MINUTES OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
9:00 a.m., Friday, March 9, 2007
Arizona Department of Transportation (ADOT)
State Transportation Board Room, Room 147
206 South 17th Avenue
Phoenix, Arizona 85007

The State Transportation Board met in official session for a Study Session at 9:00 a.m., Friday, March 9, 2007, with Chairman Joe Lane presiding. Other Board members present included: Bill Feldmeier, Delbert Householder, Bobbie Lundstrom, Bob Montoya, Si Schorr and Felipe Zubia. Also present were Richard Travis, Deputy Director; John McGee, Chief Financial Officer, Administrative Services Division; Dale Buskirk, Director, Planning Division; Sam Elters, State Engineer; Jim Dickey, Director, Transit Division and Ron Aschenbach, Attorney General's Office. There were approximately 25 people in the audience.

Chairman Lane welcomed those present and led the audience in the Pledge of Allegiance.

Governor's Executive Order 2007-2: Expanding Arizona's Transportation Options
Mr. Jim Dickey gave a presentation to the Board on the intent and the process in place to respond to the Governor's 90-day Executive Order issued on January 8, 2007. The Board was asked to provide stakeholder input on programs of interest in the categories of mass transit, commuter and/or light rail, which may be included in the response due on April 6, 2007. The Executive Order asks for a list of options for mass transit, commuter rail and/or light rail, to serve and connect efficiently and cost effectively. The report should include preliminary estimates of the costs, focus on private sector and the extent public money is required and how to finance. In answer to a question, mass transit includes bus and bus related programs. The support strategies being reviewed include environmental issues, demonstrated local commitment, congestion relief, jobs created, benefits to State government/employees, land management and growth management, return on taxpayer investment, capturing new trips and mode split, introducing young people to public transportation and addressing growing elderly population needs. Two working group meetings with government partners have been held. A draft report will go through a review process on March 20 for the final working group meeting on March 30. Public input meetings are being held to garner a wide range of support. VIP one-on-one meetings are being held to engage key private sector groups and individuals including the ADOT Board, railroad operators, contracted transit service providers, transit advocacy groups, business and professional groups, elected and appointed leaders and others locally, regionally and nationally. The report will include an executive summary, public transportation program overview, methodology, program recommendations, funding and financing, conclusion and recommendations and appendix/credits/bibliography. The report objectives will define current public transportation programs and investments, identify strategy for future investments, define investment categories, provide preliminary cost estimates including capital and operating and subcategories of federal, local, state and private sector, identify and encourage the private sector to offer or assist in collaboration and identify financing options for any public money. In answer to a question, tolls will be on the list of potential options. Funding alternatives were discussed. The program is a twenty-year program from FY 2008 through FY 2027; it maintains fiscal constraint, addresses political realities and capitalizes on reasonable data base in a short period of time. This will be a program versus project approach focusing on mode application with an investment strategy based upon a future planning process. Three modal options include mass

transit, commuter rail and high speed rail and light rail. In the mass transit category, programs to consider include connecting communities, enhancing rural transportation programs, serving elderly and disabled populations, enhancing urban regional mobility, increasing capacity in dense urban environments, sharing rides and van pooling, building state infrastructure and planning and marketing and other programs. An additional program category is a Tribal program category. In the commuter rail category, two different kinds of programs include capacity relief in urban corridors and high speed urban-to-urban connections. In the light rail category, improving capacity in new urban environments, there is interest in Phoenix, Tucson and other areas including Northern Arizona University. In the accelerated projects category, this includes infrastructure acceleration, moving the light rail programs ahead faster than the twenty year plan and moving forward with HOV lanes. Next steps include finalizing public meetings, sending the draft to the working group, reviewing the final draft and delivering it to the Governor, Speaker of the House and President of the Senate on April 6. Questions being addressed include: What is the most important public transportation need in your community? Where should the state make public transportation investments? How should public transportation services be paid for? It is estimated that 13 to 17 percent of the demand in rural Arizona for public transportation is being met. One of the goals with the report is to define a new baseline and to identify the needs and the options. Mr. Schorr asked about the input received from Sierra Vista and Tucson. In reply, rural Arizona is suffering from a lack of transportation and there is interest in rail connections. Mr. Zubia asked about the steps after the plan is delivered to the Governor. It is thought that this report is part of a larger effort within the Growth and Infrastructure arena. The report will highlight relationships between highways and roadways and energize discussion with rail. In reply to a question about the Board seeing the report, it will go to the Governor first and then perhaps be used as a platform for public discussion. Mr. Montoya discussed questions to ask stakeholders such as, the most important public transportation in your community, state investments and how should public transportation be paid for. There was discussion about changing the culture of municipalities to have more densely populated areas inside the cities to help address the transportation issues. It was suggested to look to the vast number of public meetings to draw upon what is wanted and to draw consensus.

Highway Surface Treatment Projects (Preventative Maintenance): Alternative Approval Process

Mr. Sam Elters gave a presentation to the Board regarding highway surface treatment projects and an alternative approval process for preventative surface treatment. Pavement preservation is a statewide program. There is a minor preservation part and a preventive surface treatment. Preventative surface treatment includes the maintenance elements such as crack sealing, seal coats and level courses. Preventative surface treatments benefit the lifecycle of pavement. It's usually applied prior to the pavement. The current process used doesn't streamline the process as described. The stage of taking it through CNS is to get the five-year construction program projects up. Putting this process through CNS limits their ability and creates a bottleneck. The system proposed is to have the State Engineer's Office handle the surface treatment project. Rather than advertise through CNS it would go through the state procurement process. It would be administered by the district maintenance forces. These would be discussed with the ADOT Board on a regular basis. Part of the pavement preservation program is the preventative surface treatment. It has the most impact when the treatments are applied in the correct time. The proposal would allow for treatment applications in a timely manner. The benefits include enabling the extension of the life cycle of the pavement, better management and a lowering of the life cycle cost. It also would shorten the process by approximately 90 days or more. A list of projects and their costs was distributed. Feedback from the Board was solicited regarding delegating the responsibility to ADOT to handle preventative

surface treatment and preference of reporting back to the Board. It was discussed whether the Board needs to take action on this suggestion or whether it can be handled administratively. In rely to a concern, it was stated that ADOT has no intention of increasing their fleet to do additional work. The intent is to get the applications on the pavement surface as quickly as possible in the time identified. At the present time, the projects are mainly cinder seal, chip seal and slurry seal. The plan is for the Board to approve the amount in June, the Five-Year Program and ADOT staff would take it from there. The plan is to do as much as possible with the $5.5 million. It was agreed to report to the Board semi-annually.

Adjournment

Board Action: A motion to adjourn was made by Mr. Schorr, seconded by Mr. Montoya and passed unanimously. The meeting adjourned at 10:45 a.m.

Joe Lane, Chairman
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

MINUTES OF THE
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, March 16, 2007
City of Sierra Vista Council Chambers
1011 North Coronado Drive
Sierra Vista, Arizona 85635

The State Transportation Board met in official session for a Board meeting at 9:00 a.m., Friday, March 16, 2007, with Chairman Joe Lane presiding. Other Board members present included: Bill Feldmeier, Delbert Householder, Bobbie Lundstrom and Si Schorr. Board members Bob Montoya and Felipe Zubia were absent due to the fact that telephonic equipment was not available in Sierra Vista. Also present were Victor Mendez, Director; Richard Travis, Deputy Director; John McGee, Chief Financial Officer, Administrative Services Division; Dale Buskirk, Director, Planning Division; Sam Elters, State Engineer; Barclay Dick, Division Director, Aeronautics Division; Kevin Biesty, Legislative Liaison and Joe Acosta, Attorney General's Office. There were approximately 45 people in the audience.

