MINUTES
OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
9:30 A.M., Thursday, July 10, 2003
Arizona Department of Transportation
Board Room
206 South 17th Avenue
Phoenix, Arizona 85007

The State Transportation Board met in official session for a study session at 9:30 a.m., Thursday, July 10, 2003, with Chairperson Radicke presiding. Other Board members present included: Vice Chairperson Bill Jeffers, Rusty Gant, Dick Hileman, Joe Lane and Si Schorr. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; John McGee, Chief Financial Officer, Administrative Services Division; and Sam Maroufkhani. There were approximately 25 people in the audience.

PLEDGE

Chairman Radicke led the audience in the Pledge of Allegiance.

CMAQ TAC

Mr. Cupell explained it is the policy of the Board to fund with CMAQ funds, transportation projects and programs in nonattainment, maintenance and other statewide areas that reduce transportation related emissions and congestion. He said the program's goals are to improve air quality and mitigate congestion. He explained CMAQ funds are appropriated to each state DOT annually for suballocation, noting states with nonattainment or maintenance areas are required to spend CMAQ funds in those areas. He said Bullhead City and Payson have gone into maintenance and have to maintain their current efforts for 10 years in order to be brought out of nonattainment. He reported Yuma is currently very close to the standard and had a violation of the PM_{10} standard in 2000. Mr. Cupell said a review of other state CMAQ processes found that other states suballocate funds in a competitive process, while others suballocate to regions based on a formula similar to the Federal CMAQ allocation process. He discussed emerging issues and trends, including the pending reauthorization and recent 10 year assessment of the CMAQ program. He explained, pending reauthorization, current PM_{10} nonattainment and maintenance areas could be included in the allocation formula and at risk areas could become eligible. He said new standards, including the $PM_{2.5}$ standard, will impact the state on a variety of issues. Mr. Cupell explained TEA-21 built on and strengthened the innovative CMAQ program introduced in ISTEA. He said the program received a 35 percent funding increase in basic authorization levels and funding eligibility was expanded with PM_{10} nonattainment and maintenance areas

explicitly eligible to receive CMAQ funding. He stated funding, projects and conformity were identified as the three highest priority issues by CMAQ TAC members.

In response to Mr. Jeffers's question, Mr. Cupell said, if reauthorization occurs, they will have to address the haze at the Grand Canyon, including whether at least a portion of the haze actually originates in Los Angeles.

Chairperson Radicke asked for examples of projects that successfully reduced particulates. Mr. Cupell cited HOV lanes and road paving projects that drastically reduced dust. Mr. Mendez said MAG has several success stories, especially given the amount of growth that has occurred in the area. Mr. Cupell noted there has not been a violation of the Carbon Monoxide or Ozone standards in the Phoenix nonattainment area since 1995. Chairperson Radicke asked if they see a portion of the funding being spread around the state. Ms. Brisk said they will brief the board once they know more about the reauthorization and how much will be allocated. Chairperson Radicke pointed out the money is reimbursed, stating it would be difficult for smaller communities to come up with the money upfront. Mr. Cupell agreed his concern will need to be addressed when a statewide process is established.

Mr. Mendez asked where the Board would use the funding if a statewide process were established.

Mr. Gant expressed concern that rural areas would have to sacrifice less restricted funds in order to receive the CMAQ funds. Mr. McGee agreed smaller communities could lose some of their less restricted funding. He pointed out the less restricted funding could be used to pay for projects whether CMAQ funds have been allocated or not.

In response to Mr. Schorr's question, Mr. Mendez expressed his opinion that a statewide program would place more constraints on smaller areas.

MAG Regional Transportation Plan Update

Mr. Herzog presented an update to the Board regarding the MAG Regional Transportation Plan. He reported a set of transportation modeling scenarios were distributed on May 22 for a 30-day review by the State Transportation Board, ADOT, Maricopa County, and the Regional Transportation Authority. He said they have since received comments back from the reviewing entities, noting Valley Metro suggested some of the modeling techniques might have understated trends in ridership and that Scenario C went too far with transit. He stated they also felt there was a need for transit to include other infrastructure items, such as Park and Ride lots and local bus service. He said Maricopa County identified a need to provide access between the Loop 101 and Loop 303 and suggested the process consider seeking a gas tax increase to help provide for maintenance. He stated ADOT supported aggressively moving forward with the South Mountain Corridor and considering right-of-way preservation along the Loop 303 to Riggs Road. He said there was also support for the I-10 reliever and the Williams Gateway Parkway as well as right-of-way preservation on the Loop 303 along the New River alignment. He noted funding of express bus and light rail transit also received support, as did arterial funding, quality of life projects and maintenance funding.

Mr. Herzog explained the next step was to develop a hybrid plan that brought together the best features of the alternative scenarios. He said the first draft of the hybrid scenario was presented to the Transportation Policy Committee at its June 18 meeting and a refined scenario was presented to the Committee at its July 2 workshop. He acknowledged that the scenarios included some overprogramming, explaining they wanted the scenarios to be structured in a way that would allow for the greatest number of potential options. He assured the Board, however, the hybrid plan would be fiscally balanced and reflect the needs of different subareas of the region. He said, while transit has to be an important part of the hybrid plan, whether or not a local match should be a requirement for receiving operating contributions is still under discussion. He pointed out revenue and cost estimates are preliminary and will change as they proceed through the process.

Mr. Herzog reviewed the hybrid plan, stating they have a total of $15.1 billion in regional funds, including $8.3 billion in half-cent sales tax revenue, $3.6 billion in ADOT funds, $600 million in Federal Transit Funds, and $300 million in STP monies. He said $66 million in pavement preservation, safety and bridge projects are not detailed in the overall 20 year plan and are not included in the figures. He noted the $8.3 billion in half-cent sales tax revenue excludes potential costs for financing bonds. He said, therefore, they have a total of $15.1 billion in revenue over the 20 year period. He stated the half-cent sales tax revenue component of the hybrid plan provides $4.8 billion or 58 percent for freeways, $800 million or 10 percent for streets, and $3 billion or 32 percent for buses, lightrail and transit. He reviewed a sampling of freeway, arterial and transit projects included in the hybrid plan.

Mr. Herzog stated the MAG Transportation Planning Committee will meet July 16 to look at the next version of the hybrid plan. He explained the goal of that meeting will be to reach concurrence on a hybrid plan He said the approved version of the hybrid will then be sent out for a second 30-day review, noting the MAG Regional Council has to adopt the regional plan for air quality analysis by the end of September He stated on or about January the Legislature will call for the half-cent sales tax election, which is being targeted for May 2004.

Mr. Herzog confirmed for Mr. Jeffers that, at this point, the hybrid plan identifies some money for maintenance. Mr. Jeffers expressed his opinion it would make more sense to connect the South Mountain at the Loop 303. Mr. Herzog explained the nine different connection points originally considered has now been narrowed to three alternatives. He said Mr. Jeffers' suggestion of connecting with the Loop 303 is beyond the study limits and, therefore, has not been analyzed. Chairperson Radicke agreed it would be in the tax payers' best interest to connect the South Mountain to the Loop 303 or Loop 101. Mr. Herzog suggested they schedule a work session, wherein staff can brief the board on the status of the South Mountain alignment study.

The meeting recessed for a short break.

Public Meeting Laws

Mr. Acosta stated the Attorney General's Office set up an Open Meeting Laws enforcement team in response to major violations by other entities. He said his review of the Open Meeting Laws with the Board is intended to help prevent inadvertent violations.

Mr. Acosta stated he was specifically instructed to bring ARS §38-431.09 to the Board's attention, explaining it says the public policy of the state is that meetings of public bodies are to be open as much as possible and, in case of any doubt or question of interpretation, the statute is to be interpreted to require open meetings rather than allow an executive session or otherwise closed forum. He also referred to §38-431, Number 4, stating a meeting means the gathering, in person or through technological devices, of a quorum of members of a public body. He said there has been some discussion in the Attorney General's Office about situations where one person discusses a particular issue with the majority of other members through one-on-one conversations and at what point those individual conversations collectively constitute a meeting. He urged the Board members to avoid situations that could be construed as a violation of the open meeting laws.

Mr. Acosta explained the Board produces an agenda for each meeting and is prohibited from taking legal action on any item not included on the agenda. He spoke of a situation wherein an attorney was instructed during an Executive Session to file an appeal. He explained the appeal was later deemed invalid because the decision to file an appeal was a legal action and should have occurred during the open meeting. He further clarified that, while the Board can instruct staff to research a particular issue brought up during the Call to the Public, it is prohibited from discussing or taking legal action on any item brought forward during the Call to the Public because the subject was not on the agenda.

Mr. Acosta explained Executive Sessions can be called for specific reasons as outlined under §38-431.03, including to discuss or consider legal advice, litigation and negotiations on real estate. He clarified the presence of a lawyer does not automatically make a meeting an Executive Session. He said discussions concerning how to proceed once the Board has received legal advice should be done in the public meeting. He noted there could be times when it is best not to call an Executive Session, but to ask for legal advice during the public meeting where all interested parties are present. He pointed out only those people considered necessary to conduct the Executive Session are allowed to be present.

