

**MINUTES
OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
8:30 A.M., Thursday, December 12, 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 8:30 a.m., Thursday, December 12, 2002, with Chairman Dusenberry presiding. Other Board members present included: Vice Chairperson Ingo Radicke, 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 Dale Buskirk, Acting Director, Planning Division. There were approximately 35 people in the audience.

WELCOME AND PLEDGE

Chairperson Dusenberry welcomed those present and led the audience in the Pledge of Allegiance.

Regional Transit Connector Service (RTCS) Pilot Proposal.

John Carlson explained the LTAF II funding, used to support rural transit service, was used to assist with the budget crisis. He said, as a result, several communities informed their legislators how the loss of those funds had impacted their cities. He said the legislators, in turn, asked the Governor's office to work with ADOT to find funds to maintain at least some level of service, especially in areas where medical service had to be eliminated. He stated the proposal is still under development and they will return to the Board once it has been finalized.

Bill Sapper, ADOT Transit Manager, Planning Division, stated they received approximately four of the five years of funding originally allocated by LTAF II, receiving \$10 to \$18 million each of those four years. He said a number of communities were relying on the LTAF money, with some using it as a match for federal formula programs. He stated a number of citizens raised concern about the lack of medical transportation to Phoenix from rural areas and asked their Legislators for assistance. He said the concept they developed focuses on four urban areas, Phoenix, Tucson, Flagstaff and Yuma. He said the start-ups are targeted for the first half of 2003, with a three year demonstration period. He stated the following projects are currently being considered: 1) Pima County - Green Valley to Tucson via I-17 Corridor; 2) Pima & Maricopa Counties - Ajo to Gila Bend to Phoenix via US 85 Corridor; 3) Flagstaff region - Outlying communities to Flagstaff via I-17 and US 89; and 4) Yuma County - San Luis to Yuma via US 95 Corridor.

Mr. Jeffers asked why I-40 was not identified as part of the Flagstaff project. Mr. Sapper explained I-40 does not currently have service, stating their intent is to focus on providing rural residents access to essential services in urban areas. He acknowledged the proposed concept takes care of only a fraction of the existing needs.

In response to a member's question, Mr. Sapper said preliminary cost estimates show the Greenvalley and Ajo to Phoenix corridors will cost approximately \$200,000 per year, and the Flagstaff and Yuma corridors will cost about \$100,000 per year.

Mr. Sapper identified members of the implementation team, commending Mr. Carlson for his contributions to the process. He explained the program is expected to cost approximately \$600,000 annually, noting they have identified about \$300,000 in federal funding. He said matching funds are the main issue, explaining LTAF was the only match they had at the statewide level. He said, because STP funds are federal funds and cannot be considered as a local match, efforts are underway to exchange \$300,000 in ADOT STP Transit Subprogram funds for eligible local matching funds. He stated Phoenix, RPTA and Flagstaff are potential sources for the exchange.

In response to a member's question, Mr. Sapper said they anticipate two runs per day on the Van Gough project, with a modified fixed route depending on each day's ridership. He confirmed the service would be advertised to the general public.

Mr. Sapper asked for the Board's support of the concept, the transfer of \$300,000 from the Van program into the federal portion of the General Public Service, the exchange of STP funds for the local funds match and a study of the benefits of rural transit connectivity.

Reauthorization

Eileen Colleran presented the Board with the concerns of a number of stakeholders, as well as their priorities and recommendations with regard to reauthorization. She explained, due to the large number and adversity between stakeholders on a number of the issues, the data being presented is based on a sample within major category areas. She identified the categories she will cover as being Environmental Stewardship and Streamlining, Congestion, Transit, Safety and Security, Planning and Research, Road Management, Local Partnerships, and Finance. She reviewed the organizations and associations represented in the list of stakeholders, reiterating that each organization or association has additional priorities and recommendations that she will not cover as part of her presentation. She discussed the ideal Reauthorization time line, pointing out, however, 11 of the 13 appropriation bills still have to go through this session.

With regard to Environmental Stewardship and Streamlining, Ms. Colleran said AASHTO wanted to look at preserving broad discretion to use federal funds to promote environmental protection goals, while ARTBA wanted to eliminate the current federal requirement that limits the use of current funding. She stated ATU wants to see federal grants to assist states in their efforts to develop or update land use planning legislation. In terms of Demonstration Projects for Resource Protection, she said AASHTO is looking at funding pilot projects with other agencies, AMPO would like incentives provided for innovations and APWA includes alternative project

delivery methods. She stated ASHTO is looking at the elimination of the Major Investment Study requirement of the National Environmental Protection Act, while AMPO would allow and AGC would require concurrent review processes within agencies, in hopes of streamlining project deliveries. She stated ASHTO is talking about strengthening and expanding the current NEPA process, whereas AMPO would like to see incentives for innovations in streamlining. She said ARTBA would like to see teeth added to the current streamlining provided for in TEA 21. She stated AGC would like to see streamlining, with one-third of the time cut out of the process, and NGA is looking for support of the intent of TEA 21 to streamline. She said APWA would establish a special task force to address problems.

In terms of Congestion, Ms. Collieran reported AMPO would like to see CMAQ funds suballocated to MPOs, while ARTBA would recommend a prohibition on the use of funds outside non-attainment areas. She stated APTA is looking for support of a broader CMAQ program, APWA would like to see the current program continued and ATU is looking for increased funding. She identified other mitigation strategies identified by the various stakeholders, including single occupant vehicle lanes for CMAQ funding, the development of new initiatives for congestion management, authorization of funding for Maglev programs, and increased highway capacity.

Ms. Collieran stated a number of groups made recommendations on transit issues. She said AASHTO and NAPA support the current 80/20 funds split and AASHTO, USCM and ATU support preserving the current 80/20 matching share. She said most stakeholders want to see an increase in transit funding. She noted NCAI would like to establish a Tribal transit program. She stated AASHTO supports a larger share for rural area bus programs, while ATU would like to expand development of bus rapid transit. She said ARTBA would like a dedicated funding source established for rail, NACo would like to have a High Speed Rail Investment Act adopted, USCM would like to continue and expand the Maglev program and ATU wants to see intercity rail programs encouraged.

With regard to Safety and Security, Ms. Collieran said ASHTO would like to require comprehensive safety plans for states, ARTBA would like to upgrade the safety of rural two-lane roadways and AGC would like to see a reduction in fatalities and injuries and enhanced work zone safety. She stated NGA sees a need for state involvement in any new requirements and NACo believes the current requirements need to be simplified. In terms of funding, she stated ASHTO would like to see a \$1 billion per year increase, while ARTBA would like to see a \$1 billion increase dedicated to two-lane rural roadways. She said NGA would like federal aid requirements simplified, NACo would like the Rural Road Safety Program added to the Safety Program, ATU would like to include transit bus systems in the program and NCAI wants a Tribal Safety program established.

Ms. Collieran stated AASHTO would like to continue the state's current planning process, while NGA wants to ensure the state government maintains authority over planning. She said APWA wants local government entities included in the planning processes and NCAI would like an increase in planning funds to Tribal agencies. She said AASHTO and ARTBA are looking for increased support of research programs, while APWA would like to continue model deployment of the Intelligent Transportation System. She stated ATU wants increased funding for the

Transit Cooperative Research Program and NAPA wants to establish an Asphalt Pavement Research program.