OPENING REMARKS AND PLEDGE

Chairman Lane led the audience in the Pledge of Allegiance, thanked the City of Sierra Vista for their wonderful hospitality and introduced new Board Member Bobbie Lundstrom who is awaiting confirmation. A welcoming statement was read from Rick Mueller, Councilman and Mayor Pro Tem, City of Sierra Vista that welcomed all to Sierra Vista and thanked the ADOT Board for the transportation improvements and funding support provided. Mr. Mendez and his staff continue to be responsive to the needs and work with city staff in partnership for the safety of the citizens. Transportation successes are a result of partnerships with ADOT.

DISTRICT ENGINEER REPORT

Bill Harmon, District Engineer, provided an update on projects and issues of regional significance. Sierra Vista is a community with high expectations, is progressive and proactive. On State Route 90/Moson Road Intersection includes widening and signalization. State Route 92/Buffalo Soldier Trail Intersection is another HES project. SR 92 Carr Canyon to Hunter Canyon will widen to five lanes and will advertise this fall. SR 90/Moson Road is a program for FY 11 to widen the section. On SR 90 Campus Drive to SR 92 Glen Road, a DCR was started. The City is funding this DCR. Benson to Sierra Vista is growing. The corridors are busy. Work is underway with developers to have them contribute. Access management is an issue. Hot spots include I-10 to SR 90 Traffic Interchange, programmed for FY 09 for reconstruction in Benson. A safety study is beginning for SR 90 Buffalo Soldier Trail.

CALL TO AUDIENCE

Jodi Rooney, Administrator, Prescott Valley, said that there is growth going on all around the state and it is an exciting time to be in Arizona. She thanked the Board for assisting with the 89 project from Chino to Prescott and welcomed Bobbie Lundstrom.

CONSENT AGENDA

Chairman Lane removed Items 26 and 28. Mr. Schorr recused himself from Items 26, 27, 28 and 29.

Director's Report
Mr. Mendez provided an up-to-date report regarding current issues and events affecting ADOT. He thanked the City for their partnerships. The visit to Washington DC included meetings with all the Arizona Congressional delegation with the exception of Senator McCain, where a meeting was held with his staff. The agenda included the level of funding at the federal level, SAFETEA-LU is up for reauthorization in 2009, the reauthorization of the aviation program and potential impacts. At the project level, the importance of bypass projects being fully reimbursed from federal funds was conveyed. The next statewide priority is the widening of I-10 from Phoenix to Tucson and the upcoming application for discretionary funding. In addition to discussing widening I-10, passenger rail from Phoenix to Tucson was discussed and their importance of funding a study. Support was secured in particular with Congressmen Pastor and Giffords. Congress mandated the implementation of the Real ID Act. There is concern with the timing and funding of this mandate. Also conveyed is the need for their support on State Titles Law to prevent fraud and auto theft.

Legislative Report
Kevin Biesty provided an update on State and Federal Legislative issues, including proposed legislation which may affect ADOT. The visit with the Arizona delegation was productive. At the state level, bills watched include HB2228: Transit Project Loans; Small Cities, would allow up to $10 million of HELP loans be available for transit capital projects in communities below 50,000 in population. The bill passed out of the House 59-0 and is on its way to the Senate. HB2367: ADOT; Bid Threshold, increases the dollar threshold for projects out for bid from $50,000 to $189,000 and will be heard in the Senate. HB2562: STAN Account would allow the consideration of interest payments be paid out of STAN. HB2569: Highway expansion Fund; Growth Cities is awaiting a hearing and allows the HELP Loan Program to be used for street improvements with city populations that experience a certain growth factor. HB2571: Highway Construction, authorizes the transfer from HURF and the State Highway Fund into STAN. This bill is stalled in the House. HB2612: Transportation Districts allows a county with a population of at least 500,000, beginning in July 2008, to form a new transportation district for the Board. This bill was amended that an additional Maricopa County person be added. HB2682: Transportation; Blue Ribbon Study Committee creates a 10-person legislative committee to recommend transportation issues that should be addressed in the next legislative session. The needs of the state will be collated statewide to create a funding mechanism to address those needs. SB1007: Vehicle License Tax; Military exemption is a clean up on the VLT. The impact will be minor. SB1049: Highway Construction Acceleration; Funds is the $450 million from the Budget Stabilization Fund. This was defeated in the Senate Committee of the Whole. Negotiations in the budget continue. SB1576: Public Highway Authorities failed in Senate Transportation. SB1585: HOV Lane Conversion; Toll Lane stalled in the Senate. There may be a joint meeting in the House and Senate Transportation to discuss these issues. SB1586: Transportation Projects; Unsolicited Proposals stalled in the Senate as well as SB1587: Transportation; Innovative Partnerships Program and SB1635: HOV Lane Conversion. Meetings were held with Bobbie Lundstrom at the Legislature and she should be confirmed next Tuesday.

Financial Report
Mr. McGee provided summary reports on revenue collections for Highway User Revenues and Maricopa Transportation Excise Tax Revenues, comparing fiscal year results to last year's actuals and forecasts, and reported on interest earnings, HELP Fund status, and other financial information relative to the Board and Department. The HURF collections for February total $110.9 million, a decrease of

1.7 percent from February 2006 and 7.5 percent below the forecast. Year-to-date collections total $898 million, an increase of 3.6 percent over the same time period last year, and 2.0 percent below the estimate. The relatively large variance to the monthly estimate was a result of timing difference in certain Motor Carrier collections. On a year-to-date basis, the variance in revenues continues to come from lower than expected Use Fuel collections and lower VLT collections. January 2007 RARF collections totaled $39.2 million, an increase of 5.3 percent over January 2006, and 1.3 percent below the estimate. Year-to-date collections total $230.2 million, an increase of 7.9 percent over the same time period last year and 0.2 percent below the estimate. There is weaker than expected results in Retail Sales and is off-set by stronger than expected results in Contracting, Utilities and Restaurant and Bar collections. Interest earnings for January 2007 total $5.56 million, representing an average investment rate of approximately 4.95 percent. Year-to-date earnings total $30.9 million for an average investment rate of approximately 4.87 percent. The HELP program as of February 2007 has a balance of approximately $108.8 million. This is up approximately $2.8 million over last month due to loan repayments and interest income. There is approximately $57 million of approved loan commitments yet to be funded and potentially an additional $14 million in pending commitments for a new loan that will be brought to the Board for consideration under agenda Item 8.

Financing Program

Mr. McGee provided an update on financing issues affecting the Board and the Department, including HURF and RARF Bonding, GAN issuances and Board Funding Obligations. Regarding the Series 2007A HURF refunding issue, during the past month, there was significant progress and a review of a number of structuring alternatives that would enhance both the level and size of savings on this Issue. Interest rates continue to hold at levels that would also help support a larger issue and larger savings. Current rates would allow an issue of close to $200 million with net present value savings vary near the 4 percent target range. The preliminary statement was included in the Board packet. The statement should be printed in about a week. Information has been sent to the rating agencies requesting ratings for the issue. Pricing could occur as early as the week of March 26 assuming that interest rates are at a point that they would deliver the level of savings sought. Strategy on this issuance is to get everything done and provide underwriters direction as soon as interest rates hit a point, they go ahead and price the issue.