Mr. Acosta said public access is another area where violations often occur. He explained meetings have to be set up so that people, including those with disabilities, are able to attend. He said, additionally, the public cannot be excluded from a meeting by informal means and cannot be required to identify themselves or their reason for attending the meeting prior to entering the room.

With regard to sanctions, Mr. Acosta said any action taken in violation of the Open Meeting Laws will be ratified in a subsequent meeting. He said the Attorney General or any private citizen affected can bring enforcement action to have the action declared invalid and a penalty assessed. He said a $500 per violation penalty can be assessed, however, if the court finds that

the violation was intentional, the Board member or Board members involved in the violation could be removed from the Board.

In conclusion, Mr. Acosta encouraged the Board members to consider each situation from the standpoint of a citizen or other interested party to determine whether any violations or the appearance of any violations could be found.

The meeting recessed for a short break.

"Draft" Route Transfer Recommendations

Mr. Burnham presented the "Draft" Route Transfer Recommendations to the Board, explaining the study was initially undertaken to clarify and streamline procedures for transfer of state routes to local jurisdictions when they no longer serve a state travel need. He stated the study was conducted with advice from a Technical Advisory Committee consisting of both ADOT staff and representatives of local jurisdictions.

Mark Ford stated most of the comments made during the December 2002 and January 2003 stakeholder meetings revolved around three issues: 1) The process to be followed and the need for assurance that the Transportation Board did not intend to wholesale abandon routes for which cities and counties would become responsible; 2) The financial position of local jurisdictions makes taking on responsibility for new routes a major hardship. For that reason local agencies feel that it would be difficult to transfer many of the named routes; and 3) Issues and questions about specific routes on the preliminary list. As a result of the Route Transfer Study, Mr. Ford stated they are recommending the Board adopt the proposed revised Board Policy on Route Turnbacks and adopt the proposed priority listing of potential transfers and update the list at least every two years. He briefly reviewed the contents of the revised Turnback of State Routes Policy and the Candidate Routes for Transfer/Abandonment. He also identified other recommendations that came out of the study, including: 1) replace the Level of Development designation with System Operational Classification as a tool for determining intended future status and development needs of State Highways; 2) adopt internal procedures to assure that Senior ADOT Management and the Transportation Board are informed of potential route transfers early in negotiations and the benefits and costs to ADOT of making transfers are considered early in the negotiation process; 3) Consider setting aside limited funding during the next update of the 5-year program that would accomplish one or two top priority transfers per year; 4) consider adopting special design and maintenance standards when a through state highway serves local business (as a small town main street) and require local finance of improvements to provide local access or community amenities; 5) adopt a process for consideration of routes that local agencies believe should be transferred to the state system; and a new inventory of frontage roads, maintenance roads and spur routes should be undertaken to clarify their location and future intended use.

Copies of the revised Turnback of State Routes Policy, Candidate Routes for Transfer/Abandonment by Transfer Priority, Recommendations to the Transportation Board and Department of Transportation, and the Summary of Comments from Stakeholders Meetings were submitted for the record.

In response to Mr. Jeffers' question, Mr. Ford clarified the Wickenburg bypass should have been included. Mr. Jeffers asked what the alternative route would be if SR 77 from Milepost 396 to 408.93 were turned back to Navajo County. Mr. Ford explained that particular route was included because of its low volume and the fact that it does not provide continuity to the state system. Mr. Jeffers asked if the state would back off if local entities are not interest in participating. Mr. Ford said a policy should be adopted wherein notice will be served that they will not get anything but minimal improvements that are essential for safety. Mr. Mendez noted a statute is in place that allows the Board to turnback a facility with three or five year's notification.

Mr. Schorr asked about the process by which the Board would receive input from the local jurisdictions. Mr. Ford suggested the Board circulate the list or direct ADOT to circulate the list to the local jurisdictions and solicit their input. He recommended, however, that the Board formally adopt whatever policy goes with the list so that local jurisdictions are clear on what the Board intends to do.

Chairperson Radicke expressed his opinion ADOT should not give up continuity on any of its highways by turning portions of them back to local communities, unless a bypass has been constructed. Ms. Brisk said she believes each highway will have to be considered on an individual basis, noting there have been instances where turnbacks have worked well.

Mr. Jeffers asked if any consideration was given to turning the loops through Maricopa County over to local jurisdictions. Mr. Ford responded no, explaining, by definition, a freeway is under ADOT's jurisdiction. He pointed out the function of a road, not just the traffic on the road, has to be taken into consideration.

Chairperson Radicke asked the Board if they agree with the recommendations being presented or if modifications should be made.

Mr. Jeffers said he has no problems with the recommendations as presented, except in terms of some of the specific routes.

Chairperson Radicke expressed his opinion the point of the process is to determine whether or not there is a better alternative to get from one point to another. He pointed out most of the roads identified as candidates were identified by the local engineers.

Mr. Schorr said it appears the Board feels the policy is headed in the right direction, however, the list of candidates should be further refined.

Mr. Jeffers agreed the policy, as written, could come back for Board action relatively soon.

East Flagstaff Traffic Interchange

Sam Maroufkhani stated the JW Powell DCR was completed in September 2000 and programmed for construction in FY 2005. He reported design is currently at 95 percent and the

project is ready to go to construction. He explained the project will address operational issues by separating the ramps by approximately 500 feet at a cost of approximately $8 million.

With regard to the East Flag TI, Mr. Maroufkhani stated the DCR was completed in July 2002 and will address numerous issues, including, pedestrian and bicycle access, operational deficiencies, merging and access, pedestrian/bicycle and vehicle conflicts, and access to the mall. He said, while $2 million in design funding was put into the program in FY 2006, the city offered a design funding advance and design actually started in March 2003. He said cost figures were updated in June 2003 and a draft IGA was submitted to the city and county on June 30, 2003. Mr. Maroufkhani reviewed maps depicting current conditions and two alternative solutions. He reported Alternative 8A was recommended by ADOT staff, the city, the county and FMPO and negotiations and IGA approval are currently underway. He explained design has to begin soon if construction is to coincide with opening of the mall. He said the IGA asks the city to consider taking back city streets that no longer serve as state routes. He reviewed the timeline for the East Flag TI, stating they hope to complete the design and environmental process by February 2005 and begin construction in May 2005. He noted they hope to submit JW Powell for reprogramming in FY 09. A representative from the City of Scottsdale said made a comment regarding the importance of both TI's to Flagstaff and the county. He said they are concerned about the turnback proposal given their scarce resources, but remain optimistic that options for route transfers can be found that will be acceptable to both ADOT and the City of Flagstaff. He noted the mall project is estimated to return $1.7 million annually in sales tax revenue to the city.

Mr. Jeffers asked about statistics concerning the number of people killed in the area due to the lack of walkways on the railroad. Mr. Maroufkhani was unable to provide statistics concerning the subject area, stating, however, several deaths have occurred throughout their community as a result of the lack of walkways along the railroad.

Mr. Maroufkhani said, in order for construction to coincide with that of the mall, the agreement needs to be finalized within the next month.

Chairperson Radicke expressed concern that $2 million in district minor funds will be dedicated to a single project. Mr. Schorr asked how they will address projects throughout the rest of the district, given the amount of money dedicated to the East Flag TI. Mr. Harper said other projects will have to be delayed until the third year. Chairperson Radicke asked what is the mall developer brining to the table. Mr. Harper said he does not know if the developer has considered a contribution to the TI project, however, they will be responsible for impact assessments determined during the traffic impact analysis.

Ms. Brisk asked if the project would be considered a priority if it were not for the mall. Mr. Harper said the TI project was a priority even before the mall project came along because traffic and pedestrian movements created a hazardous situation.

Chairperson Radicke agreed it is an important project, stating, however, he believes the developer should play a larger role.

Native American Land Ownership and Right-of-Way Process/Reimbursement Review

Mr. Hansen presented an update to the Board regarding the Native American Land Ownership and Right-of-Way Process/Reimbursement Review. He explained there are 21 federally recognized Indian Reservations in Arizona, comprised of approximately 20 million acres of land or 27 percent of the entire state. He stated most of the state's major roads cross reservation land at some point, noting most of the right-of-way for those roadways was acquired during the 1950's and 60's. He reported a current Native Indian population of about 252,000, stating each tribe has unique traditions and operates its own form of government. He stated Indian's view their legal entities as sovereign nations, having both legislative and judicial authority over their lands. He explained ownership of the land is held in a trust by the Federal Government, however, the land can be controlled either by the tribe, by a smaller community of the tribe; or by an individual. He said the state has to negotiate with the controlling entity, the Tribal Council and the Bureau of Indian Affairs when acquiring right-of-way, pointing out the state does not have ultimate authority to condemn Indian reservation land. He explained a Grant of Right-of-Way gives the state the right to build a transportation system on the land for a price. He said appraisal of land on a reservation is considerably more difficult because comparables are not available. Mr. Hansen said, prior to approaching the BIA and tribes, the state has to do an appraisal, create a legal description, create its right-of-way plans, provide construction plans, determine the statement of allotted lands, perform archeological surveys and environmental reports, and file an application. He stated, simultaneously, they begin working with tribal members to obtain support. He said the tribes have no sense of the state's timeline, resulting in a very long process. He explained, once approved by the Tribal Council, a resolution is signed and the state can typically move forward with a scheduled bid. He stated he typically discourages doing anything new on Indian reservations, explaining the state can build unrestricted in the existing rights-of-way.

