

**MINUTES
OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION**

**9:30 A.M., Thursday, August 1, 2002
Arizona Department of Transportation
Board Room
206 South 17th Avenue
Phoenix, Arizona 85007**

The State Transportation Board met in official session for a study session at 9:30 a.m., Thursday, August 1, 2002, with Chairman Dusenberry presiding. Other Board members present included: Vice Chairperson Ingo Radicke, Rusty Gant, Bill Jeffers, Joe Lane, and Jim Martin. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; John McGee, Chief Financial Officer, Administrative Services Division; Dick Wright, State Engineer; and Mary Lynn Tischer, Director, Planning Division. There were approximately 20 people in the audience.

Chairperson Katie Dusenberry called the meeting to order and led those present in the Pledge of Allegiance.

Statewide Rest Areas

LeRoy Brady reviewed the master plan for rest areas on the Interstate system and non-Interstate system, noting the lack of public restroom facilities is the number one complaint among tourists. He discussed the factors considered in the location and prioritization of building new rest areas. These include the potential enhancement and improvement of motor safety for the highway section; availability of water; adjacent highway traffic volumes; and the availability of other 24-hour stopping and resting opportunities. With regard to existing facilities, he stated they look at the overall condition of the facility, the utility infrastructure and access ramps and parking conditions. He said their goal is to provide a rest stop for every hour of driving time. He displayed a map of existing rest areas and new rest areas included in the master plan, noting some of the new rest areas will replace existing ones to improve the spacing between stops.

In response to Chairperson Dusenberry's question, Mr. Brady stated the LaVista rest stop would be eliminated because of its proximity to Marana. He explained the location of the railroad and high pressure gas lines in the area make it virtually impossible to build rest stops between Casa Grande and Tucson.

Mr. Radicke asked about the Bureau of Land Management's objection to the Vekol Wash rest stop. Mr. Brady said they are not proposing the rest stop be built immediately, pointing out, however, it would be built on private land, not BLM land.

Chairperson Dusenberry asked Mr. Brady if they have ever considered allowing private businesses to open at rest stops as is done in other states. Mr. Brady said such rest stops are typically found on turnpike or toll roads, explaining the Interstate system does not allow for private business in the control of access. He said they are considering such ventures at rest stops

located at traffic interchanges, however, local businesses have not supported the idea in the past for fear that it would detract from their business.

Mr. Radicke asked if a rest stop could be located on Reservation land along SR 89 between Flagstaff and Page to provide for service in that area. Mr. Brady said, based on their experience with non-Interstate rest areas at Monument Valley and Four Corners, establishing a rest stop on Reservation land is a very long and slow process. He noted the Navajo's themselves are working towards increased traveler service at Gray Mountain and Cameron.

Mr. Mendez asked if they attempted to privatize the Desert Hills rest stop in I-17. Mr. Brady responded yes, stating, however, businesses within 25 miles felt it would detract from their business. He noted a traffic volume of over 12,000 vehicles per day would be necessary for private businesses to be successful.

A member pointed out there is a void of rest stops through the White Mountains, especially along Highway 260. Mr. Brady agreed.

In response to a member's question, Mr. Brady reported maintenance costs on rest areas on the Interstate System range between \$114,000 and \$175,000 per rest area per year. He noted almost all of the Interstate rest stops have a resident caretaker. He stated the non-Interstate rest stops cost approximately \$50-60,000 per year.

Mr. Brady continued with his presentation displaying photographs of the various rest areas. He pointed out today's rest stops have fairly small plaza areas, in keeping with the suburban/urban atmosphere. He said they have made an effort over the past 20 years to ensure every rest area has telephone service. He stated great attention was given to the maintainability and security of the facilities. He reviewed a map indicating the current condition of the existing rest area life cycle, noting seven rest areas are in poor condition and three are in critical condition. He stated Meteor Crater, Mohawk, Sunset Point and Eagle Mountain are in the five year program, with \$18,350,000 programmed in the Five Year plan and \$59 million currently unprogrammed.

In response to Mr. Radicke's question, Mr. Brady said state and federal law require rest areas to meet ADA requirements. He stated the current rest areas, even those rated as critical, meet ADA requirements.

Chairperson Dusenberry asked if there are plans to enlarge the truck parking areas. Mr. Brady responded no, explaining that, regardless of the number spaces provided, there will always be times of day when the number of trucks would exceed the number of spaces.

Mr. Brady summarized, stating there are 13 existing rest areas on the Interstate system and four on the non-Interstate system for a total 17. He said they are proposing four additional rest areas on the Interstate system and one on the non-Interstate system for a total of five and a grand total of 22 rest areas.

Mr. Brady reviewed their system preservation program, stating the intent of the program is to extend the life cycle of rest areas while minimizing budget impacts and shortening closure times,

thereby reducing the level of inconvenience to the public. He said their goal is to retain a higher overall level of service and maintain conformance to codes and standards. He noted the \$1.2 million budget for system preservation does not include maintenance and custodial service costs ranging between \$114,000 to \$175,000 per rest area per year. He displayed photographs of various preservation issues found at existing rest stops. He said approximately \$12 million in system preservation remains unfunded.

ADOT's Reauthorization Priorities

Victor Mendez stated the Federal Transportation Funding legislation expires in 2003 and it is assumed the next bill will be for a six year term. He identified the level of funding as the most significant issue, noting recent studies indicate the state is \$20 billion short in transportation funding. He discussed the strategies being considered throughout the nation, stating the best way to approach it would be to create partnerships and alliances and find consensus on important items. He said they have worked closely with ASHTO and WASHTO to identify issues important to Arizona. He stated they have also worked closely with Governor Hull to ensure WGA understood the transportation component of the issues they dealt with. He noted WGA asked seven WASHTO directors to meet with WGA staff in Tempe to work through reauthorization issues. He provided copies of the WGA resolution approved in June 2002. Mr. Mendez identified the following critical transportation priorities:

- 1) To fully fund the construction of the Hoover Dam Bypass as a national security and safety issue. Mr. Mendez explained the Bureau of Reclamation has restricted all commercial truck traffic from the dam since September 11. Estimates of the cost of the detour to the trucking industry total approximately \$30 million per year. He said there is concern about catastrophic damage to the region should anything happen to the dam. He estimated the cost for the total project to be approximately \$231 million, stating they have secured \$121 million in state and federal funding to date. Mr. Mendez reported the Senate completed a mark up of there 2003 Transportation Appropriations Bill last week, in which they included another \$16.5 million. He explained \$8.5 million of the \$16.5 was allocated to Nevada and \$8 million to Arizona. He reported the Arizona Motor Transport Association voted to have pedestrian access at the bridge eliminated, however, they have not yet received any formal response. He stated previous studies concluded pedestrian traffic should be accommodated, noting ADOT and NDOT both believe it can be done safely. He said, however, Swift Transportation is prepared to ask Congress to stop funding the project if pedestrian access is provided. He stated he has asked Swift to postpone their attempt to derail the project or pass language that prohibits the pedestrian facility. While Swift agreed to postpone derailing the project, they stated they will make the Congressional Delegation aware of the issue.

In response to Ms. Dusenberry's question, Mr. Mendez stated they hope to meet with Nevada, Arizona, lobbyists, the trucking association, Swift and other interested parties to further discuss the issue. He expressed his opinion Congress will feel there are more critical issues to address. Chairperson Dusenberry cautioned against waiting to long to present their side.

A member asked what, specifically, Swift objects to with regard to the pedestrian facility. Mr. Mendez said he asked Dave Berry and the Executive Director of the Association about their agenda during a meeting last week. He said Swift's initial objection was based on potential fuel spill hazards. He said, in response to their concern, they looked for a different technical solution, including an understructure. He said, upon being presented with that idea, Mr. Barry then made issue of using highway funds for anything other than highways. He noted, interestingly, Mr. Barry stated the dam was not an important facility for them and that they were willing to stay on the detour as long as necessary.