Appointment of Underwriters – Highway Revenue Refunding Bonds – Series 2007A

Mr. McGee presented a Resolution recommending appointment of Underwriters for the Board's anticipated issuance of Highway Revenue Refunding Bonds – Series 2007A. Last month, the Board approved the Bond Resolution for the 2007A HURF Refunding Issue. As part of that Resolution, the Board deferred to the CFO the decision on the naming and structure of the underwriting syndicate that would sell the bonds. Due to the progress made in the past month, coupled with the current interest rate environment, coinciding with the need to appoint a team, a resolution for the Board to approve was presented, to appoint underwriters in the manner normally done. Mr. McGee read the resolution: Resolution of the State of Arizona Transportation Board appointing managing underwriters for its planned issuance of Highway revenue Refunding Bonds, Series 2007A. The Board hereby appoints the following firms to act as managing underwriters in connection with its planned issuance of Highway Revenue Refunding Bonds, Series 2007A. Bear, Stearns & Co., Inc as Senior Manager with a 40 percent liability; Citigroup Global Markets Inc., Co-Manager with a 30 percent liability; JP Morgan Securities Inc., Co-Manager with a 10 percent liability; Merrill Lynch Pierce Fenner & Smith, Inc, Co-Manager with a 10 percent liability and Stone and Youngberg, LLC, Co-Manager with a 10 percent liability. The Board reserves the right to make changes in the management team designated

above, if it is deemed to be in the best interests of the state. Dated this 16th day of March, 2007. The Resolution was recommended for approval.

Board Action: A motion to approve the above Resolution was made by Mr. Schorr, seconded by Mr. Householder and passed unanimously.

Direction to Proceed – Transportation Excise Tax Revenue Bonds (Maricopa County Regional Area Road Fund)

Mr. McGee presented a Resolution directing department staff, financial advisor and bond counsel to take all actions necessary precedent to its planned issuance of Transportation Excise Tax Revenue Bonds (Maricopa County Regional Area Road Fund.) The financial plan for fiscal year 2007 calls for the issuance of approximately $400 million of Maricopa County regional Area Road Fund Bonds to support the MAG Regional Transportation program. This issue would be the first done under the new Proposition 400 half cent sales tax extension. Included in the Board packet is a Resolution directing the department staff, financial advisor and bond counsel to begin working on all items necessary to issue the bonds in late spring or summer. The Resolution is recommended for approval.

Board Action: A motion to approve the above Resolution was made by Mr. Schorr, seconded by Mr. Householder and passed unanimously.

HELP Loan

Mr. McGee presented a Resolution recommending approval of an application for financial assistance from, and loan repayment agreement with, the City of Tucson for the following construction project: Mountain Avenue – Roger Road to Ft. Lowell Road. Included in the Board packet is a resolution relative to the approval of a HELP loan to the City of Tucson for improvements to one of the local roads. This would be a $14 million loan with a four year maturity. The loan would be made for last phase improvements including widening, median improvements, sidewalks and other improvements. The HELP advisory committee unanimously approved this loan.

Board Action: A motion to approve the above Resolution was made by Mr. Schorr, seconded by Mr. Householder and passed unanimously.

Alternative Approval Process for Preventative Surface Treatment

Mr. Elters presented the alternative approval process for preventative surface treatment to the Board for their approval. As discussed at the study session, this item pertains to preventative surface treatment and is one of three subprograms targeted for pavement preservation. The purpose of the proposal is to streamline the preventative surface treatment process and extend the lifecycle of pavement. Examples include crack sealing, chip seals, slurry seals, leveling courses and more. Currently, projects for the application of treatments funded through resource ID 113 are contracted as construction projects through C&S and administered by construction staff. It is proposed that the Pavement Management Section, of the Materials Group, prepare a listing of planned surface treatment activities to be funded by resource ID 113, for the upcoming fiscal year, and submit it yearly, or more frequently as needed, to the State Engineer's office, for approval. After it is approved, the State Engineer's Office will report to the Board on a semi-annual basis. The report will include a list of the projects, the type of treatments applied, location of the projects, cost of each project and total expenditure. Benefits include the ability to lower the life cycle costs, to apply treatments in a timely fashion and reduce administration costs.

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Feldmeier and passed unanimously.

Adoption of Board Bylaws, Rules and Regulations
Board Member, Mr. Si Schorr addressed the Board about the adoption of Board Bylaws, Rules and Regulations. Copies were shared with Board members, Director, Deputy Director and Rick Rice, Attorney General's Office. A few changes were made and the adoption was recommended. The Statutes state that the Board is required to adopt rules. The rules are predicated on previous policies of the Board and deal specifically with the question of e-mail transmissions. They conform with the law and with the Attorney General's office. There was discussion on page 5, paragraph 5, e-mail with other Board members. An executive session was called.

Board Action: A motion to go into Executive Session was made by Mr. Feldmeier, seconded by Mr. Schorr and passed unanimously.

A change was added to paragraph 5 on page 5 to include e-mail to each other.

Board Action: A motion to approve the above recommendation as amended was made by Mr. Schorr, seconded by Mr. Householder and passed unanimously.

Agenda Item Added to Monthly Board Agendas
Board Member, Mr. Si Schorr addressed the Board about adding the following agenda item to all future board meeting agendas: "Members of the Board may discuss and comment on all items which have appeared on the agenda. Members may also request items for future discussion and action."

Board Action: A motion to approve the above recommendation was made by Mr. Schorr, seconded by Mr. Feldmeier and passed unanimously.

Discussion of the Note Now Appearing on Agendas and Notices
Board Member, Mr. Si Schorr addressed the Board about whether or not the following note needs to be added to all e-mails and documents sent to the Board Members: "Note: To ensure compliance with the Open Meeting Law, recipients of this message from the board's secretary, should not forward it to other members of the public body. Members of the public body may reply to this message to the board secretary, but they should not send a copy of the reply to other members. Please do not reply to all." This item may now be part of the Rules and was tabled.

* **MINUTES – APPROVAL**
Special Board Meeting Minutes – January 19, 2007
Board Meeting Minutes – January 19, 2007
Study Session Minutes – February 15, 2007
Board Meeting Minutes – February 16, 2007

* **2007 BOARD MEETING & PUBLIC HEARING DATES AND LOCATIONS**
STUDY SESSIONS TO BE SCHEDULED AS NEEDED

March 16, 2007 – Board Meeting – Sierra Vista – 9:00 a.m.

April 13, 2007 – Public Hearing – Tucson – 9:00 a.m.
April 20, 2007 – Board Mtg. & Pub. Hearing – Phoenix/ADOT – 9:00 a.m.
May 4, 2007 – Public Hearing – Flagstaff – 9:00 a.m.
May 18, 2007 – Board Meeting – Kingman – 9:00 a.m.
June 15, 2007 – Board Meeting - Springerville – 9:00 a.m.
July 20, 2007 – Board Meeting – Payson – 9:00 a.m.
August 17, 2007 – Board Meeting – Avondale – 9:00 a.m.
September 21, 2007 – Board Meeting – Sedona - 9:00 a.m.
October 19, 2007 – Board Meeting – Globe – 9:00 a.m.
November 16, 2007 – Board Meeting – Lake Havasu City – 9:00 a.m.
December 21, 2007 – Board Meeting – Tucson – 9:00 a.m.

