. They're chasing them into buildings and on private
14 property. So I think that's something, if you haven't heard
15 about it yet, and it seems like it's crossing not only the
16 millennials, but it's also crossing over into the individuals
17 that 20 years ago were playing it in the first generation of
18 Pokemon.

19 UNIDENTIFIED SPEAKER: Yes. Right.

20 MS. BEAVER: So, you know, it's something that's
21 out there that we may need to be paying closer attention to.
22 I'm hopeful that Nintendo will get their -- get it cleaned up.

23 MR. BROWN: Real briefly, that -- you know, kind
24 of funny, but this morning in the *Courier* paper, there was a
25 reporter out there last night at the courthouse plaza in

1 Prescott, and there was a large group of young people, young
2 adults, young to me anyway. So they were out there, and they
3 were doing exactly what you were just describing, and they were
4 walking into the streets without paying attention if there was
5 any oncoming traffic or anything like this. So this could be
6 another one of those hazards that comes along with social media.

7 CHAIRMAN LA RUE: All right. Any other Board
8 member comments? If not, thank you so much. We appreciate the
9 initiative, the innovation and moving it forward, and I do like
10 the spin on the humor, and then to really, you know, cement
11 those messages. So thank you.

12 Let's move on to Agenda Item No. 2, the
13 director's report. Yes, put down that cereal. Come over here.

14 UNIDENTIFIED SPEAKER: Do you have a video?
15 (Inaudible.)

16 MR. HALIKOWSKI: I've been asked by the peanut
17 gallery if I have a video, and thankfully, no, I don't.

18 So thank you, Mr. Chairman, members of the Board.
19 I'm John Halikowski, Director of ADOT. Good morning to you, and
20 congratulations to you, Mr. Stratton. If you would like to
21 continue the theme you've started today, we will offer the ADOT
22 auditorium for the ceremony.

23 And I would like to apologize, Mr. Chairman, for
24 appearing in front of you in a pastel shirt. Mr. Husted had
25 many, many questions about it today. So Jack, I think it's time

1 for me to ask the question. What do you have against pastel
2 shirts?

3 MR. HUSTED: We'll talk. He's not wearing a bolo
4 tie. That's what the problem is.

5 MR. HALIKOWSKI: Ah, yes.

6 So members of the Board, it's a pleasure to be
7 here again today, and I wanted to talk to you a little bit more
8 about what's happening with our relationship with Mexico,
9 because as you know, we've talked in the past about how that
10 really affects Arizona's economy.

11 And the Arizona-Mexico Commission recently held
12 its first plenary session, or summit, that has been remiss for
13 at least two years now, this past June. So after two years,
14 we've finally got back together. And as you know, in the last
15 two years, there have been new governors elected both in Arizona
16 and the state of Sonora. And Governor Ducey has asked his state
17 agencies to make Mexico a high priority, and the Sonora
18 governor, Claudia Pavlovich, is very enthusiastic and capable
19 partner who was given her cabinet strong direction to work
20 closely with Arizona.

21 So the summit meeting was very successful. We
22 had over 500 participants, which I don't know if that's a
23 record, but it's very close, and I want to thank Board Member
24 Sellers and Hammond for being there. Your presence was well
25 received and well noted.

1 The Transportation Committee, which I co-chair
2 with my counterpart from Sonora, was filled to capacity. We had
3 over 125 participants in the Transportation Committee, and my
4 counterpart, Ricardo Martinez, from Sonora, co-chaired the
5 meeting, and also, my private sector co-chair, which is Jaime
6 Chamberlain, from JC Distributing in Nogales. And I know you've
7 met Jaime before as we've talked about 189.

8 A number of significant announcements came out of
9 the summit. As you recall from last month, I talked about the
10 fact that ADOT has executed a memorandum of understanding with
11 the Mexican Department of Communications and Transportation.
12 That is like our FHWA here, and it sets the framework for both
13 entities to conduct a feasibility study of the Arizona-Mexico
14 corridor from Arizona to central Mexico.

15 I also told you that SCT's committing \$100,000
16 toward the study. Now, at the summit, we signed a separate
17 memorandum of understanding with the state of Sonora, in which
18 they also agreed to put another \$100,000 additional toward the
19 study focusing on their part of the corridor in Sonora. So for
20 us, this is a really important addition to the study, not only
21 because of the additional funding coming in handy, but because
22 it means the infrastructure and supply chain in Sonora will be
23 more fully studied and analyzed. And so they're now an
24 integrated component of the study.

25 As a side note, the mayors of Yuma and San Luis

1 approached me at the summit. They would also like to contribute
2 to the study since they're very interested on the effects of
3 traffic to their cities, and they would like to be on our
4 Technical Advisory Committee.

5 We also added another partner we were very happy
6 to get, in the form of the Mexican federal customs agency, or
7 SAT, which will be sharing customs data with us. That will help
8 us understand what is inside the trucks that are on the corridor
9 and where those trucks are coming through -- from and going to.

10 So the MOU that we signed with Sonora also
11 promised that the two states would work together very closely in
12 terms of both planning and information sharing. We made a big
13 step by signing a separate agreement to share information about
14 our 511 system. The plan is for our 511 communications system
15 to be freely available in Sonora so that visitors and commercial
16 drivers can have access to the latest information about Arizona
17 weather, construction and traffic incidents. Then we'll begin
18 to work on making the information about conditions in Sonora
19 available to Arizonans who are heading south.

20 Now, another exciting development that was
21 announced at the summit is a plan for unified port management
22 between the U.S. and Mexico at the Mariposa port of entry in
23 Nogales. Currently the northbound traffic gets inspected
24 several times on its way to the United States, including right
25 across the border in Sonora. Then it gets inspected again once

1 the vehicle crosses into the U.S. by our customs folks.

2 Now, officers from Customs and Border Protection
3 and from the Mexican equivalent agency will conduct joint
4 inspections on U.S. soil. Nogales is the only port of entry on
5 the U.S./Mexico border that will be conducting joint
6 inspections. So this is really an unprecedented effort where
7 Arizona Customs and Border Patrol, our counterparts, SAT in
8 Mexico, will join forces to jointly inspect those vehicles for
9 customs purposes. So that should cut down on 50 percent of the
10 inspection time, which will be very important to us as a port of
11 entry on the border.

12 So I want to publicly offer my thanks to Will
13 Brooks, the commander of the Tucson field office for the Customs
14 and Border Protection, for envisioning this effort and managing
15 to push not one, but two federal governments into trying it on a
16 pilot basis. So he's a pretty persuasive guy, as you can
17 imagine, and this is an experiment we will watch with great
18 interest and support in any way that we can.