Chairperson Dusenberry suggested Mr. Barry's opposition to spending highway funds on non-highway facilities is a personal vendetta. Mr. Mendez said he asked Ms. Tischer to research the use of federal funds to accommodate other modes. Chairperson Dusenberry asked Ms. Tischer to provide a briefing to the Board by next Thursday.

- 2) Support efforts to increase transportation funding for highways and transit. Mr. Mendez said ASHTO's position is to increase funding from \$34 billion in FY04 to \$41 billion by FY09 and from \$7.5 billion in FY04 to \$10 billion by FY09. He noted the American Public Transportation Association has submitted a proposal that would increase transit funding to \$14 billion annually beginning in FY04. He said ADOT supports the proposal as long as the increases do not come from the Highway Trust Fund. He said the Associated General Contractors proposal calls for \$44 billion annually for highways and the Roads and Transportation Building Association wants \$50 billion annually. He stated the Traffic Safety Association wants a \$3 billion annual increase for safety investments. Mr. Mendez discussed various options being researched, including drawing down the Highway Trust Fund balance, capturing Gasohol revenue currently going to the General Fund or increasing the Gasohol taxes by 5.3 percent, indexing the federal fuel tax rates to the Consumer Price Index, capturing the interest on the Highway Trust Fund balance, increasing the Federal Fuel Tax, increasing General Fund support for transit and creating a new financing mechanism that would leverage Highway Trust Fund revenue. He said ADOT is not taking a position on any of the options at this time.
- 3) Protect the integrity of the Highway Trust Fund firewalls.
- 4) Provide full funding flexibility to the states and eliminate state sanctions of federal highway funds. Mr. Mendez explained they would like to see more flexibility at the state level and the elimination of sanctions.
- 5) Environmental stewardship, which means that we can protect and enhance our environment while building transportation facilities. Mr. Mendez said ADOT needs to educate the public about their ability to build transportation facilities, while still protecting and even enhancing the environment.
- 6) Actually streamline the environmental processes as was intended by Congress. Mr. Mendez emphasized that streamlining the process in no way indicates a desire on their part to sidestep the process.

- 7) Retaining the existing balance of decision making between states and metropolitan planning organizations and between states and rural officials.
- 8) Continue the Corridors and Borders programs.

Chairperson Dusenberry expressed her opinion the term "corridor" should be more specifically defined to provide continuity. Mr. Mendez agreed.

Mr. Mendez reported ADOT is a member of the CANAMEX Corridor Coalition, which assesses issues to address the development of the CANAMEX Corridor. He stressed the importance of border security and truck safety issues. He said they have asked Congress to fund border operations and maintenance out of the General Fund rather than the Highway Trust Fund and to help promote greater coordination among federal agencies.

- 9) Security and safety topics that address various needs in our state.
- 10) Continue and expand innovative project financing techniques.

Mr. Mendez asked the Board to review the ASHTO Reauthorization Policies.

Mr. Adams stated the reauthorization presents three major issues in terms of aviation; funding levels, firewalls and the continuation of existing programs. He said the Senate is discussing transferring the Transportation Security Agency to a new department that would be created by a Homeland Security bill currently being considered. He said the Essential Air Service program, which subsidizes commuter air service, has fluctuated between \$150 million and \$25 million since its inception in 1978. He noted the program was down to less than \$30 million prior to September 11, however, as a result of September 11, Congress added approximately \$68 million to the program. Mr. Adams explained that, during the last reauthorization of AIR21, Congress created a Small Community Air Service Development pilot program. He said Congress authorized \$20 million in 2001, which should increase to \$27.5 million this year and \$27.5 million next year. He stated the Contract Towers Program assists smaller facilities that utilize contract air traffic controllers.

Mr. Adams said, historically, Congress has consistently authorized more funds than they appropriated, with the exception of last year. He noted there is an opportunity for Congress to open up Capital funds and let those expenses be paid with Operational funds. He explained this issue arose immediately after September 11 when airports were required to provide security services and had to hire local law enforcement officers. He stated smaller airports on the federal system were given \$150,000 last year for capital improvements and maintenance. He explained the FAA does not like the program because of the administrative costs and effort involved in processing the paperwork for such small projects. He said, therefore, the National Association of State Aviation offered a number of solutions wherein the federal government would turn the funds over to the state for distribution.

Mr. Adams noted the Aviation reauthorization comes up at the same time as the Highway reauthorization. He stated, in the past, Congress has not wanted to review both issues at the same time and has delayed the Aviation reauthorization. He said, however, due to the number of security issues related to Aviation, he does not know if they will delay the Aviation reauthorization this year. He pointed out they are looking at a new TSA Administrator and FAA Administrator, stating, therefore, they expect changes to be made in aviation.

The meeting recessed for a short break.

HOT/HOV Lanes

Bill Hayden discussed the results of an HOT/HOV lane study. He said there is a negative connotation in the western United States to toll roads, therefore, part of the process was to change the focus to the value of a lane. He explained that when ADOT began the study, the Reauthorization of TEA21 established an Office of Value Pricing and provided funding for 15 state pilot projects to implement HOT lanes. He said the country's focus since that time has been on reducing congestion and developing congestion management strategies. He said it was also focused on environmental and air quality issues as well as the fundability and social acceptability of new highways. He stated there was also a surge around the country to focus on public/private partnerships. He said all of those dynamics led the department to pursue a study to determine if it would be financially feasible to do a toll lane project in the valley and the level of acceptability there would be to such a project. He said MAG offered to partner with the department on the study, in an effort to update their 1994 HOV policy.

Mr. Hayden reported they currently have approximately 50 miles of HOV lanes, mostly on I-10 and the Maricopa Freeway. He said their long term goal is to have 150 miles of HOV lanes and, ultimately, for the entire Regional Freeway System to have HOV lanes. He said they found that, initially, there was some reluctance to use HOV lanes, however, the concept appears to be gaining appeal.

Mr. Hayden discussed the success of two California value lane projects. He said, unfortunately, a non-compete clause in the public/private partnership agreement with regard to State Route 91, precluded Cal-Trans from approving any other projects within a 25 mile range. He stated negotiations have resulted in Orange County taking over the operation of State Route 91. He noted State Route 91 currently generates \$24 million, while San Diego generates \$2 to \$3 million.

Mr. Hayden said, for a variety of reasons, neither proposal for implementing toll roads appears to be viable. He stated the results of the study indicate several possible candidates for value lanes. He identified I-10, from 79th Avenue to 7th Avenue, as the most likely corridor, considering its high volume of traffic and existing dependence on HOV lanes. He said, unfortunately, he received a memo in January indicating the pilot construction funding has been deleted from the program and that only \$11 million remain for the 15 pilot projects countrywide.

Mr. Hayden noted the state's privatization law does not allow ADOT to financially participate in a public/private business relationship. He said the law will either need to be changed or other

means of financing need to be found before proceeding with the decision to implement HOT lanes. He stated a number of meetings were held with focus groups and other quasi-public/quasi-political groups and a series of presentations were made to City Councils, Boards of Supervisors and so forth. He said the overall reaction was not positive, explaining there is some resistance to paying to use lanes that were built using gas tax money. He said people appear to be satisfied with the progress being made by the Department and feel the current level of congestion is acceptable. He stated a great deal of effort will have to be made to change attitudes and gain political support, however, the revenue generating possibilities of HOT lanes cannot be ignored.

Mr. Radicke asked who would keep the money generated by HOT lanes. Mr. Hayden explained ADOT would decide where to spend that money, noting the money would remain local.

Mr. Mendez suggested they emphasize the positive effects HOT lanes would have on air quality rather than the amount of money that could be generated when trying to sell the concept to the public.

Mr. Radicke pointed out people would not have to use the toll lanes. He asked if the department has the right-of-way necessary to build the lanes. Mr. Hayden responded no.