Mr. Hansen explained the Indian reservations now want the state to go with a lease instead of a grant. He said the state refused to do leases because of the long term nature of the highways being constructed. He stated the reservations also want the state to leave jurisdiction of the roads in their hands. He explained, however, state statutes say the director cannot build a road over which it does not have jurisdiction.

In response to Mr. Lane's question, Mr. Hansen said the Indian reservations have not offered to contribute to roadway maintenance. He commented on the reservations' typical hesitance to offer anything additional unless it directly benefits their community. Mr. Mendez pointed out such hesitancy is present in all communities and agencies. Ms. Brisk pointed out the state has partnered with the BIA on a number of successful projects.

Adjournment

No closing comments were made.

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

The meeting adjourned at 1:25 p.m.

Ingo Radicke, Chairperson
State Transportation Board

Victor Mendez, ADOT Director
Arizona Department of Transportation

MINUTES
OF THE
STATE TRANSPORTATION BOARD MEETING
9:00 A.M., Friday, July 18, 2003
Town of Payson Council Chambers
303 North Beeline Highway
Payson, Arizona 85541

The State Transportation Board met in official session for a regular meeting at 9:00 a.m., Friday, July 18, 2003, with Chairperson Radicke presiding. Other Board members present included: Rusty Gant, Dick Hileman, and Joe Lane. Si Schorr took part in the meeting via telephone. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; Bill Higgins, Acting State Engineer; John McGee, Chief Financial Officer, Administrative Services Division; and Dale Buskirk, Director, Planning Division. There were approximately 60 people in the audience.

OPENING REMARKS AND PLEDGE

Chairperson Radicke led the audience in the Pledge of Allegiance. He thanked the Town of Payson for their hospitality and introduced dignitaries in the audience.

Ron Christensen, Chairman of the Board of Supervisors, thanked the Board and ADOT for the projects in Gila County. He spoke about the importance of continuing improvements on Highway 260 heading east and Highway 87 going north. He suggested they add signage for the Tonto National Bridge.

Chip Davis, Supervisor, Yavapai County, invited the Board to attend the grand opening of the 89A improvements. He reported Yavapai County will have a significant tax increase in response to steps taken by the Legislature. He said they hope breaking the project on SR 260 between Cottonwood and Camp Verde into phases will allow it to start soon. He stated the Montezuma Castle Highway and Mingus Avenue extension ground breakings occurred last week. He complimented ADOT staff for their efforts to appease residents in the Sedona area with regard to the SR 179 project.

Joe Sanchez, Supervisor, Gila County, thanked the Board and ADOT for the projects in Pinal and Gila Counties.

CALL TO AUDIENCE

Mary Anne Moreno, Executive Director, Globe Miami Regional Chamber of Commerce and Economic Development Corporation, thanked the Board for the improvements on US 60 from Florence Junction. She asked that the Board not forget about passing lanes on US 60 between Superior and Miami and that they give special consideration to passing lanes on the down hills. She stated the sidewalk project scheduled for the south side of US 60 between Riggs Road and

188 will finish a project that has significantly improved the aesthetics of their community. She asked the Board to consider widening the railroad trestle on US 60, expressing her opinion it represents a critical safety issue. She said they would also like to extend the four lane highway from Lordsburg into Florence Junction.

Steve Sanders, Gila County Public Works Deputy Director, reiterated the need for passing lanes on US 60 between Superior and Globe. He referred to accident data they recently sent to the Board, noting numerous accidents and fatalities have occurred on that portion of the highway. He said they are looking forward to the widening project on US 70, agreeing with Ms. Moreno that the railroad trestle needs to be widened. He urged the Board to look at funding a DCR to identify an alternative route between Superior, Miami and Globe. He thanked the Board for the pavement preservation projects on US 60 east of Globe.

Robert Ware, Executive Director, Rim County Regional Chamber of Commerce, reiterated the need for larger, more dynamic signage indicating the turnoff for the Tonto National Bridge, stating it is one of the area's major economic drivers. He offered on behalf of the Chamber of Commerce to participate in efforts to install signs through their knowledge, information and ideas.

Robert Caldwell, a resident of Payson, asked for left turn signals at Bonita and the Beeline, stating there have been numerous accidents at that intersection.

Bill Leister, Transportation Director, Central Arizona Association of Governments, distributed copies of the draft final report on the Southeast Maricopa/Northern Pinal County Area Transportation Study. He said PAG would like the Board to consider funding the acquisition of right-of-way along the corridor that runs from North Pinal County to Southeast Maricopa County. He stated a lot of work also needs to be done on US 60, pointing out the Gonzales Pass to Superior portion has not yet been funded.

LaRon Garrett, Payson Engineer, thanked the Board for the projects being done in the area. He asked that the remaining portion of the Highway 260 project be funded to allow for its completion. He stated the improvements on Highway 188 have made travel easier between Payson and Globe and Highway 87 has made it easier to travel between Payson and the valley. He said they have a good relationship with the Prescott District and appreciate their help on various joint projects. He expressed appreciation for the funding ADOT has provided with regard to aeronautic projects. He asked the Board to consider an alternate route around Payson.

Jack Jasper, Payson resident, also asked the Board to consider an alternate route around Payson, expressing his opinion businesses in Payson will suffer from the gridlock created by the ever increasing amount of traffic on Highway 87. He said, however, they should disallow businesses from locating along the alternate route in order to keep businesses inside Payson from being negatively impacted.

Cliff Potts thanked the Board and ADOT staff for the projects undertaken in their area. He urged the Board to consider a loop road that will help facilitate the flow of traffic in Payson.

Jim Winter, a resident of the Town of Payson, expressed his opinion the number of accidents and traffic backups already being experienced are evidence of the need for a bypass route around Payson. He stated traffic will continue to get worse and it will cost considerably more to fix the problem in the future. He said, while there is an argument that the bypass will cause some loss of business, ADOT should look at the greater good and that more people will benefit from the bypass than will be negatively impacted.

Diana Saxton, Payson resident, stated she does not support the concept of a bypass because she believes her business will suffer. She noted other towns have almost died when bypasses were constructed.

DISTRICT ENGINEER REPORT

Tom Foster introduced and thanked key employees in the Maintenance and Construction Departments.

CONSENT AGENDA

No items were removed from the Consent Agenda.

Director's Report

Ms. Brisk stated the Hoover Dam Bypass still needs approximately $100 million, therefore, Arizona and Nevada are both looking at $50 million in GANs, as well as $12.5 million for financing. She said they are also working with the federal government on other federal aid programs. She stated they will provide additional information at the Board's August study session.

Ms. Brisk reported a critical meeting will be held next Tuesday concerning the half-cent sales tax extension. She said she will brief the Board on the outcome of that meeting at its August study session.

Legislative Report

Mr. Biesty updated the Board on legislative issues. He said discussions of the budget continue, noting two budget bills concerning transportation have passed this year, HB 2531 and HB 2532. He explained, in years past, money appropriated to ADOT was divided between the Construction and Operating Budgets. He said HB 2532 effectively took money set aside for 618 employees directly related to projects and diverted the money into the General Operating portion of the budget. He stated they have been discussing the issue with the Legislature, explaining that the diversion is unnecessary and will subject the construction budget to future cuts. He said the Legislature felt it was a bookkeeping issue.

Mr. Mendez reported the Director was able to negotiate a plan that would provide the Legislature with the money they need without having to undergo severe FTE reductions as proposed during a special session last fall. He said the plan has been implemented, however HB 2531 restored $1.5 million and 26 positions to MVD. He stated, consequently, they have to look at all other areas of the Department to make up the $1.5 million. He noted they hope to have the restoration reversed.

Mr. Biesty stated the Joint Legislative Committee on the Maricopa Transportation Plan met July 10 to review and provide input into the hybrid half-cent sales tax extension plan. He said a number of concerns were raised by the Committee members, including the kind of survey questions asked and how they were asked, if and what portion of the tax should be used for maintenance, and under-funded corridors.

Director Mendez stated there appears to be support from various Legislators to go back during the special session and reverse both HB 2531 and HB 2532. He suggested the Board members discuss the issues with the Legislators as well. Mr. Biesty agreed, stating it is important that Legislators realize that the General Fund will not be impacted, therefore the bills will not assist with the state's budget deficit.

A written copy of Mr. Biesty's comments was submitted for the record.

TEA-21 Reauthorization Update

Ms. Colleran reported the House passed its version of the Aviation Reauthorization bill, however, the Senate then struck all of the language and inserted language from its own bill. She said there is now a call for a conference committee between the House and Senate to discuss the differences between the two bills. She reviewed and submitted a side by side comparison of the two bills for the Board's review.