19 So during the summit, we've confirmed a few
20 ongoing joint efforts and begun some impressive new ones. Look
21 forward to keeping you posted on our efforts the rest of this
22 summer and into the fall. These will include a trip to Sinaloa
23 to bring them into the study process as a partner since they
24 expressed interest also. So I'm planning a trip to go and visit
25 Sinaloa, as well as update you on the joint inspection process

1 at the border.

2 Now, ADOT has been jointly planning with Mexico
3 for many years, but I think we're really breaking new ground
4 this year at this time. So when we plan future projects for
5 Arizona, we now consider how they might impact our trade with
6 Mexico, and projects that are important to trade get special
7 consideration. So the Trade and Transportation Corridor
8 Alliance, which I co-chair with former Congressman Jim Kolbe, we
9 look together to annually start talking about transportation in
10 Mexico and Arizona.

11 So we've got a lot of economic and development
12 trade issues that are going on right now, and I've got to tell
13 you, it's kind of a different direction than I expected to take
14 when I first started as ADOT director in 2009, but I think it's
15 a very good one, both for transportation, infrastructure, for
16 the economy of this state.

17 So thank you, Mr. Chairman. I'd be happy to
18 answer questions.

19 CHAIRMAN LA RUE: Thank you. Questions?
20 Board Member Stratton.

21 MR. STRATTON: Thank you, Mr. Chairman.

22 John, with the dual inspection --

23 MR. HALIKOWSKI: Uh-huh.

24 MR. STRATTON: -- is there an estimate of time
25 that will save, a wait time?

1 MR. HALIKOWSKI: I don't have it yet. So
2 Mr. Brooks announced the program, and they're working out the
3 details, but I guess back of the envelope, if you have 100
4 percent of the time between Mexico and Arizona, if you're going
5 to cut out one side of it, you'd be looking at some kind of 50
6 percent savings. So I don't know what that translates into
7 minutes yet, but we'll get that information for you as well get
8 further into this with CBP.

9 The other issue we face with CBP is one of
10 staffing, and you know, we're short probably in Arizona at least
11 200 officers for CBP. And we led a delegation ADOT did to
12 Washington, and we met with Senators McCain and Flake and the
13 management of Customs and Border Protection. Part of their
14 problem is their staffing process is very rigorous. Out of
15 every 100 candidates that apply to be a CBP officer, they will
16 winnow that pool down to three, and ultimately, only one gets
17 selected.

18 So border wide on the southern border, they need
19 900 people total. That translates into 90,000 candidates that
20 you would have to have if you're going to take one out of 100.
21 So they're looking at how they can revamp their hiring
22 processes, and also, there's talk of making it easier for our
23 veterans to apply. The issue we face in Arizona is that you can
24 get CBP folks in here, but they leave. There are other duty
25 stations that -- I know it's hard to believe, but are more

1 preferable, so... So there's some things going on with the
2 hiring, the officer structure, but this definitely is a great
3 step in the right direction to cut down the time.

4 CHAIRMAN LA RUE: Board Member Hammond.

5 MR. HAMMOND: John, this is more of a comment.
6 Hopefully it doesn't evolve into a speech, but I've been
7 involved in --

8 CHAIRMAN LA RUE: We'll cut you off.

9 MR. HALIKOWSKI: Do you have a video?

10 MR. HAMMOND: -- the Arizona-Mexico Commission
11 for probably 30 years.

12 MR. HALIKOWSKI: Yeah.

13 MR. HAMMOND: And this was the largest group ever
14 to meet on the cross-border issues, and it was also, I saw, the
15 most private sector participant -- participation than I've ever
16 seen (inaudible). The AMC has been -- it's too high level
17 sometimes. And to see -- and this -- I say this seriously.
18 Someone as busy and as well respected as you --

19 MR. HALIKOWSKI: Thank you.

20 MR. HAMMOND: -- participating in both days
21 really raises the bar to that discussion on cross-border
22 activities. For those of you that don't know the total history,
23 this is the third time Arizona has discovered Mexico in my 40
24 years of being involved in cross-border activities, and I'm
25 serious about that.

1 MR. HALIKOWSKI: Yeah.

2 MR. HAMMOND: But this time it's going to stick,
3 and what you're seeing is a lot of -- it's very complex -- but
4 the Brexit is going to help the NAFTA countries, Canada, Mexico
5 and the United States if we -- if we don't screw it up. So it's
6 -- because (inaudible) NAFTA is under attack right now. So it's
7 just really, really gratifying. I think this discovery of
8 Mexico, rediscovery, is going to stick. They've made great
9 changes in their constitutional structure, in their -- and how
10 they approach business, and it's starting to pay off for our
11 state. And to see your level of participation, John, was really
12 gratifying. I chaired the Economic Development Committee with
13 Sandra Watson.

14 MR. HALIKOWSKI: Right.

15 MR. HAMMOND: And so I was over in (inaudible).

16 MR. HALIKOWSKI: Right.

17 MR. HAMMOND: And very, very good group, over 150
18 there.

19 MR. HALIKOWSKI: Right.

20 MR. HAMMOND: So it was very good. I encourage
21 everybody to get involved in that if you want to meet and see
22 some really -- meet some great people, see some great efforts.

23 MR. HALIKOWSKI: Thank you.

24 CHAIRMAN LA RUE: Thank you.

25 MR. HAMMOND: Hopefully that was short enough.

1 MS. BEAVER: Chairman.

2 MR. HAMMOND: (Inaudible.)

3 CHAIRMAN LA RUE: Perfect. Vice chair.

4 MS. BEAVER: Yes. Director Halikowski, I just
5 had a question. I realize you said it's all in a pilot stage at
6 present, but my curiosity is jurisdictionally. Because it's on
7 the United States side --

8 MR. HALIKOWSKI: Uh-huh.

9 MS. BEAVER: -- will they take kind of the lead
10 jurisdictionally if there's some kind of a problem? I know when
11 we were down there at the Nogales port of entry, I mean, they're
12 totally unloading all of those vehicles. They're going through
13 every single box and reloading.

