MINUTES
OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
9:45 A.M., Friday, February 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 9:45 a.m., Friday, February 1, 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; Dick Wright, State Engineer; John McGee, Chief Financial Officer, Administrative Services Division; and Mary Lynn Tischer, Director, Planning Division;. There were approximately 30 people in the audience.

Chairperson Dusenberry called the meeting to order.

Mr. Mendez announced Debra Brisk was selected as the new Deputy Director, effective February 16, 2002.

Revenue Projections Overview

Mr. John McGee noted they will bring a slightly amended resolution forward at the next Board meeting. He explained they were unable to do the refunding they anticipated doing as part of the $76 million HURF issue because combining the projects did not generate the expected level of savings.

Mr. McGee updated members on the status of funding for the FY 2003-2007 Highway Program. He said the situation has changed dramatically since the revenue forecasts were first approved in July. He explained they originally recommended a borrowing reserve of $100 million to cover four major contingencies; in this state, DPS funding, Federal funds, and HURF Funds.

Mr. McGee reported the Appeals Court agreed with ADOT on the Hurley Trucking case and remanded the case back to Tax Court. He explained the Plaintiffs now have either 15 days to request the Appeals Court to reconsider or 30 days to take it to the Supreme Court.

Mr. McGee stated DPS funding has taken more in Highway funds than projected in the original RAAC estimate for 2003-2007. He said the Governor has called another special session to deal with continuing to find General Fund Revenues in the 2002 budget. He explained part of the Governor's proposal calls for an additional $10 million in funding from HURF for FY 2002 and $20 million from HURF for FY 2001. He stated approximately 50 percent of those funds would

be borne by ADOT. He anticipated seeing similar levels for FY 2003 and higher than normal levels for several years into the future.

Mr. McGee stated HURF Revenues were reduced by $186 million for FY 2002 – 2007 based on FY 2001 growth rates and similar growth rates for FY 2003. He noted ADOT would bear approximately 50 percent of the shift.

Mr. McGee said the most difficult part of the five year forecast of estimated funds is in the area of Federal Funds. He reviewed the "Revenue Aligned Budget Authority" calculation worksheet as amended by TEA 21 and the TEA21 Restoration Act. He said, prior to the September 11th attack, ASHTO sent out a notification indicating preliminary information suggested the 2003 RABA distribution could end up being a negative number. He said they received notification three weeks ago that the amount could be as much as -$2.5 billion, but the actual number that came out almost two weeks ago turned out to be -$5 billion. He explained the decrease is tied to actual receipts over the last three years, noting in 1999 the Highway Trust Fund took in $33.8 billion as compared to $30.3 billion in 2000 and $26.9 billion in 2001. He said the reason for the decline in revenue is unclear at this time, pointing out most states have actually seen marginal growth in their transportation taxes. He stated ASHTO has asked to have the General Accounting Office look at the numbers and report back as to their findings. He said that report is expected to be completed in mid-February. Mr. McGee explained their original calculations projected total state distributions to be approximately $32.1 billion, however, the reduction brought the national program down to approximately $22.8 billion. He said Arizona's share of the -$5 billion RABA distribution would total $75 million, resulting in Arizona receiving approximately $357 million for FY 2003. He reviewed two methodologies for Federal Funds Estimates and Discretionary Fund Analyses of Major Funding Changes. He stated he is currently considering whether or not the Board should borrow the remaining $100 million, reminding members that the portion of the Call Provision bill that would have increased the Board's bonding cap was stripped. He identified the main issues as being 1) the long-term estimate of federal funds, 2) the impact of the BFO "call provision" on BFO borrowings, 3) a GAN capacity reduction, 4) GAN project accelerations, 5) the impact of revenue decreases on RFS acceleration commitments, 6) the impact of federal funds cuts on MAG Federal Aid commitments, 7) an inflation factor adjustment and 8) the HURF bonding cap increase. He said he believes they have good support at the Legislature to get the HURF bonding cap increased to $1.3 billion, which could help mitigate some of the impacts.

In response to Mr. Martin's question, Mr. McGee stated they currently have approximately $66 million in HURF bonds issued in 1999 that generate a level of savings, noting they have until 2009 to refund those bonds. He said the amendment to the bond authorization would allow them to go forward with a refund for those bonds.

A member asked if it is possible HELP loans would not get repaid if HURF funding is decreased. Mr. McGee said it could hinder some of the smaller entities in repaying their loans, but he does not consider it a big issue.

Mr. Mendez stated they actively manage the program and have saved $56 million over the years through refinancing.

A Member asked if the increase in automobile travelers, versus air travelers, has been factored into the formulation. Mr. McGee said there has been some offset. A Member asked if increasing the Board's bonding cap would resolve issues today, but create issues in the future. Mr. McGee noted only 20 percent of the current five year program is financed through some sort of bonding.

Chairperson Dusenberry asked what the shortfall would do to the acceleration commitments for the Regional Transportation Plan. Mr McGee said it would depend on the size of the shortfall, but, in his opinion, it would not delay the 2007 date.

Ms. Tischer stated that, because of financial difficulties in estimating the amount of the program, they are delaying bringing forward a tentative draft five year program. She said they are looking for results of the General Accounting Office's audit and any additional information they can obtain to help make that determination. She said, unfortunately, they will not know about certain elements for quite a while, therefore, best estimates will have to be used.

Ms. Tischer reviewed their recommended strategies, stating the first is to consider moving projects that are not ready to advertise in the fiscal year they are programmed. She noted a Technical Committee is overseeing the development of the Five-Year Program.

Mr. Radicke asked if the need for a project, even if it cannot be advertised in the fiscal year programmed, will be taken into consideration. Ms. Tischer responded yes.

Ms. Tischer said the second recommendation is to consider moving projects that they know will need a significant increase in funding to be feasible. She stated they will also look at sub programs to determine if certain elements can be moved. She said they are recommending that projects that are a result of commitments, such as IGA's, and program shares recommended by RAAC and approved by the Board be retained. She identified balancing the district work force and developing a prioritized list of projects to reprogram as funding becomes available as additional considerations. She noted a RAAC meeting, scheduled for later today, will discuss the issue of how shortfalls will be shared among MAG, PAG and the rest of the state.

Ms. Tischer reviewed considerations for determining whether a project is a high priority: 1) the project is located on a corridor of statewide significance; 2) the project is located in a high-crash or congested location; 3) there are significant continuing maintenance costs; 4) the project provides a large "bang for the buck"; 5) the project is part of an important program, such as pavement preservation; and 6) the project was originally scheduled to occur in an earlier year, but was ultimately moved out.

Ms. Tischer confirmed for Mr. Martin that their goal is to achieve as many efficiencies as possible.

Mr. Radicke stressed the importance of maintaining existing roadways.

In response to Mr. Gant's question, Ms. Tischer stated MAG understands the kind of shortfalls they are facing and have postponed developing their program until they get a better understanding of the financial situation.

Mr. Radicke asked Ms. Tischer to brief the Board as to what RAAC is discussing with regard to the shortfall. Ms. Tischer said the recommendation put on the table at the last RAAC meeting was that the shortfall would be shared in proportion to the share of the program. She explained that for the first year of the RABA increase they essentially used the funding to pay for cost increases in statewide projects. She said it was determined that they would give the additional funding to MAG and PAG for the second year and, from then on, it would be shared proportionally.

Mr. Tom Swanson/PAG, said ADOT staff has done a good job of communicating with MAG He said MAG members have discussed the need to carry on with environmental studies and right-of-way acquisitions on projects, even though the project might be delayed because it will not be ready to advertise in the fiscal year programmed.

Mr. Radicke asked Ms. Tischer what the Board could do to obtain more Federal Highway Trust funds to maintain current projects. Ms. Tischer said the Governor, as Chair of the Western Governor's Association, addressed a letter to the Secretary and ASHTO asked each state to identify the potential impacts of the RABA cuts.

Mr. Mendez reported the letter from the Governor is still in draft form and Mr. John Carlson will be providing the Board with a package of information. He noted the Hoover Dam Bypass is a second effort undertaken by the Governor. He stated ASHTO will hold a Washington brief February 21 through March 1, providing an opportunity to meet with members of the Congressional Delegation. He suggested that would be a good time to deliver a letter from the Board outlining the Board's concerns. He recommended the Board focus their comments on how the state's transportation system as a whole will be effected.

Policy Committee Report

Ms. Tischer provided a brief overview of the draft Transportation Board Policies.

Mr. Radicke pointed out there was no mention of aeronautical policies. Ms. Tischer said they were recently taken through an aeronautics policy update, which will be added as an addendum.

Ms. Tischer stated the policies would not go out for public review until they have received feedback from the Board.

Ms. Tischer asked the Board to submit its comments and questions before the end of February.

The meeting recessed for lunch.

Legislative Overview

The meeting resumed at 1:00 p.m.

Mr. Biesty updated the Board on currently proposed legislation affecting transportation issues. He said things are quiet in terms of committees, however there have been meetings regarding the stimulus package and TEA 21. He said FHWA has put the RABA issue in the hands of Congress and has not set forth any plans to address the shortfalls.

Chairperson Dusenberry asked who are the key Congressional players in terms of transportation. Mr. Biesty said Senator Max Boccus has been very vocal on the issue of additional obligation authority.

Mr. Radicke asked if there have been discussions about taking money from other areas. Mr Biesty said the $20 billion trust fund has been mentioned as an option. Mr. Mendez said USDOT's position is that the trust fund money is needed for current obligations. He said the question is whether they need to hold the entire $20 billion in reserve.

Chairperson Dusenberry stressed the importance of keeping the state legislators updated on the situation. Mr. Biesty stated letters have been sent from the Governor's office apprising Legislators of the issues. Mr. Mendez said he and Mr. McGee are scheduled to do a Governor's briefing regarding RABA on Monday, noting the Governor will be attending a national conference on RABA on Tuesday.

Mr. Beisty reviewed bills currently under consideration at the State Legislature. A written copy of his summary was submitted to the Board.

Chairperson Dusenberry asked what effect the Board's support or opposition to a bill has. Mr. Biesty said the Board is obligated to voice its opposition to a bill if it feels it will negatively impact the state or its citizens and, in that case, he would go before the committee to explain why the agency opposes the bill.

Mr. Biesty pointed out that many of the bills are still under analysis and their ultimate impacts have yet to be determined.

Mr. Lane noted HB 2575 is not revenue neutral. Mr. Biesty agreed. He said he does not believe the bill will pass given its sponsor and the financial implications the Legislature is currently dealing with.

Mr. Biesty provided a copy of the text of HB 2502, stating the agency's position on the bill is neutral.

Mr. Jeffers asked whether the bill's restriction on elected officials serving on the Board would extend to officials elected to positions on school boards, conservation boards and so forth. Mr. Biesty said he does not believe it would, but he will look at the final language.

Mr. Biesty warned that some unreasonable recommendations concerning sound walls could be coming from the ad hoc committee.

January 2002 Life Cycle Certification

Mr. Chuck Eaton explained they certify the Life Cycle Program twice each year. He said the certification represents the status of the program as of November 31, 2001 and does not take the proposed RABA reductions into account. He reviewed the purpose behind the Life Cycle Program and discussed the status of various projects. Mr. Eaton said the certification includes their semi-annual update of construction and right-of-way costs. He reviewed their rationale behind the upgrade of the Red Mountain/Loop 202/US 60 system interchange. He reported reductions in RARF and HURF forecasts of almost $29 million and $13 million, respectively. He said the program has been affected by just under $5 million because fewer bonds were planned than previously programmed. He said they are proposing to include the $42 million of MAG area discretionary funds in 2007 to help make up the difference of the interchange cost. He stated adding all of the figures together resulted in a net revenue increase of approximately $4 million.

Mr. Eaton reviewed debt service, explaining Mr. McGee's department reassessed the overall bonding program and identified a calculation that resulted in a $60 million benefit to the program. He said that correction, along with fewer bonds in earlier years, resulted in a net reduction in debt service of about $85 million. He explained the discount factor was based on a risk analysis process and resulted in a slightly higher amount being placed in reserve. He said, because of the increased cost of the US 60 interchange, they felt it made sense to add a $55 million HURF bond issue in 2007. He stated the resulting additional funds totaled approximately $130 million.

Mr. Eaton stated the $102 million increase in construction costs can be attributed to the Loop 202 interchange and increases on Grand Avenue projects. He said Right-of-way costs increased $21 million, most of which was for an additional 60 acres in and around the Red Mountain/US 60 interchange. He pointed out that they are paying a considerable amount beyond the Life Cycle period because of the acceleration of the program

Mr. Radicke asked for MAG's opinion on extending the ½ cent sales tax. Mr. Eaton said MAG is anxious to find a way to do it by 2004.

Adjournment

No closing comments were made.

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

The meeting adjourned at 1:30 p.m.

Katie Dusenberry, Chairperson
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

MINUTES
OF THE
STATE TRANSPORTATION BOARD
9:00 a.m., Friday, February 15, 2002
City of Globe Mayor & Council Chambers
150 North Pine Street
Globe, Arizona 85501

The State Transportation Board met in official session for a regular meeting at 9:00 a.m., Friday, February 15, 2002, with Chairperson Dusenberry presiding. Other Board members present included: Vice Chairperson Ingo Radicke, Rusty Gant, Bill Jeffers, Joe Lane and Jim Martin. Also present were 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 80 people in the audience.

OPENING REMARKS AND PLEDGE

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

DISTRICT ENGINEER REPORT

Rick Powers, Globe District Engineer, updated the Board on projects in the Superior, Roosevelt, Globe/Miami and San Carlos Indian reservation areas. Written copies of his comments were submitted for the record.

CALL TO AUDIENCE

Terry Wheeler, Vice Mayor of Globe, thanked Mr. Powers and his staff for the great job they have done in the area. He said the primary goal is to move traffic, but it is important to remember that people live and ranch along the highways. He spoke about the lack of rest stop facilities between Globe and the Salt River Canyon. He said they need a school zone designated on the highway in downtown Globe.

Mary Anne Moreno, Executive Director, South Gila County Economic Development Corporation, said she is glad passing lanes between Superior and Globe are in the planning stages, but she would like to see downhill passing lanes as well.

Brent Billingsley, Deputy Director, Central Arizona Association of Governments, thanked the Board for their support of the CAAG region and for providing non-biased, non-parochial, statewide transportation planning and programming. He thanked Mr. Radicke, in particular, for

his personal sacrifices which have benefited the citizens of Arizona. He commended Mr. Powers and his staff on their hard work.

Councilman Chuck Busby, Town of Quartzsite, said he is extremely happy with the projects that have been completed. He said getting Bypass 10 included in the five year plan would be a big boost to the area. He stated F&F Construction has done a great job on Highway 95 with a minimum number of traffic delays, noting they could complete the project as early as June. He stressed the need for passing lanes on Highway 95 from Yuma to Parker.

Ted Schaefer, Globe resident, stated their economy relies heavily on tourist traffic, noting they are a major bypass for traffic going from the east valley into the White Mountain area. He pointed out that Globe is the largest community served by a two lane highway. He said today's traffic counts warrant having the highways addressed. He complimented the Board for what they have done on Highway 60, stating it will enhance the community both in terms of beauty and safety. He stressed the importance of maintaining highways, noting Highway 60 has not been maintained in over one year.

Councilman Otto Santa Anna, Miami, spoke about the unsafe conditions west of Miami, suggesting they do more to warn travelers that the road narrows to one lane. He spoke about a drain located on his property, noting ADOT does not have an easement on his property. He stated the drain is no longer needed and negatively affects his property value.

Mr. Fernando Shipley, resident of Globe, said his family's safety is at risk every time they travel between Globe and Phoenix. He suggested a divided highway would reduce the potential for head-on collisions and save lives.

CONSENT AGENDA

Item 41 was pulled from the Consent Agenda and put on the regular agenda.

Letter from the Board to the Arizona Congressional Delegation regarding Highway Federal Funding reductions

It was suggested the last sentence in the first paragraph be modified to read "a substantial positive balance to support doing so...". It was also suggested the phrase, "in Arizona we stand to lose..." be modified to read, "Arizona stands to lose...".

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

DIRECTOR'S REPORT

Legislative Report

Mr. Kevin Betsy said all other business will cease if the state budget agreement is not reached by this weekend. He said the bonding increase bill is close to proceeding to the Governor. He stated the Senate and House are pretty far apart in terms of the budget and the HURF shifts are basically the same as recommended in the Governor's plan.

Mr. Biesty reported a strike everything amendment was offered on HB 2496, wherein Maricopa County was given three representatives, Pima County was given two representatives and the other districts were given four. He explained that the Board's duties would be expanded to include developing and adopting multi-modal transportation policies.

Mr. Gary Adams said HB 2490 and 1372 would set aside $2 million in the State Aviation Fund to match a federal demonstration program authorized by USDOT this year. He stated the impact of the bill, as written, would result in a $6 million loss to the five year program. He said they have suggested to those requesting the bill that $2 million is too much to set aside. He stated there have been discussions about taking money from another source, namely the HURF. He noted the bill passed out of the House Aviation Committee and is being held in the Senate Transportation Committee. He said the Attorney General's office has given their verbal opinion that the State Transportation Board currently has the authority to award airport development grants, reducing the necessity for the bill. He stated they will remain neutral on the bill until the FAA comes forward with guidelines for the program.

Mr. Biesty reported the Planning and Data Collection bill is awaiting committee assignment and SB 1215 failed in its first committee and will be taken off the list.

Mr. Chuck Busby stated most of southwestern Arizona is against changing the makeup of the ADOT Board, noting Quartzsite recently passed a resolution to that effect.

Financial Report

Mr. John McGee reviewed the December 2001 Maricopa Transportation Excise Tax report, stating they collected $22.1 million for the month. He said year-to-date collections total $131 million, which is 1.7 percent over last year and 2.6 percent below forecast. He said Retail Sales for the months of November and December were up 3.8 percent, which is the strongest two month showing since last April and May. He stated collections from Contracting remain strong with 18 percent growth over last year. He estimated ending the year $7 to $8 million below the forecast of $280 million for the half-cent sales tax.

Mr. McGee reported January 2002 HURF collections of $96.2 million, 1.6 percent over last year, but 3.5 percent under the forecast. He noted $96.2 million is the highest monthly total ever collected in HURF. He stated year-to-date collections total $609.7 million, approximately 4.5

percent over last year and .09 over forecast. He expressed his opinion that HURF collections for the year will slightly exceed the forecast.

In response to Chairperson Dusenberry's question, Mr. McGee stated no other state has indicated they are seeing the kinds of decreases in gas taxes and other use fees seen at the national level.

Mr. McGee reviewed the Investment Performance Report for December 2001, stating the department earned $2.668 million. He said year-to-date earnings are about $19 million with a 4.92 percent average return.

Mr. McGee noted the HELP Fund cash balance decreased almost $20 million and is now at $126.7 million. He referred to the State Infrastructure Bank Loan and Loan Agreements by State report dated September 30, 2001. He said Arizona continues to make a good showing in comparison to other states.

Financing Program

Mr. McGee reported the $76.9 million HURF bond issue priced in January closed successfully on February 6. He said they are now looking at refunding up to $85 million in HURF bonds previously issued in 1999 and 1992. He reviewed a timetable of events associated with the refunding, noting issue pricing will not occur until the Board and the Department are able to reach an acceptable level of debt service savings based on market conditions. He said they anticipate saving $2.8 to $2.9 million in total debt service if the refund pricing is successful.

Amendment to Resolution Authorizing Issuance of Highway Revenue Bonds, Series 2002

Mr. McGee presented and recommended approval of the Amendment to the Resolution adopted December 14, 2001 authorizing issuance of Highway Revenue Bonds, Series 2002. He explained they split the issuances because doing them together as a single pricing did not generate the same level of savings.

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

Appointment of Underwriters; Highway Revenue Bonds, Series 2002A

Mr. McGee presented and recommended approval of a Resolution recommending appointment of Underwriters for the Board's anticipated issuance of highway Revenue Bonds Series 2002A.

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

RESOLUTION

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

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 Refunding Bonds, Series 2002A.