Ms. Colleran updated the Board on the Transportation Reauthorization, stating Congress introduced SAFETEA legislation, S1072 and HR2088. She noted the Senate Commerce, Science and Transportation Committee approved "The Surface Transportation Safety Reauthorization Act of 2003" on June 26. She explained the act has not been assigned a bill number as of yet, however, it contains language concerning the National Highway Traffic Safety Administration, Federal Motor Carrier Safety Administration, Household Goods Mover Oversight Enforcement and Reform, Hazardous Materials Transportation and Recreation Boating Safety. She reported the Senate Environment and Public Works Committee is delaying their markup for reauthorization and the Senate Banking and Finance Committee has not set a date for extending transit and highway taxes. She stated the House Transportation and Infrastructure Committee is finalizing their bill and expect to introduce it at the end of the month, but the House Ways and Means Committee has not released a timeline to introduce a bill.

In response to Chairperson Radicke's question, Mr. Bob Hollis/FHWA, explained a provision in TEA21 prohibits the further flow of funds once TEA 21 expires absent an extension bill that modifies the Revenue Code.

Ms. Colleran stated the House Appropriations Subcommittee for Treasury, Transportation and Independent Agencies did a markup of the FY 2004 Appropriations Bill, setting the highway obligation limit at $34.1 billion. She said the markup also includes $400 million for highway projects, explaining $300 million would be allocated by formula to the states and $100 million would be distributed for member selected projects. She said total transit funding was reduced by approximately $60 million with the cuts occurring in New Starts and the Job Access and Reverse Commute programs. She noted funding for buses was increased by about $120 million. She said Motor Carrier Safety and Total Aviation were also increased by approximately $173 million and $500 million, respectively.

Ms. Colleran reported the House passed the FY 04 appropriations for Homeland Security and the Senate Appropriations Committee approved a measure that will go to the floor shortly. She explained the Homeland Security appropriation includes border security, critical infrastructure, cargo and intercity bus and transit security and aviation security.

Ms. Brisk reported Arizona received over $500,000 to support the agency's homeland security efforts.

A written copy of Ms. Colleran's comments was submitted for the record.

The meeting recessed for a short break.

Financial Report

Mr. McGee reviewed the June 2003 Highway User Revenue Fund report, stating collections totaled $92,229,000, which was 0.2% above the same time period last year, but 3.5 percent below the estimate. He said collections for the year total $1,111,256,000, which is 3.2 percent over last year and 0.3 percent over the forecast. He pointed out every revenue category except Other exceeded last year's collections and all categories except Gas Tax exceeded the forecast. He said ADOT cities and counties actually received $6.5 million less than forecasted because of the $10 million transfer that occurred as part of the General Fund budget balancing process. He stated they are working on their year-end report, which should be available to the Board next month. Mr. McGee stated RARF results are not yet available. He reviewed the Investment Performance Report for May 2003. He said May earnings were rather dismal, with only $629,000 being earned on an average invested balance of $887 million. He explained the low yield is due, at least in part, to a one-time adjustment made to Pools 2 and 3. He noted earnings for the year total $18,186,000, representing an average yield of 2.5 percent. Mr. McGee discussed the June 2003 HELP Fund Cash Status Report, stating the balance as of June 30 totaled $95,866,857.

Financing Program

Mr. McGee stated everything is in place to do the $162 million 2003 GANs issue next week. He explained $24 million will be used to refund the January 2004 maturity of the Board's Series

2000 GANs and $138 million represents new money. He submitted a copy of the Preliminary Official Statement issued previously in conjunction with the issue. Mr. Freund reviewed and submitted a copy of the Pre-Pricing Materials.

Mr. McGee reported they are also looking at another HURF issuance of up to $255 million, $80 million of which would go to fund MAG projects and $175 would go to statewide projects. He said the statewide piece could be downsized as a result of the Legislature not appropriating the VLT funds.

Resolution Authorizing Issuance of Board Funding Obligations, Series 2003

Mr. McGee presented and recommended approval of a Resolution to the Board authorizing issuance of Board Funding obligations, Series 2003, in an amount not to exceed $200 million. He explained the Board currently has $200 million in outstanding Board Funding Obligations which come due at the end of this year. He said, in order to reborrow those monies, the average operating balance of the General Fund has to be a minimum of $800 million over the past 12 months. He said, given the state of the General Fund, there is some concern whether the minimum average balance will be met. He stated, therefore, they are recommending the current BFO's be repaid over the course of the next two to six weeks and that they immediately reborrow the money under the proposed resolution. He explained doing so will ensure the Board has access to the funds, lower the Board's cost of funds, and allow the Board the possibility of resuming the HELP program sooner than otherwise expected.

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

***MINUTES**

March 21, 2003 – Board Meeting Minutes
May 1, 2003 – Study Session Minutes
May 9, 2003 – Board Meeting Minutes
May 28, 2003 – Study Session Minutes

***2003 BOARD MEETING DATES & LOCATIONS**

July 18, 2003	Payson	9:00 a.m.
August 15, 2003	Page	9:00 a.m.
September 19, 2003	Holbrook	9:00 a.m.
October 17, 2003	Wickenburg	9:00 a.m.
November 21, 2003	Parker	9:00 a.m.
December 19, 2003	Globe	9:00 a.m.

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

FY 2004 - 2008 Transportation Facilities Construction Program Requested Modifications

FY 2003 Right of Way Reprogramming

Mr. Buskirk presented a request to reprogram projects from FY 2003. A listing of the projects was included in the Board's packet.

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

COUNTY:	Statewide
SCHEDULE:	FY 2004
SECTION:	Statewide Port of Entry
TYPE OF WORK:	Operational support / Capital purchases
PROGRAM AMOUNT:	$1,500,000
PROJECT MANAGER:	Debra Brisk / John Nichols
PROJECT:	Item Number; 74204
REQUESTED ACTION:	Increase program amount by $70,000 to $1,570,000. **Funds available from FY 2004 Highway Contingency fund #72304.**
PROGRAM AMOUNT:	$1,500,000
INCREASE AMOUNT:	$70,000
NEW PROGRAM AMOUNT:	$1,570,000

COUNTY:	Statewide
SCHEDULE:	FY 2004
SECTION:	Statewide Rest Area Rehabilitation
TYPE OF WORK:	Statewide rest area rehabilitation and emergency repair.
PROGRAM AMOUNT:	$400,000
PROJECT MANAGER:	Debra Brisk / John Nichols
PROJECT:	Item Number; 73404
REQUESTED ACTION:	Increase program amount by $210,000 to $710,000. **Funds available from FY 2004 Highway Contingency fund #72304.**
PROGRAM AMOUNT:	$500,000
INCREASE AMOUNT:	$210,000
NEW PROGRAM AMOUNT:	$710,000

Board Action: A motion to approve Items 11 and 12 was made by Mr. Gant, seconded by Mr. Hileman and passed unanimously.

COUNTY:	Statewide
SCHEDULE:	FY 2004 New Project Request
SECTION:	U of A / Atlas ITS – Phase V
TYPE OF WORK:	Research
PROJECT MANAGER:	Steve Owen
REQUESTED ACTION:	Add a new research project in the amount of $827,318 to the FY 2004 Highway Construction Program. University of Arizona will administer research project. **See funding sources below.**

FHWA Research Grant	$413,659
University of Arizona (Match)	$413,659
NEW PROGRAM AMOUNT:	$827,318

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

ROUTE NO:	SR 89 A @ MP 374.20
COUNTY:	Coconino
SCHEDULE:	FY 2004 New Project Request
SECTION:	Uptown Sedona
TYPE OF WORK:	Sidewalk construction / Turnback
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Jim Confer
PROJECT:	H569401C JPA 02-132
REQUESTED ACTION:	Add a new turnback project in the amount of $1,741,350 to the FY 2004 Highway Construction Program. **See funding sources below.**

2004 Highway Contingency fund #72304	$825,000
FY 2004 District Minor Fund #73304	$916,350
NEW PROGRAM AMOUNT:	$1,741,350

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

ROUTE NO:	US 93 @ MP 138.00
COUNTY:	Mohave
SCHEDULE:	FY 2004
SECTION:	Burro Creek - Lava Rock Section
TYPE OF WORK:	Construct roadway
PROGRAM AMOUNT:	$19,000,000
PROJECT MANAGER:	Larry Doescher
PROJECT:	H549401C Item Number; 10903
REQUESTED ACTION:	Delete project from the FY 2004 Highway Construction Program. Project scope and funding to

be combined with US 93 Burro Creek Section. **Funds to the FY 2004 Highway Contingency Fund #72304.**

ROUTE NO:	US 93 @ MP 138.00
COUNTY:	Mohave
SCHEDULE:	FY 2004
SECTION:	Burro Creek Section
TYPE OF WORK:	Construct bridge
PROGRAM AMOUNT:	$12,500,000
PROJECT MANAGER:	Larry Doescher
PROJECT:	H549401C Item Number; 11003
REQUESTED ACTION:	Increase program amount by $19,000,000 to $31,500,000. Project combined with Burro Creek - Lava Rock Section roadway construction project. **Funds available from the FY 2004 Highway Contingency Fund #72304.**
PROGRAM AMOUNT:	$12,500,000
INCREASE AMOUNT:	$19,000,000
NEW PROGRAM AMOUNT:	$31,500,000