14 MR. HALIKOWSKI: Right.

15 MS. BEAVER: And they have people that
16 specifically do that. But I also remember that when we were
17 down there, there was also talk about, you know --

18 MR. HALIKOWSKI: Uh-huh.

19 MS. BEAVER: -- once in awhile they do have this
20 situation --

21 MR. HALIKOWSKI: Uh-huh.

22 MS. BEAVER: -- where something comes across --

23 MR. HALIKOWSKI: Right, right.

24 MS. BEAVER: -- that shouldn't be.

25 MR. HALIKOWSKI: Right.

1 MS. BEAVER: And so...

2 MR. HALIKOWSKI: Right. I think those details,
3 CBP will work out with their counterparts, SAT, as to the
4 jurisdictional issues. There's a lot of work to be done. Right
5 now, what we have is an agreement between the two entities and
6 our governments to do the joint inspections. But as director
7 Brooks pointed out, they still have to work through a lot of
8 those issues as to how they're going to actually handle them
9 when they occur. So we'll know more in the future, Board
10 Member, and share that with you.

11 CHAIRMAN LA RUE: Board Member Teller.

12 MR. TELLER: Mr. Halikowski, thank you for that
13 report. It's wonderful to hear that Arizona is really taking a
14 stance in improving our relationships with Mexico and improving
15 the potential economy of Arizona, particularly in southern
16 Arizona, central Arizona. My question is, you know, how can
17 northern Arizona be a part of that partnership? Because the
18 traffic will eventually, you know, come up to us --

19 MR. HALIKOWSKI: Uh-huh.

20 MR. TELLER: -- and affect our roads, affect our
21 economy --

22 MR. HALIKOWSKI: Right.

23 MR. TELLER: -- in a positive and negative
24 manner, and we would like to be part of that opportunity to
25 address concerns, address opportunities, address --

1 MR. HALIKOWSKI: Uh-huh.

2 MR. TELLER: -- issues that relate to the traffic
3 that comes from the south to the north and vice versa. Because
4 at the end of the day, it will affect our community in northern
5 Arizona and throughout Arizona.

6 MR. HALIKOWSKI: So I think, Mr. Chairman, Board
7 Member Teller, those are excellent questions, and first I would
8 point out one way the Board can affect the issues in the future
9 is the work we do on our key commerce corridors. As you know,
10 we've talked about those interstates as being the lifelines, if
11 you will, or the rivers into economic development into Arizona.
12 So certainly I think that from the northern perspective, I-17,
13 I-40, the potential for a future I-11, all of those corridors
14 become very important to northern Arizona as they hook up into
15 40 and then someday perhaps beyond.

16 17 becomes extremely important, because you have
17 industries in the Flagstaff area that deal regularly with
18 shipping out of Sky Harbor. And as you look at why businesses
19 are interested in infrastructure, it's because they need
20 reliability. You know, they need to know how long it's going to
21 take with some certainty, because in the world today, you're
22 talking about logistics down into literally seconds, as far as
23 shipping for just in time products. So the Board needs to, I
24 think, keep focusing on those state highway interstate
25 connections.

1 The other thing I would point out is that I
2 believe it does benefit Arizona a great deal, because most of
3 the products that pass back and forth, some of them pass back
4 and forth on the border up to four times before completed. So I
5 don't want to look at this as just a southern and central
6 Arizona issue. Depending on where industry may choose to
7 locate, it could be coming from anywhere in the state.

8 The other thing I don't want to leave out is I
9 don't want to just focus on Mexico, because as we've talked
10 about with San Diego and the L.A. area, with that trillion
11 dollar economy and 16 million people, we really are in a
12 triangle here in Arizona in the sense that we've got San
13 Diego/L.A. on one side, we've got that Dallas/Houston area on
14 the other, and then we've got Mexico to the south of us. So I
15 think the whole state starts to benefit when you are able to
16 make things here in Arizona and sell them somewhere else and
17 bring the money back here. So let's not forget also that, you
18 know, a lot of our I-40 businesses deal with the Pacific Rim,
19 and that port at L.A. and San Diego is very important to them.
20 So those connections of 10, 40, 17, as they give you access to
21 the east, west and south, I think, become very critical.

22 So the last thing I think that the Board could
23 help us do quite a bit is to realize that there are going to --
24 I think, need to be considerations given to the size and weight
25 of vehicles in the future. Right now, we've got a pilot program

1 in Nogales where we're allowing 90,300 pounds to come over into
2 Arizona within a 25-mile radius to the cooling houses, to the
3 warehouses. That's important, because Arizona's limit on
4 commercial vehicles is 80,000 pounds total. If I'm coming over
5 from Mexico with a 90,000 pound load, I've got to offload 10,000
6 pounds to run legally in Arizona. That becomes a logistics
7 nightmare, especially for produce. And so we started three
8 years ago with this permit program. It's a \$75 permit, and the
9 proceeds are split between the state, between the county and the
10 city. So everybody's benefiting from that permit fee, and it's
11 designated to go back into that specific infrastructure.

12 We're now looking at a pilot running all the way
13 up to the port of Tucson, and we would be allowing an extra
14 3,000 pounds in the initial stage with a specialized permit.
15 And the point is, is that the containers are 53,000 pounds, and
16 given the gross weight of the commercial vehicle hauling it, it
17 puts it at 83,000 pounds, and so we're 3,000 pounds over the
18 limit. And so we're working on a pilot to allow on specified
19 state and county routes for those trucks to run that way.

20 In the future -- and we've done this with some
21 logging trucks up in northern Arizona -- is we've set a
22 specialized weight and permit in order for the logging industry
23 to run above 80,000. In the future, I think we're going to have
24 to look at the entire highway system if we're going to be
25 competitive and look at the infrastructure to see if 80,000 is

1 the right weight limit for us. There are states that have other
2 limits, some higher some lower. But that's where else we're
3 going to have to be looking, not just at southern and central
4 Arizona, but also more into northern Arizona for the industries
5 there.

6 So those three things, I think, looking at key
7 commerce corridors, looking at size and weights of trucks, and
8 looking at how we then work with our partners on these processes
9 are going to be critical to the state as a whole. And I would
10 just add that if the economy rises in this state, then everybody
11 benefits throughout the state. So it's difficult to pinpoint
12 areas, and so generally, we just want to start raising the
13 levels.

14 Sorry, Mr. Chair, if I get long winded, but
15 things get a little complex for me at times.

16 CHAIRMAN LA RUE: Any other questions? Board
17 members?

18 UNIDENTIFIED SPEAKER: No.

19 CHAIRMAN LA RUE: (Inaudible).

20 MR. HALIKOWSKI: Thank you, Mr. Chair.

21 CHAIRMAN LA RUE: Thank you. Mr. Halikowski.

22 Let's move on to Agenda Item No. 3. It's the
23 consent agenda. That was distributed to you in your packets.
24 Is there any board member who desires to pull any items from the
25 consent agenda? If not, I would entertain a motion to approve

1 the consent agenda as presented.