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

FY 2007 – 2011 Transportation Facilities Construction Program – Requested Modifications — Discussion and Possible Action

ROUTE NO:	US 180 @ MP 216.19
COUNTY:	Coconino
SCHEDULE:	New Project - FY 02007
SECTION:	Navajo Rd to Schultz Pass Rd
TYPE OF WORK:	Pavement preservation
PROGRAM AMOUNT:	New Project
PROJECT MANAGER:	Jerry Barnes
PROJECT:	H718701C
REQUESTED ACTION:	Establish a new pavement project. **Funds are available from FY 2007 Minor Pavement Preservation Fund #74807.**
NEW PROGRAM AMOUNT:	$475,000

Board Action: A motion to approve the above recommendation was made by Mr. Feldmeier, seconded by Mr. Householder and passed unanimously.

ROUTE NO:	SR 260 @ MP 394
COUNTY:	Apache
SCHEDULE:	New Project - FY 2007
SECTION:	Crescent Lake Highway
TYPE OF WORK:	Construct turn lanes
PROGRAM AMOUNT:	New Project
PROJECT MANAGER:	Paul Sullivan
PROJECT:	H619901C
REQUESTED ACTION:	Establish a new construction project. **See funding sources below.**
FY 2007 District Minor Fund #73307	$382,000
FY 2007 Pavement Preservation Fund #72507	$290,000

NEW PROGRAM AMOUNT: $672,000

Board Action: A motion to approve the above recommendation was made by Mr. Schorr, seconded by Mr. Householder and passed unanimously.

ROUTE NO:	US 70 @ MP 336.35	
COUNTY:	Graham	
SCHEDULE:	New Project - FY 2007	
SECTION:	US 70 and 3rd Avenue	
TYPE OF WORK:	Traffic signal installation	
PROGRAM AMOUNT:	New Project	
PROJECT MANAGER:	Abdulkarim Rashid	
PROJECT:	HX18001C	JPA 05-116
REQUESTED ACTION:	Establish a new traffic signal project. **See funding sources below.**	

FY 2007 Traffic Engineering Fund #71207	$152,500
JPA 05-116 with the Town of Thatcher	$152,500
NEW PROGRAM AMOUNT:	$305,000

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Feldmeier and passed unanimously.

ROUTE NO:	US 95 @ MP 79
COUNTY:	Yuma
SCHEDULE:	New Project - FY 2007
SECTION:	SR 95 at MP 79
TYPE OF WORK:	Concrete box culvert replacement
PROGRAM AMOUNT:	New Project
PROJECT MANAGER:	Mani Kumar
PROJECT:	H652001C
REQUESTED ACTION:	Establish a new construction project. **Funds are available from the FY 2007 District Minor Fund #73307.**

NEW PROGRAM AMOUNT: $600,000

Board Action: A motion to approve the above recommendation was made by Mr. Schorr, seconded by Mr. Feldmeier and passed unanimously.

ROUTE NO:	I-8 @ MP 2.2	
COUNTY:	Yuma	
SCHEDULE:	New Project - FY 2008	
SECTION:	I-8 and US 95 UP (Bridge) Structure	
TYPE OF WORK:	Widen roadway and bridge repair	
PROGRAM AMOUNT:	New Project	
PROJECT MANAGER:	Isabell Limon	
PROJECT:	H705301C	JPA 06-043
REQUESTED ACTION:	Establish a new construction project. **See funding sources below.**	

FY 2007 Bridge Inspection and Repair Fund #71407	$425,000
FY 2007 ITD Statewide Engineering Development Fund #70707	$575,000
FY 2008 District Minor Fund #73308	$1,000,000
FY 2009 District Minor Fund #73309	$1,000,000
NEW PROGRAM AMOUNT:	$3,000,000

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Feldmeier and passed unanimously.

ROUTE NO:	SR 260 @ MP 257	
COUNTY:	Gila	
SCHEDULE:	New Project - FY 2007	
SECTION:	Gila County Maintenance Yard	
TYPE OF WORK:	Construct left and right turn lanes	
PROGRAM AMOUNT:	New Project	
PROJECT MANAGER:	Mike Andazola	
PROJECT:	H643301C	JPA 04-001
REQUESTED ACTION:	Establish a new construction project. **See funding sources below.**	
FY 2007 District Minor Fund #73307		$310,000
JPA 04-001 with Gila County		$310,000
NEW PROGRAM AMOUNT:		$620,000

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Feldmeier and passed unanimously.

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- Minutes of February 28, 2007 and March 2, 2007
- Summary of Approved Changes to the FY 2007-2011 Highway Construction Program
- Highway Program Monitoring Report

RIGHT OF WAY RESOLUTIONS

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RES. NO:	2007-03-A-020
PROJECT:	S-089-B-701 / 089YV313H618701R
HIGHWAY:	PRESCOTT – ASH FORK
SECTION:	Sundog Ranch Road – Willow Lake Road
ROUTE NO.:	State Route 89
ENG. DIST:	Prescott
COUNTY:	Yavapai
RECOMMENDATION:	Disposal by Abandonment to the City of Prescott for a continued public transportation use.

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RES. NO:	2007-03-A-021
PROJECT:	I-008-A-802 / 008YU055H206001R

HIGHWAY:	YUMA – CASA GRANDE
SECTION:	Mohawk Rest Area
ROUTE NO.:	Interstate Route 8
ENG. DIST:	Yuma
COUNTY:	Yuma
RECOMMENDATION:	Establish additional right of way as a state highway for improvements to the Mohawk Rest Area

* RES. NO:	2007-03-A-022
PROJECT:	S-326-715 / 260YV206H386802R
HIGHWAY:	COTTONWOOD-CAMP VERDE-MOGOLLON RIM
SECTION:	Cottonwood – I-17 (Western Drive-Thousand Trails Rd)
ROUTE NO.:	State Route 260
ENG. DIST:	Prescott
COUNTY:	Yavapai
RECOMMENDATION:	Establish additional right of way as state highway for widening improvements

* RES. NO:	2007-03-A-023
PROJECT:	S-238-805 / 179YV304H341402R
HIGHWAY:	RIM ROCK – SEDONA HIGHWAY
SECTION:	Village of Oak Creek – Jct. 89A
ROUTE NO:	State Route 179
ENG. DIST:	Flagstaff
COUNTY:	Coconino
RECOMMENDATION:	Amend Resolution 2007-02-A-018 due to design change

STATE ENGINEER'S REPORT - Sam Elters

* Report on construction and projects completed in February, 2007.

CONSTRUCTION CONTRACTS

Mr. Elters stated that there are 63 projects under construction valued at $862 million. In the month of February, the Department finalized six projects totaling more than $22 million. Year-to-date, 71 projects have been finalized.

Interstate Non-Federal Aid

BIDS OPENED:	February 16
HIGHWAY:	PHOENIX-CORDES JUNCTION HIGHWAY (I-17)
SECTION:	Jomax Road TI – Dixileta Drive TI
COUNTY:	Maricopa
ROUTE NO.:	I-17
PROJECT:	IM-017-A(018)A 017 MA 219 H617801C
FUNDING:	92% Federal 6% State 2% City of Phoenix

LOW BIDDER:	Pulice Construction, Inc.
AMOUNT:	$ 35,777,668.75
STATE AMOUNT:	$ 41,343.032.45
$ UNDER:	$ 5,565,363.70
% UNDER:	13.5%
NO. BIDDERS:	7
RECOMMENDATION:	AWARD

Mr. Schorr recused himself from this Item and was therefore unable to participate. Although the remaining three Board members voted to adopt the motion on this Item, their actions were invalid because there was not a quorum available to act. A Special Telephonic Board meeting will be held on Thursday, March 22 to vote on this Item.