Salomon Smith Barney	Senior Manager	50%
Bear, Stearns & Co., Inc.	Co-Manager	20%
Lehman Brothers, Inc.	Co-Manager	20%
A.G. Edwards & Sons, Inc.	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 interests of the state.

Dated this 15th day of February 2002.

The motion passed unanimously.

Direction to Proceed: Transportation Excise Tax Revenue Bonds, (Maricopa County Regional Area Road Fund) 2002 Series

Mr. McGee presented and recommended approval of a Resolution directing Department Staff, Bond Counsel and Financial Advisor to take all actions necessary precedent to its planned issuance of Transportation Excise Tax Revenue Bonds, (Maricopa County Regional Area Road Fund) 2002 Series.

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

RESOLUTION

RESOLUTION OF THE STATE OF ARIZONA TRANSPORTATION BOARD DIRECTING STAFF, ADVISORS AND BOND COUNSEL IN MATTERS PERTAINING TO ITS PLANNED ISSUANCE OF TRANSPORTATION EXCISE TAX REVENUE BONDS (MARICOPA COUNTY REGIONAL AREA ROAD FUND) 2002 SERIES.

The Board hereby directs Departmental staff, working with RBC Dain Rauscher Inc. as Financial Advisor and Squire, Sanders & Dempsey L.L.P. as Bond Counsel to the Board, to take all actions necessary precedent to the Board's planned issuance of its Transportation Excise Tax Revenue Bonds (Maricopa County Regional Area Road Fund) 2002 Series.

Dated this 15th day of February 2002.

The motion passed unanimously.

Master Lease Agreement

Mr. McGee presented and recommended approval of a Master Lease Agreement between the Arizona Department of Transportation (ADOT) and Fenton Consulting & Construction Management Inc., for the lease of telecommunication sites.

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

Mr. McGee reported the GAO audit has not yet been released. He said a $600 million error was found, therefore the $5 billion negative RABA adjustment has been readjusted down to a -$4.4 billion.

Board Minutes

Board Meeting Minutes – October 19, 2001
Study Session Minutes – November 16, 2001
Board Meeting Minutes – November 16, 2001

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

The Board recessed for a short break.

2002 BOARD MEETING DATES & LOCATIONS

March 15, 2002	Buckeye/Gila Bend	9:00 a.m.
April 5, 2002	ADOT/MAG & CTOC Joint Public Hearing/Phoenix	11:00 a.m.
April 12, 2002	Public Hearing/Tucson	9:00 a.m.
April 19, 2002	Public Hearing & Board Meeting/Flagstaff	9:00 a.m.
May 17, 2002	Winslow	9:00 a.m.
June 21, 2002	Sierra Vista	9:00 a.m.

July 19, 2002	Eager	9:00 a.m.
August 16, 2002	Safford	9:00 a.m.
September 20, 2002	Nogales	9:00 a.m.
October 18, 2002	Apache Junction	9:00 a.m.
November 15, 2002	Yuma	9:00 a.m.
December 20, 2002	Tucson	9:00 a.m.

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

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

Recommended Economic Strength Projects -- Round 1, 2002

Ms. Mary Lynn Tischer requested approval of four projects for a total amount of $500,000. She stated the projects are located in Tulsa, Summerton, Flagstaff and Pinal County.

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

FY 02-06 Transportation Facilities Construction Program – Requested Modifications

ROUTE NO:	SR 68 @ MP 17.80
COUNTY:	Mohave
SCHEDULE:	New Project
SECTION:	SR 68 @ Estrella
TYPE OF WORK:	Construct right turn lane
PROGRAM AMOUNT:	New Project
PROJECT MANAGER:	Bill Wang
PROJECT:	H599601C JPA 10-115
REQUESTED ACTION:	Add new district minor project in amount of $29,000 to the FY 2002 Highway Construction Program to construct a right turn lane. **See funding sources below.**

FY 2002 District Minor Fund #73302	$14,500
Mohave County	$14,500
NEW PROGRAM AMOUNT:	$29,000

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

ROUTE NO:	SR 87 @ MP 278.00
COUNTY:	Coconino
SCHEDULE:	FY 2002
SECTION:	Jct SR 87/SR 260, Camp Verde Hwy
TYPE OF WORK:	Add left and right turn lanes
PROGRAM AMOUNT:	$585,000 Funding Source: State
PROJECT MANAGER:	James Reeves
PROJECT:	H457101C Item Number; 14603
REQUESTED ACTION:	Increase program amount by $155,500 to $740,500 due to addition of fourth leg of intersection and signal conduit. Final friction pavement course will be added to nearby pavement preservation project in order to lower project cost. **See funding sources below.**

PROGRAM AMOUNT:	$585,000
INCREASE AMOUNT:	$155,500
FY 2002 District Minor Fund #73302	$105,500
US Forest Service	$50,000
NEW PROGRAM AMOUNT:	$740,500

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

ROUTE NO:	SR 95 @ MP 231.00
COUNTY:	Mohave
SCHEDULE:	FY 2002
SECTION:	SR 95 @ King Street
TYPE OF WORK:	Install traffic signal
PROGRAM AMOUNT:	$220,000 Funding Source: Various
PROJECT MANAGER:	Richard Weeks
PROJECT:	HX09901C Item Number; 10818
REQUESTED ACTION:	Increase program amount by $60,000 to $280,000 due to updated cost estimates. The JPA is being revised to reflect requested changes. **See funding sources below.**

PROGRAM AMOUNT:	$220,000
INCREASE AMOUNT:	$60,000
FY 2002 Traffic Engineering Fund #71202	$33,000
Mohave County	$16,000
Fort Mohave Indian Tribe	$11,000
NEW PROGRAM AMOUNT:	$280,000

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

ROUTE NO:	SR 66 @ MP 57.00
COUNTY:	Mohave
SCHEDULE:	FY 2002
SECTION:	Airway Avenue Intersection
TYPE OF WORK:	Install traffic signal
PROGRAM AMOUNT:	$220,000 Funding Source: State $170,000 City of Kingman $50,000
PROJECT MANAGER:	Richard Weeks
PROJECT:	HX07001C Item Number: 30902
REQUESTED ACTION:	Increase program amount by $51,000 to $271,000 due to updated cost estimates **See funding sources below.**

PROGRAM AMOUNT:	$220,000
INCREASE AMOUNT:	$51,000
FY 02 Traffic Engineering Fund #71202	$34,000
City of Kingman	$17,000
NEW PROGRAM AMOUNT	$271,000

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

ROUTE NO:	US 60 @ MP 62.03
COUNTY:	La Paz
SCHEDULE:	New Project
SECTION:	Centennial Wash Bridge
TYPE OF WORK:	Scour repair
PROGRAM AMOUNT:	NewProject
PROJECT MANAGER:	Itty P. Itty
PROJECT:	H599201C
REQUESTED ACTION:	Add new scour repair project to the FY 2003 Highway Construction Program in amount of $205,000. **Funds available from FY 2003 Bridge Scour Fund #71503.**
NEW PROGRAM AMOUNT:	$205,000

ROUTE NO:	I-10 @ MP 299.40
COUNTY:	Cochise
SCHEDULE:	New Project
SECTION:	Cornfield Canyon Bridge
TYPE OF WORK.	Scour retrofit
PROGRAM AMOUNT:	New Project
PROJECT MANAGER:	Itty P. Itty
PROJECT:	H599301C

REQUESTED ACTION:	Add new scour repair project to the FY 2003 Highway Construction Program in amount of $94,000. **Funds available from FY 2003 Bridge Scour Fund #71503.**
NEW PROGRAM AMOUNT:	$94,000

ROUTE NO:	I-40 @ MP 62.11
COUNTY:	Mohave
SCHEDULE:	New Project
SECTION:	Frees Wash Bridge EB/WB
TYPE OF WORK:	Scour retrofit
PROGRAM AMOUNT:	New Project
PROJECT MANAGER:	Itty P. Itty
PROJECT:	H59901C
REQUESTED ACTION:	Add new scour repair project to the FY 2003 Highway Construction Program in amount of $857,000. **Funds available from FY 2003 Bridge Scour Fund #71503.**
NEW PROGRAM AMOUNT:	$857,000

Board Action: A motion to approve Items 16, 17 and 18 was made by Mr. Martin, seconded by Mr. Lane and passed unanimously.

ROUTE NO:	US 93 @ MP 99.00
COUNTY:	Mohave
SCHEDULE:	FY 2002
SECTION:	Wikieup - I-40 Section 1
TYPE OF WORK:	Design parallel roadway
PROGRAM AMOUNT:	$1,700,000 Funding Source:
PROJECT MANAGER:	Larry Doescher
PROJECT:	Item Number; 24502
REQUESTED ACTION:	Reduce program amount by $340,000 to $1,360,000. Funds to be transferred to another US 93 design project. **Funds to FY 2002 Highway Contingency Fund #72302.**
PROGRAM AMOUNT:	$1,700,000
DECREASE AMOUNT:	$340,000
NEW PROGRAM AMOUNT:	$1,360,000

ROUTE NO:	US 93 @ MP 96.00
COUNTY:	Mohave
SCHEDULE:	FY 2001 (Underway Program)
SECTION:	MP 96 -101.6
TYPE OF WORK:	Design parallel roadway
PROGRAM AMOUNT:	$1,360,000

PROJECT MANAGER:	Larry Doescher
PROJECT:	H592401D Item Number; 32301
REQUESTED ACTION:	Increase program amount by $340,000 to $1,700,000 due to finalized design contract negotiations. **Funds available from FY 2002 Highway contingency Fund #72302.**
PROGRAM AMOUNT:	$1,360,000
INCREASE AMOUNT:	$340,000
NEW PROGRAM AMOUNT:	$1,700,000

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

ROUTE NO:	US 60 @ MP 322.02
COUNTY:	Navajo
SCHEDULE:	FY 2003
SECTION:	Cedar Canyon -- Forestdale
TYPE OF WORK:	Pavement preservation
PROGRAM AMOUNT:	$2,066,000 Funding Source: STP
PROJECT MANAGER:	Akram Friekh
PROJECT:	H557301C Item Number: 19603
REQUESTED ACTION:	Increase program amount by $1,474,000 to $3,540,000 due increased project length and addition of climbing lane pavement rehabilitation. **Funds available from FY 2003 Pavement Preservation Fund #72503.**
PROGRAM AMOUNT:	$2,066,000
INCREASE AMOUNT:	$1,474,000
NEW PROGRAM AMOUNT:	$3,540,000

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

ROUTE NO:	SR 202 L @ MP 31.10
COUNTY:	Maricopa
SCHEDULE:	FY 2003
SECTION:	56th Street - McClintock
TYPE OF WORK:	Design Landscape
PROGRAM AMOUNT:	$205,000 Funding Source: RARF
PROJECT MANAGER:	Ron McCally
PROJECT:	Item Number: 83103
REQUESTED ACTION:	Delete project from the FY 2002 Highway Construction Program. Scope will be added to adjacent landscape design projects. **Funds return to RARF cash flow.**

ROUTE NO:	SR 202 L @ MP 54.40
COUNTY:	Maricopa
SCHEDULE:	FY 2003
SECTION:	Santan/I-10 TI Phase I & II
TYPE OF WORK:	Design Landscape
PROGRAM AMOUNT:	$344,000 Funding Source: RARF
PROJECT MANAGER:	Ron McCally
PROJECT:	Item Number; 83203
REQUESTED ACTION:	Increase program amount by $35,000 to $379,000 due to added scope from adjacent landscape design project and advance project to FY 2002. **Funds available from RARF cash flow.**
PROGRAM AMOUNT:	$344,000
INCREASE AMOUNT:	$35,000
NEW PROGRAM AMOUNT:	$379,000

ROUTE NO:	SR 202 L @ MP 50.70
COUNTY:	Maricopa
SCHEDULE:	FY 2004
SECTION:	Price /Santan TI, East 1/2 & West ½
TYPE OF WORK:	Design Landscape
PROGRAM AMOUNT:	$242,000 Funding Source: RARF
PROJECT MANAGER:	Ron McCally
PROJECT:	Item Number; 82504
REQUESTED ACTION:	Increase program amount by $170,000 to $412,000 due to scope added from adjacent project, and advance project to FY 2002. **Funds available from RARF Cashflow.**
PROGRAM AMOUNT:	$242,000
INCREASE AMOUNT:	$170,000
NEW PROGRAM AMOUNT:	$412,000

Board Action: A motion to approve Items 22, 23 and 24 was made by Mr. Lane, seconded by Mr. Gant and passed unanimously.

ROUTE NO:	SR 101 L @ MP 32.00
COUNTY:	Maricopa
SCHEDULE:	FY 20030
SECTION:	Scottsdale Road - Pima Road
TYPE OF WORK:	Construct Landscaping
PROGRAM AMOUNT:	$1,883,000 Funding Source: RARF
PROJECT MANAGER:	Bill Evans
PROJECT:	H551801C Item Number; 82002
REQUESTED ACTION:	Advance project from FY 2003 to FY 2002. **Funds**

for advancement available from RARF cash flow.

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

ROUTE NO:	SR 51 @ MP 13.60
COUNTY:	Maricopa
SCHEDULE:	FY 2003
SECTION:	Bell Road - Pima SR 101L
TYPE OF WORK:	Design Landscape
PROGRAM AMOUNT:	$246,000 Funding Source: RARF
PROJECT MANAGER:	Jim Romero
PROJECT:	H538503C Item Number; 83303
REQUESTED ACTION:	Increase program amount by $79,000 to $325,000 due to added landscape areas within the TI, and advance project to FY 2002. **Funds available from RARF cash flow.**
PROGRAM AMOUNT:	$246,000
INCREASE AMOUNT:	$79,000
NEW PROGRAM AMOUNT:	$325,000

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

ROUTE NO:	SR 260 @ MP 347.00
COUNTY:	Navajo
SCHEDULE:	New Project
SECTION:	Lockwood Drive
TYPE OF WORK:	Install traffic signal
PROGRAM AMOUNT:	New Project
PROJECT MANAGER:	David Monson
PROJECT:	HX09701C Item Number; New
REQUESTED ACTION:	Add new project to the FY 2002 Highway Construction program in amount of $68,334. The City of Pinetop-Lakeside has advertised and construction has been completed. Total cost of project is $105,129, includes $36,795 Pinetop-Lakeside **Funds available from FY 02 Traffic Engineering Fund #71202.**
NEW PROGRAM AMOUNT:	$105,129

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

ROUTE NO:	US 70 @ MP 330.00
COUNTY:	Graham
SCHEDULE:	FY 2002
SECTION:	Pima – Thatcher
TYPE OF WORK:	Widen. Left turn lanes
PROGRAM AMOUNT:	$7,400,000 Funding Source: STP
PROJECT MANAGER:	Robert Mickelson
PROJECT:	H502801C Item Number; 17402
REQUESTED ACTION:	Increase program amount by $1,934,000 to $9,334,000 due to updated cost estimates. **Funds available from FY 2002 Highway Contingency Fund #72302.**
PROGRAM AMOUNT:	$7,400,000
INCREASE AMOUNT:	$1,934,000
NEW PROGRAM AMOUNT:	$9,334,000

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

ROUTE NO:	US 60 @ MP 123.00
COUNTY:	Maricopa
SCHEDULE:	New Project
SECTION:	Morristown RR OP - 203rd Ave
TYPE OF WORK:	Construct roadway
PROGRAM AMOUNT:	$20,760,000 Funding Source: NH
PROJECT MANAGER:	John Sterner
PROJECT:	H457303C Item Number; 13701
REQUESTED ACTION:	Increase program amount by $1,140,000 to $21,900,000. Pavement has deteriated more during development and requires additional milling and replacement. **See funding sources below:**
PROGRAM AMOUNT:	$20,760,000
INCREASE AMOUNT:	$1,140,000
FY 02 Highway Contingency Fund #72302	$510,000
FY 02 Traffic Engineering Fund #71202	$150,000
FY 02 Pavement Preservation Fund #72502	$350,000
Maricopa County	$130,000
NEW PROGRAM AMOUNT:	$21,900,000

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

FY 2002-2006 Airport Development Program – Requested Modifications

PROJECT:	Nogales International Airport	
SPONSOR:	Santa Cruz County	
CATEGORY:	General Aviation	
SCHEDULE:	FY 2002 – New Project	
PROJECT #:	E2S51	
PROGRAM AMOUNT:	New Project	
TYPE OF WORK:	Reconstruct failed Taxiway echo pavement	
REQUESTED ACTION:	Add new State grant to provide improvement funding. Total project: $165,053:	
FUNDING SOURCES	**FAA**	0
	Sponsor	$16,505
	State	$148,548
	Total Program	$165,053

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

Recommended FY 03-07 Draft Tentative Airport Development Program

Mr. Adams advised the board on the possible impacts of HB 2490 and SB 1011 on the State Aviation Fund. He explained they developed a tentative five year program based on the policies adopted by the Board last year and a cash flow forecast that assumed neither bill passed. He suggested the Board hold off on the Aviation Tentative Program, stating they will bring it back to the Board as a package.

Mr. Adams confirmed for Chairperson Dusenberry that SB 1011 would defer the Flight Property Tax for two years starting in January 2002. He explained the bill would defer the Flight Property Tax, which is only paid by scheduled airlines, and their income tax

Mr. Adams noted the Governor has issued an Executive Order establishing an Advisory Council on Aviation, explaining it will look at various issues related to statewide aviation. Chairperson Dusenberry suggested they include at least one Board member on the Council.

* Priority Planning Advisory Committee (PPAC)

- Minutes – January 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 unless otherwise noted)
(Bold indicates schedule change)

- **February 27, 2002 @ 9:00 AM – (Wednesday)**
- April 4, 2002 @ 1:30 PM
- May 2, 2002 @ 1:30 PM
- June 6, 2002 @ 1:30 PM
- July 3, 2002 @ 1:30 PM – (Wednesday)
- August 1, 2002 @ 1:30 PM
- September 5, 2002 @ 1:30 PM
- October 3, 2002 @ 1:30 PM
- October 31, 2002 @ 1:30 PM
- December 5, 2002 @ 1:30 PM

(Bolded text indicates schedule change)

RIGHT OF WAY RESOLUTIONS

*

RES. NO:	2002-02-A-005
PROJECT:	F-075-1-602 / S-085-A-300 / 085PM057H489301R
HIGHWAY:	GILA BEND – LUKEVILLE
SECTION:	Organ Pipe – International Border (Lukeville – N Boundary Nat'l Monument)
ROUTE NO.:	State Route 85
ENG. DIST:	T
COUNTY:	Pima
RECOMMENDATION:	Establish additional right of way to accommodate new traffic lanes and drainage features.

STATE ENGINEER'S REPORT

* Report on construction and projects completed in January, 2002.

* Right of Way Acquisition Report for January, 2002.

CONSTRUCTION CONTRACTS

Interstate, Non-Federal Aid

*	BIDS OPENED:	January 31
	HIGHWAY:	FLAGSTAFF-WINSLOW HIGHWAY (I-40B)
	SECTION:	Cosnino BNSF Railroad Overpass #2607
	COUNTY:	Coconino
	ROUTE NO:	I-40B
	PROJECT:	I-040-D-503 040 CN 203 H465901C
	FUNDING:	100% State
	LOW BIDDER:	Vastco, Inc
	AMOUNT:	$ 1,611,000 00
	STATE ESTIMATE:	$ 1,676,753.25
	$ UNDER:	$ 65,753.25
	% UNDER:	3.9%
	NO. BIDDERS:	10
	RECOMMENDATION:	AWARD

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

*	BIDS OPENED:	January 25
	HIGHWAY:	GLOBE-LORDSBURG HIGHWAY (US 70)
	SECTION:	San Jose – Greenlee County Line
	COUNTY:	Graham
	ROUTE NO:	US 70
	PROJECT:	STP-070-B(001)A 070 GH 346 H525501C
	FUNDING:	94% Federal 6% State
	LOW BIDDER:	CKC Construction Company
	AMOUNT:	$ 1,268,333.80
	STATE ESTIMATE:	$ 1,325,692 00
	$ UNDER:	$ 57,358.20
	% UNDER:	4.3%
	NO. BIDDERS:	5
	RECOMMENDATION:	AWARD

*	BIDS OPENED:	January 31
	HIGHWAY:	BENSON-DOUGLAS HIGHWAY (SR 80)
	SECTION:	Bisbee Tunnel – Lowell Circle
	SECTION:	Lowell Circle, Bisbee
	COUNTY:	Cochise
	ROUTE NO:	SR 80

PROJECT:	STP-080-A(003)A 080 CH 339 H525901C	
PROJECT:	F-016-1-540 080 CH 343 H434301C	
FUNDING:	65% Federal 35 % State	
LOW BIDDER:	C.S. McCrossan, Inc.	
AMOUNT:	$	1,329,776.18
STATE ESTIMATE:	$	1,456,948.00
$ UNDER:	$	127,171.82
% UNDER:		8.7%
NO. BIDDERS:		5
RECOMMENDATION:	AWARD	

*

BIDS OPENED:	January 31	
HIGHWAY:	QUARTZSITE-PARKER-TOPOCK HIGHWAY	
SECTION:	Lake Havasu North	
SECTON:	Lake Havasu City – Junction I-40	
COUNTY:	Mohave	
ROUTE NO:	SR 95	
PROJECT:	AC-STP-095-C(3)A 095 MO 197 H434901C	
PROJECT:	AC-STP-095-C(2)A 095 MO 194 H527101C	
FUNDING:	94% Federal 6% State	
LOW BIDDER:	Nielsons Skanska, Inc.	
AMOUNT:	$	2,259,985.55
STATE ESTIMATE:	$	2,545,220.35
$ UNDER:	$	285,234.80
% UNDER:		11.2%
NO. BIDDERS:		6
RECOMMENDATION:	AWARD	

BIDS OPENED:	January 31	
HIGHWAY:	SPRINGERVILLE-ALPINE STATELINE HIGHWAY (US 180)	
SECTION:	Nelson Reservoir-Nutrioso	
COUNTY:	Apache	
ROUTE NO:	US 180	
PROJECT:	STP-180-C(001)A 180 AP 411 H527701C	
FUNDING:	94% Federal 6% State	
LOW BIDDER:	Meadow Valley Contractors, Inc.	
AMOUNT:	$	898,369.00
STATE ESTIMATE:	$	997,213.00
$ UNDER:	$	98,844.00
% UNDER:		9.9%
NO. BIDDERS:		5
RECOMMENDATION:	AWARD	

Mr. Jeffers declared a conflict of interest and recused himself.

Board Action: A motion to approve the above recommendation was made by Mr. Radicke, seconded by Mr. Gant and passed by a vote of 4 to 1 (Mr. Jeffers abstained).

*

BIDS OPENED:	January 25	
HIGHWAY:	WILLCOX-DOS CABEZAS-CHIRICAHUA HIGHWAY (SR 186)	
SECTION:	Rex Allen Drive (Willcox)	
COUNTY:	Cochise	
ROUTE NO:	SR 186	
PROJECT:	STP-186-A(1)A 186 CH 326 H527801C	
FUNDING:	94% Federal 6% State	
LOW BIDDER:	Granite Construction Company	
AMOUNT:	$	405,601.00
STATE ESTIMATE:	$	451,577.00
$ UNDER:	$	45,976.00
% UNDER:		10.2%
NO. BIDDERS:		8
RECOMMENDATION:	AWARD	

Non-Interstate, Non-Federal Aid

BIDS OPENED:	January 31	
HIGHWAY:	TUCSON-ORACLE JUNCTION GLOBE HIGHWAY (SR 77)	
SECTION:	Old Highway 77 - San Manuel Road	
COUNTY:	Pinal	
ROUTE NO:	SR 77	
PROJECT:	S-077-A-503 077 PN 104 H525801C	
FUNDING:	100% State	
LOW BIDDER:	FNF Construction, Inc.	
AMOUNT:	$	433,845.00
STATE ESTIMATE:	$	678,300.00
$ UNDER:	$	244,455.00
% UNDER:		36.0%
NO. BIDDERS:		7
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:	January 17
HIGHWAY:	CHAMBERS-MEXICAN WATER HIGHWAY (US 191)

SECTION:	Milepost 335-Klagetoh	
COUNTY:	Apache	
ROUTE NO:	US 191	
PROJECT:	U-191-E-500 191 AP 385 H567201C	
FUNDING:	100% State	
LOW BIDDER:	Hatch Construction & Paving, Inc.	
AMOUNT:	$	506,277.40
STATE ESTIMATE:	$	431,254.00
$ OVER:	$	75,023.40
% OVER:		17.4%
NO. BIDDERS:		6
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:	January 31	
HIGHWAY:	RED MOUNTAIN FREEWAY - (SR 202L)	
SECTION:	24th Street to 32nd Street	
COUNTY:	Maricopa	
ROUTE NO:	202L	
PROJECT:	S-202-A-503 202L MA 000 H574801C	
FUNDING:	100% State	
LOW BIDDER:	Nesbitt Contracting Co., Inc.	
AMOUNT:	$	1,292,502.50
STATE ESTIMATE:	$	1,463,206.50
$ UNDER:	$	170,704.00
% UNDER:		11.7
NO. BIDDERS:		9
RECOMMENDATION:	AWARD	

BIDS OPENED:	January 31	
HIGHWAY:	RED MOUNTAIN FREEWAY (SR 202L)	
SECTION:	Country Club Drive to Gilbert Road	
COUNTY:	Maricopa	
ROUTE NO:	SR 202L	
PROJECT:	RAM-202-A-502 202L MA 013 H492103C	
FUNDING:	93% State 7% City of Mesa	
LOW BIDDER:	M. Anderson Construction Corp.	
AMOUNT:	$	2,132,822.20
STATE ESTIMATE:	$	2,345,609.80
$ UNDER:	$	212,787.60
% UNDER:		9.1%
NO. BIDDERS:		5
RECOMMENDATION:	POSTPONE BOARD ACTION.	

(Interstate Federal-Aid ("P" 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)

Board Action: A motion to postpone awarding the bid for 30 days was made by Mr. Radicke, seconded by Mr. Lane and passed unanimously.

BIDS OPENED:	January 17	
HIGHWAY:	YUMA-CASA GRANDE HIGHWAY (I-8)	
SECTION:	Gila Bend Rest Area – Junction I-10	
COUNTY:	Maricopa	
ROUTE NO:	I-8	
PROJECT:	AC-IM-008-B(002)P 008 MA 125 H530601C	
FUNDING:	94% Federal 6% State	
LOW BIDDER:	J-H Supply Company, Inc.	
AMOUNT:	$	1,035,701.00
STATE ESTIMATE:	$	1,305,665.00
$ UNDER	$	269,964.00
% UNDER:		20.7%
NO. BIDDERS:		9
RECOMMENDATION: AWARD		

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

BIDS OPENED:	January 17
HIGHWAY:	EHRENBERG-PHOENIX HIGHWAY (I-10)
	CASA GRANDE - BENSON HIGHWAY (I-10)
	NOGALES-TUCSON HIGHWAY (I-19)
	YUMA-CASA GRANDE HIGHWAY (I-8)
SECTION:	I-10, Milepost 52.40 to Milepost 106.20
	I-10, Milepost 236.40 to Milepost 384.15
	I-19, Milepost 47.62 to Milepost 62.60
	I-8, Milepost 72.0 to Milepost 177.80
COUNTY:	LaPaz, Pima, Yuma, Maricopa, Cochise, Pinal
ROUTE NO:	I-8, I-10, I-19
PROJECT:	STP-010-A(3)P 010 LA 052 H583001C
STP-010-D(3)P 010 PM 236 H583101C	
	STP-019-A(3)P 019 PM 047 H583501C
STP-008-A(7)P 008 YU 072 H582701C	
FUNDING:	94% Federal 6% State
LOW BIDDER:	Surface Preparation Technologies, Inc.

AMOUNT:	$	159,470.82
STATE ESTIMATE:	$	274,350.00
$ UNDER:	$	114,879.18
% UNDER:		41.9%
NO. BIDDERS:		5
RECOMMENDATION: AWARD		

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

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BIDS OPENED:	January 31	
HIGHWAY:	EHRENBERG-PHOENIX HIGHWAY	
SECTION:	Dysart Road – 19th Avenue	
COUNTY:	Maricopa	
ROUTE NO:	I-10	
PROJECT:	IM-10-B(5)P 010 MA 129 H532001C	
FUNDING:	94% Federal 6% State	
LOW BIDDER:	Contractors West, Inc.	
AMOUNT:	$	1,637,003.74
STATE ESTIMATE:	$	1,678,754.15
$ UNDER:	$	41,750.41
% UNDER:		2.5%
NO. BIDDERS:		4
RECOMMENDATION: AWARD		

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BIDS OPENED:	January 17	
HIGHWAY:	PHOENIX-CASA GRANDE HIGHWAY (I-10)	
SECTION:	Casa Blanca Road-Seed Farm Road	
COUNTY:	Pinal	
ROUTE NO:	I-10	
PROJECT:	AC-IM-010-C(4)P 010 PN 175 H524301C	
FUNDING:	94% Federal 6% State	
LOW BIDDER:	Kiewit Western Co.	
AMOUNT:	$	2,074,000.00
STATE ESTIMATE:	$	2,160,698.20
$ UNDER:	$	86,698.20
% UNDER:		4.0%
NO. BIDDERS:		7
RECOMMENDATION: AWARD		

(Non-Interstate Federal-Aid ("P" 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:	January 17
	HIGHWAY:	CORDES JUNCTION-PRESCOTT HIGHWAY
	SECTION:	SR 69 at Kachina Place (Dewey)
	COUNTY:	Yavapai
	ROUTE NO:	SR 69
	PROJECT:	STP-069-A(2)P 069 YV 282 HX09101C
	FUNDING:	63% Federal 4% State
		33% Yavapai County
	LOW BIDDER:	EME West Construction, Inc.
	AMOUNT:	$ 164,052.00
	STATE ESTIMATE:	$ 174,887.70
	$ UNDER:	$ 10,835.70
	% UNDER:	6.2%
	NO. BIDDERS:	10
	RECOMMENDATION:	AWARD

*	BIDS OPENED:	January 25
	HIGHWAY:	WICKENBURG-PRESCOTT HIGHWAY
	SECTION:	Yarnell Streets
	COUNTY:	Yavapai
	ROUTE NO:	SR 89
	PROJECT:	STP-089-A(1)P 089 YV 276 H526501C
	FUNDING:	94% Federal 6% State
	LOW BIDDER:	Combs Construction Company, Inc.
	AMOUNT:	$ 519,350.22
	STATE ESTIMATE:	$ 554,088.35
	$ UNDER:	$ 34,738.13
	% UNDER:	6.3%
	NO. BIDDERS:	7
	RECOMMENDATION:	AWARD

BIDS OPENED:	January 17
HIGHWAY:	PRESCOTT-ASH FORK HIGHWAY
SECTION:	Chino Valley - Paulden
COUNTY:	Yavapai
ROUTE NO:	SR 89
PROJECT:	AC-STP-089-B(4)P 089 YV 329 H559701C
FUNDING:	94% Federal 6% State
LOW BIDDER:	FNF Construction, Inc.
AMOUNT:	$ 2,189,366.00
STATE ESTIMATE:	$ 2,713,679.40
$ UNDER:	$ 524,313.40

% UNDER: 19.3%
NO. BIDDERS: 6
RECOMMENDATION: AWARD

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

BIDS OPENED: January 17
HIGHWAY: SAN LUIS-YUMA-QUARTZSITE HIGHWAY (US 95)
SECTION: Avenue 2E to Avenue 9E
32nd Street to 16th Street
COUNTY: Yuma
ROUTE NO: US 95
PROJECT: ACNH-095-B(1)P 095 YU 024 H526801C
ACNH-095-A(3)P 095 YU 020 H580401C
FUNDING: 94% Federal 6% State
LOW BIDDER: Meadow Valley Contractors, Inc.
AMOUNT: $ 2,653,500.00
STATE ESTIMATE: $ 3,151,283.00
$ UNDER: $ 497,783.00
% UNDER: 15.8%
NO. BIDDERS: 5
RECOMMENDATION: AWARD

Mr. Jeffers declared a conflict of interest and recused himself.

Board Action: A motion to approve the above recommendation was made by Mr. Radicke, seconded by Mr. Gant and passed by a vote of 4 to 1 (Mr. Jeffers abstained).

* BIDS OPENED: January 17
HIGHWAY: TUBA CITY-FOUR CORNERS HIGHWAY
SECTION: Mexican Water – Red Mesa
COUNTY: Apache
ROUTE NO: US 160
PROJECT: AC-NH-160-B(1)P 160 AP 435 H527501C
FUNDING: 94% Federal 6% State
LOW BIDDER: Fann Contracting, Inc.
AMOUNT: $ 4,577,300.60
STATE ESTIMATE: $ 4,619,624.80
$ UNDER: $ 42,324.20
% UNDER: 0.9%
NO. BIDDERS: 5
RECOMMENDATION: AWARD

CONSENT AGENDA

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

ADJOURN

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

The meeting adjourned at 12:00 p.m.

Katie Dusenberry, Chairperson
State Transportation Board

Victor M. Mendez, Director
Arizona Department of Transportation

*Denotes items approved in the consent agenda.