2 MR. STRATTON: So moved.

3 MR. HAMMOND: Second.

4 CHAIRMAN LA RUE: I have a motion by Board Member
5 Stratton, a second by Board Member Hammond. Any further -- I
6 think it was Hammond, right? Board Member Hammond. Any further
7 discussion?

8 If not, all those in favor signify by saying aye?

9 BOARD MEMBERS: Aye.

10 CHAIRMAN LA RUE: Any opposed? The ayes have it.
11 Agenda Item No. 4, we've got Kevin Biesty.

12 Good morning.

13 MR. BIESTY: Good morning, Mr. Chairman, members
14 of the committee. First, I'd like to congratulate Mr. Stratton
15 and his future bride and wish you all the best.

16 I'm going to start with the state side. I don't
17 have a lot to report at this point, because the legislature's
18 been out of session. But the department is working on the 2017
19 legislative program to see what laws would need to be changed or
20 modified. The criteria we're looking at primarily is what could
21 we do to help further process improvements in the department,
22 gain efficiencies, make things easier on our customers and the
23 businesses we deal with. So we're kind of working in that vein
24 right now.

25 The -- we'll have a new legislature starting in

1 January. Elections are well underway, as you can tell by all
2 the campaign signs. So we're going to be working with new
3 members, educating new members on the importance of
4 transportation and the importance of the role that it plays in
5 Arizona's economy.

6 On the federal level, as you're aware, Arizona
7 has unofficially, right --

8 MS. WARD: Right.

9 MR. BIESTY: -- just not (inaudible) with FHWA
10 has been awarded a FASTLANE grant for I-10. The provisions
11 within FASTLANE has a 60-day period when the U.S. DOT presents
12 the list to Congress. There's 60 days that Congress has to
13 review that list. So -- so the department is unofficially
14 excited about this. (Inaudible.) So -- but again, it was \$54
15 million to widen I-10 from two to three lanes in each direction
16 in the Picacho and the Casa Grande areas. We're also looking at
17 employing smart technologies along that corridor to help move
18 traffic and also utilize some early warning systems,
19 particularly with dust storms. The total project cost is
20 expected to be 146.8 million. We also received \$30 million from
21 the legislature that was used to match this grant, so we're well
22 on our way.

23 We have yet to hear anything on the TIGER grant
24 applications. As you know, we put in a TIGER grant application
25 for SR-189 and for the bridge up on I-15. So we'll await word

1 on that.

2 Transportation appropriations, Congress is
3 getting ready to go into their August recess, and the prospects
4 of a FY '17 appropriation at this point is -- it's there, but
5 it's pretty slim. So there will probably be a continuing
6 resolution, particularly with the election year, you know,
7 presidential election year. We're expecting a continuous
8 resolution. Ditto for FAA re-authorization. So we'll continue
9 to monitor that and report anything we hear in the -- to you
10 electronically. You should be receiving some updates from our
11 office as we have them.

12 So with that, I'll be happy to answer any
13 questions.

14 CHAIRMAN LA RUE: Great. Any questions from our
15 board members here? (Inaudible) Halikowski.

16 MR. HALIKOWSKI: I was wondering if Kevin might
17 mention two committees the Board might be interested in. One is
18 the committee that is being formed on transportation funding.

19 MR. BIESTY: Oh, okay. Yeah. We --

20 MR. HALIKOWSKI: And the other one is the --

21 MR. BIESTY: Yeah.

22 MR. HALIKOWSKI: -- (inaudible).

23 MR. BIESTY: So we talked about this earlier when
24 the legislature was over. There is a legislative committee that
25 has been appointed. The members have been named. They haven't

1 met yet, but it's to look at possible funding options for
2 transportation. So once we have any kind of meeting notice or
3 anything, we will let you know it. Probably, if you're able to,
4 it probably would be wise to either attend or watch via the
5 internet. So once we have that further information -- the
6 members have been named. I don't believe the chairman has been
7 named yet. But once that happens, we will let you know.

8 This -- the other committee the director was
9 mentioning is the -- oh, back in -- I think late last year, mid
10 to late last year, Governor Ducey announced a self-driving
11 vehicle oversight committee out of his office, and that's to
12 look at -- to bring folks to the table to look at what Arizona
13 can do to make it easier for these technologies to be tested
14 here. Are there any roadblocks -- excuse the pun -- but are
15 there any barriers to companies coming here and testing
16 autonomous vehicle technologies? Those members have been
17 appointed. In fact, I'm a member of the committee. Brent Cain,
18 from ADOT, is a member of the committee as well. There's
19 representatives from DPS, the insurance industry, universities,
20 and I think the first meeting is next month. We'll make sure
21 you get the agenda. If you're interested, we'd love to have you
22 a part of that as well.

23 CHAIRMAN LA RUE: Excellent. Thank you. Stay
24 tuned, Board members, because I think the (inaudible) for our
25 future as well as the public's future.

1 MR. BIESTY: Good. Thank you very much.

2 CHAIRMAN LA RUE: Item No. 5, financial report.
3 Floyd. Floyd's going to give us some numbers.

4 MR. ROEHRICH: Yeah. So I'm going to give you a
5 little summary. Good morning, Mr. Chair, members of the Board.
6 Kristine Ward does send her regrets. She could not be here.
7 She had a conflict, but I'm okay, because it's actually some
8 good news. So I like giving the good news, and then she'll
9 probably come with the bad news as the summer goes on.

10 So can I get the next slide, please?

11 Overall, she did want me to point out that it has
12 not been that bad of a year. We actually are almost on
13 forecast. She had projected almost a 2 percent increase in
14 revenues this year. Well, it turned out to be for year to date
15 1.9 billion, where -- excuse me -- 1.9 percent, which brought
16 the total HURF revenues collected at just over 1.4 million,
17 which was a little bit more than 115 million over what she had
18 originally estimated. So that did lead to -- as you know, in
19 this last five-year program we completed, as well as the four
20 years within that, a little bit of a bump in revenues that did
21 allow us to bring some additional estimates and some additional
22 projects in.

23 We did see an increase in the gas tax, the 5.1
24 percent from last year, and that amounted to almost a -- 250
25 million gallons over than what we projected before. So she's

1 seeing a positive numbers increase in the HURF. Diesel was up
2 4.8 percent.

3 And vehicle registration, vehicle registration
4 was up 3 percent from last year, and she said what you've seen
5 is a growth of new vehicles coming into Arizona of over 146,000
6 vehicles, or 16.2 percent, of just vehicles being reregistered
7 within the state.

8 New car sales are up as well. So those of you
9 who bought a new car, great. Enjoy it. Go out and buy another
10 one.

11 So overall, HURF seems to be pretty -- going
12 pretty steady, and like she said, she was almost right on her
13 forecast. So she was pretty happy with that. Hopefully that
14 will continue on as we move into the rest of this year. And
15 obviously, since the new year's just started, she's closing out
16 last year and laying down the projections for the new fiscal
17 year '17. So she'll have better information, because we'll be a
18 couple months in -- into it at the next time, realizing that we
19 don't have a board meeting in August. The next board meeting
20 will be in September.

21 Next slide, please.

22 So for the Regional Area Road Fund, RARF, did not
23 do as well. There was an increase from last year of about 4
24 percent over last year, which amounted to \$33 million of
25 additional revenue, but that was 1 percent under forecast. They

1 were expecting additional growth in the sales tax revenue for
2 that region, feeling that the economy was coming back. Well,
3 the economy has obviously improved a little bit, but it has not
4 been keeping up with what the forecasts were, and it's kind of
5 been pretty steadily just -- just bumping along.

6 So within that area, you can see that there's
7 been moderate growth in retail sales, but contracting was
8 negative. Restaurant and bars are growing, although -- or
9 excuse me -- or only moderate growth, but I expect,
10 Mr. Stratton, you're going to raise that, at least here in the
11 local region, celebrating after this event. So enjoy it, but
12 drive safe. Use a designated driver.

13 So from the Regional Area Road Fund and Maricopa
14 County, it has not kept pace with forecast. It's been a little
15 bit behind. So again, she's part of working through that as
16 well as MAG. There is some additional funds to be reprogrammed
17 within that area, but again, we'll have to keep tracking the
18 revenues that are generated in order to move forward.

19 Next slide, please.

20 Federal programs. She did not have much on the
21 federal program. We're in the final stages of the fiscal year,
22 which is -- ends the end of September. She has been working
23 very closely with our federal partners on a number of the
24 programs within that, of closing out projects, closing out
25 accounts and funding. The big issue she's working on right now,

1 and this is part of where she's at, is August redistribution,
2 continuing to work at putting together a narrative and putting
3 together justification to try to get any additional obligation,
4 authority of funds that may be reprogrammed or be redistributed
5 from the FHWA.

6 So she's working through that with our -- with
7 her staff and coordinating with our federal partners. And at
8 this point again, we're just anticipating until a -- you know,
9 the budget bill passes or something the federal government
10 passes, that we've got the FAST Act, we've got the funding, and
11 she feels pretty confident that she's at least well within what
12 she needs for the next five years.

13 She did say that she would have a more
14 comprehensive overview next time we meet. As I said, it would
15 be September. With that, that closes the financial report.

16 CHAIRMAN LA RUE: Any questions from Board
17 members on the financial report?

18 MR. HAMMOND: Just a comment, Floyd.

19 CHAIRMAN LA RUE: Board Member Hammond.

20 MR. HAMMOND: Contracting is probably as much
21 related to residential growth in the state, and we've been
22 predicting that coming back up a couple years. Looks like it's
23 really happening right now. So my guess is those numbers will
24 start doing better projections.

25 MR. ROEHRICH: Mr. Chair, Mr. Hammond, that's

1 exactly right. We were starting to see pretty steady growth.
2 There hasn't been big growth, but it's a little bit incremental
3 growth. So I think, as you said, the economy and everything
4 growing, we should hopefully continue to see that grow. But
5 it's a lot of the other indicators that haven't been as much,
6 and that's what -- you know, is kind of maybe keeping it down a
7 little bit from seeing more of the larger growth than we're --
8 have been normally used to, you know, before the 2008 and nine
9 time frame.

10 CHAIRMAN LA RUE: You know, Board Member Hammond,
11 the other thing, and I think we've mentioned here a few months
12 ago, is the legislature has changed the contracting statute,
13 (inaudible) sales tax every year for, like, the last four years.
14 I don't -- I think the majority of people in Arizona don't even
15 understand how it works anymore. So I'm almost wondering if
16 that doesn't have some of the issue in this, because they're
17 still trying to figure out (inaudible), and -- because it
18 doesn't plug up in the contract anymore. It plugs up into other
19 areas.

20 MR. HALIKOWSKI: Yeah.

21 CHAIRMAN LA RUE: And so...

22 MR. HALIKOWSKI: I don't know if the Board would
23 like a brief on that or perhaps a memo or something, but we
24 could perhaps give you a current state of the union, if you
25 will, on that particular issue.

1 CHAIRMAN LA RUE: Yeah. It's the Board's
2 pleasure. I mean, if our legal eagle understands it, I'd
3 definitely like to -- it might count as a CLE.

4 MR. HALIKOWSKI: Yeah.

5 CHAIRMAN LA RUE: Because I took a CLE on that
6 here awhile back. Then after I finished it, I still couldn't
7 (inaudible) speakers didn't understand what they were saying.

8 MR. HALIKOWSKI: Yeah. Well, speaking of our
9 legal counsel, I do know that Kristine is helping you all
10 (inaudible) big gas guzzling vehicle, not those gas sipping
11 Priuses. (Inaudible.)

12 CHAIRMAN LA RUE: Could the Board mandate on
13 policy on which vehicles (inaudible)?

14 MR. HALIKOWSKI: I think anything's possible.

15 MS. KUNZMAN: It's a nice color, though.

16 CHAIRMAN LA RUE: We might want to research that.
17 Okay. Item No. 6. We digress.

18 MR. ROEHRICH: Okay. Mr. Chair, Mike Kies does
19 not send his apologies. He's on vacation. But he had nothing
20 to report. But I left it on the agenda in case you had any
21 questions for -- on a planning note. You're going to see that
22 there are no PPAC items, because this is the first of the new
23 fiscal year. We've made no changes to the program yet, but
24 you're going to start seeing those come August and September.
25 So I imagine we'll continue to do that. With that, sir, there's

1 nothing to report on the planning.

2 CHAIRMAN LA RUE: Any Board questions on Item 6?

3 Great.

4 MR. ROEHRICH: Thank you.

5 CHAIRMAN LA RUE: Item No. 7, and we've got Steve
6 Boschen to walk us through this.

7 MR. HALIKOWSKI: (Inaudible) very snappy tie
8 today.

9 MR. BOSCHEN: No pastel.

10 Chairman and Board members, my name's Steve
11 Boschen. I'm the division director of Infrastructure, Delivery
12 and Operations, otherwise known as IDO.

13 MR. HALIKOWSKI: IDO.

14 MR. BOSCHEN: Mr. Stratton, I don't know how you
15 did that. I could not have done that in a public place, so
16 congratulations.