BIDS OPENED:	February 16
HIGHWAY:	FLAGSTAFF – HOLBROOK HIGHWAY (I-40)
SECTION:	Joseph City Wash Bridges
COUNTY:	Navajo
ROUTE NO.:	I-40
PROJECT:	040-D-NFA 040 NA 275 H670601C
FUNDING:	100% State
LOW BIDDER:	Bison Contracting Co., Inc.
AMOUNT:	$ 183,015.00
STATE AMOUNT:	$ 161,703.00
$ OVER:	$ 21,312.00
% OVER:	13.2%
NO. BIDDERS:	8
RECOMMENDATION:	AWARD

Mr. Schorr recused himself from this Item and was therefore unable to participate. Although the remaining three Board members voted to adopt the motion on this Item, their actions were invalid because there was not a quorum available to act. A Special Telephonic Board meeting will be held on Thursday, March 22 to vote on this Item.

BIDS OPENED:	February 16
HIGHWAY:	KINGMAN – ASH FORK HIGHWAY (I-40)
SECTION:	Audley OP, EB & WB
COUNTY:	Yavapai
ROUTE NO.:	I-40
PROJECT:	040-B-NFA 040 YV 112 H694801C
FUNDING:	100% State
LOW BIDDER:	Royden Construction Co.
AMOUNT:	$ 1,352,349.95
STATE AMOUNT:	$ 1,569,696.30
$ UNDER:	$ 217,346.35
% UNDER:	13.8%
NO. BIDDERS:	3
RECOMMENDATION:	AWARD

Mr. Schorr recused himself from this Item and was therefore unable to participate. Although the remaining three Board members voted to adopt the motion on this Item, their actions were invalid because there was not a quorum available to act. A Special Telephonic Board meeting will be held on Thursday, March 22 to vote on this Item.

Non-Interstate Federal-Aid ("A" "B") projects do not need FHWA concurrence, but must comply with DBE regulations; other projects are subject to FHWA and/or local government concurrence and compliance with DBE regulations)

BIDS OPENED:	February 9
HIGHWAY:	GILA BEND – BUCKEYE HIGHWAY
SECTION:	MC 85 to Southern Avenue
COUNTY:	Maricopa
ROUTE NO.:	SR 85
PROJECT:	NH-085-B(008)B 085 MA 150 H595504C
FUNDING:	94% Federal 6% State
LOW BIDDER:	Meadow Valley Contractors, Inc.
AMOUNT:	$ 8,084,988.60
STATE AMOUNT:	$ 10,162,000.00
$ UNDER:	$ 2,077,011.40
% UNDER:	20.4%
NO. BIDDERS:	5
RECOMMENDATION:	AWARD

Mr. Schorr recused himself from this Item and was therefore unable to participate. Although the remaining three Board members voted to adopt the motion on this Item, their actions were invalid because there was not a quorum available to act. A Special Telephonic Board meeting will be held on Thursday, March 22 to vote on this Item.

BIDS OPENED:	February 9
HIGHWAY:	CITY OF CHANDLER
SECTION:	Alma School Road & Warner Road
COUNTY:	Maricopa
ROUTE NO.:	N/A
PROJECT:	CM-CHN-0(020)A 0000 MA CHN SS53401C
FUNDING:	50% Federal 50% City of Chandler
LOW BIDDER:	Nesbitt Contracting Co., Inc.
AMOUNT:	$ 7,112,299.50
STATE AMOUNT:	$ 8,479,852.00
$ UNDER:	$ 1,367,552.50
% UNDER:	16.1%
NO. BIDDERS:	5
RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Feldmeier and passed unanimously.

Comments and Suggestions
Board Members had the opportunity to suggest items they would like to have placed on future Board meeting agendas.

CONSENT AGENDA

Board Action: A motion to approve the Consent Agenda was made by Mr. Schorr, seconded by Mr. Householder and passed unanimously.

ADJOURN

Board Action: A motion to adjourn was made by Mr. Schorr, seconded by Mr. Householder and passed unanimously.

Joe Lane, Chairman
State Transportation Board

Victor M. Mendez, Director
Arizona Department of Transportation

*Denotes items approved in the consent agenda.

MINUTES OF THE
STATE TRANSPORTATION BOARD EXECUTIVE SESSION
10:15 a.m., Friday, March 16, 2007
City of Sierra Vista Council Chambers
1011 North Coronado Drive
Sierra Vista, Arizona 85635

The State Transportation Board met in official session for an Executive Board meeting at 10:15 a.m., Friday, March 16, 2007, with Chairman Joe Lane presiding. Other Board members present included: Bill Feldmeier, Delbert Householder, Bobbie Lundstrom and Si Schorr. Board members Bob Montoya and Felipe Zubia were absent due to the fact that telephonic equipment was not available in Sierra Vista. Also present were Victor Mendez, Director; Richard Travis, Deputy Director; Joe Acosta, Attorney General's Office and Noreen Grasse, Assistant to the Board.

Mr. Acosta said that he realized the document about to be approved by the Board was not on the public agenda as it should have been, therefore the Board should not adopt the rules today under the open meeting law. The following discussion included:

Board Member: It is on the agenda.

Joe Acosta: It is on the agenda but the public would have no idea what the Board is asked to consider and adopt. For example, the resolutions are on the agenda so the public can know what the Board is considering.

Board Member: So it should have been posted with the agenda?

Joe Acosta: Yes, Noreen does that typically.

Board Member: A copy of the agenda I received had a copy of the rules attached to it.

Board Member: Anybody who received the full packet, got the bylaws. It was in there.

Board Member: It's not posted, but the resolutions aren't posted either.

Joe Acosta: What I'm talking about is whether the document was posted in a place where the public can see it.

Noreen Grasse: No.

Board Member: Are you suggesting that every single document as part of the agenda has to be posted? We get a huge packet each time. For example, the financial report that John McGee gives us almost every month is a huge packet of material. I don't think that is posted per se.

Joe Acosta: Typically there is no action on those.

Board Member: Yes there is.

Joe Acosta: Well, when there is a resolution that should be posted, if possible.

Board Member: They are posted in there or he reads the resolution. Typically they are in the Board book. What we are saying today is that this document was sent as an addendum. Everyone who received the Board book, got the addendum. When you piece together the gray Board book and the addendum, they did receive it.

Joe Acosta: It wasn't posted though.

Noreen Grasse: What do you mean by posted? Do you mean actually affixed to a place where we post notices of meetings?

Joe Acosta: Yes.

Joe Acosta: There are two types of requirements. One is a description that the meeting is going to occur. And there has to be a place where you can look at the agenda. In other words, the full agenda, the attachments and other things don't have to be.

Victor Mendez: Doesn't our posting also say that copies of this can be seen at the offices of the Director or Director's secretary?

Noreen Grasse: Yes, it's at the bottom.

Board Member: So you don't physically have to have the 1,000 pages against the wall. You can say here it is. For a full copy of it go to the Secretary of State, City Clerk or Director's office.