Chairperson Dusenberry asked if other cities have a similar program, wherein multiple occupant vehicles use a lane free of charge while single occupant vehicles are assessed a fee. Mr. Hayden stated yes, explaining the State Route 91 toll plaza utilizes scanners to determine if a vehicle has a transponder, if their account is current, their speed and the number of passengers in the vehicle. He confirmed for Chairperson Dusenberry that HOT lanes are a viable concept since existing HOV lanes are not getting used to full capacity.

In response to a member's question, Mr. Hayden explained one factor in the two original proposals being deemed unviable was the Indian community's decision that all right-of-way funds would have to be provided before they would enter into an agreement.

Lake Havasu Airport

Gary Adams reviewed the federal Small Community Air Service Pilot Program, explaining its purpose and objectives. He said the purpose of the program was to supplement a federal grant from the USDOT for the funding of a Pilot Program, to provide a means for eligible airports to obtain funds and to provide support for projects that are intended to improve scheduled air service to small communities. He noted Congress limited the program to no more than 40 communities in a given year and no more than four per state. He reported 180 requests came in during the round of applications, totaling approximately \$140 million. He said the Secretary of Transportation awarded 40 requests, utilizing the entire \$20 million in the program.

Mr. Adams reviewed the four requests submitted by Arizona communities, stating USDOT selected Lake Havasu City's application and awarded them the \$403,000 requested. He said Lake Havasu City is also asking the state for \$200,000 and the local community for \$700,000. He explained \$528,000 will be used to subsidize Mesa Airlines to increase the number of flights

to the community and reduce airfares. He noted \$150,000 would be spent on a new marketing strategy.

Mr. Adams explained that, through Senate Bill 1372, the State Legislature set aside about \$500,000 of HURF money to match federal grants that come out of the program. He stated ADOT is authorized to deposit about \$41,000 a month into a special account and the State Transportation Board is required to adopt policies and procedures for awarding grants under the program. He reviewed a draft of Proposed Policies for the program, stating they are proposing using a similar evaluation process to the one used for the loan program. He explained that, while the State Legislature made a one time \$500,000 appropriation, Lake Havasu is only requesting \$200,000, leaving enough money, theoretically, for another round.

Mr. Jeffers asked why USDOT selected Lake Havasu's proposal over the others submitted. Mr. Adams said the USDOT website explains the rationale behind the selections they made.

Mr. Mendez expressed his opinion the policy should be finalized as soon as possible, noting the law states it will be retroactive to June 30, 2002. Mr. Adams offered to provide a newer draft of the policies to the Board at next month's meeting.

Interstate 10 (Tucson to Phoenix)

Bob Miller displayed a schematic layout of I-10, from Maricopa Road to Ina Road. He said I-10 currently operates at Level of Service C and D between Tucson and Phoenix. He stated they are looking at adding an additional travel lane in each direction and reviewed a list of individual projects and their associated costs. He said a Design Concept Study is currently underway, which looks at the issues associated with adding capacity.

In response to Mr. Martin's question, John Louis stated RARF funding ends with the system interchange at the Loop 202, including the Maricopa TI interchange.

Mr. Louis discussed issues that have arisen related to tribal lands. He said the Tribe informed them that they were promised frontage roads when they granted Federal Highways the right-of-way for I-10. He said the research they have done does not support the Tribe's claim and it continues to be an issue. He said the Tribe and Federal Highways have both asked that they not close the entire median, explaining they have looked at the ability to add a single lane on the median side during the initial phase. He stated they have looked at adding a fourth lane on the outside of the highway to avoid the need for a continuous concrete barrier. He noted discussions will also have to take place with the Tribe concerning bridge replacements and a new TI. He said there has been talk of future interchanges in the Casa Grande area, however, they have not included those in their study.

Ms. Dusenberry asked why the Tribe and Federal Highways object to a fourth lane in the median. Mr. Louis said they are concerned about their ability to respond to emergency situations if a continuous concrete barrier is constructed.

In response to Mr. Radicke's question, Mr. Miller stated they project a Level of Service C or better through 2020 based on traffic data used in the report. He noted, however, traffic volume for 2001 was approximately what they had in the report for 2005.

Mr. Mendez said, from a public perception standpoint, they cannot afford to have a crossover if they choose to widen towards the median.

Mr. Martin pointed out travelers have no where to go if they experience car trouble, leaving them vulnerable to being hit by other motorists. He suggested they start work on the south end while issues with the Indian Tribe are being settled.

Mr. Miller reported receiving a letter from a Tucson resident asking what they intend to do about truck traffic and congestion on I-10. He said they are estimating \$309 million to do the additional lane and currently have \$50 million in the program.

Mr. Radicke asked if any consideration has been given to magnetic truck lanes or other congestion mitigation measures being used in Europe. Mr. Louis said a study was done on truck lanes years ago, however, it concluded doing so would take up the entire median and be quite costly.

Chairperson Dusenberry stated they are presented with an opportunity to consider innovative solutions, including toll express lanes. Mr. Miller said funding continues to be the primary issue, noting Pinal County is \$208 million short of being able to do their section, the Phoenix cooperative area is \$13 million short and the MAG cooperative area is \$37 million short. Mr. Louis stated a small amount of discussion has taken place concerning toll roads, however, it is not expected to be well received, particularly in rural areas. Chairperson Dusenberry suggested those traveling non-stop from Phoenix to Tucson would be willing to pay for a toll road. Ms. Tischer pointed out federal restrictions on tolling the interstate system would require that ADOT purchase the road. Chairperson Dusenberry explained she envisions the toll road being a separate roadway.

Mr. Louis said some resources should be freed up once the Regional Freeway System is complete and he believes this plan should be ready when that happens.

Mr. Radicke recommended they research ITS options to see what might be possible and affordable. He asked to be updated on the negotiations with the Tribe in six months.


Mr. Louis reported the Tribal Council and TSA met two weeks ago regarding the stadium site and the Tribal Council ultimately voted not to accept the stadium.

Adjournment

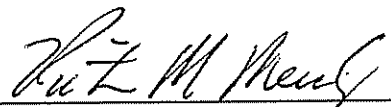
No closing comments were made.

Board Action: A motion to adjourn was made, seconded and passed unanimously.

The meeting adjourned at 2:00 p.m.



**Katie Dusenberry, Chairperson
State Transportation Board**



**Victor Mendez, ADOT Director
Arizona Department of Transportation**

**MINUTES
OF THE
STATE TRANSPORTATION BOARD
BOARD MEETING
9:00 a.m., Friday, August 16, 2002
Graham County Supervisor's Office
In the Graham County General Services Bldg.
921 Thatcher Blvd.
Safford, Arizona 85546**

The State Transportation Board met in official session for a regular meeting at 9:00 a.m., Friday, August 16, 2002, with Chairperson Dusenberry presiding. Other Board members present included: Ingo Radicke, Vice Chairperson; Rusty Gant; Dick Hileman; Bill Jeffers; Joe Lane; and Jim Martin. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; Dick Wright, State Engineer; John McGee, Chief Financial Officer, Administrative Services Division; Gary Adams, Assistant Director, Aeronautics Division; and Mary Lynn Tischer, Director, Planning Division. There were approximately 75 people in the audience.

OPENING REMARKS AND PLEDGE

Chairperson Katie Dusenberry led the audience in the Pledge of Allegiance. She thanked Graham County for their hospitality Thursday night and introduced dignitaries in the audience.

AWARDS

Chairperson Dusenberry presented an award to Mary Lynn Tischer who is leaving the department.

CALL TO AUDIENCE

Stanley Gibson, Mayor of Globe, thanked the Board for keeping the project from Forest Junction to Superior in the Five Year Program and for the scoping work being done between Superior and Miami. He asked the Board to consider building a four lane highway through Safford in the future.

Alan Everett, former Mayor of Sedona, complimented ADOT staff and FNF on the 89A project between Cottonwood and Sedona, suggesting the same type of planning would address the needs on Highway 179 as well.