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

ROUTE NO:	SR 82 @ MP 51.60
COUNTY:	Cochise
SCHEDULE:	FY 2004
SECTION:	SR 90 - SR 80
TYPE OF WORK:	Pavement preservation, culvert extensions
PROGRAM AMOUNT:	$2,296,000
PROJECT MANAGER:	Andrew H. Schellhammer
PROJECT:	H556301C Item Number; 20003
REQUESTED ACTION:	Increase program amount by $800,000 to $3,096,000 due to updated quantity and unit cost. **Funds available from the FY 2004 Pavement Preservation Fund # 72504.**
PROGRAM AMOUNT:	$2,296,000
INCREASE AMOUNT:	$800,000
NEW PROGRAM AMOUNT:	$3,096,000

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

ROUTE NO:	Various
COUNTY:	Coconino
SCHEDULE:	FY 2004 - New Project Request
SECTION:	US 89 @ SR 64; US 89 @ US 160; SR 64 @ US 180
TYPE OF WORK:	Intersection lighting
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Bashir Hassan
PROJECT:	HX12401C
REQUESTED ACTION:	Add a new intersection lighting project to the FY 2004 Highway Construction Program in the amount of $270,000. **Funds available from the FY 2004 Traffic Engineering Fund #71204.**
NEW PROGRAM AMOUNT:	$270,000

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

ROUTE NO:	SR 101L @ MP 48.03
COUNTY:	Maricopa
SCHEDULE:	FY 2004 - New Project Request
SECTION:	McKellips - Thomas Road
TYPE OF WORK:	Construct auxillary lanes
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Bill Evans
PROJECT:	H604401C
REQUESTED ACTION:	Add a new district minor project in the amount of $1,200,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 District Minor Fund #73304.**
NEW PROGRAM AMOUNT:	$1,200,000

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

ROUTE NO:	I-40 @ MP 52.00
COUNTY:	Mohave
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Mohave Wash Pathway
TYPE OF WORK:	Construct multi-use pathway
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Bob Gasser
PROJECT:	H551901C JPA 01-185

REQUESTED ACTION: Add a new enhancement project in the amount of $520,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 Statewide Enhancement Fund #75304.**

NEW PROGRAM AMOUNT: $520,000

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

ROUTE NO:	SR 387 @ MP 1.80
COUNTY:	Pinal
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Pinal Ave, O'Neil – Kortsen
TYPE OF WORK:	Construct landscaping
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Bob Gasser
PROJECT:	H569801C JPA 02-140
REQUESTED ACTION:	Add a new enhancement project in the amount of $130,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 Statewide Enhancement fund #75304.**

NEW PROGRAM AMOUNT: $130,000

ROUTE NO:	SR 387 @ MP 5.00
COUNTY:	Pinal
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Pinal Ave, Airport Road - Val Vista Blvd.
TYPE OF WORK:	Construct median landscaping
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Bob Gasser
PROJECT:	H618201C JPA 02-140
REQUESTED ACTION:	Add a new enhancement project in the amount of $138,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 Statewide Enhancement fund #75304.**

NEW PROGRAM AMOUNT: $138,000

Board Action: A motion to approve Items 21 and 22 was made by Mr. Gant, seconded by Mr. Lane and passed unanimously.

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 new parallel roadway

PROGRAM AMOUNT:	$12,634,000
PROJECT MANAGER:	Bob Mickelson
PROJECT:	H503703C Item Number; 18703
REQUESTED ACTION:	Increase program amount by $405,700 to $13,039,700 due to the addition of safety items. **Funds available from the FY 2004 Title II Safety Fund #72804.**
PROGRAM AMOUNT:	$12,634,000
INCREASE AMOUNT:	$405,700
NEW PROGRAM AMOUNT:	$13,039,700

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

ROUTE NO:	SR 85 @ MP 42.00
COUNTY:	Pima
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Ajo Sidewalks
TYPE OF WORK:	Construct pedestrian sidewalks
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER.	Bruce Cannon
PROJECT:	H569601C JPA 02-145
REQUESTED ACTION:	Add a new enhancement project in the amount of $320,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 Statewide Enhancement Fund #75304.**
NEW PROGRAM AMOUNT:	$320,000

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

ROUTE NO:	SR 86 @ MP 113.86
COUNTY:	Pima
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Sells Wash Pedestrian Bridge
TYPE OF WORK:	Construct pedestrian bridge
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Bruce Cannon
PROJECT:	H624401C
REQUESTED ACTION:	Add a new enhancement project in the amount of $354,000 to the FY 2004 Highway Construction Program. No JPA, ADOT to maintain. **Funds available from the FY 2004 Statewide Enhancement Fund #75304.**
NEW PROGRAM AMOUNT:	$354,000

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

ROUTE NO:	SR 77 @ MP 77.00
COUNTY:	Pima
SCHEDULE:	FY 2005
SECTION:	Calle Concordia – Tangerine Road
TYPE OF WORK:	Construct roadway widening
PROGRAM AMOUNT:	$7,000,000 Funding Source: STP/2.6%
PROJECT MANAGER:	Bruce Purrier
PROJECT:	H545901C Item Number; 11505
REQUESTED ACTION:	Increase program amount by $2,000,000 to $9,000,000. **Funds available from the FY 2005 PAG 2.6% allocation.**
PROGRAM AMOUNT:	$7,000,000
INCREASE AMOUNT:	$2,000,000
NEW PROGRAM AMOUNT:	$9,000,000

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

ROUTE NO:	SR 83 @ MP 36.17
COUNTY:	Pima
SCHEDULE:	FY 2004
SECTION:	SR 82 - MP 45.9
TYPE OF WORK:	Eliminate and upgrade guardrail
PROGRAM AMOUNT:	$980,000 Funding Source: State
PROJECT MANAGER:	Bruce Purrier
PROJECT:	H450902C Item Number; 16904
REQUESTED ACTION:	Increase program amount by $365,000 to $1,345,000 due to quantity and unit cost updates. Change project section name to MP 36.25 – MP 40.18. **Funds available from the FY 2004 District Minor Fund #73304.**
PROGRAM AMOUNT:	$980,000
INCREASE AMOUNT:	$365,000
NEW PROGRAM AMOUNT:	$1,345,000

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

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ROUTE NO:	SR 83 @ MP 40.18
COUNTY:	Pima
SCHEDULE:	FY 2004 - New Project Request
SECTION:	MP 40.18 - MP 45.11
TYPE OF WORK:	Eliminate and upgrade guardrail
PROGRAM AMOUNT:	New Project Rquest
PROJECT MANAGER:	Bruce Purrier
PROJECT:	H450903C
REQUESTED ACTION:	Add a new district minor project in the amount of $1,395,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 District Minor Fund #73304.**
NEW PROGRAM AMOUNT:	$1,395,000

ROUTE NO:	SR 87 @ MP 217.20
COUNTY:	Maricopa
SCHEDULE:	FY 2004 - New Project Request
SECTION:	MP 217.2
TYPE OF WORK:	Pavement preservation
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	David Harmon
PROJECT:	H625801C
REQUESTED ACTION:	Add a new district minor project in the amount of $85,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 District Minor Fund #73304.**
NEW PROGRAM AMOUNT:	$85,000

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

ROUTE NO:	I-40 @ MP 235.00
COUNTY:	Coconino
SCHEDULE:	FY 2004
SECTION:	Meteor Crater Rest Area
TYPE OF WORK:	Construct rest area
PROGRAM AMOUNT:	$5,300,000
PROJECT MANAGER:	Debra Einwick
PROJECT:	H210701C Item Number; 10402
REQUESTED ACTION:	Increase program amount by $500,000 to $5,800,000 for replacement of damaged pond liners and general cost increases. **Funds available from the FY 2004 Highway Contingency Fund #72304.**
PROGRAM AMOUNT:	$5,300,000
INCREASE AMOUNT:	$500,000
NEW PROGRAM AMOUNT:	$5,800,000

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

ROUTE NO:	US 160 @ MP 416.00
COUNTY:	Apache
SCHEDULE:	FY 2004
SECTION:	Dennehotso – Linz
TYPE OF WORK:	Pavement Preservation
PROGRAM AMOUNT:	$1,401,000
PROJECT MANAGER:	James Reeves
PROJECT:	H585601C Item Number; 19204
REQUESTED ACTION:	Increase program amount by $203,000 to $1,604,000 due to the scope addition of a culvert extension and new guardrail. **See funding sources below.**

PROGRAM AMOUNT:	$1,401,000
INCREASE AMOUNT:	$203,000
FY 2004 Title II Safety Fund #72804	$55,000
FY 2004 District Minor Fund #73304	$119,000
FY 2004 Pavement Preservation Fund #72504	$29,000
NEW PROGRAM AMOUNT:	$1,604,000

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

ROUTE NO:	I-40 @ MP 311.00
COUNTY:	Apache
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Painted Desert TI – McCarrell
TYPE OF WORK:	Construct right of way fencing
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Jennifer Livingston
PROJECT:	H610901C
REQUESTED ACTION:	Add a new district minor project in the amount of $625,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 District Minor Fund #73304.**
NEW PROGRAM AMOUNT:	$625,000

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

ROUTE NO:	SR 8B @ MP 120.20
COUNTY:	Maricopa
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Gillespie Canal Bridge #465
TYPE OF WORK:	Bridge rehabilitation
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Larry Altuna
PROJECT:	H596501C
REQUESTED ACTION:	Add a new bridge rehabilitation project in the amount of $60,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 Bridge Inspection Fund #71404.**
NEW PROGRAM AMOUNT:	$60,000

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

ROUTE NO:	I-19 @ MP 43.00
COUNTY:	Pima
SCHEDULE:	FY 2004
SECTION:	Duval Mine Road TI
TYPE OF WORK:	Reconstruct TI
PROGRAM AMOUNT:	$9,700,000 Funding Source: PAG 2.6%/STP
PROJECT MANAGER:	Larry Maucher
PROJECT:	H510401C Item Number; 16704
REQUESTED ACTION:	Increase program amount by $3,800,000 to $13,500,000 due to cost estimate based on Design Concept Report. **Funds available from the FY 2004 PAG 2.6%.**
PROGRAM AMOUNT:	$9,700,000
INCREASE AMOUNT:	$3,800,000
NEW PROGRAM AMOUNT:	$13,500,000

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

ROUTE NO:	US 60 @ MP 340.77
COUNTY:	Navajo
SCHEDULE:	FY 2004 - New Project Request
SECTION:	McNeil Street (Show Low)
TYPE OF WORK:	Revamp traffic signal
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Tammy Mivshek
PROJECT:	HX13901C
REQUESTED ACTION:	Add a new traffic signal project in the amount of

$120,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 Traffic Engineering Fund #71204.**

NEW PROGRAM AMOUNT: $120,000

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

ROUTE NO:	SR 99 @ MP 38.90
COUNTY:	Navajo
SCHEDULE:	FY 2005 - New Project Request
SECTION:	Jacks Canyon Bridge #1036
TYPE OF WORK:	Deck Rehabilitation
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Mohammed Baki
REQUESTED ACTION:	Add a new deck rehabilitation project in the amount of $650,000 to the FY 2005 Highway Construction Program. **Funds available from the FY 2004 Highway Contingency Fund #72304.**

NEW PROGRAM AMOUNT: $650,000

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

ROUTE NO:	SR 40B @ MP 287.00
COUNTY:	Navajo
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Florida Street, Holbrook
TYPE OF WORK:	Install traffic signal
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Richard Moeur
PROJECT:	HX08001C JPA 99-53
REQUESTED ACTION:	Add a new traffic signal project in the amount of $265,000 to the FY 2004 Highway Construction Program. **See Funding Sources Below.**

FY 2004 Traffic Engineering Fund #71204	$132,500
City of Holbrook JPA 99-53	$132,500
NEW PROGRAM AMOUNT:	$265,000

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

ROUTE NO:	SR 8B @ MP 3.00
COUNTY:	Yuma
SCHEDULE:	FY 2004 - New Project Request
SECTION:	4th Avenue (B8) @ 24th Street
TYPE OF WORK:	Construct right turn lane
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Richard Weeks
PROJECT:	H593301C
REQUESTED ACTION:	Add a new safety project in the amount of $196,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 Title II Safety #72804.**
NEW PROGRAM AMOUNT:	$196,000

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

ROUTE NO:	Various
COUNTY:	South East Region
SCHEDULE:	FY 2004 - New Project Request
SECTION:	South East Region
TYPE OF WORK:	Intall continuous rumble strip
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Richard Weeks
PROJECT:	H598001C
REQUESTED ACTION:	Add a new safety project in the amount of $209,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 Title II Safety #72804.**
NEW PROGRAM AMOUNT:	$209,000

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

ROUTE NO:	US 191 @ MP 167.10
COUNTY:	Greenlee
SCHEDULE:	FY 2004
SECTION:	Morenci - Mine Plant Entrance
TYPE OF WORK:	Overlay and widen shoulders
PROGRAM AMOUNT:	$2,300,000 Funding Source: STP
PROJECT MANAGER:	Robert Mickelson
PROJECT:	H460201C Item Number; 13304
REQUESTED ACTION:	Defer project from FY 2004 to FY 2005 to better coordinate with other projects in the area.

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

ROUTE NO:	SR 95 @ MP 237.30
COUNTY:	Mohave
SCHEDULE:	FY 2004 - New Project Request
SECTION:	El Rodeo Road
TYPE OF WORK:	Install new traffic signal
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Said Asad
PROJECT:	HX10001C
REQUESTED ACTION:	Add a new traffic signal project in the amount of $150,000 to the FY 2004 Highway Construction Program. **See funding sources below.**

FY 2004 Traffic Engineering Fund #71204	$100,000
Mohave County JPA 03-022	$50,000
NEW PROGRAM AMOUNT:	$150,000

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

ROUTE NO:	SR 989 Tangerine Road
COUNTY:	Pima
SCHEDULE:	FY 2003
SECTION:	Oracle Road - First Ave
TYPE OF WORK:	Design roadway widening
PROGRAM AMOUNT:	$550,000 Funding; PAG 2.6%
PROJECT MANAGER:	Shafi Hasan
PROJECT:	H616001D Item Number; 29502
REQUESTED ACTION:	Delete project from the FY 2003 Highway Construction Program. Design will be completed with on-call consultants. **Funds return to FY 2005 Highway Contingency Fund #72305.**

ROUTE NO:	SR 989 Tangerine Road
COUNTY:	Pima
SCHEDULE:	FY 2005
SECTION:	Oracle Road - First Ave
TYPE OF WORK:	Contruct roadway widening
PROGRAM AMOUNT:	$5,500,000 Funding; PAG 2.6%
PROJECT MANAGER:	Shafi Hasan
PROJECT:	H616001C Item Number; 15005
REQUESTED ACTION:	Increase program amount by $3,550,000 to $9,050,000. **See funding sources below.**
PROGRAM AMOUNT:	$5,500,000

INCREASE AMOUNT:	$3,550,000
FY 2005 PAG 2.6% Fund	$3,000,000
FY 2005 Highway Contingency #72305 (PAG 2.6%)	$550,000
NEW PROGRAM AMOUNT:	$9,050,000

Board Action: A motion to approve Items 42 and 43 was made by Mr. Schorr, seconded by Mr. Gant and passed unanimously.

ROUTE NO:	SR 85 @ MP 134.10
COUNTY:	Maricopa
SCHEDULE:	FY 2004
SECTION:	Cosmo - Gila River
TYPE OF WORK:	Pavement Preservation
PROGRAM AMOUNT:	$864,000
PROJECT MANAGER:	Shajed Haque
PROJECT:	H629601C Item Number; 18604
REQUESTED ACTION:	Delete project from the FY 2004 Highway Construction Program. **Funds return to the FY 2004 Pavement Preservation Fund #72504.**

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

ROUTE NO:	SR 84 @ MP 155.20
COUNTY:	Pinal
SCHEDULE:	FY 2004
SECTION:	Jct. I-8 - Stanfield Road
TYPE OF WORK:	Pavement Preservation
PROGRAM AMOUNT:	$4,429,000
PROJECT MANAGER:	Steve Mishler
PROJECT:	H585301C Item Number; 18404
REQUESTED ACTION:	Reduce program amount by $629,000 to $3,800,000. **Return funds in the amount of $1,051,000 to the FY 2004 Pavement Preservation Fund #72504. Additional funds in the amount of $422,000 are available from FY 2004 Title II Safety Fund #72804. The net cost reduction is $629,000.**

PROGRAM AMOUNT:	$4,429,000
DECREASE AMOUNT:	$629,000
NEW PROGRAM AMOUNT:	$3,800,000

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

ROUTE NO:	SR 287 @ MP 116.00
COUNTY:	Pinal
SCHEDULE:	FY 2004
SECTION:	Jct. I-10 - 11 Mile Corner
TYPE OF WORK:	Pavement preservation
PROGRAM AMOUNT:	$1,632,000 Funding Source: STP
PROJECT MANAGER:	Steve Mishler
PROJECT:	H586201C Item Number; 19604
REQUESTED ACTION:	Increase program amount by $370,000 to $2,002,000. Project was initially under funded. **Funds available from FY 2004 Pavement Preservation Fund # 72504.**
PROGRAM AMOUNT:	$1,632,000
INCREASE AMOUNT:	$370,000
NEW PROGRAM AMOUNT:	$2,002,000

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

ROUTE NO:	I-40 @ MP 185.00
COUNTY:	Coconino
SCHEDULE:	FY 2004
SECTION:	Bellemont – Winslow
TYPE OF WORK:	Sign rehabilitation
PROGRAM AMOUNT:	$1,564,000
PROJECT MANAGER:	Talal Kamal
PROJECT:	H578001C Item Number; 11204
REQUESTED ACTION:	Increase program amount by $508,000 to $2,072,000 due to items not included in original cost estimate **Funds available from the FY 2004 Highway Contingency Fund #72304.**
PROGRAM AMOUNT:	$1,564,000
INCREASE AMOUNT:	$508,000
NEW PROGRAM AMOUNT:	$2,072,000

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

ROUTE NO:	US 60 @ MP 366.00
COUNTY:	Apache
SCHEDULE:	FY 2005
SECTION:	Cerro Montosa – Summit
TYPE OF WORK:	Construct climbing lane
PROGRAM AMOUNT:	$1,800,000

PROJECT MANAGER:	Vicki Bever
PROJECT:	H355201C Item Number; 12004
REQUESTED ACTION:	Advance project from FY 2005 to FY 2004. Design is at stage IV and project will be ready to advertise in FY 2004.

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

ROUTE NO:	US 70 @ MP 251.70
COUNTY:	Gila
SCHEDULE:	FY 2004
SECTION:	McMillen Wash - Jct. SR 77
TYPE OF WORK:	Reconstruct roadway
PROGRAM AMOUNT:	$6,670,000 JPA Pending
PROJECT MANAGER:	Vicki Bever
PROJECT:	H591601C Item Number; 17904
REQUESTED ACTION:	Increase program amount by $200,000 to $6,870,000 due to request from Globe School Facilities Board. **Funds to be provided by the Globe School Facilities Board.**
PROGRAM AMOUNT:	$6,670,000
INCREASE AMOUNT:	$200,000
NEW PROGRAM AMOUNT:	$6,870,000

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

SUB PROGRAM	ITD Engineering Developement
COUNTY:	Statewide
SCHEDULE:	FY 2004
TYPE OF WORK:	Engineering Development
PROGRAM AMOUNT:	$2,000,000
PROJECT MANAGER:	Michael Andazola
PROJECT:	Item Number; 70704
REQUESTED ACTION:	Transfer $700,000 to the FY 2004 Highway Contingency Fund #72304. Funds have already been applied to the SR 170, Jct. US 70 to San Carlos Item #12003.

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

* Priority Planning Advisory Committee (PPAC)

- Minutes – June 10, 2003
- Highway Program Monitoring Report.

* Next regular scheduled meetings of the Priority Planning Advisory Committee (PPAC). Times and dates of meetings are subject to change and will be announced at time of Priority Planning Advisory Committee (PPAC) agenda distribution.

- July 31, 2003
- September 4, 2003
- October 2, 2003
- November 6, 2003
- December 4, 2003

Dates subject to change

RIGHT OF WAY RESOLUTIONS

*	RES. NO:	2003-07-A-039
	PROJECT:	NH-10-4(141) / 010PM257H318801R
	HIGHWAY:	CASA GRANDE - TUCSON
	SECTION:	Speedway Blvd. – Congress St. (Williams St.)
	ROUTE NO.:	Interstate Route 10
	ENG. DIST:	T
	COUNTY:	Pima
	PARCEL:	D-T-042
	RECOMMENDATION:	Disposal by abandonment to the City of Tucson
*	RES. NO:	2003-07-A-040
	PROJECT:	600-0-701/101LMA002H081103R 600-0-702/101LMA007H080703R
	HIGHWAY:	AGUA FRIA FREEWAY
	SECTION:	Jct. I-10 – Glendale Avenue Glendale Avenue – Jct. U.S. 60
	ROUTE NO.:	State Route 101 Loop
	ENG. DIST:	M
	COUNTY:	Maricopa
	PARCEL:	D-M-272-B
	RECOMMENDATION:	Disposal by abandonment to Maricopa County

*	RES. NO:	2003-07-A-041
	PROJECT:	F-053-2-819 / 260GI260H316901R
	HIGHWAY:	PAYSON – SHOW LOW
	SECTION:	Preacher Canyon
	ROUTE NO.:	State Route 260
	ENG. DIST:	P
	COUNTY:	Gila
	PARCEL:	4-482
	RECOMMENDATION:	Amendment of Resolution 2002-12-A-67 to acquire a maintenance access easement
*	RES. NO:	2003-07-A-042
	PROJECT:	S-077-A-802 / 077PM068H643601R
	HIGHWAY:	TUCSON-ORACLE JCT.-GLOBE
	SECTION:	I-10 – North Oracle Road
	ROUTE NO.:	State Route 77
	ENG. DIST:	T
	COUNTY:	Pima
	RECOMMENDATION:	Establish additional right of way as a state route and state highway for improvements, and enhancements of curbs, gutters, sidewalks and ADA ramps
*	RES. NO:	2003-07-A-044
	PROJECT:	U-191-D-701 / 191AP355H541201R
	HIGHWAY:	ST. JOHNS - SANDERS
	SECTION:	Morgan Canyon Wash
	ROUTE NO.:	U.S. Route 191
	ENG. DIST:	H
	COUNTY:	Apache
	RECOMMENDATION:	Establish additional right of way as a state route and state highway for improvements
*	RES. NO:	2003-07-A-045
	PROJECT:	I-C10-B-801 / 010MA120H544901R
	HIGHWAY:	EHRENBERG - PHOENIX
	SECTION:	Verrado Way T.I.
	ROUTE NO.:	Interstate Route 10
	ENG. DIST:	M
	COUNTY:	Maricopa
	RECOMMENDATION:	Establish additional right of way as a state route and state highway for traffic interchange improvements

*	RES. NO:	2003-07-A-046
	PROJECT:	I-017-A-701 / 017MA224H516101R
	HIGHWAY:	PHOENIX – CORDES JCT.
	SECTION:	Carefree Highway T.I.
	ROUTE NO.:	Interstate Route 17
	ENG. DIST:	M
	COUNTY:	Maricopa
	RECOMMENDATION:	Establish additional right of way as a state route for traffic interchange improvements

*	RES. NO:	2003-07-A-047
	PROJECT:	U-191-B-802 / 191GH087H503701R
	HIGHWAY:	WILLCOX - SAFFORD
	SECTION:	I-10 – S.R. 266
	ROUTE NO.:	U.S. Route 191
	ENG. DIST:	S
	COUNTY:	Cochise / Graham
	RECOMMENDATION:	Establish additional right of way as a state route and state highway due to design change for widening improvements to Segments I & IV

STATE ENGINEER'S REPORT

* Report on construction and projects completed in June, 2003.

* Right of Way Acquisition Report for June, 2003.

CONSTRUCTION CONTRACTS

Interstate, Non-Federal Aid

BIDS OPENED:	July 3	
HIGHWAY:	MESQUITE-LITTLEFIELD-NORTH HIGHWAY (I-15)	
SECTION:	Virgin River Bridges #4, #5 & #6	
COUNTY:	Mohave	
ROUTE NO:	I-15	
PROJECT:	I-015-A-501 015 MO 014 H602901C	
FUNDING:	100% State	
LOW BIDDER:	Coffman Specialties, Inc.	
AMOUNT:	$	1,537,555.00
STATE ESTIMATE:	$	2,013,969.50
$ UNDER:	$	476,414.50
% UNDER:		23.7%
NO. BIDDERS:		5
RECOMMENDATION:	AWARD	

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

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

*	BIDS OPENED:	July 3
	HIGHWAY:	WHY-TUCSON HIGHWAY (SR 86)
	SECTION:	West of Sells (San Luis Wash)
	COUNTY:	Pima
	ROUTE NO:	SR 86
	PROJECT:	STP-086-A(005)A 086 PM 100 H451001C
	FUNDING:	94% Federal 6% State
	LOW BIDDER:	Granite Construction Company
	AMOUNT:	$ 1,465,136.00
	STATE ESTIMATE:	$ 1,593,339.00
	$ UNDER :	$ 128,203.00
	% UNDER:	8.1%
	NO. BIDDERS:	7
	RECOMMENDATION:	AWARD

*	BIDS OPENED:	June 19
	HIGHWAY:	CITY OF GLENDALE
	SECTION:	67th Avenue & Bethany Home Road
	COUNTY:	Maricopa
	ROUTE NO:	N/A
	PROJECT:	STP-GLN-0(015)A 0000 MA GLN SH27801C
	FUNDING:	43% Federal 57% City of Glendale
	LOW BIDDER:	Nesbitt Contracting Co., Inc.
	AMOUNT:	$ 753,346.00
	STATE ESTIMATE:	$ 690,575.00
	$ OVER:	$ 62,771.00
	% OVER:	9.1%
	NO. BIDDERS:	8
	RECOMMENDATION:	AWARD

*ITEM XX:	BIDS OPENED: June 5
HIGHWAY:	CITY OF GLENDALE
SECTION:	59th Ave, Camelback Road - Union Hills Drive
SECTION:	Glendale Ave, 43rd Avenue -99th Avenue
COUNTY:	Maricopa
ROUTE NO:	N/A

PROJECT:	CM-GLN-0(019)A 0000 MA GLN SS49301C	
	CM-GLN-0(020)A 0000 MA GLN SS49401C	
FUNDING:	70% Federal 30% City of Glendale	
LOW BIDDER:	Trans Tech Electric, L.P.	
AMOUNT:	$	1,522,107.50
STATE ESTIMATE:	$	1,567,718.75
$ UNDER: LOW BID	$	45,611.25
% UNDER: LOW BID		2.9%
SECOND BIDDER:	Han Mar Energy, Inc.	
AMOUNT:	$	1,639,493.50
STATE ESTIMATE:	$	1,567,718.75
$ OVER: SECOND BID:		71,774.75
$ OVER: SECOND BID:		4.6%
NO. BIDDERS:		4

RECOMMENDATION: REJECT TRANS TECH ELECTRIC'S BID
AWARD TO HAN MAR ENERGY

COMMENTS:

Action on this project was postponed from the June 20, 2003 Transportation Board Meeting.

On June 5, 2003 bids were opened on the above referenced contract. At the bid opening Trans Tech Electric was read as the apparent low bidder with a bid of $1,522,107.50. The second low bidder was Han Mar Energy with a bid of $1,639,493.50 In accordance with the specifications, Trans Tech Electric was required to submit its completed Disadvantaged Business Enterprise affidavit to the Department's Civil Rights Office on or before 4:00 PM Thursday June 12, 2003.

At approximately 3:00 PM on June 12, 2003 Trans Tech Electric submitted an affidavit. The affidavit included the firm Phoenix Highway Products which has not been certified as a DBE with ADOT since July 1, 2002. The specifications require the use of firms which are certified at least five days prior to the bid opening.

The Civil Rights Office received a revised affidavit submittal from Trans Tech Electric. While there is a dispute as to when the affidavit was received, the Department will accept the affidavit as timely.

The revised affidavit indicated that Trans Tech Electric had met the DBE goal of 7 percent established for this contract. However, when checked, it did not meet the 7 percent DBE goal. The special provisions of the contract state, "DBE credit for any individual item of work performed by

the DBE shall be the lesser of the amount quoted by the DBE or the prime contractor's bid price." After analysis, the amount that can be credited toward meeting the goal is only 5.27 percent.

Below are the items and the amount that is allowable toward the DBE goals:

Bid Item	DBE Affidavit	Trans Tech Bid	Credited Amount
7320770	7,349.40	15,207.50	7,349.40
7320788	40,016.80	172,401.25	40,016.80
7320794	22,608.15	36,750.00	22,608.15
7370422	17,000.00	1,800.00	1,800.00
9240120	7,500.00	1,000.00	1,000.00
9240135	28,560.00	7,500.00	7,500.00
	123,034.35		80,274.35

Trans Tech Electric's Bid	1,522,107.50
Creditable DBE participation	5.27%
DBE Goal established for project	7.00%

Subsection 102.10 (B) (5) Irregular Bids of the Standard Specifications states that proposals will be considered irregular and will be rejected if the bidder fails to meet the required goal for Disadvantaged Business Enterprises (DBE) established in the Special Provisions or show good faith effort as determined by the Department.

Trans Tech Electric claims that the DBE Affidavit is a matter of responsibility rather than responsiveness. This distinction does not eliminate the Department's right to impose a reasonable deadline for the DBE affidavit. The revised DBE affidavit shows that Trans Tech Electric failed to meet the goal. Therefore, the specifications require the bid to be rejected.

Since Trans Tech Electric's DBE affidavit submittal did not meet the established goal, the State Engineer recommends rejecting Trans Tech Electric's bid and awarding the contract to the second low bidder, Han Mar Energy, whose submittal met all of the contract requirements.

Board Action: A motion to approve the above recommendation was made by Mr. Hileman, seconded by Mr. Gant and passed unanimously (Si Schorr recused himself from voting).

Non-Interstate, Non-Federal Aid

BIDS OPENED:	June 19	
HIGHWAY:	WICKENBURG-PHOENIX HIGHWAY (US 60) HOHOKAM EXPRESSWAY (SR 143)	
SECTION:	Grand Avenue (New River – 107th Avenue) Van Buren and SR 143	
COUNTY:	Maricopa	
ROUTE NO:	US 60, SR 143	
PROJECT:	U-060-B-512 060 MA 147 H607601C S-143-A-500 143 MA 002 H612101C	
FUNDING:	100% State	
LOW BIDDER:	Recon, Inc.	
AMOUNT:	$	129,258.25
STATE ESTIMATE:	$	174,243.00
$ UNDER: Low Bid	$	44,984.75
% UNDER: Low Bid		25.8%
SECOND BIDDER:	Anncole Contracting Corporation	
AMOUNT:	$	167,268.75
STATE ESTIMATE:	$	174,243.00
$ UNDER: Second Bid	$	6,974.25
% UNDER: Second Bid		0.4%
NO. BIDDERS:		3

RECOMMENDATION: AWARD TO SECOND LOW BIDDER

COMMENTS: Subsequent to the bid opening, Recon, Inc. advised that it made a mistake in its bid and requested to withdraw the bid. Staff reviewed the contractor's original bidding documents and computer files, and has determined that a significant error was made. It was clear that the bid submitted does not represent the intent of the contractor. Staff suggests that an award to Recon would be unconscionable. Staff recommends that Recon be allowed to withdraw its bid and the contract be awarded to the second low bidder, Anncole Contracting Corp.

Board Action: A motion to approve the above recommendation was made by Mr. Gant, seconded by Mr. Hileman and passed unanimously (Si Schorr recused himself from voting).

*	BIDS OPENED:	June 27	
	HIGHWAY:	SONOITA-MOUNTAIN VIEW HIGHWAY (SR 83)	
	SECTION:	North of Junction SR 82 to Milepost 36.25	
	COUNTY:	Santa Cruz	
	ROUTE NO:	SR 83	
	PROJECT:	S-083-A-500 083 SC 033 H450901C	
	FUNDING:	100% State	
	LOW BIDDER:	Caitlin Construction, Inc.	
	AMOUNT:	$	610,275.83
	STATE ESTIMATE:	$	693,840.00
	$ UNDER:	$	83,564.17
	% UNDER:		12.0%
	NO. BIDDERS:		6
	RECOMMENDATION:	AWARD	

*	BIDS OPENED:	June 19	
	HIGHWAY:	GILA BEND-LUKEVILLE HIGHWAY (SR 85)	
	SECTION:	Rio Cornez Wash Bridge (Str. #214)	
	COUNTY:	Pima	
	ROUTE NO:	SR 85	
	PROJECT:	S-085-A-501 085 PM 032 H561501C	
	FUNDING:	100% State	
	LOW BIDDER:	Bison Contracting Co., Inc.	
	AMOUNT:	$	164,984.80
	STATE ESTIMATE:	$	160,795.00
	$ OVER:	$	4,189.80
	% OVER:		2.6%
	NO. BIDDERS:		7
	RECOMMENDATION:	AWARD	

*	BIDS OPENED:	July 3	
	HIGHWAY:	APACHE TRAIL HIGHWAY (SR 88)	
	SECTION:	Lost Dutchman State Park	
	COUNTY:	Pinal	
	ROUTE NO:	SR 88	
	PROJECT:	S-088-A-503 088 PN ASP H596001C	
	FUNDING:	100% State	
	LOW BIDDER:	Archon, Inc.	
	AMOUNT:	$	711,000.00
	STATE ESTIMATE:	$	760,231.00
	$ UNDER:	$	49,231.00
	% UNDER:		6.5%
	NO. BIDDERS:		11
	RECOMMENDATION:	AWARD	

*	BIDS OPENED:	June 19
	HIGHWAY:	WICKENBURG-PRESCOTT HIGHWAY
	SECTION:	Peeples Valley-Kirkland Junction, Phase B Peeples Valley
	COUNTY:	Yavapai
	ROUTE NO:	SR 89
	PROJECT:	S-089-A-504 089 YV 278 H549902C S-089-A-508 089 YV 280 H550001C
	FUNDING:	100 % State
	LOW BIDDER:	Bison Contracting Co., Inc.
	AMOUNT:	$ 1,381,656.00
	STATE ESTIMATE:	$ 1,522,329.35
	$ UNDER:	$ 140,673.35
	% UNDER:	9.2%
	NO. BIDDERS:	8
	RECOMMENDATION:	AWARD

*	BIDS OPENED:	June 27
	HIGHWAY:	PRICE FREEWAY (SR 101) RED MOUNTAIN FREEWAY (SR 202)
	SECTION:	Baseline Road to Guadalupe Road Center Street to Gilbert Road
	COUNTY:	Maricopa
	ROUTE NO:	SR 101, SR 202
	PROJECT:	RAM-101-C-503 101 MA 055 H641101C RAM-202-B-509 202 MA 013 H641201C
	FUNDING:	42% RARF 58% Maricopa County
	LOW BIDDER:	Klondyke, Inc.
	AMOUNT:	$ 2,452,442.00
	STATE ESTIMATE:	$ 2,480,049.00
	$ UNDER:	$ 27,607.00
	% UNDER:	1.1%
	NO. BIDDERS:	4
	RECOMMENDATION:	AWARD

CONSENT AGENDA

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

ADJOURN

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

The meeting adjourned at 11:40 a.m.

Ingo Radicke, Chairperson
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

*Denotes items approved in the consent agenda.