Joe Acosta: That is correct and what I want to know is, was that notice posted where everyone can see it?

Noreen Grasse: It was on the addendum.

Board Member: You're looking at the original. There was an addendum to the book, as well and the addendum included a copy of it.

Joe Acosta: OK. Can I see a copy of the addendum? I just want to make sure.

Joe Acosta: And what's posted is the four or five page agenda?

Noreen Grasse: Yes.

Joe Acosta: Where do you physically post it?

Noreen Grasse: We send it to the Capitol and they post it there and we post it in the lobby of ADOT. And I have a list of people I e-mail it to, if they request it.

Board Member: I think we're covered. It's posted on the bulletin board, ten pages or so and in there it says if you want copies of this, you can look somewhere, we have it available and we have an addendum to that document, the grey Board book.

Joe Acosta: OK. That's what I wanted to make sure.

Joe Lane: Is there an issue with the motion to amend the rules?

Joe Acosta: No.

Board Action: A motion to adjourn was made by Mr. Feldmeier, seconded by Mr. Householder and carried unanimously.

Adjournment

No closing comments were made. The Executive Session adjourned at 10:40 a.m.

Joe Lane, Chairman
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

MINUTES OF THE
STATE TRANSPORTATION BOARD
SPECIAL "TELEPHONIC" BOARD MEETING
OF THE STATE TRANSPORTATION BOARD
9:00 a.m., Thursday, March 22, 2007
Arizona Department of Transportation (ADOT)
Director's Office, Room 135
206 South 17th Avenue
Phoenix, Arizona 85007

The State Transportation Board met in official session for a special "telephonic" board meeting at 9:00 a.m., Thursday, March 22, 2007, with Chairman Lane presiding. Other Board members present included: Bill Feldmeier, Bob Montoya, Delbert Householder and Felipe Zubia. Si Schorr was absent. Board members took part telephonically. Victor Mendez, Director, Richard Travis, Deputy Director, Doug Forstie, State Engineer's Office and Ron Aschenbach/AG's Office, took part in person.

Chairman Lane called the meeting to order and conducted a roll call.

Ron Aschenbach/AG's Office explained why this Special Telephonic Board Meeting was necessary. On March 16, 2007, there was a duly noticed Public Meeting of the State Transportation Board held in Sierra Vista. Only four Board members were present. Si Schorr recused himself from Item's 26, 27, 28 & 29 of the March 16th Agenda and was therefore unable to participate. Although the remaining three board members voted to adopt a motion on these items, their actions were invalid because there was not a quorum available to act. Therefore, a Special Telephonic Board Meeting was scheduled for March 22, 2007, to adopt a motion on the following items.

CONSTRUCTION CONTRACTS – (For Discussion and Possible Action – Doug Forstie.)
Interstate Non-Federal Aid

*ITEM: 1	BIDS OPENED:	February 16
	HIGHWAY:	PHOENIX-CORDES JUNCTION HIGHWAY (I-17)
	SECTION:	Jomax Road TI – Dixileta Drive TI
	COUNTY:	Maricopa
	ROUTE NO.:	I-17
	PROJECT:	IM-017-A(018)A 017 MA 219 H617801C
	FUNDING:	92% Federal 6% State 2% City of Phoenix
	LOW BIDDER:	Pulice Construction, Inc.
	AMOUNT:	$ 35,777,668.75
	STATE AMOUNT:	$ 41,343.032.45
	$ UNDER:	$ 5,565,363.70
	% UNDER:	13.5%
	NO. BIDDERS:	7
	RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Bob Montoya, seconded by Mr. Bill Feldmeier and passed unanimously.

*ITEM: 2	BIDS OPENED:	February 16
	HIGHWAY:	FLAGSTAFF – HOLBROOK HIGHWAY (I-40)
	SECTION:	Joseph City Wash Bridges
	COUNTY:	Navajo
	ROUTE NO.:	I-40
	PROJECT:	040-D-NFA 040 NA 275 H670601C
	FUNDING:	100% State
	LOW BIDDER:	Bison Contracting Co., Inc.
	AMOUNT:	$ 183,015.00
	STATE AMOUNT:	$ 161,703.00
	$ OVER:	$ 21,312.00
	% OVER:	13.2%
	NO. BIDDERS:	8
	RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Delbert Householder, seconded by Mr. Bill Feldmeier and passed unanimously.

*ITEM: 3	BIDS OPENED:	February 16
	HIGHWAY:	KINGMAN – ASH FORK HIGHWAY (I-40)
	SECTION:	Audley OP, EB & WB
	COUNTY:	Yavapai
	ROUTE NO.:	I-40
	PROJECT:	040-B-NFA 040 YV 112 H694801C
	FUNDING:	100% State
	LOW BIDDER:	Royden Construction Co.
	AMOUNT:	$ 1,352,349.95
	STATE AMOUNT:	$ 1,569,696.30
	$ UNDER:	$ 217,346.35
	% UNDER:	13.8%
	NO. BIDDERS:	3
	RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Delbert Householder, seconded by Mr. Bob Montoya and passed unanimously.

Non-Interstate Federal-Aid ("A" "B") projects do not need FHWA concurrence, but must comply with DBE regulations; other projects are subject to FHWA and/or local government concurrence and compliance with DBE regulations)

*ITEM: 4	BIDS OPENED:	February 9
	HIGHWAY:	GILA BEND – BUCKEYE HIGHWAY
	SECTION:	MC 85 to Southern Avenue
	COUNTY:	Maricopa
	ROUTE NO.:	SR 85
	PROJECT:	NH-085-B(008)B 085 MA 150 H595504C
	FUNDING:	94% Federal 6% State
	LOW BIDDER:	Meadow Valley Contractors, Inc.
	AMOUNT:	$ 8,084,988.60
	STATE AMOUNT:	$ 10,162,000.00
	$ UNDER:	$ 2,077,011.40
	% UNDER:	20.4%
	NO. BIDDERS:	5
	RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Felipe Zubia, seconded by Mr. Bob Montoya and passed unanimously.

ADJOURN

Board Action: A motion to adjourn was made by Mr. Montoya, seconded by Felipe Zubia and passed unanimously.

The meeting adjourned at: 9:20 a.m.

Joe Lane, Chairman
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

MINUTES OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
9:00 a.m., Friday, March 9, 2007
Arizona Department of Transportation (ADOT)
State Transportation Board Room, Room 147
206 South 17th Avenue
Phoenix, Arizona 85007

The State Transportation Board met in official session for a Study Session at 9:00 a.m., Friday, March 9, 2007, with Chairman Joe Lane presiding. Other Board members present included: Bill Feldmeier, Delbert Householder, Bobbie Lundstrom, Bob Montoya, Si Schorr and Felipe Zubia. Also present were Richard Travis, Deputy Director; John McGee, Chief Financial Officer, Administrative Services Division; Dale Buskirk, Director, Planning Division; Sam Elters, State Engineer; Jim Dickey, Director, Transit Division and Ron Aschenbach, Attorney General's Office. There were approximately 25 people in the audience.

Chairman Lane welcomed those present and led the audience in the Pledge of Allegiance.