Steve Stratton, Deputy Director of Public Works, Gila County, stated he was glad to see Phase 3 of Highway 188 and the passing lanes on Highway 60 between Globe and Superior put back in the five year plan.

Mark Herrington, Graham County Supervisor, expressed appreciation for all of the work being done in Graham County. He asked the Board to accelerate the improvements on Highway 191. He asked about the status of the project on Highway 70 east to Solomon, explaining the five lanes are inadequate to carry the large farming equipment that travels on the roadway.

Steve Besich, Gila County Administrator, thanked the Board for the continued work on Highway 60 and its dedication to improving all highways throughout the state.

David Newlin, Duncan Town Manager, thanked the Board for their support as well as Ron Casper and Bill Harmon for all they do for the County. He said they also appreciate everything the Board does in support of the copper industry.

Michael Dominguez, Thatcher resident, stated ADOT took away his driveway and sidewalk through eminent domain.

Chairperson Dusenberry asked Mr. Mendez to see that someone in the department contact Mr. Dominguez.

Dixie Zumwalt, Greenlee County Supervisor, thanked the Board for the improvements to their roads. She specifically thanked Mr. Casper for his patience and assistance.

DISTRICT ENGINEER'S REPORT

Ron Casper, District Engineer for Safford, introduced key members of the Safford District staff. He updated the Board on the status of construction projects, future transportation improvement projects and transportation issues in the geographic area. A written copy of his comments was submitted for the record.

CONSENT AGENDA

Item 28 was pulled from the consent agenda.

DIRECTOR'S REPORT

Mr. Mendez reported a teleconference is scheduled for Monday concerning the Hoover Dam Bypass pedestrian accommodation issue. He said lobbyists and DOT Directors for Arizona and Nevada as well as the CANAMEX Task Force will be involved.

Mr. Mendez said he received a request from the east valley legislative body in Mesa asking ADOT to provide input on the potential extension of the half-cent sales tax in the Maricopa County area. He stated a pre-briefing will be held Monday, noting Mr. Lane and Mr. Gant will be given information prior to the briefing. He said he would expect a final report to be made available by Wednesday or Thursday of the coming week.

Ms. Brisk announced ASHTO honored the Plate to Fee Owner Team, one of the partnership teams created with the Motor Vehicle Division, with a Presidential Award. She said Ginger Murdow of ADOT was also recognized at WASHTO with the L.I. Hughes Award. She noted Ms. Murdow was selected among 18 candidates and was the first woman to receive the award.

Legislative Report

Mr. Biesty updated the Board on Federal and State legislative issues. He discussed complicated factors that may cause delays in the TEA reauthorization process. He said the House is expected to mark up their Transportation Appropriation bill sometime after Labor Day. He reported the negative RABA was restored in the 2002 Supplemental Appropriation, noting the Senate Appropriations Bill for 2003 also includes the RABA that would have been expected for 2003. With regard to the Hoover Dam Bypass project, Mr. Biesty stated the Senate Appropriations Committee has marked up the Transportation bill to include \$16.5 million, \$8.5 million for Nevada and \$8 million for Arizona. He said Senator Kyl's amendment was also included and allows the Secretary of Transportation to enter into an agreement with Nevada and/or Arizona to fund the remainder of the project from the Federal Lands Highway Program. A written copy of his comments was submitted for the record.

Chairperson Dusenberry asked if they have ever conducted a seminar for newly elected legislators to educate them on transportation issues. Mr. Mendez said they have offered a transportation briefing to the committees, however, they did not accept the offer. He stated they are currently preparing transition reports, however, he does not know if a seminar will be arranged. Mr. Biesty noted they were asked to prepare a one-page briefing for the Board, a final draft of which he will soon review with the Director. He expressed his opinion one-on-one conversations with the legislators are more productive.

Financial Report

Mr. McGee reviewed the Highway User Revenue Fund FY 2003 Forecast Comparison, stating it has been increased from \$1,102,000,000 to \$1,107,700,000. He said they anticipate somewhat slower growth in the Gas and Use Fuel categories and much stronger growth in Motor Carrier fees. He explained the forecast assumes an average 2.9 percent growth, which compares to 2.7 percent growth over the last three years and 3.1 percent over the last four years. He said the forecast is realistic and slightly conservative. He stated ADOT will receive \$2.8 million more than they had planned for the Five Year Program if the forecasted \$5.7 million increase is achieved.

Mr. McGee discussed the RARF FY 2003 Forecast Comparison. He said the economic slowdown and the effects of September 11 resulted in lower than forecasted RARF collections last year. He reported the FY 2003 collection forecast has been decreased by \$8.8 million to \$275.6 million. He said they do not believe the slower revenue growth will jeopardize the 2007 freeway acceleration program in Maricopa County. He explained the forecast assumes little or no growth in Retail Sales for the first quarter of the year, with gradual improvement throughout the rest of the year. He said the forecast assumes Construction activity will slow, but remain

positive. He expressed his opinion they will see better growth than last year and that the three percent growth rate is attainable.

Mr. McGee reviewed the Highway User Revenue Fund July 2002 Report, stating collections totaled \$88 million. He said every category, except Use Fuel and Registration, experienced growth over last year's results and every category, except Gas and Use Fuel, had positive variances over forecast. He stated they have not yet received July RARF results.

Mr. McGee stated the June 2002 Cash Management/Investment Report shows the Department earned \$2,619,000 on its invested funds at a rate of 3.5 percent. He reported \$33,429,000 has been earned year-to-date at an average investment rate of 4.18 percent. He commended the State Treasurer's Office on the outstanding results achieved in terms of investment performance.

Mr. McGee reviewed the HELP Fund Cash Status report for July 2002, stating 40 loan agreements totaling \$430,226,308 have been signed to date. He said the cash balance dropped \$13 million to \$128.5 million as a result of \$17 million in loan draws and \$4 million in loan repayments. He noted the HELP Advisory Committee held a study session on July 24 to address a number of technical issues, including application procedures, interest rate policy, evaluation criteria and scoring. He said the Advisory Committee was also briefed on the BFO borrowing issue and unanimously agreed a slow approach should be taken until it is determined where the General Funds operating balance is headed. He pointed out three members of the Advisory Committee will reach the end of their terms in October, stating letters were sent to Mr. Biesty and Mr. Carlson to find replacements as well as to the Governor, the President and the Speaker of the House asking for new appointments.

In response to Mr. Radicke's question, Mr. McGee explained the members could be reappointed, noting, however, two have indicated they would prefer not to be reappointed.

Financing Program

John McGee stated the RARF bond issue was priced on June 30, explaining its size, short term and odd maturity date made it somewhat difficult to price. He said they sold the bonds at a 2.49 percent true interest cost, noting it was the lowest rate of any bond issuance they have ever done. He referred to the Final Pricing Review dated August 16, 2002, a copy of which was submitted for the record.

Mr. McGee stated the Board passed a Resolution directing the department to proceed with the next HURF financing. He said selection of the underwriting team will occur today and they expect to come back to the Board with a Resolution at the September meeting and pricing the issue between mid-October and mid-November.

Appointment of Underwriters; Highway Revenue Bonds

Mr. McGee presented and recommended approval of a Resolution recommending appointment of Underwriters for the Board's anticipated issuance of Highway Revenue Bonds.

Board Action: A motion to approve the following Resolution was made by Mr. Radicke and seconded by Mr. Hileman:

RESOLUTION

**RESOLUTION OF THE STATE OF ARIZONA
TRANSPORTATION BOARD APPOINTING MANAGING
UNDERWRITERS FOR ITS PLANNED ISSUANCE OF
HIGHWAY REVENUE BONDS, SERIES 2002B.**

The Board hereby appoints the following firms to act as managing underwriters with the following liability percentages in connection with its planned issuance of Highway Revenue Bonds, Series 2002B.