17 So I'm here as a replacement player for --

18 MR. ROEHRICH: This one (inaudible) continue only
19 living together on the weekends. I thought that was brilliant.
20 I've got to figure that out. That would be -- if I could get my
21 wife to do that, that would be awesome.

22 MR. HALIKOWSKI: Floyd is filled with marriage
23 advice.

24 MR. ROEHRICH: (Inaudible.)

25 MR. BOSCHEN: I don't recommend that, but....

1 I'm the replacement player for Dallas Hammit,
2 who's on vacation. He tends to do this to me in the summer, and
3 sometimes in the winter. So I'm here to present the state
4 engineer's report. So with that, I'll start with the first one.

5 137 projects under construction. Contract
6 amount, 1.8 billion.

7 Don't go yet, Lynn.

8 UNKNOWN SPEAKER: Sorry about that.

9 MR. BOSCHEN: That's all right. Good thing we
10 didn't do (inaudible), right?

11 Nineteen projects were finalized in June, and
12 this is a new item that I put up there, and 54 percent of those
13 projects were finished within the original contract time. This
14 is one of the measurements that we are doing to make sure that
15 we're executing our projects on time. So it does give us kind
16 of a litmus test. We do need to have some improvements there.
17 There's various reasons for why we don't finish on time. I
18 don't need to get into that. Fiscal year to date, we have
19 finished 175 projects.

20 Any questions on that?

21 CHAIRMAN LA RUE: Questions from Board members?
22 Oh, we got one. Steve.

23 MR. STRATTON: It's not particularly this. This
24 is a question in general. How much of a problem would it be if
25 on a monthly basis we got a little executive summary on the

1 projects in our districts? I know that I'm receiving questions
2 on, for instance, the Queen Creek Tunnel, the lighting project,
3 and I've gone out and looked for the answers and found them from
4 local staff that there's -- but would it be a large problem for
5 the engineering office to provide by district just what's going
6 on, what the status is and what a new completion date is for it
7 or something so that when the constituents come to us, we have
8 an answer?

9 MR. HALIKOWSKI: Mr. Chairman, we'll do that. I
10 don't know if it will come out of Steve's office, but our
11 communications office tracks all the projects very closely and
12 puts out press releases on them. So I think between the two, we
13 can get you a small summary of everything going on by district.

14 MR. STRATTON: And I'd appreciate that. We do
15 get the summaries from Mary several times a day, and I
16 appreciate those.

17 MR. HALIKOWSKI: Right.

18 MR. STRATTON: And I do send them out to the
19 Chamber of Commerce and others --

20 MR. HALIKOWSKI: Right.

21 MR. STRATTON: -- that have asked for that.

22 MR. HALIKOWSKI: We can put it in a format that
23 you find easily readable. We'll work on it.

24 MR. STRATTON: Thank you.

25 CHAIRMAN LA RUE: Thank you.

1 MS. BEAVER: Chairman, La Rue, I would just
2 comment on that that I do know that on the website, it does
3 identify -- based on the district, it does identify the projects
4 that are going on in the district. It doesn't give a status
5 report on them, but it does identify...

6 MR. HALIKOWSKI: Yeah. I don't want to speak for
7 Steve, but I think we can between us put that (inaudible)
8 together.

9 MR. BOSCHEN: So Chairman, Board Member Stratton,
10 since Dallas isn't here, I'm going to volunteer Dallas to do it.

11 CHAIRMAN LA RUE: (Inaudible) vacation.

12 MR. BOSCHEN: I do not think it's a stretch to do
13 that, and I think it's something easily we could do. We could
14 say percentage complete, where we're at, and if there's any type
15 of traffic control concerns that are happening, because --

16 MR. STRATTON: I appreciate it. And I know that
17 you're busy, and I hate to ask for anything that adds additional
18 time to your staff.

19 MR. BOSCHEN: I don't think it's much of a
20 stretch.

21 MR. HALIKOWSKI: Right.

22 CHAIRMAN LA RUE: Any other questions?

23 MS. BEAVER: You know what, I don't know if you
24 could help me, but -- and I have a curiosity, only because about
25 every three months, I travel through the Navajo reservation.

1 There looks like there is a port or something that's up there
2 near Kayenta, like a vehicle -- I mean, it's like -- like it
3 would take big vehicles, and I didn't know if that was
4 something --

5 MR. HALIKOWSKI: You may be talking about Teec
6 Nos Pos. We have a port of entry there.

7 MS. BEAVER: No, no. It's actually --

8 MR. HALIKOWSKI: In Kayenta?

9 MS. BEAVER: Yeah. It's near -- and it looks
10 like it's constructed at an angle for big vehicles, and --

11 UNIDENTIFIED SPEAKER: Where at in Kayenta?

12 MS. BEAVER: Well, it --

13 UNIDENTIFIED SPEAKER: (Inaudible.)

14 MS. BEAVER: On the north side of Kayenta, I
15 think.

16 CHAIRMAN LA RUE: Where the traffic light is
17 there? (Inaudible) regional hospital?

18 MS. BEAVER: Well, you know where that -- is it
19 the school -- the high -- the hospital facility? It's --

20 CHAIRMAN LA RUE: The one that's just being
21 built?

22 MS. BEAVER: It's as you're coming this way. Is
23 it -- maybe it is a hospital facility. I don't know.

24 MR. HALIKOWSKI: We'll find out.

25 UNIDENTIFIED SPEAKER: Yeah. There's a new

1 hospital up there that just opened last month.

2 MS. BEAVER: No, this is something that's still
3 under construction. I just was kind of curious, because it
4 looked like it had those --

5 MR. HALIKOWSKI: Yeah. We'll find out.

6 MS. BEAVER: -- vehicle.

7 UNIDENTIFIED SPEAKER: And I haven't seen it,
8 so...

9 MS. BEAVER: Okay.

10 CHAIRMAN LA RUE: Oh, yeah, yeah, yeah. There is
11 a big building, but that's not in Kayenta. It's --

12 MS. BEAVER: It's out, outside of it a little
13 bit.

14 CHAIRMAN LA RUE: It's west of Kayenta, but I
15 don't think that has anything to do with ADOT. (Inaudible) I've
16 gone by there, but there is a big --

17 MR. HALIKOWSKI: Could be a big secret ADOT
18 facility (inaudible).

19 MS. BEAVER: Well, it has lanes.

20 MR. HALIKOWSKI: Yeah.

21 MS. BEAVER: So either they're going to have
22 races there or something.

23 MR. HALIKOWSKI: We'll do a little research.

24 MR. BOSCHEN: We can check into that.

25 UNKNOWN SPEAKER: It's just causing the vice

1 chairman distractions.

2 MR. HALIKOWSKI: We'll see if we can put a wall
3 up.

4 MS. BEAVER: Next time I'll take a picture with
5 my phone.

6 CHAIRMAN LA RUE: No, but if you do find the
7 answer, please send it to me, because every time I go through,
8 my wife says, "What is that?" And I go, "I have no idea. Let's
9 just keep going."

10 MR. HALIKOWSKI: Tell Mrs. (Inaudible) she's
11 seeing things.

12 CHAIRMAN LA RUE: Any other questions, state
13 engineer?

14 No. Steve, let's go on to --

15 MR. BOSCHEN: All right.

16 CHAIRMAN LA RUE: -- Item No. 8, construction
17 contracts.

18 MR. BOSCHEN: Next one, Lynn. Uh-oh. There we
19 go.

20 All right. Thank you very much for approving the
21 six on the consent agenda. For the most part, fiscal year to
22 date, we're running about where we expect to be. The rate is
23 good. It's not bad. That means we're under running. So that's
24 within our range, but we do have seven that we need to talk
25 about today.

1 Lynn, next one.

2 So the first project we want to talk about is
3 Winslow enhancement project. The State's estimate was around
4 800K. The low bid was 930. It is a little bit higher than we
5 had anticipated. We had removals, electrical conduit and
6 miscellaneous concrete items that were up. It is 16 percent
7 over. We did review it, and we do feel that it's responsible
8 and responsive. So we do recommend award for this project.

9 Any questions?

10 CHAIRMAN LA RUE: Do we have in any questions?
11 If not, is there a motion to accept and approve staff's
12 recommendation to award the contract for Item 8A to McCaulley
13 Construction, Inc.?

14 MR. TELLER: Motion.

15 CHAIRMAN LA RUE: We have a motion by Board
16 Member Teller.

17 MR. CUTHBERTSON: Second.

18 CHAIRMAN LA RUE: Second by Board Member
19 Cuthbertson. Any further discussion?

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

22 BOARD MEMBERS: Aye.

23 CHAIRMAN LA RUE: Any opposed? The ayes have it.

24 MR. BOSCHEN: Next one.

25 The next project we want to talk about is on the

1 Tohono O'Odham -- say that three times real fast -- reservation.
2 We have three routes that we are doing, signing, striping and
3 the very important rumble strips from a safety standpoint.
4 These are things that really help us with lane departures. We
5 had the opposite here. We did under run on this one. Very
6 competitive. We had sign removals, sign oblit. and sign
7 installation, all underneath what we usually see. So we're
8 going to take this and run. It is responsive and responsible,
9 so we do recommend award on this project.

10 CHAIRMAN LA RUE: All right. Do we have any
11 questions on this? If not, I'd entertain a motion to accept and
12 approve staff's recommendation to award the contract for Item 8B
13 to Sunline Contracting, LLC.

14 MS. BEAVER: So moved.

15 CHAIRMAN LA RUE: We have a motion by Board
16 Member Beaver.

17 MR. STRATTON: Second.

18 CHAIRMAN LA RUE: Second by Board Member
19 Stratton. Any further discussion?

20 Hearing none, all those in favor signify by
21 significant aye.

22 BOARD MEMBERS: Aye.

23 CHAIRMAN LA RUE: Any opposed? The ayes have it.

24 MR. BOSCHEN: Okay. No. 3, Lynn.

25 The next project is on I-8. It's the Mohawk Rest

1 Area, and we do rest areas probably once every three years.
2 This is a remote site, and this is where the real challenges
3 come in. We talked to the contractor. They could not get local
4 subs out to this job because of how remote this was. I guess
5 nobody wanted to commute from Yuma. So we do see higher prices
6 on this. The sewer system is rehab. The building renovations
7 and the pump house were all above. But based on the
8 competition, I think we had three bids on this. We do feel it's
9 responsible and responsive. We recommend award.

10 CHAIRMAN LA RUE: Any questions on this item? If
11 not, I'd entertain a motion to accept and approve staff's
12 recommendation to award the contract for Item 8C to Fann
13 Contracting, Inc.

14 MR. HAMMOND: So moved.

15 MS. BEAVER: Second.

16 CHAIRMAN LA RUE: We have a motion by Board
17 Member Hammond, a second by Board Member Vice Chair Beaver. Any
18 further questions?

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

21 BOARD MEMBERS: Aye.

22 CHAIRMAN LA RUE: Any opposed? The ayes have it.

23 MR. BOSCHEN: Next one, Lynn.

24 The next project is just north of Phoenix, and
25 it's on two bridges for scour protection. Again, we under ran

1 on these. We got great prices on structural X and structural
2 concrete. It is 18.9 percent below the engineer's estimate. We
3 do feel it's responsible and responsive, and we recommend award.

4 CHAIRMAN LA RUE: Any questions on this item? If
5 not, I'd entertain a motion to approve staff's recommendation to
6 award the contract for Item 8D to NGU Contracting, Inc.

7 I have a motion by Jack Sellers, Board Member
8 Sellers. Do we have a second?

9 MR. CUTHBERTSON: Second.

10 CHAIRMAN LA RUE: Second by Board Member
11 Cuthbertson. Any further questions?

12 Hearing none, all those in favor signify by
13 saying aye.

14 BOARD MEMBERS: Aye.

15 CHAIRMAN LA RUE: Any opposed? The ayes have it.

16 MR. BOSCHEN: Next one, Lynn.

17 We're back in Winslow again. This is an
18 enhancement project, and as you'll see, it's a pretty big
19 percentage over, 89 percent over. We already approved one
20 Winslow project today. We did talk to Winslow, and they are
21 really not interested in looking at this and trying to make this
22 work. We did have three potential bidders. Winslow is looking
23 at potentially rescoping it. We recommending rejecting all
24 bids.

25 CHAIRMAN LA RUE: Any questions on this? If not

1 I'd entertain a motion to accept and approve staff's
2 recommendation to reject all bids in connection with Item 8E.

3 MR. TELLER: Motion.

4 CHAIRMAN LA RUE: I have a motion by Board Member
5 Teller. Do I have a second?

6 MS. BEAVER: Second.

7 CHAIRMAN LA RUE: Second by the vice chair. Any
8 further questions?

9 Hearing none, all those in favor signify by
10 saying aye.

11 BOARD MEMBERS: Aye.

12 CHAIRMAN LA RUE: Any opposed? The ayes have it.

13 MR. BOSCHEN: The next project we have is US-
14 180. It's a 3-inch mill/fill pavement preservation project.
15 This was just barely under, 15.8 percent of what it needs to go
16 to the Board. We had really competitive removals, AC binder.
17 The bidder in this case is in the area. So we did have five
18 bids. The bidder's already in the area. We do feel it's
19 responsive and responsible. We recommend award.

20 CHAIRMAN LA RUE: Any questions on this one by
21 Board members? Hearing none, motion -- I would entertain a
22 motion to accept and approve staff's recommendation to award the
23 contract for Item 8F to Fann Contracting, LLC.

24 MR. CUTHBERTSON: Move to approve.

25 CHAIRMAN LA RUE: We have a motion by Board

1 Member Cuthbertson.

2 MR. TELLER: Second.

3 CHAIRMAN LA RUE: We have a second by Board
4 Member Teller. Any further discussion?

5 Hearing none, all those in favor signify by
6 saying aye.

7 BOARD MEMBERS: Aye.

8 CHAIRMAN LA RUE: Any opposed? The ayes have it.

9 MR. BOSCHEN: All right. Last one, I promise.

10 So this is up on State Route 389. It's 27 miles
11 of polymer seal coat. What's that's going to do is extend the
12 life of that roadway before we have to do a major reconstruction
13 on it. We did have some very competitive bids on this. Again,
14 very close to our percentage under of 15 percent. We did get
15 good prices on emulsified asphalt and fog coat. We do feel it's
16 responsible and responsive, and we recommend award.

17 CHAIRMAN LA RUE: Any other -- any questions by
18 board members? If not, I'd entertain a motion to accept and
19 approve staff's recommendation to award the contract for Item 8G
20 to Earth Resources Corporation.

21 MS. BEAVER: So moved.

22 CHAIRMAN LA RUE: I have a motion by the Vice
23 Chair Beaver.

24 MR. TELLER: Second.

25 CHAIRMAN LA RUE: I have a second by Board Member

1 Teller. Any further discussion?

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

4 BOARD MEMBERS: Aye.

5 CHAIRMAN LA RUE: Any opposed? The ayes have it.

6 MR. BOSCHEN: Chairman and Board members, I have
7 one more thing that's not on the agenda. I just wanted to make
8 you aware.

9 We have been working with ASU on a project on
10 State Route 2650. In fact, we have good news. Yesterday, they
11 were able to pave and stripe a crossover, which will help not
12 only us during events where we have an incident where we need to
13 close the road and switch it over, but during their annual Camp
14 Tontizona, it allows them to park along the eastbound side of
15 260. The paving happened yesterday. The striping happened
16 yesterday. We'll permanently stripe it in 30 days, and it
17 should be fine.

18 So how many ASU fans are in the room? I'm a
19 Wildcat, so this was hard for me do.

20 (Inaudible conversation.)

21 CHAIRMAN LA RUE: Wait a minute. I think we're
22 out of order here.

23 UNIDENTIFIED SPEAKER: (Inaudible.)

24 CHAIRMAN LA RUE: ASU was okay, but now we're
25 getting out of order.

1 MR. BOSCHEN: That's all I have.

2 CHAIRMAN LA RUE: Thank you, Steve.

3 All right. Agenda Item 9 is suggestions by Board
4 members of future meetings. Do we have any suggestions? Nope.
5 Then I would entertain --

6 MR. ROEHRICH: Mr. Chair, just a couple things as
7 a reminder real quick.

8 CHAIRMAN LA RUE: Sure.

9 MR. ROEHRICH: Don't forget in August we have no
10 scheduled board meeting. That was the month that the Board is
11 going to take off from meeting. But I do have to remind us --
12 or remind everybody that we are still targeting a telephonic
13 meeting because of the statutory requirement to address the bid
14 awards or at least the bid projects that we have a 45-day
15 period. So we were still holding -- hopefully holding open the
16 -- what would have been the traditional board meeting that --
17 the morning of the -- I think it's the 19th as a short
18 telephonic meeting, and then we also have scheduled a board
19 study session on the 31st. Mr. Chair, Mary and I will be
20 contacting you probably within the next week to go through the
21 agenda. I'm sure that we have sufficient information to hold
22 that study session, and more information will be presented to
23 the rest of the Board.

24 CHAIRMAN LA RUE: Okay. So I would remind Board
25 members to go ahead and block that time on the calendar on the

1 19th. I think I'd released mine, so I'll go back and block it
2 just so that if needed, we can hold that, have a quorum for that
3 telephonic study session -- telephone meeting.

4 (Inaudible conversation.)

5 MR. ROEHRICH: What I -- Mr. Chair, Mary was just
6 asking, what we need to do is work it out with the state
7 engineer. If we can do it prior to the study session, if it
8 fits within that time frame, we'll do that. But I've just got
9 to make sure, because factorially, you have to respond within so
10 many days --

11 CHAIRMAN LA RUE: Right.

12 MR. ROEHRICH: -- or action the items within so
13 many days.

14 CHAIRMAN LA RUE: Right.

15 MR. ROEHRICH: If not, obviously we'll
16 (inaudible) that would be targeting that that morning. If
17 everything works that we can go to the 31st, then we can do it
18 prior to the study session. Thank you for reminding me.

19 (Inaudible.)

20 CHAIRMAN LA RUE: First priority is study
21 session.

22 MR. ROEHRICH: Right.

23 CHAIRMAN LA RUE: If you can't make it, then
24 second priority is telephonic on the 19th.

25 MR. ROEHRICH: We would do that in that time

1 frame.

2 CHAIRMAN LA RUE: Perfect.

3 (End of excerpt.)

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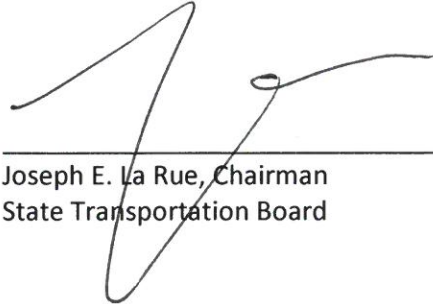
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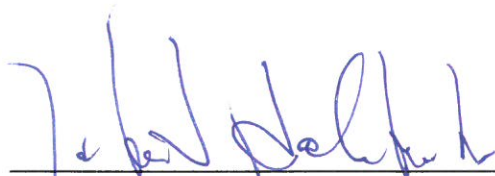
Adjournment

A motion to adjourn the July 15, 2016 Board meeting was made by Steve Stratton and seconded by Deanna Beaver. In a voice vote, the motion carries.

Meeting adjourned at 10:45 a.m. MST.



Joseph E. La Rue, Chairman
State Transportation Board



John S. Halikowski, Director
Arizona Department of Transportation