Governor's Executive Order 2007-2: Expanding Arizona's Transportation Options
Mr. Jim Dickey gave a presentation to the Board on the intent and the process in place to respond to the Governor's 90-day Executive Order issued on January 8, 2007. The Board was asked to provide stakeholder input on programs of interest in the categories of mass transit, commuter and/or light rail, which may be included in the response due on April 6, 2007. The Executive Order asks for a list of options for mass transit, commuter rail and/or light rail, to serve and connect efficiently and cost effectively. The report should include preliminary estimates of the costs, focus on private sector and the extent public money is required and how to finance. In answer to a question, mass transit includes bus and bus related programs. The support strategies being reviewed include environmental issues, demonstrated local commitment, congestion relief, jobs created, benefits to State government/employees, land management and growth management, return on taxpayer investment, capturing new trips and mode split, introducing young people to public transportation and addressing growing elderly population needs. Two working group meetings with government partners have been held. A draft report will go through a review process on March 20 for the final working group meeting on March 30. Public input meetings are being held to garner a wide range of support. VIP one-on-one meetings are being held to engage key private sector groups and individuals including the ADOT Board, railroad operators, contracted transit service providers, transit advocacy groups, business and professional groups, elected and appointed leaders and others locally, regionally and nationally. The report will include an executive summary, public transportation program overview, methodology, program recommendations, funding and financing, conclusion and recommendations and appendix/credits/bibliography. The report objectives will define current public transportation programs and investments, identify strategy for future investments, define investment categories, provide preliminary cost estimates including capital and operating and subcategories of federal, local, state and private sector, identify and encourage the private sector to offer or assist in collaboration and identify financing options for any public money. In answer to a question, tolls will be on the list of potential options. Funding alternatives were discussed. The program is a twenty-year program from FY 2008 through FY 2027; it maintains fiscal constraint, addresses political realities and capitalizes on reasonable data base in a short period of time. This will be a program versus project approach focusing on mode application with an investment strategy based upon a future planning process. Three modal options include mass

transit, commuter rail and high speed rail and light rail. In the mass transit category, programs to consider include connecting communities, enhancing rural transportation programs, serving elderly and disabled populations, enhancing urban regional mobility, increasing capacity in dense urban environments, sharing rides and van pooling, building state infrastructure and planning and marketing and other programs. An additional program category is a Tribal program category. In the commuter rail category, two different kinds of programs include capacity relief in urban corridors and high speed urban-to-urban connections. In the light rail category, improving capacity in new urban environments, there is interest in Phoenix, Tucson and other areas including Northern Arizona University. In the accelerated projects category, this includes infrastructure acceleration, moving the light rail programs ahead faster than the twenty year plan and moving forward with HOV lanes. Next steps include finalizing public meetings, sending the draft to the working group, reviewing the final draft and delivering it to the Governor, Speaker of the House and President of the Senate on April 6. Questions being addressed include: What is the most important public transportation need in your community? Where should the state make public transportation investments? How should public transportation services be paid for? It is estimated that 13 to 17 percent of the demand in rural Arizona for public transportation is being met. One of the goals with the report is to define a new baseline and to identify the needs and the options. Mr. Schorr asked about the input received from Sierra Vista and Tucson. In reply, rural Arizona is suffering from a lack of transportation and there is interest in rail connections. Mr. Zubia asked about the steps after the plan is delivered to the Governor. It is thought that this report is part of a larger effort within the Growth and Infrastructure arena. The report will highlight relationships between highways and roadways and energize discussion with rail. In reply to a question about the Board seeing the report, it will go to the Governor first and then perhaps be used as a platform for public discussion. Mr. Montoya discussed questions to ask stakeholders such as, the most important public transportation in your community, state investments and how should public transportation be paid for. There was discussion about changing the culture of municipalities to have more densely populated areas inside the cities to help address the transportation issues. It was suggested to look to the vast number of public meetings to draw upon what is wanted and to draw consensus.

Highway Surface Treatment Projects (Preventative Maintenance): Alternative Approval Process

Mr. Sam Elters gave a presentation to the Board regarding highway surface treatment projects and an alternative approval process for preventative surface treatment. Pavement preservation is a statewide program. There is a minor preservation part and a preventive surface treatment. Preventative surface treatment includes the maintenance elements such as crack sealing, seal coats and level courses. Preventative surface treatments benefit the lifecycle of pavement. It's usually applied prior to the pavement. The current process used doesn't streamline the process as described. The stage of taking it through CNS is to get the five-year construction program projects up. Putting this process through CNS limits their ability and creates a bottleneck. The system proposed is to have the State Engineer's Office handle the surface treatment project. Rather than advertise through CNS it would go through the state procurement process. It would be administered by the district maintenance forces. These would be discussed with the ADOT Board on a regular basis. Part of the pavement preservation program is the preventative surface treatment. It has the most impact when the treatments are applied in the correct time. The proposal would allow for treatment applications in a timely manner. The benefits include enabling the extension of the life cycle of the pavement, better management and a lowering of the life cycle cost. It also would shorten the process by approximately 90 days or more. A list of projects and their costs was distributed. Feedback from the Board was solicited regarding delegating the responsibility to ADOT to handle preventative

surface treatment and preference of reporting back to the Board. It was discussed whether the Board needs to take action on this suggestion or whether it can be handled administratively. In rely to a concern, it was stated that ADOT has no intention of increasing their fleet to do additional work. The intent is to get the applications on the pavement surface as quickly as possible in the time identified. At the present time, the projects are mainly cinder seal, chip seal and slurry seal. The plan is for the Board to approve the amount in June, the Five-Year Program and ADOT staff would take it from there. The plan is to do as much as possible with the $5.5 million. It was agreed to report to the Board semi-annually.

Adjournment

Board Action: A motion to adjourn was made by Mr. Schorr, seconded by Mr. Montoya and passed unanimously. The meeting adjourned at 10:45 a.m.

Joe Lane, Chairman
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

MINUTES OF THE
STATE TRANSPORTATION BOARD EXECUTIVE SESSION
10:15 a.m., Friday, March 16, 2007
City of Sierra Vista Council Chambers
1011 North Coronado Drive
Sierra Vista, Arizona 85635

The State Transportation Board met in official session for an Executive Board meeting at 10:15 a.m., Friday, March 16, 2007, with Chairman Joe Lane presiding. Other Board members present included: Bill Feldmeier, Delbert Householder, Bobbie Lundstrom and Si Schorr. Board members Bob Montoya and Felipe Zubia were absent due to the fact that telephonic equipment was not available in Sierra Vista. Also present were Victor Mendez, Director; Richard Travis, Deputy Director; Joe Acosta, Attorney General's Office and Noreen Grasse, Assistant to the Board.

Mr. Acosta said that he realized the document about to be approved by the Board was not on the public agenda as it should have been, therefore the Board should not adopt the rules today under the open meeting law. The following discussion included:

Board Member: It is on the agenda.

Joe Acosta: It is on the agenda but the public would have no idea what the Board is asked to consider and adopt. For example, the resolutions are on the agenda so the public can know what the Board is considering.

Board Member: So it should have been posted with the agenda?

Joe Acosta: Yes, Noreen does that typically.

Board Member: A copy of the agenda I received had a copy of the rules attached to it.

Board Member: Anybody who received the full packet, got the bylaws. It was in there.

Board Member: It's not posted, but the resolutions aren't posted either.

Joe Acosta: What I'm talking about is whether the document was posted in a place where the public can see it.

Noreen Grasse: No.