Salomon Smith Barney	Senior Manager	40%
Bear, Stearns & Co., Inc.	Co-Manager	20%
UBS Paine Webber, Inc.	Co-Manager	20%
J.P. Morgan Securities, Inc.	Co-Manager	10%
Morgan Stanley & Co., Incorporated	Co-Manager	10%

The Board reserves the right to make changes in the management team designated above, if it is deemed to be in the best interest of the state.

Dated this 16th Day of August, 2002.

The motion passed unanimously.

HELP Loan

Mr. McGee presented and recommended approval of a Resolution recommending approval of an application for Financial Assistance from, and Loan Repayment Agreement with, the City of Safford for the following construction project: 20th Avenue.

Board Action: A motion to approve the following Resolution was made by Mr. Jeffers and seconded by Mr. Radicke:

RESOLUTION

RESOLUTION OF THE STATE OF ARIZONA TRANSPORTATION BOARD ACCEPTING AND APPROVING A HIGHWAY EXPANSION AND EXTENSION LOAN APPLICATION FROM THE CITY OF SAFFORD, ARIZONA AND AUTHORIZING A LOAN REPAYMENT AGREEMENT.

The Board hereby accepts and approves the application for financial assistance from the Highway Expansion and Extension Loan Program (HELP) as requested by the City of Safford, Arizona and as approved and recommended by the HELP Advisory Committee.

The Board hereby authorizes the Chairman to enter into a Loan Repayment Agreement related to HELP Loan Number QSAF1S03U, City of Safford, 20th Avenue Project.

Dated this 16th Day of August, 2002.

The motion passed unanimously.

HELP Loan

Mr. McGee presented and recommended approval of a Resolution recommending approval of an application for Financial Assistance from, and Loan Repayment Agreement with, the Town of Thatcher for the following construction project: 20th Avenue.

Board Action: A motion to approve the following Resolution was made by Mr. Jeffers and seconded by Mr. Radicke:

RESOLUTION

RESOLUTION OF THE STATE OF ARIZONA TRANSPORTATION BOARD ACCEPTING AND APPROVING A HIGHWAY EXPANSION AND EXTENSION LOAN APPLICATION FROM THE TOWN OF THATCHER, ARIZONA AND AUTHORIZING A LOAN REPAYMENT AGREEMENT.

The Board hereby accepts and approves the application for financial assistance from the Highway Expansion and Extension Loan Program (HELP) as requested by the Town of Thatcher, Arizona and as approved and recommended by the HELP Advisory Committee.

The Board hereby authorizes the Chairman to enter into a Loan Repayment Agreement related to HELP Loan Number QTHR1S03U, Town of Thatcher, 20th Avenue Project.

Dated this 16th Day of August, 2002.

The motion passed unanimously.

HELP Loan

Mr. McGee presented and recommended approval of a Resolution recommending approval of an application for Financial Assistance from, and Loan Repayment Agreement with, the Town of Oro Valley for the following construction project: Tangerine Road Widening.

Board Action: A motion to approve the following Resolution was made by Mr. Jeffers and seconded by Mr. Radicke:

RESOLUTION

RESOLUTION OF THE STATE OF ARIZONA TRANSPORTATION BOARD ACCEPTING AND APPROVING A HIGHWAY EXPANSION AND EXTENSION LOAN APPLICATION FROM THE TOWN OF ORO VALLEY, ARIZONA AND AUTHORIZING A LOAN REPAYMENT AGREEMENT.

The Board hereby accepts and approves the application for financial assistance from the Highway Expansion and Extension Loan Program (HELP) as requested by the Town of Oro Valley, Arizona and as approved and recommended by the HELP Advisory Committee.

The Board hereby authorizes the Chairman to enter into a Loan Repayment Agreement related to HELP Loan Number QORV1P03U, Town of Oro Valley, Tangerine Road Project.

Dated this 16th Day of August, 2002.

The motion passed unanimously.

*BOARD MINUTES

Board Meeting Minutes – May 17, 2002
Study Session Minutes – June 6, 2002
Board Meeting Minutes – June 21, 2002

*2002 REMAINING BOARD MEETING DATES:

September 20, 2002	Board Meeting – Nogales	9:00 a.m.
October 18, 2002	Board Meeting – Apache Jct.	9:00 a.m.
November 15, 2002	Board Meeting – Yuma	9:00 a.m.
December 20, 2002	Board Meeting – Tucson	9:00 a.m.

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

FY 2003 - 2007 Transportation Facilities Construction Program Requested Modifications

FY 2002 Sub Program - Reprogramming

Ms. Tischer recommended the Board carry over FY 2002 subprogram funds to FY 2003.

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

COUNTY: Statewide
SCHEDULE: FY 2003
SECTION: ITD Engineering Development
PROGRAM AMOUNT: \$2,000,000
PROJECT: Item Number; 70703
REQUESTED ACTION: Increase program amount by \$1,183,000 to \$3,183,000 to cover anticipated FY 2003 cost. **Funds available from the FY 2003 Highway Contingency Fund # 72303.**

PROGRAM AMOUNT:	\$2,000,000
INCREASE AMOUNT:	\$1,183,000
NEW PROGRAM AMOUNT:	\$3,183,000

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

ROUTE NO: US 95 @ MP 12.10
COUNTY: Yuma
SCHEDULE: FY 2003
SECTION: Somerton - 32nd St.
TYPE OF WORK: Reconstruct roadway
PROGRAM AMOUNT: \$13,500,000 Funding Source: NH
PROJECT MANAGER: Ann Marie Eisentraut
PROJECT: H441502C Item Number; 25201
REQUESTED ACTION: Increase program amount by \$663,000 to \$14,163,000 due to addition of smoothness incentive and project cost estimates updates. **Funds available from the FY 2003 Highway Contingency Fund # 72303.**

PROGRAM AMOUNT:	\$13,500,000
INCREASE AMOUNT:	\$663,000
NEW PROGRAM AMOUNT:	\$14,163,000

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

ROUTE NO: SR 101 L @ MP 17.00
COUNTY: Maricopa
SCHEDULE: New Project Request
SECTION: 75th Ave - 51st Ave
TYPE OF WORK: Construct auxiliary lanes (EB)
PROGRAM AMOUNT: New Project Request
PROJECT MANAGER: Ron McCally
PROJECT: H603501C
REQUESTED ACTION: Add a new project to the FY 2003 Highway Construction Program in the amount of \$800,000.
Funds available from the FY 2003 District Minor fund # 73303.

NEW PROGRAM AMOUNT: \$800,000

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

ROUTE NO: SR 86 @ MP 147.05
COUNTY: Pima
SCHEDULE: FY 2003
SECTION: Milepost 147.05
TYPE OF WORK: Extend box culverts
PROGRAM AMOUNT: \$638,000 Funding Source: State
PROJECT MANAGER: Bruce Purrier
PROJECT: H558401C Item Number; 18303
REQUESTED ACTION: Delete project from the FY 2003 Highway Construction Program, and combine scope of work and funding with SR 86, Brawley Wash to 7 Miles West #16603.

ROUTE NO: SR 86 @ MP 145.90
COUNTY: Pima
SCHEDULE: FY 2003
SECTION: MP 145.93, 147.74 & 148.05
TYPE OF WORK: Extend box culverts
PROGRAM AMOUNT: \$391,000 Funding Source: State
PROJECT MANAGER: Bruce Purrier
PROJECT: H543401C Item Number; 18403
REQUESTED ACTION: Delete project from the FY 2003 Highway Construction Program, and combine scope of work and funding with SR 86, Brawley Wash to 7 Miles West #16603.

ROUTE NO: SR 86 @ MP 148.30
 COUNTY: Pima
 SCHEDULE: FY 2004
 SECTION: Brawley Wash to 7 Miles West
 TYPE OF WORK: Reconstruct roadway
 PROGRAM AMOUNT: \$3,000,000 Funding Source: State
 PROJECT MANAGER: Bruce Purrier
 PROJECT: Item Number; 16604
 REQUESTED ACTION: Increase program amount by \$1,029,000 to \$4,029,000 due addition of scope of work and funding from SR 86 projects #18303 & #18404.

PROGRAM AMOUNT:	\$3,000,000
INCREASE AMOUNT:	\$1,029,000
SR 86 @ MP 147.05 #18303	\$638,000
SR 86 @ MP 145.90 #18403	\$391,000
NEW PROGRAM AMOUNT:	\$4,029,000

Board Action: A motion to approve Items 15, 16 and 17 was made by Mr. Jeffers, seconded by Mr. Radicke and passed unanimously.

ROUTE NO: SR 78 @ MP 162.60
 COUNTY: Greenlee
 SCHEDULE: FY 2003
 SECTION: Murder Camp Wash
 TYPE OF WORK: Roadway realignment and replace drainage culvert
 PROGRAM AMOUNT: \$740,000 Funding Source: State
 PROJECT MANAGER: Robert Mickelson
 PROJECT: H523501C Item Number; 23403
 REQUESTED ACTION: Increase program amount by \$244,000 to \$984,000 due to updated quantities and cost estimate. **See funding sources below.**

PROGRAM AMOUNT:	\$740,000
INCREASE AMOUNT:	\$244,000
FY 2003 District Minor #73303	\$59,000
FY 2003 Highway Contingency Fund #72303	\$185,000
NEW PROGRAM AMOUNT:	\$984,000

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

ROUTE NO: SR 189 @ MP 0.30
 COUNTY: Santa Cruz
 SCHEDULE: FY 2003
 SECTION: Mariposa Rd, US Customs State Port
 TYPE OF WORK: Construct access road for state port
 PROGRAM AMOUNT: \$749,198 Funding Source: VAR
 PROJECT MANAGER: David Mellgren
 PROJECT: H528203C Item Number; 25502
 REQUESTED ACTION: Increase program amount by \$999,687 to \$1,748,885.

PROGRAM AMOUNT:	\$749,198
INCREASE AMOUNT:	\$999,687
FY 00 SETIF	\$45,286
FY 02 BIP Grant	\$900,000
FY 03 PORT OF ENTRY #74703	\$54,401
NEW PROGRAM AMOUNT:	\$1,748,885

Note : SETIF – State Safety Enforcement and Transportation Infrastructure Fund
 BIP- Federal Border Infrastructure Program
 CBI - Federal Coordinated Border Infrastructure

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

ROUTE NO: US 60 @ MP 192.60
 COUNTY: Maricopa
 SCHEDULE: New Project Request
 SECTION: Superstition Freeway
 TYPE OF WORK: Sign Rehabilitation
 PROGRAM AMOUNT: New Project Request
 PROJECT MANAGER: Mohamed Youssef
 PROJECT: H600901C
 REQUESTED ACTION: Add a new project to the FY 2003 Highway Construction Program in the amount \$1,000,000. Funds available from the FY 2003 Sign Rehabilitation Fund #78303.
 NEW PROGRAM AMOUNT: \$1,000,000

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

ROUTE NO: I-40 @ 0.00
 COUNTY: Mohave
 SCHEDULE: New Project Request
 SECTION: CA State Line – McConnico
 TYPE OF WORK: Sign Rehabilitation
 PROGRAM AMOUNT: New Project Request
 PROJECT MANAGER: Richard Weeks
 PROJECT: H601001C
 REQUESTED ACTION: Add new project to the FY 2004 Highway Construction Program in the amount of \$1,500,000.
Funds available from the FY 2004 Sign Rehabilitation Fund #78304.

NEW PROGRAM AMOUNT: \$1,500,000

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

ROUTE NO: SR 80 @ MP 302.00
 COUNTY: Cochise
 SCHEDULE: FY 2003
 SECTION: St. David - Clifford Wash
 TYPE OF WORK: Extend drainage structures
 PROGRAM AMOUNT: \$2,290,000 Funding Source:
 PROJECT MANAGER: David Harmon
 PROJECT: H453501C Item Number; 14303
 REQUESTED ACTION: Increase program amount by \$240,000 to \$2,530,000 due to reevaluation of traffic control and mobilization. **Funds available from the FY 2003 Highway Contingency Fund #72303.**

PROGRAM AMOUNT: \$2,290,000
 INCREASE AMOUNT: \$240,000
 NEW PROGRAM AMOUNT: \$2,530,000

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

ROUTE NO: SR 85 @ MP 57.80
 COUNTY: Pima
 SCHEDULE: FY 2003
 SECTION: Organ Pipe NM - International Border
 TYPE OF WORK: Pavement Preservation
 PROGRAM AMOUNT: \$4,752,000 Funding Source: STP
 PROJECT MANAGER: John Melanson
 PROJECT: H489301C Item Number; 18401
 REQUESTED ACTION: Increase program amount by \$677,000 to \$5,429,000 due to project incentives and addition of enhancement elements. **See funding sources below.**

PROGRAM AMOUNT:	\$4,752,000
INCREASE AMOUNT:	\$677,000
FY 03 Pavement Preservation Fund #72503	\$278,000
FY 03 Projects of Opportunity #75003	\$399,000
NEW PROGRAM AMOUNT:	\$5,429,000

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

- * Priority Planning Advisory Committee (PPAC)
 - Minutes – July 3, 2002
 - Highway Program Monitoring Report.

- * Priority Planning Advisory Committee (PPAC) Meeting Schedule
 Transportation Board Room
 206 S. 17th Ave
Phoenix, AZ 85007
 (Meetings are held on Thursday @ 1:30 PM unless otherwise noted)
 - September 5, 2002 @ 1:30 PM
 - October 3, 2002 @ 1:30 PM
 - October 31, 2002 @ 1:30 PM
 - December 5, 2002 @ 1:30 PM

FY 2003-2007 Airport Development Program – Requested Modifications

PROJECT: Laughlin-Bullhead Loan
SPONSOR: Mohave County Airport Authority
CATEGORY: Commercial Service
SCHEDULE: FY 1996 – Loan
PROJECT #: ZL12
PROGRAM AMOUNT: \$1,950,000
TYPE OF WORK: Acquire Laughlin Aero Center
RCOMMENDED ACTION: **Three items were requested. The Airport Loan Committee recommends: 1.** The Loan Reserve account balance be maintained at no less than \$85,000 and the Airport Authority be required to forward monthly bank statements, which indicate the current balance of the reserve account; **2.** Approve no loan payments for a one-year period beginning August 2002; and, **3.** Extend the agreement by one year at the end of the original period, recalculate the interest owed during the “grace” period and blend it into the remaining payment schedule.

FUNDING SOURCES	FAA	\$0
	Sponsor	\$0
	State	\$1,950,000
	<i>Total Program</i>	\$1,950,000

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

PROJECT: Proposed Small Community Air Service
Development Pilot Program Policies

SPONSOR: ADOT Aeronautics Division

CATEGORY: Commercial Service

SCHEDULE: FY 2003

PROJECT #: N/A

PROGRAM AMOUNT: \$500,000

TYPE OF WORK: Policy for implementing Senate Bill 1372

RCOMMENDED ACTION: Adoption of the Proposed Policy for the award of State Funds, pursuant to S. B. 1372, that will be available to a community, which is successful in receiving a federal pilot program grant.

FUNDING SOURCES

FAA	Varies
Sponsor	Varies
State	\$500,000
<i>Total Program</i>	\$500,000

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

RIGHT OF WAY RESOLUTIONS

* RES. NO: 2002-08-A-032
PROJECT: F-068-1 / 068MO000H088801R
HIGHWAY: DAVIS DAM - KINGMAN
SECTION: Bullhead City - East
ROUTE NO.: State Route 68
ENG. DIST: K
COUNTY: Mohave
RECOMMENDATION: Disposal by extinguishment and relinquishment to the Bureau of Land Management

RES. NO: 2002-08-A-033
PROJECT: S 170-A-700 / 170GI271H512101R
HIGHWAY: PERIDOT - SAN CARLOS
SECTION: Jct. U.S. 70 - San Carlos
ROUTE NO.: State Route 170
ENG. DIST: G
COUNTY: Gila
RECOMMENDATION: Establish additional right of way for Widening improvements

Board Action: A motion to table Item 28 was made by Mr. Jeffers, seconded by Mr. Radicke and passed unanimously.

* RES. NO: 2002-08-A-034
PROJECT: N-810-603 / 999SW000H089001R
HIGHWAY: STATEWIDE MATERIAL SITE
SECTION: Material Site 3474
ENG. DIST: F
COUNTY: Coconino
RECOMMENDATION: Establish Material Site 3474

* RES. NO: 2002-08-A-035
PROJECT: 600-1-729 / 101LMA058H083302R
HIGHWAY: PRICE FREEWAY
SECTION: Western Canal – Ray Road
ROUTE NO.: State Route 101 Loop
ENG. DIST: M
COUNTY: Maricopa
RECOMMENDATION: Disposal by abandonment to Maricopa County

* RES. NO: 2002-08-A-037
PROJECT: F-053-1-801 / 087GI252H088801R
HIGHWAY: MESA - PAYSON
SECTION: Payson Streets
ROUTE NO.: State Route 87
ENG. DIST: P
COUNTY: Gila
PARCEL: 4-035
RECOMMENDATION: Disposal by easement vacation and extinguishment

STATE ENGINEER'S REPORT

* Report on Construction and projects completed in July, 2002.
* Right of Way Acquisition Report for July, 2002.

CONSTRUCTION CONTRACTS

Interstate, Non-Federal Aid
BIDS OPENED: July 26
HIGHWAY: PHOENIX-CASA GRANDE HIGHWAY (I-10)
SECTION: Junction SR 84 (Jimmie Kerr Boulevard T.I.)
COUNTY: Pinal
ROUTE NO: I-10
PROJECT: I-010-C-509 010 PN 198 H548701C
FUNDING: 100% State
LOW BIDDER: Haydon Building Corp
AMOUNT: \$ 1,338,743.75
STATE ESTIMATE: \$ 1,684,295.15
\$ UNDER: \$ 345,551.40
% UNDER: 20.5%
NO. BIDDERS: 10
RECOMMENDATION: AWARD

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

BIDS OPENED: July 26
HIGHWAY: PHOENIX-CORDES JUNCTION HIGHWAY (I-17)
SECTION: Thomas Road – McDowell Road, SB
COUNTY: Maricopa
ROUTE NO: I-17
PROJECT: I-017-A-505 017 MA 200 H600101C
FUNDING: 100% State
LOW BIDDER: Bison Contracting Co., Inc.
AMOUNT: \$ 516,385.50
STATE ESTIMATE: \$ 378,000.00
\$ OVER: \$ 138,385.50
% OVER: 36.6%
NO. BIDDERS: 3
RECOMMENDATION: REJECT ALL BIDS.

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

BIDS OPENED: July 26
HIGHWAY: STATE HIGHWAY I-40 & SR 77
SECTION: RWIS System Installation
COUNTY: Navajo
ROUTE NO: I-40, SR 77
PROJECT: F-027-1-534 999 NA 999 H507201C
FUNDING: 100% State
LOW BIDDER: C S Construction, Inc.
AMOUNT: \$ 33,775.00
STATE ESTIMATE: \$ 42,680.00
\$ UNDER: \$ 8,905.00
% UNDER: 20.9%
NO. BIDDERS: 9
RECOMMENDATION: AWARD

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

*

BIDS OPENED: July 18
HIGHWAY: STATE HIGHWAY VMS (I-10 , US 60)
SECTION: VMS Various Locations, Phase 5A
COUNTY: Statewide
ROUTE NO: I-10, US 60
PROJECT: N-900-0-585 999 SW 999 H517406C
FUNDING: 100% State
LOW BIDDER: C S Construction, Inc.
AMOUNT: \$ 392,377.00
STATE ESTIMATE: \$ 461,600.00
\$ UNDER: \$ 69,223.00
% UNDER: 15.0%
NO. BIDDERS: 5
RECOMMENDATION: AWARD

(Interstate Federal-Aid ("A" 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: July 18
HIGHWAY: YUMA-CASA GRANDE HIGHWAY (I-8)
SECTION: Asher Underpass, #1336
COUNTY: Yuma
ROUTE NO: I-8
PROJECT: BR-008-A(005)A 008 YU 034 H576301C
FUNDING: 80% Federal 20% State
LOW BIDDER: Royden Construction Co.
AMOUNT: \$ 447,000.00
STATE ESTIMATE: \$ 560,619.50
\$ UNDER: \$ 113,619.50
% UNDER: 20.3%
NO. BIDDERS: 8
RECOMMENDATION: AWARD

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

*

BIDS OPENED: August 1
HIGHWAY: PHOENIX-CORDES JUNCTION HIGHWAY (I-17)
SECTION: Peoria Avenue – Pinnacle Peak Road
COUNTY: Maricopa
ROUTE NO: I-17
PROJECT: IM-017-A(013)A 017 MA 209 H563901C
FUNDING: 75% Federal 2% State 23% City of Phoenix
LOW BIDDER: Meadow Valley Contractors, Inc.
AMOUNT: \$ 8,058,525.34
STATE ESTIMATE: \$ 7,779,557.80
\$ OVER: \$ 278,967.54
% OVER: 3.6%
NO. BIDDERS: 4
RECOMMENDATION: AWARD

BIDS OPENED: July 26
HIGHWAY: FLAGSTAFF-LUPTON HIGHWAY
SECTION: I-40, Sun Valley-New Mexico State Line
COUNTY: Navajo
ROUTE NO: I-40
PROJECT: IM-040-D(011)A 040 NA 286 H543701C
FUNDING: 94% Federal 6% State
LOW BIDDER: C S Construction, Inc.
AMOUNT: \$ 1,289,608.50
STATE ESTIMATE: \$ 1,598,894.50
\$ UNDER : \$ 309,286.00
% UNDER: 19.3%
NO. BIDDERS: 6
RECOMMENDATION: AWARD

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

BIDS OPENED: July 18
 HIGHWAY: TOWN OF MIAMI
 SECTION: Bloody Tanks Wash Bridges
 COUNTY: Gila
 ROUTE NO: N/A
 PROJECT: TEA-MIA-0(001)A 0000 GI MIA SB40101C
 FUNDING: 94% Federal 6% Town of Miami
 LOW BIDDER: M A C Contracting Inc.
 AMOUNT: \$ 292,723.79
 STATE ESTIMATE: \$ 374,925.00
 \$ UNDER: \$ 82,201.21
 % UNDER: 21.9%
 NO. BIDDERS: 5
 RECOMMENDATION: AWARD

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

(Non-Interstate Federal-Aid ("A" 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: July 18
 HIGHWAY: PHOENIX-GLOBE HIGHWAY (US 60)
 SECTION: SR 177 T.I.
 COUNTY: Pinal
 ROUTE NO: US 60
 PROJECT: STP-060-D(007)A 060 PN 226 H463901C
 FUNDING: 94% Federal 6% State
 LOW BIDDER: Dar-Hil Corporation
 AMOUNT: \$ 2,107,350.00
 STATE ESTIMATE: \$ 1,955,064.50
 \$ OVER: \$ 152,285.50
 % OVER: 7.8%
 NO. BIDDERS: 7
 RECOMMENDATION: AWARD

* BIDS OPENED: August 1
HIGHWAY: WHY-TUCSON HIGHWAY (SR 86)
SECTION: Covered Wells
COUNTY: Pima
ROUTE NO: SR 86
PROJECT: STP-086-A(003)A 086 PM 091 H424001C
FUNDING: 94% Federal 6% State
LOW BIDDER: D.H. Blattner & Sons, Inc.
AMOUNT: \$ 1,863,540.23
STATE ESTIMATE: \$ 2,078,806.00
\$ UNDER: \$ 215,265.77
% UNDER: 10.4%
NO. BIDDERS: 7
RECOMMENDATION: AWARD

* BIDS OPENED: August 7
HIGHWAY: PICACHO-MESA HIGHWAY (SR 87)
SECTION: Junction SR 85 - Coolidge
COUNTY: Pinal
ROUTE NO: SR 87
PROJECT: STP-087-A(002)A 087 PN 115 H589801C
FUNDING: 94% Federal 6% State
LOW BIDDER: Dar-Hil Corporation
AMOUNT: \$ 934,192.00
STATE ESTIMATE: \$ 1,092,040.20
\$ UNDER: \$ 157,848.20
% UNDER: 14.5%
NO. BIDDERS: 7
RECOMMENDATION: AWARD

* BIDS OPENED: July 18
HIGHWAY: WICKENBURG-PRESCOTT HIGHWAY (SR 89)
SECTION: Wilhoit-Hidden Valley Road
COUNTY: Yavapai
ROUTE NO: SR 89
PROJECT: STP-089-A(003)A 089 YV 295 H589601C
FUNDING: 94% Federal 6% State
LOW BIDDER: FNF Construction, Inc.
AMOUNT: \$ 657,458.25
STATE ESTIMATE: \$ 647,749.76
\$ OVER: \$ 9,708.49
% OVER: 1.5%
NO. BIDDERS: 5
RECOMMENDATION: AWARD

BIDS OPENED: July 18
 HIGHWAY: KAYENTA-UTAH STATE LINE (US 163)
 SECTION: Junction US 160 to MP 395.5
 COUNTY: Navajo
 ROUTE NO: US 163
 PROJECT: STP-163-A(003)A 163 NA 393 HX11801C
 FUNDING: 94% Federal 6% State
 LOW BIDDER: Han Mar Energy, Inc.
 AMOUNT: \$ 365,194.00
 STATE ESTIMATE: \$ 445,077.00
 \$ UNDER: \$ 79,883.00
 % UNDER: 18.0%
 NO. BIDDERS: 10
 RECOMMENDATION: AWARD

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

* BIDS OPENED: July 18
 HIGHWAY: PAN AMERICAN AVENUE, DOUGLAS
 (US 191B)
 SECTION: Pan American Avenue, Douglas
 COUNTY: Cochise
 ROUTE NO: 191B
 PROJECT: TEA-191-N(001)A 191B CH 000 H571301C
 FUNDING: 89% Federal 5% State 6% City of Douglas
 LOW BIDDER: JNJ Engineering Construction, Inc.
 AMOUNT: \$ 1,522,635.24
 STATE ESTIMATE: \$ 1,392,709.75
 \$ OVER: \$ 129,925.49
 % OVER: 9.3%
 NO. BIDDERS: 5
 RECOMMENDATION: AWARD

Non-Interstate, Non-Federal Aid

* BIDS OPENED: August 1
HIGHWAY: STATE PARKS ROADS
SECTION: Alamo Lake State Park
COUNTY: La Paz
ROUTE NO: N/A
PROJECT: N-900-A-513 060 LA ASP H576201C
FUNDING: 100% State
LOW BIDDER: Combs Construction Company, Inc.
AMOUNT: \$ 1,402,900.31
STATE ESTIMATE: \$ 1,566,677.00
\$ UNDER: \$ 163,776.69
% UNDER: 10.5
NO. BIDDERS: 4
RECOMMENDATION: AWARD

BIDS OPENED: July 26
HIGHWAY: GLOBE-LORDSBURG HIGHWAY (US 70)
SECTION: Junction US 70 / SR 77
COUNTY: Gila
ROUTE NO: US 70
PROJECT: U-070-A-508 070 GI 253 H530701C
FUNDING: 100% State
LOW BIDDER: C S Construction, Inc.
AMOUNT: \$ 101,973.00
STATE ESTIMATE: \$ 137,800.00
\$ UNDER: \$ 35,827.00
% UNDER: 26%
NO. BIDDERS: 9
RECOMMENDATION: AWARD

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

BIDS OPENED: July 18
 HIGHWAY: GILA BEND-BUCKEYE HIGHWAY (SR 85)
 SECTION: Milepost 139.8 to Milepost 141.1
 COUNTY: Maricopa
 ROUTE NO: SR 85
 PROJECT: S-085-B-502 085 MA 139 H618001C
 FUNDING: 100% State
 LOW BIDDER: Combs Construction Company, Inc.
 AMOUNT: \$ 96,823.75
 STATE ESTIMATE: \$ 128,077.50
 \$ UNDER: \$ 31,253.75
 % UNDER: 24.4%
 NO. BIDDERS: 5
 RECOMMENDATION: AWARD

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

* BIDS OPENED: July 26
 HIGHWAY: PIMA FREEWAY (101L)
 SECTION: 101L/I-17, Union Hills Drive
 COUNTY: Maricopa
 ROUTE NO: 101L
 PROJECT: RAM-101-B-503 101L MA 023 H599501C
 FUNDING: 100% State
 LOW BIDDER: Anncole Contracting Corp.
 AMOUNT: \$ 148,017.00
 STATE ESTIMATE: \$ 172,814.00
 \$ UNDER: \$ 24,797.00
 % UNDER: 14.4%
 NO. BIDDERS: 4
 RECOMMENDATION: AWARD

* BIDS OPENED: August 1
HIGHWAY: PIMA FREEWAY (101L)
SECTION: Scottsdale Road to Pima Road
(Princess Drive)
COUNTY: Maricopa
ROUTE NO: SR 101L
PROJECT: RAM-101-B-500 I01L MA 034 H551801C
FUNDING: 100% State
LOW BIDDER: Salt River Sand and Rock Co.
AMOUNT: \$ 1,333,000.00
STATE ESTIMATE: \$ 1,549,846.65
\$ UNDER: \$ 216,846.65
% UNDER: 14%
NO. BIDDERS: 6
RECOMMENDATION: AWARD

* BIDS OPENED: August 7
HIGHWAY: RED MOUNTAIN FREEWAY (SR 202)
SECTION: Country Club Drive – Gilbert Road
COUNTY: Maricopa
ROUTE NO: SR 202
PROJECT: RAM-202-A-502 202L MA 013 H492103C
FUNDING: 93% State 7% City of Mesa
LOW BIDDER: Salt River Sand and Rock Co.
AMOUNT: \$ 2,133,300.00
STATE ESTIMATE: \$ 2,351,149.00
\$ UNDER: \$ 217,849.00
% UNDER: 9.3%
NO. BIDDERS: 4
RECOMMENDATION: AWARD

* BIDS OPENED: August 1
HIGHWAY: HEBER-HOLBROOK HIGHWAY (SR 377)
SECTION: Milepost 6.4 to Milepost 33.8
COUNTY: Navajo
ROUTE NO: SR 377
PROJECT: S-377-A-500 377 NA 006 H621001C
FUNDING: 100% State
LOW BIDDER: Meadow Valley Contractors, Inc.
AMOUNT: \$ 797,611.50
STATE ESTIMATE: \$ 847,483.00
\$ UNDER: \$ 49,871.50
% UNDER: 5.9%
NO. BIDDERS: 10
RECOMMENDATION: AWARD

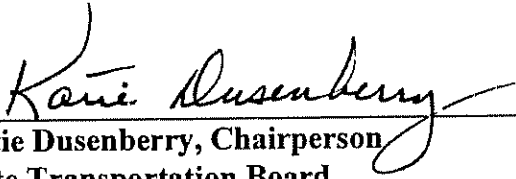
CONSENT AGENDA

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

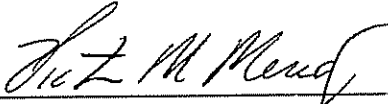
ADJOURN

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

The meeting adjourned at 11:30 a.m.



Katie Dusenberry, Chairperson
State Transportation Board



Victor Mendez, Director
Arizona Department of Transportation

***Denotes items approved in the consent agenda.**