In terms of Road Management, Ms. Colleran reported NACo believes counties need a lot more funding, however APWA wants to retain the current program. With regard to the Bridge program, she said AASHTO would like to include preservation under the current funding structure for eligibility. She said NACo believes counties need more funding, USCM would like funding increased to address the backlog of bridges that do not meet current specifications, APWA wants to continue the Replacement/Rehabilitation Program and NCAI wants to establish a Tribal Bridge Program.

Ms. Colleran stated AASHTO would like to see local partnerships increased from 1% to 1.15%, while AMPO wants an increase to 2%. She said NACO would like to see county and local officials as equal partners with the state, APWA supports continuing direct suballocation and ATU wants to pilot a suballocation program.

Ms. Colleran stated, with regard to Funding, AASHTO is looking for an increase in highway funding to at least \$41 billion and transit funding to at least \$10 billion. She said AMPO wants to grow the program to a sustainable level, ARTBA supports increasing federal highway funding to a minimum of \$50 billion per year, APWA would like to increase federal investment for all modes of transportation and NCAI is looking for an increase in Tribal Transportation and Maintenance funds. She stated all stakeholders, except the Tribal organization who did not address the issue, emphatically supported maintaining firewalls and funding guarantees. She reported AASHTO wants to continue and refine RABA, while ARTBA recommends it be maintained. She said AASHTO wants to continue, streamline and expand the options in terms of innovative financing, while ARTBA would like to capitalize on innovative financing to help increase funding availability. She said APWA and NAPA both support expanding the program. She reported AASHTO wants to see greater fund flexibility for states, while NGA and APWA recommend maintaining the current Flexible program. She said AASHTO would like to curtail the motor fuel tax evasion through better enforcement of current laws and APWA wants to ensure people pay in proportion to their roadway use. She stated AASHTO, NGA and APWA would like to see incentives more fully developed and sanctions removed, ARTBA wants sanctions removed and NAPA wants to eliminate sanctions for non-transportation objectives. Ms. Colleran reported AASHTO would like to have the federal government address the impact of Gasohol and Ethanol use, with the 2.5 cent tax currently going to the General Fund returned to the Highway Trust Fund and an amount equal to the 5.3 cent tax exemption transferred from the General Fund to the Highway Trust Fund. She said ARTBA wants a "blue ribbon" task force established to make recommendations on taxation and AGC wants the tax to be the same, regardless of the type of gas, with all money going to the Highway Trust Fund. She stated NAPA would like to require contribution to road use, including tolls.

Ms. Colleran concluded her presentation, stating numerous issues and recommendations will be sent to Congress as they develop the new legislation for the National Transportation System.

Chairperson Dusenberry asked Ms. Colleran what actions would be most appropriate for the Board to take at this time. Ms. Colleran suggested the Board make its position known to

Congress, stressing the importance of obtaining concurrence among the stakeholders and going to Congress with a unified voice. Chairperson Dusenberry asked if the Board should attempt to explain the Donor/Donee issue to the Legislature and that the state would gain very little as a donor. Mr. Biesty stated they have discussed the issue with the new Congressional staff and are currently trying to set up a meeting with Director Mendez, John McGee and Congressman Renze. He said they believe they have been able to put the issue into perspective by pointing out that they would face a very big battle for a relatively small reward. Ms. Colleran cautioned against pitting states against each other in a battle for dollars, suggesting all states would lose in the end. She said it would be more effective to work together and to approach congress with a unified voice. Mr. Mendez agreed, pointing out, however, that some states are adamant about getting their dollar back.

Chairperson Dusenberry asked what is the Governors' Association's position. Mr. Mendez said they have discussed the issue, but have not taken a specific stance.

Chairperson Dusenberry asked Ms. Colleran to outline what they believe the Board's position should be with regard to each individual issue. Mr. Mendez recommended the Board hold a special work session by mid-January, during which staff could facilitate the Board in determining what its position should be on each issue. The Board agreed to hold a special work session on Thursday, January 9. Chairperson Dusenberry asked staff to outline ADOT's position on each of the issues to provide a starting point for the Board's discussion.

Tom Swanson noted the MPOs, RPTA and ADOT staff have been working on developing a list of items on which they agree with regard to the Reauthorization. He recommended the Board obtain their input prior to taking a particular stand. He urged the Board to make its position on the Donor/Donee issue known as soon as possible, suggesting Homeland Security and the potential war will further reduce transportation funding.

The Board discussed placing the item on the agenda for the Board's January meeting in Prescott. Mr. Biesty noted he and Director Mendez are scheduled to meet with Congressman Renze, stating that would be an ideal time to discuss issues on which there is agreement. Mr. Mendez pointed out a Washington Briefing will be held in early or mid-February, expressing his opinion it would be beneficial to be able to voice the Board's position at that time. Mr. Dennis Smith stated the Regional Council is scheduled to hold their retreat in January as well.

RAAC - Longevity/Continuation

Debra Brisk updated the Board on PAG's comments regarding the continuation of RAAC. She said members of the RAAC want assurances of regional equity, both in terms of resources and allocations, and that there will be ongoing communication between regional bodies. She said they want to review policies and procedures and determine how a similar body would be involved with performance based programming. She stated the RAAC also wants to look at the implementation of the Casa Grande Resolutions and the seven guiding principles. She said they believe the RAAC will be a valuable tool to ADOT during the Long Range Implementation, looking at the criteria for performance based and allocation to subprograms, resolving short range issues and reviewing for allocation. She stated the Committee feels the membership

should be multi-disciplined, multi-jurisdictional and multi-modal, suggesting it could utilize a rotation of members. She noted by-laws or a charter could be necessary. She said there is a feeling that the Long Range Plan will resolve all programming issues, however, in reality, it likely will not. She stated it is feared the LRP will become mechanical and that a body will be necessary to keep the plan dynamic. She stated the RAAC also commented that the evolution of the LRP process could change the intent of the Casa Grande Resolve.

Ms. Brisk discussed what the RAAC felt should come next. She said the LRP team should look at how a multi-jurisdictional body could be integrated into the allocation process within the performance based annual programming cycle. She stated they also felt some Committee format should be institutionalized to continue on with a cooperative plan, communication and stakeholder input with equity and balance to the system. She said, therefore, the RAAC's final recommendation was to keep the committee in place with its actual roles and responsibilities adjusted depending on the performance based financial allocation process.

In response to Chairperson Dusenberry's question, Mr. Buskirk said how a future committee would be conceptualized will be fully discussed by ADOT and the stakeholders in the Long Range Plan. He stated the Board will be asked to approve a plan, once one has been finalized.

Mr. Radicke stated, while he does not believe the RAAC should necessarily be shut down in the near future, he would oppose making the RAAC a permanent institution. He said he likes that the membership would rotate. Mr. Buskirk clarified the RAAC, as established by the Casa Grande Accord, would not continue, explaining planning and programming will be done differently under the auspices of the new Long Range Plan and policy statement. Mr. Mendez suggested the Board and stakeholders meet to discuss and achieve consensus on what happens next.

The meeting recessed for a short break.

Legislation Regarding Littering & Fines

Kevin Biesty provided members with an overview of current statutes and fines with regard to littering. He said, currently, a person caught dumping trash on or near a highway or airport would be cited under A.R.S. 28-7056 with a class 3 misdemeanor, which is punishable by a fine of up to \$500.00. He stated there have been discussions at the legislature during the past year on ways to address the growing problem, one of which involved an ad-hoc group consisting of ADOT, legislators and staff, Arizona Clean and Beautiful and representatives from the food, convenience store, liquor and beverage industries. He said, while they are working on a proposal, to date, a consensus has not been reached on how best to address the litter problem. He discussed some of the options being considered, including the litter hotline implemented during the past year by ADOT and Arizona Clean and Beautiful; an advertising campaign; increased fines; and alternative punishments, including suspending a violator's license and requiring them to clean up trash along the highways. He said, while the Department has utilized prison labor to clean up along the highways, the prisons do not want to take prisoners far away from the prison.

Mr. Hileman stressed the seriousness of the problem, stating the court system does not work. He suggested advertising and alternative forms of punishment would be more effective in controlling the problem.

Mr. Hileman suggested placing recyclable trash containers along the freeway. Mr. Biesty said fast food items are the number one item found along the highways, with beverage cans being second. He agreed recycling containers could make an impact, stating, however, he would expect the idea to be the subject of a contentious debate. He stated, to date, the issue has not been discussed by the ad-hoc committee. He pointed out some of the litter inadvertently comes from pickup trucks and other haulers, stating there has been some talk about strengthening the statutes requiring covered loads.

Mr. Radicke asked who would be responsible for enforcing new legislation. Mr. Biesty stated local jurisdictions would be required to enforce the laws, however, police officers are often reluctant to cite people who litter because their time would be better used on other matters.

Mr. Biesty reported receiving positive feedback from the industries who have suggested they pool their resources on an advertising campaign. He stated Arizona Clean and Beautiful is attempting to mirror a campaign done in Texas which focuses on instilling a sense of pride in the state.

Mr. Biesty asked the Board to voice its support of their efforts and to encourage industry participation.

Aviation Fund – Potential \$5M reduction

Gary Adams explained they have been forewarned that the Joint Legislative Budget Staff was going to recommend a sweep of several funds, including \$5 million from the Aviation Fund. He said, while they have dealt with the loss of revenue streams in the past, this is the first time they are facing a sweep of the fund. He stated the five year program was developed under the assumption that 100 percent of the Flight Property Tax would be returned to the State Aviation Fund in 2004. He said, therefore, they went back and analyzed projects currently in the program, noting there are 184 projects under grant, 113 of which are State/Local and 71 are Federal/State/Local. He reported approximately 20 percent of grant spending occurs in the first year, with 60 percent occurring in the second, 15 percent in the third and 5 percent in the fourth. He stated, in an effort to compensate for the potential \$5 million loss, 83 of the 184 projects under grant have been targeted for deletion or deferral, totaling \$11,950,939. He reported that, in a memo he received from the Attorney General's Office, they expressed their opinion that the language concerning the cancellation of grants for convenience is unclear. He said the memo also stated that, in cases where an entity has relied upon receipt of grant monies and has committed those funds based on that reliance, the state would be bound to its grant and would be subject to legal contract action should the grants be cancelled. He said the Attorney General concluded, therefore, the state could not with impunity simply cancel the grants. He said he would like the opportunity to meet with those who will make the decision to discuss how the situation should be handled, whether through deferring projects or programming fewer projects in the future.

Chairperson Dusenberry asked Mr. Magee if the fund could borrow on future monies. Mr. Magee responded no. Chairperson Dusenberry asked if such legislation would solve the problem. Mr. Magee expressed his opinion borrowing on future monies could actually exacerbate the problem. Chairperson Dusenberry asked if the issue has been discussed with the airport operators. Mr. Adams answered no.

Mr. Mendez stated they have worked with the Legislature on the issue and have asked that the department be allowed to participate in the discussion. Mr. Buskirk reported meetings have also been scheduled with key staff members.

Mr. Adams stated they will return to the Board with a plan to minimize the impact should the sweep occur.

SR 179 – Meeting in Sedona

Ernie Straub, Sedona Councilmember, congratulated and thanked the Board members and ADOT, particularly Debra Brisk, for their leadership in facilitating a change in its relationship with the City of Sedona. He reviewed the contents of a resolution passed by the Sedona City Council to include a community impact assessment in the design process of State Road 179.

Ms. Brisk updated the Board on the discussions that took place in Sedona on November 19th & 20th, regarding SR 179. She explained the presentation made to citizens on November 20 included an explanation of the intent, content and eventual outcome of the Engineer-to-Engineer meeting, a discussion of both Sedona and ADOT's values and vision for SR 179 and a list of items Sedona and ADOT will mutually consider in future work group meetings. She said they also discussed areas of mutual understanding between Sedona and ADOT, anticipated short-term actions to be taken by Sedona and ADOT, the status of current projects and the next steps to be taken.

Ms. Brisk explained ADOT and the City of Sedona agreed this summer to hold an Engineer-to-Engineer meeting to discuss improvements to SR 179, providing an opportunity for each party to explain its position and voice its viewpoints. She said the meeting concluded with each party taking the matters discussed back to their representative organizations for further discussion and with both parties making a commitment to additional dialogue on improvements to SR 179. She identified the four key issues discussed during the meeting as: 1) underlying premises and interests, engineering, highway configuration, and context sensitive design. She said the meeting resulted in the parties reaching an understanding on some key points, clarifying various facts and establishing a framework for future dialogue.

Ms. Brisk discussed Sedona's underlying premises and interests, including its desire for a small-town character, the safety of its citizens, quality of life issues, scenic beauty, environmental quality, maintenance of the current land use plan, consistency with the community plan, maintenance of the economy and efficiency of traffic flow. Ms. Brisk reviewed ADOT's underlying premises and interests, which include a safe and efficient system, public and stakeholder participation and trust, environmental stewardship, context sensitive design,

mobility, access, and quality products and services. She said the Board's policies were also presented.

Ms. Brisk stated Sedona and ADOT ultimately agreed to break the North Forest Boundary to the "Y" project into two segments, with a "Y" area project to be done first. She said they also agreed to consider a need-based implementation plan that includes a section-by-section evaluation of the number of lanes and configuration.

Chairperson Dusenberry pointed out neither value statement mentioned tourism. She asked if growth in tourism is anticipated. Ms. Brisk said the community is looking at long-term tourists rather than day visitors. Mr. Straub explained they could not project a percentage increase because of the city's inability to accommodate an increased number of tourists. He said, therefore, they have to find other ways to achieve economic viability, such as increasing a tourist's length of stay and rerouting business and local traffic to allow for additional tourism traffic.

Ms. Brisk stated the parties further agreed to evaluate the regional context, with ADOT committing to updating the regional transportation plan for the Verde Valley area and Sedona considering partnering with ADOT to update local and regional transportation plans. She said both parties will also mutually consider intersection improvements, multi-use pathways, the number of lanes, mitigation measures, aesthetic values and drainage issues. Conversely, Ms. Brisk said the City of Sedona currently disagrees with ADOT's intention to buy the full right-of-way for its preferred alternative, wanting to discuss the matter further. She said Sedona also prefers that the project begin at the northern boundary of the Village of Oak Creek, while ADOT is not presently considering revising the northern limits of the Oak Creek to North Forest Boundary project.

Ms. Brisk stated Sedona will schedule a City Council work session and ADOT will report to the Director on the topics discussed at the Engineer-to-Engineer meeting. She said both parties will participate in future work group meetings to reach consensus on items on which there is disagreement. She stated ADOT will continue with the Environmental Assessment which is currently under internal review by ADOT and the Federal Highway Administration. She reported a Design Consultant has been selected for the Village of Oak Creek to North Forest Boundary project. She said construction of the North Forest Boundary to the "Y" project is scheduled for 2007 at the earliest and the "Y" area project could begin construction as early as 2005.

A member asked why ADOT would acquire the ultimate right-of-way if a five lane highway is not the intended end result. Ms. Brisk said they will review the impacts of purchasing the entire right-of-way during the initial phase of the implementation plan. She noted the Mayor and City Manager want to look at access management along the corridor.

Mr. Martin commented that land prices will only escalate as available land becomes harder to find. Mr. Wright pointed out they are only talking about 25 feet of right-of-way. Chairperson Dusenberry agreed it would be prudent to purchase all of the right-of-way at one time.

Mr. Straub explained the City Council is concerned that the roadway could be increased to four or five lanes in the future if ADOT purchases the ultimate right-of-way. He acknowledged the community plan could change in the future, stating, however, he does not believe the citizens would ever want Sedona's small-town character to change.

RABA Money and FY 03 Contingency Distribution

Mr. Buskirk updated the Board on the projects selected for the additional RABA money and FY 03 Contingency Distribution. He stated Arizona's share of RABA money for FY 2003 totals \$50 million with 37 percent designated for MAG, 13 percent designated to PAG and 50 percent designated to the 13 other counties. He said it was decided that the additional RABA funds would be used to cover project shortfalls and for some projects deferred from FY03-07 Construction Program. He discussed the criteria used to determine how the funds would be distributed, including average daily traffic, level of service, safety, and the corridor's significance. He said, in addition to the \$50 million in RABA funds, it was decided \$8.1 million would be transferred from the FY 2003 Highway Contingency Fund and distributed in accordance with the RAAC distribution formula.

Chairperson Dusenberry asked what would be left in the Contingency Fund after the \$8.1 million was transferred. Mr. Buskirk said Mr. Magee has assured them that the FY 2003 Contingency Fund can handle the allocation.

Mr. Buskirk reported all of the \$20 million MAG distribution is allocated for SR 85 Gila Bend to I-10. He stated PAG's \$8.6 million distribution is dedicated to the I-10; Pantano Railroad/Cienega Creek and the I-10 Marana TI/Cortaro Road TI. He identified a number of projects in the remainder of the state that were funded with their \$58.1 million distribution, including two previously deferred projects.

In response to Chairperson Dusenberry's question, Mr. Buskirk said they have made significant progress in obtaining realistic cost estimates by requiring projects to be fully scoped prior to their being added to the program. He said, however, adjustments could be necessary as projects proceed through the design and discovery processes.

Mr. Buskirk assured the Board the projects will go through the PRD and PPAC and Board processes. He said, while the value of the projects to be deferred was a consideration, the readiness of a project was a more important consideration. Mr. Mendez said he believes the distributions were close to the formula. Mr. Radicke commented the focus was on making certain projects whole rather than on precisely achieving the distribution formula.

Mr. Buskirk confirmed for Mr. Jeffers that accommodating scoped projects that have been deferred is the priority for the new fifth year.

Board Policies as required by HB 2660

Dale Buskirk reviewed changes to the draft Statewide Transportation Policy Statement. He stated the changes were very minor in nature and no significant alterations were required. He

reported receiving a letter from the Inter-Tribal Council asking that the term Tribal be added to three of the Performance Objectives, Economic Competitiveness, Stewardship, and Preservation, and that the term Tribal Governments be added to the Environmental Protection objective.

In response to Chairperson Dusenberry's question to the Board, it was decided the additions recommended by the Inter-Tribal Council would be included on the Board's December meeting agenda. Mr. Buskirk recommended the proposed changes be made to the policy statement prior to the December meeting and that the Board vote on the Policy Statement as revised at that time. The Board agreed.

In response to a member's question, Mr. Buskirk explained that, because of the current state of cellular technology, call boxes were thought to be unnecessary.

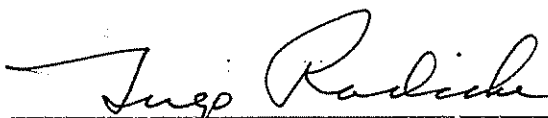
With regard to Accessibility, the Board agreed the words "where appropriate and cost effective" and "where feasible" should be added back into the first and third bullet points, respectively. Mr. Buskirk agreed to make the suggested changes.

Adjournment

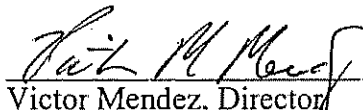
No closing comments were made.

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

The meeting adjourned at 12:35 p.m.



Ingo Radicke, Chairman
State Transportation Board



Victor Mendez, Director
Arizona Department of Transportation

**MINUTES
OF THE
STATE TRANSPORTATION BOARD
BOARD MEETING**

9:00 a.m., Friday, December 20, 2002

Westword Look Resort

In The Santa Catalina Ballroom

245 East Ina Road

Tucson, Arizona 85704

The State Transportation Board met in official session for a regular meeting at 9:00 a.m., Friday, December 20, 2002, with Chairperson Dusenberry presiding. Other Board members present included: Vice Chairperson Ingo Radicke, 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; Dale Buskirk, Acting Director, Planning Division; and Gary Adams, Assistant Director, Aeronautics Division. There were approximately 80 people in the audience.

OPENING REMARKS AND PLEDGE

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

AWARD

Chairperson Dusenberry, Director Mendez and Deputy Director Brisk presented a 40-year Service Award to John Trojanovich.

CALL TO AUDIENCE

Kurt Weinrich, Director, Pima County Department of Transportation, thanked ADOT for their cooperation with local governments in the region. He also thanked the Board for their past support through the HELP loan program, asking that the program be reinstated as soon as economic conditions allow.

Annie McGreevy, Friends of Scenic Highway 82, said they asked ADOT to raise the sidewalk designed for school children and other pedestrians to cross the proposed 66 foot wide bridge over the Santa Cruz River. She stated ADOT said it would be impossible to do so as they would use that section of the bridge as a traffic lane until the lanes on the opposite side of the bridge are constructed. She said, while she sympathizes with the Engineer's perception of the difficulty involved with raising the sidewalk, other communities have been able to resolve the dilemma. She explained Friends of Scenic Highway 82 want long distance trucks to stay on I-19 to and from Nogales, asking what ADOT would do to protect the public from the hazards created by high-speed semi-trucks on Highway 82.

Bill Jansen, Public Works Director and Town Engineer, Oro Valley, thanked the Board for its support of their HELP loan request on Tangerine Road, noting a contract has been awarded and construction will begin in January. He said they were also fortunate to receive a transportation enhancement grant for a major linear park along the ___ wash and are anxious to get the project underway. He acknowledged the extremely difficult financial times the state and department are facing, urging that everyone work together to accomplish what it can with existing resources.

Mary Anne Moreno, Executive Director, Globe Miami Regional Chamber of Commerce and Economic Development Corporation, thanked the Board for the project at Roosevelt Estates, asking, however, that the DeVore Wash section be kept in the planning cycle. She said a visitor suggested she request ADOT place liter containers along SR 88. She reiterated her previous request for passing lanes between Superior and Miami on US 60, stating the situation is becoming more dangerous. She said the plans for the Gateway project look good and they would appreciate the Board's approval of the project.

Tom Swanson, Executive Director, PAG, congratulated the Board on the State Transportation Board Policies, stating they will help guide future Boards. He also thanked the Board for incorporating a number of PAG's recommendations into the policies. He said they are working with ADOT and MAG to establish a unified voice concerning reauthorization. He said it is crucial that any revenue gains with reauthorization be shared with the state and local governments.

Maxine Leather, CAAG Executive Director, thanked the Board for their support and assistance throughout the past year.

Steve Stratton, Deputy Director of Public Works, Gila County, acknowledged the financial crisis faced by the state, cities and counties. He asked the Board to keep passing lane projects between Miami and Superior in the program, noting the projects have been fully scoped and are ready to proceed. He presented Chairperson Dusenberry with a plaque expressing Gila County's appreciation of her unselfish support and encouragement of their rural transportation goals.

Jim DeGrood, Development Services Administrator, Marana, thanked ADOT staff for their support and cooperation on the Twin Peaks Interchange project. He also thanked Dennis Alvarez and his staff for the changes they have seen on the interchange access along I-10. He said they would like to work closely with ADOT on an update to the I-10 General Plan, explaining there have been numerous environmental and developmental changes since it was first drafted. He encouraged ADOT to look at the relationship between the interstate and the Union Pacific Railroad, pointing out all interchange operations are significantly effected by the railroad's operations. He thanked Ms. Dusenberry for her service to the state, specifically to the Town of Marana.

Ivey Schmitz, Deputy Director, Tucson Department of Transportation, thanked Chairperson Dusenberry for her leadership and knowledge of Arizona's transportation needs. She also thanked Dennis Alvarez and PAG for their work in the region. She said, once economic

conditions allow, they would like to see the HELP program expanded to include some of the projects in Pima County. She expressed their appreciation for the work done on the I-10/I-19 interchange.

Dick Basye, a Tucson resident, said he was glad to see the HELP program put on hold, expressing his opinion it circumvented the state's recent vote not to extend the ability to bond for transportation projects to cities. He expressed concern that the HELP program diverts funds from prioritized projects. With regard to the I-10/I-19 interchange, he said the project does not allow for future expansion of I-19.

DISTRICT ENGINEER'S REPORT

Dennis Alvarez, District Engineer, stated they have been working with APS, Baker Engineering and Granite Construction on the replacement of two state generators for the Palo Verde Nuclear Power Plant. He noted the rig carrying the generators has 28 axles, with eight wheels per axle and each generator weighs 1,000 tons. He said every bridge, pipe and box culvert had to be protected during transport and APS has done an admirable job of coordinating the move. He said the I-10/I-19 interchange is progressing very well. He reported the widening project on I-10 from Cortaro to Ina is underway, explaining they are working at night to allow two lanes of traffic to be maintained during the day. He reported they recently opened the bids on the Ruby Road interchange in Nogales, with Grant Construction submitting the low bid. He stated they are working with the Motor Vehicle Division to expand a Port of Entry service road that will tie into the SR 189 Maricopa Roadway. A written copy of his report was submitted for the record.

Director Mendez said he is impressed with the progress he has seen on the I-10/I-19 interchange.

CONSENT AGENDA

Items 26, 27 and 39 were pulled from the Consent Agenda.

DIRECTOR'S REPORT

Mr. Mendez stated the department is going to be facing difficult choices with respect to the state budget deficit. He said there will likely be repercussions in terms of transportation funding.

Ms. Brisk updated the Board on the electronic bidding process, explaining it promises greater accuracy and efficiency, saves time and money, and reduces costs and data entry. She said they were approved as an agency by the Secretary of State on April 25, 2002 and have since conducted mock biddings. She said the goal is to have both electronic and paper bidding available by 2003.

Ms. Brisk thanked Mr. Wright for being the State Engineer, stating he has been a wonderful member of their team.

Ms. Brisk assured Mr. Radicke that safeguards are in place to prevent bidders from viewing another bidder's submittal.

Legislative Report

Mr. Biesty said the state's financial crisis has been and will continue to be the department's primary focus. He reported the agency is currently reviewing the final drafts of four bills it will present to the Board and various members of the Legislature. He stated they continue to meet with various stakeholders regarding this year's issues.

On the federal side, Mr. Biesty stated they are still under concurrent resolution until January 11. He said they plan to meet the first week of January to determine the leadership structure of the Senate. He noted their office developed and will implement a tracking mechanism to keep track of federal developments as they occur.

Financial Report

Mr. McGee reviewed the November 2002 Highway User Revenue Fund report, stating collections totaled \$91.8 million, up 7.2 percent over last year and 3.3 percent above the estimate. He said, year-to-date, collections are about \$12.5 million over the estimate. He reported good strength in the Vehicle License Tax and Registration categories.

Mr. McGee discussed the results of the October 2002 Maricopa Transportation Excise Tax, noting collections totaled \$21.8 million. He pointed out this was the third month in a row of positive growth. He stated, year-to-date, RARF collections are 1.3 percent over last year, but .3 percent under the forecast. He said, however, November RARF collections totaling \$21.9 million were down 3.7 percent from last year and 4.1 percent below the forecast. He noted Retail Sales fell about 4.9 percent over the prior month. He explained the sudden decrease in revenues can be attributed to strong growth in November 2001 due to pent-up demand as a result of no growth in September 2001 and new car dealers offering zero-percent financing in October 2001.

In response to Chairperson Dusenberry's question, Mr. Magee explained incentives offered by car dealers have caused more people to buy rather than lease their vehicles, resulting in a decrease in the Rental of Personal Property category. He noted businesses who previously leased vehicles have also scaled back their leasing programs.

Mr. McGee reviewed the Cash Management/Investment Report for October 2002, reporting the department earned \$1.815 million on an average investment balance of \$746 million, representing a 2.87 percent yield for the month. He said, year-to-date, the department has earned about \$8.257 million on an average yield of about 3.29 percent. He said they continue to see an erosion of rates in Pool 2, pointing out the year-to-date average was 4.08.

Mr. McGee discussed the results of the HELP Fund Cash Status report for November 2002, stating the cash balance as of November 30 totaled \$100,738,764.

In response to Mr. Lane's comments, Mr. McGee said Mr. Mendez and Mr. Biesty were able to convince a number of Legislative leaders that a \$28 million reduction to the department's operating budget would not be a good idea and that an alternate plan could be set forth if they would support the Governor's line item vetoing of the budget. He said the basis of the alternative plan is to give \$20 million back to the Legislature, explaining the Board will need to issue an additional \$20 million in HURF debt to cover the \$20 million. He said, over the long term, the \$20 million reduction to capitalization in the program will result in fewer opportunities to accelerate projects in the future, however, it represents only eight percent of the total capitalization. He said their plan will be presented to the Legislature once the session starts.

In response to Chairperson Dusenberry's question, Mr. McGee explained the Legislature passed a law in FY 2000 that said they would put \$20 million per year into the HELP fund in FY 2001, 2002 and 2003. He said, while they made the FY 2001 deposit, they later unappropriated the FY 2002 and 2003 appropriations and, instead, gave the Board the \$40 million Board Funding Obligation Series 2002. He said the \$40 million and \$100 million Obligations Series have to be repaid to the State Treasurer at the end of FY 2004. He explained that if the average General Fund balance over the prior 12 months is \$800 million or more, they can immediately re-borrow the \$140 million. He stated, however, the average balance has been considerably below \$800 million, therefore, there is a risk that they will not be able to re-borrow the \$140 million once it has been repaid. He said the State Treasurer's office has indicated the General Fund balance could continue to drop for the next four or five months and, given these risks, he recommends they continue the moratorium on HELP loans for the next 18 to 24 months. He noted that, once the General Fund balance goes above \$200 million, they would be eligible to re-borrow the money from the Treasurer. He said he believes they could cover the calls without having to take drastic steps, as long as the calls do not exceed \$100 million and do not last for more than three to six months.

Mr. McGee provided copies of the 2002 HELP Annual Report, explaining they are required by law to file the report with the Legislature and Governor's office by December 1 of each year.

Financing Program

Mr. McGee reported work continues of the Series 2003 HURF Bond Issue, however, due to uncertainties surrounding the General Fund and their impact on ADOT, they do not anticipate proceeding with the refunding until April.

The meeting recessed for a short break.

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

FY 2003 - 2007 Transportation Facilities Construction Program Requested Modifications

COUNTY:	Statewide
SCHEDULE:	FY 2003
SECTION:	Legislative Services

TYPE OF WORK: Professional and outside services
PROGRAM AMOUNT: \$200,000 Funding Source: State
PROJECT MANAGER: Kevin Biesty
PROJECT: Item Number; 76003
REQUESTED ACTION: Increase program amount by \$50,000 to \$250,000 due to additional cost related to reauthorization of the Federal Transportation Bill. **Funds available from FY 2003 Highway Contingency Fund #72303.**

PROGRAM AMOUNT: \$200,000
INCREASE AMOUNT: \$50,000
NEW PROGRAM AMOUNT: \$250,000

COUNTY: Statewide
SCHEDULE: FY 2004
SECTION: Legislative Services
TYPE OF WORK: Professional and outside services
PROGRAM AMOUNT: \$200,000 Funding Source: State
PROJECT MANAGER: Kevin Biesty
PROJECT: Item Number; 75704
REQUESTED ACTION: Increase program amount by \$50,000 to \$250,000 due to additional cost related to reauthorization of the Federal Transportation Bill. **Funds available from FY 2003 Highway Contingency Fund #72303.**

PROGRAM AMOUNT: \$200,000
INCREASE AMOUNT: \$50,000
NEW PROGRAM AMOUNT: \$250,000

Board Action: A motion to approve Items 5 and 6 was made by Mr. Jeffers, seconded by Mr. Hileman and passed unanimously.

ROUTE NO: US 95 @ MP 21.90
COUNTY: Yuma
SCHEDULE: FY 2004
SECTION: Yuma Streets
TYPE OF WORK: Pavement preservation
PROGRAM AMOUNT: \$750,000
PROJECT MANAGER: John Melanson
PROJECT: H526701C Item Number; 22102
REQUESTED ACTION: Defer project from FY 2004 to FY 2005 to allow the City of Yuma sufficient time to install water line under existing roadway prior to new pavement being installed. **Funds return to the FY 2004 Pavement Preservation Fund #72504. New**

**funds available from FY 2005 Pavement
Preservation Fund #72505.**

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

ROUTE NO: I-17 @ MP 256.02
COUNTY: Yavapai
SCHEDULE: FY 2004
SECTION: Badger Spring - Big Bug
TYPE OF WORK: Pavement preservation
PROGRAM AMOUNT: \$5,117,000 Funding Source: IM
PROJECT MANAGER: Mike Marietti
PROJECT: H611501C Item Number; 17404
REQUESTED ACTION: Increase program amount by \$4,163,060 to \$9,280,060 due to increased scope for roadway realignment to improve sight distance and bridge repair. **See funding sources below.**

PROGRAM AMOUNT:	\$5,117,000
INCREASE AMOUNT:	\$4,163,060
FY 2003 Title II Safety Fund #72803	\$2,645,060
FY 2004 Pavement Preservation Fund #72504	\$1,121,200
FY 2004 Bridge Inspection Fund #71404	\$396,800
NEW PROGRAM AMOUNT:	\$9,280,060

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

ROUTE NO: SR 64 @ MP 276.00
COUNTY: Coconino
SCHEDULE: FY 2004
SECTION: Kaibab Forest Boundary - Open Vista
TYPE OF WORK: Pavement preservation
PROGRAM AMOUNT: \$3,407,000
PROJECT MANAGER: Bill Lyons
PROJECT: H555801C Item Number; 19703
REQUESTED ACTION: Increase program amount by \$1,555,000 to \$4,962,000 due to addition of smoothness incentive, traffic control, and updated unit cost and quantity estimates. **Funds available from FY 2004 Pavement Preservation Fund #72504.**

PROGRAM AMOUNT:	\$3,407,000
INCREASE AMOUNT:	\$1,555,000
NEW PROGRAM AMOUNT:	\$4,962,000

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

ROUTE NO: I-10 @ MP 147.37
COUNTY: Maricopa
SCHEDULE: FY 2003
SECTION: Jct. SR 202L - Chandler Blvd
TYPE OF WORK: Design sign rehabilitation
PROGRAM AMOUNT: \$300,000 Funding Source: State
PROJECT MANAGER: Mohamed Youssef
PROJECT: Item Number; 13203
REQUESTED ACTION: Reduce program amount by \$150,000 to \$150,000 due to reduction in project limits. New limits will be I-10, 3rd Street to US 60. **Funds to Sign Rehabilitation Fund #78303.**

PROGRAM AMOUNT: \$300,000
DECREASE AMOUNT: \$150,000
NEW PROGRAM AMOUNT: \$150,000

ROUTE NO: SR 101 L @ MP 17.00
COUNTY: Maricopa
SCHEDULE: FY 2003
SECTION: 75th Avenue - I-17
TYPE OF WORK: Sign rehabilitation
PROGRAM AMOUNT: New Project Request
PROJECT MANAGER: Rudy Kolaja
REQUESTED ACTION: Add new sign rehabilitation project in the amount of \$150,000 to the FY 2003 Highway Construction Program. **Funds available from the Sign Rehabilitation Fund #78303.**

NEW PROGRAM AMOUNT: \$150,000

Board Action: A motion to approve Items 10 and 11 was made by Mr. Lane, seconded by Mr. Radicke and passed unanimously.

ROUTE NO: US 180 @ MP 215.00
COUNTY: Coconino
SCHEDULE: FY 2003
SECTION: Fine Street - Navajo Road, Flagstaff
TYPE OF WORK: Reconstruct roadway and intersection
PROGRAM AMOUNT: \$2,100,000 Funding Source: State
PROJECT MANAGER: Jennifer Livingston
PROJECT: H410901C Item Number; 12103
REQUESTED ACTION: Increase program amount by \$563,733 to \$2,663,733 due to the replacement of sewer and

water lines prior to new pavement. **Funds available from City of Flagstaff per JPA 02-131.**

PROGRAM AMOUNT: \$2,100,000
INCREASE AMOUNT: \$563,733
NEW PROGRAM AMOUNT: \$2,663,733

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

ROUTE NO: SR 264 @ MP 408.50
COUNTY: Navajo
SCHEDULE: FY 2003
SECTION: Jeddito Wash Bridge #2737
TYPE OF WORK: Replace bridge structure
PROGRAM AMOUNT: \$3,670,000 Funding Source: STP/BR
PROJECT MANAGER: Yuwei Qi
PROJECT: H550601C Item Number; 16703
REQUESTED ACTION: Increase program amount by \$694,000 to \$4,364,000 for unit cost adjustments. **Funds available from the FY 2003 Highway Contingency Fund #72303.**

PROGRAM AMOUNT: \$3,670,000
INCREASE AMOUNT: \$694,000
NEW PROGRAM AMOUNT: \$4,364,000

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

ROUTE NO: I-40 @ MP 46.75
COUNTY: Mohave
SCHEDULE: New Project Request
SECTION: Holy Moses Wash WB & East Kingman TI
TYPE OF WORK: Construct deck rehabilitation
PROJECT MANAGER: Amin Islam
PROJECT: H620701C
REQUESTED ACTION: Add a new deck rehabilitation project in the amount of \$1,400,000 to the FY 2003 Highway Construction Program. **Funds available from the FY 2003 Bridge Inspection Fund #71403.**

NEW PROGRAM AMOUNT: \$1,400,000

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

ROUTE NO: US 191 @ MP 97.80
 COUNTY: Graham
 SCHEDULE: FY 2004
 SECTION: MP 97.8 - MP 100.7, Segment IV
 TYPE OF WORK: Reconstruct roadway
 PROGRAM AMOUNT: \$5,759,000 Funding Source: STP
 PROJECT MANAGER: Robert Mickelson
 PROJECT: H503706C Item Number; 15604
 REQUESTED ACTION: Increase program amount by \$250,000 to \$6,009,000 due to increased scope for the addition of an pavement overlay on the existing roadway. **Funds available from the FY 2004 Minor Pavement Preservation fund #74104.**

PROGRAM AMOUNT: \$5,759,000
 INCREASE AMOUNT: \$250,000
 NEW PROGRAM AMOUNT: \$6,009,000

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

ROUTE NO: US 191 @ MP 87.40
 COUNTY: Cochise
 SCHEDULE: FY 2004
 SECTION: Jct. I-10 to Bowie Spur
 TYPE OF WORK: Pavement Preservation
 PROGRAM AMOUNT: \$1,077,000 Funding Source: STP
 PROJECT MANAGER: Robert Mickelson
 PROJECT: H581601C Item Number; 20703
 REQUESTED ACTION: Delete project from the FY 2004 Highway Construction program. Scope of work and budget will be combined with US 191, Segment I reconstruction project, H503701C. **Funds to FY 2004 Pavement Preservation Fund #72504.**

ROUTE NO: US 191 @ MP 87.40
 COUNTY: Cochise
 SCHEDULE: FY 2004
 SECTION: MP 87.4 - MP 91.6 Segment I
 TYPE OF WORK: Construct parallel roadway
 PROGRAM AMOUNT: \$11,000,000 Funding Source: STP
 PROJECT MANAGER: Robert Mickelson
 PROJECT: H503701C Item Number; 18703
 REQUESTED ACTION: Increase program amount by \$1,077,000 to \$12,077,000 due to increased scope. Combine with scope of work and budget from US 191, I-10 to

Bowie Spur H581601C. **Funds available from the
FY 2004 Pavement Preservation Fund #72504.**

PROGRAM AMOUNT: \$11,000,000
INCREASE AMOUNT: \$1,077,000
NEW PROGRAM AMOUNT: \$12,077,000

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

ROUTE NO: I-10 @ MP 1.00
COUNTY: La Paz
SCHEDULE: FY 2003
SECTION: Ehrenberg POE - West Quartzsite
TYPE OF WORK: Pavement preservation with passing lane AC
PROGRAM AMOUNT: \$8,687,000 Funding Source: IM
PROJECT MANAGER: Kevin Kozel / Tim Wilson
PROJECT: H601401C Item Number; 23203
REQUESTED ACTION: Increase program amount by \$3,088,000 to \$11,775,000 due to increased scope of work to replace EB climbing lane with concrete. **See funding sources below.**

PROGRAM AMOUNT: \$8,687,000
INCREASE AMOUNT: \$3,088,000
FY 2003 Highway Contingency Fund #72303 \$1,839,000
FY 2003 Pavement Preservation Fund #72503 \$949,000
FY 2003 District Minor Fund #73303 \$300,000
NEW PROGRAM AMOUNT: \$11,775,000

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

ROUTE NO: SR 87 @ MP 251.90
COUNTY: Gila
SCHEDULE: FY 2003
SECTION: SR 260 East & SR 87 Intersection
TYPE OF WORK: Construct dual left turn lanes & relocate WB approach loops
PROGRAM AMOUNT: \$350,000
PROJECT MANAGER: Michael Andazola
PROJECT: H456401C Item Number; 26102
REQUESTED ACTION: Increase program amount by \$130,929 to \$480,929 due to additional improvements requested by City of Payson. **Funds in the amount of \$117,729 are to be returned to the District Minor Fund #73303. See new funding sources below.**

PROGRAM AMOUNT:	\$350,000
INCREASE AMOUNT:	\$130,929
FY 2003 District Minor Fund #73303	-\$117,729
FY 2003 Traffic Engineering Fund #71203	\$87,000
City of Payson JPA 99-183	\$161,658
NEW PROGRAM AMOUNT:	\$480,929

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

ROUTE NO:	SR 389 @ MP 32.00
COUNTY:	Coconino
SCHEDULE:	New Project Request
SECTION:	Fredonia - Jct. 89A
TYPE OF WORK:	Widen roadway and replace bridge rail
PROJECT MANAGER:	Michael Andazola
PROJECT:	H542301C
REQUESTED ACTION:	Add a new roadway widening and bridge rail replacement project in the amount of \$751,000 to the FY 2003 Highway Construction Program. See funding sources below.

FY 2003 Bridge Inspection Fund #71403	\$48,000
FY 2003 District Minor Fund #73303	\$703,000
NEW PROGRAM AMOUNT:	\$751,000

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

ROUTE NO:	US 60 @ MP 250.00
COUNTY:	Gila
SCHEDULE:	New Project Request
SECTION:	Broad Street RR OP
TYPE OF WORK:	Paint structure and install median pavers, pedestrian lighting and signage
PROJECT MANAGER:	Bob Gasser
PROJECT:	H569201C
REQUESTED ACTION:	Add a new enhancement project in the amount of \$130,000 to the FY 2003 Highway Construction Program. Funds available from the FY 2003 Statewide Enhancement Fund #75603.

NEW PROGRAM AMOUNT:	\$130,000
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ROUTE NO:	US 180 @ MP 367.00
COUNTY:	Apache
SCHEDULE:	New Project Request

SECTION: St. Johns
 TYPE OF WORK: Construct landscape and irrigation
 PROJECT MANAGER: Kathleen Knapp
 PROJECT: H573801C
 REQUESTED ACTION: Add a new enhancement project in the amount of \$345,000 to the FY 2003 Highway Construction Program. **Funds available from the FY 2003 Statewide Enhancement Fund #75603.**
 NEW PROGRAM AMOUNT: \$345,000

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

ROUTE NO: SR 88
 COUNTY: Gila
 SCHEDULE: FY 2003
 SECTION: Apache Trail
 TYPE OF WORK: District Force Account
 PROGRAM AMOUNT: \$150,000
 PROJECT MANAGER: Rick Powers
 PROJECT: H563103C Item Number: 16603
 REQUESTED ACTION: Increase program amount by \$150,000 to \$300,000. **Funds available from FY 2002 Apache Trail District Force Account. Unused FY 2002 funds were not reprogrammed during the FY 2003-2007 Program update.**
 PROGRAM AMOUNT: \$150,000
 INCREASE AMOUNT: \$150,000
 NEW PROGRAM AMOUNT: \$300,000

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

- * Priority Planning Advisory Committee (PPAC)
 - Minutes – October 31, 2002
 - Highway Program Monitoring Report.

- * Priority Planning Advisory Committee (PPAC) Meeting Schedule
 - Transportation Board Room
 - 206 S. 17th Ave
 - Phoenix, AZ 85007**
 - January 8, 2003

ITEM 26: Board Policy Statement

Chairperson Dusenberry explained that, due to actions taken by the last Legislature, the Board has until December 31, 2002 to adopt a policy statement for a long range plan based on need assessment.

Mr. Buskirk informed the Board that their information packets do not include a copy of the Board Policy Statement as it was revised under the Board's direction at the last study session. He reviewed the revisions, assuring the Board they have, in fact, been made.

Board Action: A motion to adopt and approve the revised Statewide Transportation Board Policy Statement, further modifying it as follows: 1) remove "and where modes intersect" in the third bullet point under Safety; 2) add a separate bullet item under Safety which reads "Improve safety at those locations where various modes interact."; 3) change the second bullet under Environmental Protection to read: "Minimize the impacts of transportation projects to air, water, and noise pollution in all areas of the state." and 3) change the word "investments" in the third and fourth bullet points under Environmental Protection to read "projects" was made by Mr. Jeffers, seconded by Mr. Radicke and passed unanimously.

Mr. Buskirk announced the State Transportation Board is now in compliance with HB 2660.

RIGHT OF WAY RESOLUTIONS

RES. NO: 2002-12-A-060
PROJECT: F-014-1-805 / 387PN237H088801R
HIGHWAY: CASA GRANDE - I-10 - COOLIDGE
SECTION: Santa Cruz Wash - Jct. I-10
ROUTE NO.: State Route 387
ENG. DIST: I
COUNTY: Pinal
RECOMMENDATION: Disposal by abandonment to the City of Casa Grande and Pinal County Flood Control District

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

* RES. NO: 2002-12-A-061
PROJECT: F-053-2-819 / 260GI260H316901R
HIGHWAY: PAYSON - SHOW LOW
SECTION: Preacher Canyon
ROUTE NO.: State Route 260
ENG. DIST: P
COUNTY: Gila
RECOMMENDATION: Disposal by extinguishment and vacation

* RES. NO: 2002-12-A-062
PROJECT: I-15-1(20)17 / 015MO018H088801R
HIGHWAY: MESQUITE - LITTLEFIELD - NORTH
SECTION: Middle Gorge
ROUTE NO.: Interstate Route 15
ENG. DIST: F
COUNTY: Mohave
RECOMMENDATION: Disposal by extinguishment and
relinquishment to the Bureau of Land
Management

* RES. NO: 2002-12-A-063
PROJECT: I-40-3(10)166 / 040CN178H088801R
HIGHWAY: ASHFORK - FLAGSTAFF
SECTION: Wagon Wheel - Parks
ROUTE NO.: Interstate Route 40
ENG. DIST: F
COUNTY: Coconino
RECOMMENDATION: Disposal by abandonment to Coconino
County

* RES. NO: 2002-12-A-064
PROJECT: I-19-1(12)43 / 019PM044H088801R
HIGHWAY: NOGALES - TUCSON
SECTION: Continental - Sahuarita Road
ROUTE NO.: Interstate Route 19
ENG. DIST: T
COUNTY: Pima
RECOMMENDATION: Disposal by easement extinguishment

* RES. NO: 2002-12-A-065
PROJECT: S 277-A-800 / 277NA332H529701R
HIGHWAY: HEBER - SNOWFLAKE
SECTION: S.R. 277 @ Freeman Hollow Rd.
ROUTE NO.: State Route 277
ENG. DIST: G
COUNTY: Navajo
RECOMMENDATION: Establish additional right of way for
widening improvements

* RES. NO: 2002-12-A-067
PROJECT: F-053-2-819 / 260GI260H316901R
HIGHWAY: PAYSON - SHOW LOW
SECTION: Preacher Canyon
ROUTE NO.: State Route 260
ENG. DIST: P
COUNTY: Gila
RECOMMENDATION: Establish additional right of way for
drainage improvements

STATE ENGINEER'S REPORT

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

CONSTRUCTION CONTRACTS

Interstate, Non-Federal Aid

- * BIDS OPENED: November 22
HIGHWAY: YUMA-CASA GRANDE HIGHWAY (I-8)
SECTION: Araby Road at EB Ramps-Gila Ridge Road
Araby WB Ramps
COUNTY: Yuma
ROUTE NO: I-8
PROJECT: I-008-A-504 008 YU 007 HX12801C
I-008-A-509 008 YU 007 HX13201C
FUNDING: 100% State
LOW BIDDER: EME West Construction, Inc.
AMOUNT: \$ 423,000.00
STATE ESTIMATE: \$ 435,878.00
\$ UNDER: \$ 12,878.00
% UNDER: 2.3%
NO. BIDDERS: 6
RECOMMENDATION: AWARD

- * BIDS OPENED: December 11
HIGHWAY: PHOENIX-CASA GRANDE HIGHWAY (I-10)
SECTION: Elliot Road – Ray Road
COUNTY: Maricopa
ROUTE NO: I-10
PROJECT: I-010-C-511 010 MA 157 H575601C
FUNDING: 93% Federal 7% City of Phoenix
LOW BIDDER: C.S. & W. Contractors, Inc.
AMOUNT: \$ 1,059,803.00
STATE ESTIMATE: \$ 1,093,304.00
\$: \$ 33,501.00
% : 3.1%
NO. BIDDERS: 7
RECOMMENDATION: AWARD

(Non-Interstate Federal-Aid (required FHWA Concurrence and compliance with DBE regulations))

* BIDS OPENED: November 8
HIGHWAY: SAN LUIS-YUMA-QUARTZSITE HIGHWAY (US 95)
SECTION: Somerton – 32nd Street
COUNTY: Yuma
ROUTE NO: US 95
PROJECT: NH-063-1(018)N 095 YU 012 H441502C
FUNDING: 94 % Federal 6% State
LOW BIDDER: Meadow Valley Contractors, Inc.
AMOUNT: \$ 10,532,664.85
STATE ESTIMATE: \$ 12,084,000.00
\$ UNDER: \$ 1,551,335.15
% UNDER: 12.9%
NO. BIDDERS: 7
RECOMMENDATION: AWARD

(Non-Interstate Federal-Aid ("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: November 22
HIGHWAY: WICKENBURG-PHOENIX HIGHWAY (US 60)
SECTION: Grand Avenue: 43rd Avenue/ Camelback Road and 51st Avenue/Bethany Home Road
COUNTY: Maricopa
ROUTE NO: US 60
PROJECT: NH-060-B(006)B 060 MA 157 H553201C
FUNDING: 85% Federal 15% RARF
LOW BIDDER: Edward Kraemer & Sons, Inc.
AMOUNT: \$ 20,180,264.80
STATE ESTIMATE: \$ 21,551,000.00
\$ UNDER: \$ 1,370,735.20
% UNDER: 6.4%
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.

CONSENT AGENDA

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

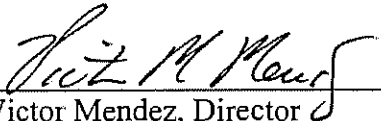
ADJOURN

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

The meeting adjourned at 11:45 a.m.



Ingo Radicke, Chairman
State Transportation Board



Victor Mendez, Director
Arizona Department of Transportation

*Denotes items approved in the consent agenda.