Board Member: Are you suggesting that every single document as part of the agenda has to be posted? We get a huge packet each time. For example, the financial report that John McGee gives us almost every month is a huge packet of material. I don't think that is posted per se.

Joe Acosta: Typically there is no action on those.

Board Member: Yes there is.

Joe Acosta: Well, when there is a resolution that should be posted, if possible.

Board Member: They are posted in there or he reads the resolution. Typically they are in the Board book. What we are saying today is that this document was sent as an addendum. Everyone who received the Board book, got the addendum. When you piece together the gray Board book and the addendum, they did receive it.

Joe Acosta: It wasn't posted though.

Noreen Grasse: What do you mean by posted? Do you mean actually affixed to a place where we post notices of meetings?

Joe Acosta: Yes.

Joe Acosta: There are two types of requirements. One is a description that the meeting is going to occur. And there has to be a place where you can look at the agenda. In other words, the full agenda, the attachments and other things don't have to be.

Victor Mendez: Doesn't our posting also say that copies of this can be seen at the offices of the Director or Director's secretary?

Noreen Grasse: Yes, it's at the bottom.

Board Member: So you don't physically have to have the 1,000 pages against the wall. You can say here it is. For a full copy of it go to the Secretary of State, City Clerk or Director's office.

Joe Acosta: That is correct and what I want to know is, was that notice posted where everyone can see it?

Noreen Grasse: It was on the addendum.

Board Member: You're looking at the original. There was an addendum to the book, as well and the addendum included a copy of it.

Joe Acosta: OK. Can I see a copy of the addendum? I just want to make sure.

Joe Acosta: And what's posted is the four or five page agenda?

Noreen Grasse: Yes.

Joe Acosta: Where do you physically post it?

Noreen Grasse: We send it to the Capitol and they post it there and we post it in the lobby of ADOT. And I have a list of people I e-mail it to, if they request it.

Board Member: I think we're covered. It's posted on the bulletin board, ten pages or so and in there it says if you want copies of this, you can look somewhere, we have it available and we have an addendum to that document, the grey Board book.

Joe Acosta: OK. That's what I wanted to make sure.

Joe Lane: Is there an issue with the motion to amend the rules?

Joe Acosta: No.

Board Action: A motion to adjourn was made by Mr. Feldmeier, seconded by Mr. Householder and carried unanimously.

Adjournment

No closing comments were made. The Executive Session adjourned at 10:40 a.m.

Joe Lane, Chairman
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

MINUTES OF THE
STATE TRANSPORTATION BOARD
SPECIAL "TELEPHONIC" BOARD MEETING
OF THE STATE TRANSPORTATION BOARD
9:00 a.m., Thursday, March 22, 2007
Arizona Department of Transportation (ADOT)
Director's Office, Room 135
206 South 17th Avenue
Phoenix, Arizona 85007

The State Transportation Board met in official session for a special "telephonic" board meeting at 9:00 a.m., Thursday, March 22, 2007, with Chairman Lane presiding. Other Board members present included: Bill Feldmeier, Bob Montoya, Delbert Householder and Felipe Zubia. Si Schorr was absent. Board members took part telephonically. Victor Mendez, Director, Richard Travis, Deputy Director, Doug Forstie, State Engineer's Office and Ron Aschenbach/AG's Office, took part in person.

Chairman Lane called the meeting to order and conducted a roll call.

Ron Aschenbach/AG's Office explained why this Special Telephonic Board Meeting was necessary. On March 16, 2007, there was a duly noticed Public Meeting of the State Transportation Board held in Sierra Vista. Only four Board members were present. Si Schorr recused himself from Item's 26, 27, 28 & 29 of the March 16th Agenda and was therefore unable to participate. Although the remaining three board members voted to adopt a motion on these items, their actions were invalid because there was not a quorum available to act. Therefore, a Special Telephonic Board Meeting was scheduled for March 22, 2007, to adopt a motion on the following items.

CONSTRUCTION CONTRACTS – (For Discussion and Possible Action – Doug Forstie.)
Interstate Non-Federal Aid

*ITEM: 1	BIDS OPENED:	February 16
	HIGHWAY:	PHOENIX-CORDES JUNCTION HIGHWAY (I-17)
	SECTION:	Jomax Road TI – Dixileta Drive TI
	COUNTY:	Maricopa
	ROUTE NO.:	I-17
	PROJECT:	IM-017-A(018)A 017 MA 219 H617801C
	FUNDING:	92% Federal 6% State 2% City of Phoenix
	LOW BIDDER:	Pulice Construction, Inc.
	AMOUNT:	$ 35,777,668.75
	STATE AMOUNT:	$ 41,343.032.45
	$ UNDER:	$ 5,565,363.70
	% UNDER:	13.5%
	NO. BIDDERS:	7
	RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Bob Montoya, seconded by Mr. Bill Feldmeier and passed unanimously.

*ITEM: 2	BIDS OPENED:	February 16
	HIGHWAY:	FLAGSTAFF – HOLBROOK HIGHWAY (I-40)
	SECTION:	Joseph City Wash Bridges
	COUNTY:	Navajo
	ROUTE NO.:	I-40
	PROJECT:	040-D-NFA 040 NA 275 H670601C
	FUNDING:	100% State
	LOW BIDDER:	Bison Contracting Co., Inc.
	AMOUNT:	$ 183,015.00
	STATE AMOUNT:	$ 161,703.00
	$ OVER:	$ 21,312.00
	% OVER:	13.2%
	NO. BIDDERS:	8
	RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Delbert Householder, seconded by Mr. Bill Feldmeier and passed unanimously.

*ITEM: 3	BIDS OPENED:	February 16
	HIGHWAY:	KINGMAN – ASH FORK HIGHWAY (I-40)
	SECTION:	Audley OP, EB & WB
	COUNTY:	Yavapai
	ROUTE NO.:	I-40
	PROJECT:	040-B-NFA 040 YV 112 H694801C
	FUNDING:	100% State
	LOW BIDDER:	Royden Construction Co.
	AMOUNT:	$ 1,352,349.95
	STATE AMOUNT:	$ 1,569,696.30
	$ UNDER:	$ 217,346.35
	% UNDER:	13.8%
	NO. BIDDERS:	3
	RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Delbert Householder, seconded by Mr. Bob Montoya and passed unanimously.

Non-Interstate Federal-Aid ("A" "B") projects do not need FHWA concurrence, but must comply with DBE regulations; other projects are subject to FHWA and/or local government concurrence and compliance with DBE regulations)

*ITEM: 4	BIDS OPENED:	February 9
	HIGHWAY:	GILA BEND – BUCKEYE HIGHWAY
	SECTION:	MC 85 to Southern Avenue
	COUNTY:	Maricopa
	ROUTE NO.:	SR 85
	PROJECT:	NH-085-B(008)B 085 MA 150 H595504C
	FUNDING:	94% Federal 6% State
	LOW BIDDER:	Meadow Valley Contractors, Inc.
	AMOUNT:	$ 8,084,988.60
	STATE AMOUNT:	$ 10,162,000.00
	$ UNDER:	$ 2,077,011.40
	% UNDER:	20.4%
	NO. BIDDERS:	5
	RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Felipe Zubia, seconded by Mr. Bob Montoya and passed unanimously.

ADJOURN

Board Action: A motion to adjourn was made by Mr. Montoya, seconded by Felipe Zubia and passed unanimously.

The meeting adjourned at: 9:20 a.m.

Joe Lane, Chairman
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation