MINUTES
OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
9:30 A.M., Thursday, November 6, 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 10:00 a.m., Thursday, November 6, 2003, with Chairperson Radicke presiding. Other Board members present included: Vice Chairperson Bill Jeffers, Rusty Gant, Dick Hileman, Joe Lane, Jim Martin, and Si Schorr. Also present were Director Victor Mendez, Debra Brisk, Deputy Director; John McGee, Chief Financial Officer, Administrative Services Division; Dale Buskirk, Director, Planning Division; and Bill Higgins, State Engineer. There were approximately 30 people in the audience.

PLEDGE

Chairperson Radicke led those present in the Pledge of Allegiance.

MAG – Update on Regional Transportation Plan

Mr. Anderson reported the air quality conformity analysis has been completed and the plan is out for public review and comment. He said the plan met air quality conformity standards and the required air quality conformity public hearing is scheduled for December 21, 2003. He stated they are on track to have a certified plan to the Governor and Legislature by November 25.

Draft Resolution of the Maricopa Association of Governments (MAG) and the Arizona State Transportation Board regarding State and Regional Maintenance Funding

Tom Remus, MAG Policy Planner, stated the resolution has been a long time in coming, noting the MAG Transportation Policy Committee has been discussing the issue since March 2003. He said the resolution was brought before the TPC many times and was approved at their last meeting. He stated the resolution has also been approved by the MAG Management Committee and will go before the MAG Regional Council for approval on December 3, 2003. He explained the resolution looks at many ways to address the maintenance issue, noting that, for the purpose of this resolution, maintenance funding is defined as landscaping, litter pickup and sweeping. Mr. Remus said the resolution requires a dedication of $279 million from the extension of the half-cent sales tax to go toward maintenance in the region, that MAG and ADOT work together to create a long-term funding strategy to address maintenance issues, that maintenance expenditures be tracked through the annual report for the MAG Regional Freeway Program, that MAG continue partnering with ADOT and cities to encourage Adopt-A-Highway sponsors, and that they work to develop a long-term litter prevention program.

Mr. Remus thanked Mr. Gant for his efforts and participation in the Maintenance Stakeholders group that took part in creating the resolution.

Dan Lance agreed the resolution represents a joint effort between ADOT and MAG staff. He said ADOT staff is happy with the resolution as worded and encourage the Board's approval at their next meeting.

Mr. Jeffers suggested the resolution be re-titled to eliminate possible misunderstandings about the definition of maintenance. Mr. Remus said the Maintenance Stakeholders Group discussed the issue at great length, as did ADOT staff. He said the term "maintenance" was ultimately selected because it is the term used by cities when talking about landscaping and litter control. He pointed out language in the resolution defines the term "maintenance" as it is used in the resolution. Mr. Jeffers asked what changes, with regard to the entire state, are involved in the resolution. Mr. Lemus stated the resolution is targeted at the regional MAG area, with $279 million earmarked in the current draft of the Regional Transportation Plan targeted primarily at landscape maintenance, sweeping and litter control, as well as landscape rehabilitation projects. Mr. Jeffers asked why the resolution's title mentions both state and regional maintenance funding. Chairperson Radicke pointed out I-17 and I-10 are considered state facilities. Mr. Mendez agreed, stating the resolution refers to a mixture of regional and state freeways. Mr. Jeffers expressed his opinion the title is somewhat misleading. Mr. Remus said the resolution also speaks to the statewide need and the challenges in funding the effort as well as the need to look at statewide long-term funding strategies. He said, while many elements of the resolution focus on the regional area, it also speaks to the larger picture.

Mr. Schorr asked Mr. Jeffers if his concern is that the definition of "maintenance", as used in the resolution, is limited as compared to the typical definition. Mr. Jeffers said, while that is one of his concerns, he is also concerned that the title's reference to state maintenance funding could be misleading. Mr. Schorr suggested the title be changed to clarify that the resolution refers to only certain maintenance items. Mr. Anderson said they will work on the title prior to sending the resolution to the Board for final approval. Mr. Mendez pointed out the title states it is a resolution of both MAG and the State Transportation Board, which also implies a statewide authority. Mr. Remus noted Item 2 in the body of the resolution makes reference to other strategies that would affect the statewide maintenance program.

Lonnie Hendrix, Assistant State Maintenance Engineer, introduced Deb Harst, the new full-time Adopt-A-Highway Coordinator. He explained her priorities will be to promote the Adopt-A-Highway program and litter awareness issues around the state.

One of the board members expressed concern about the resolution's reference to state maintenance funding. He suggested the map referenced in Item 4 of the Resolution include recognition of those who already participate in the Adopt-A-Highway program.

HELP Program Update and Debriefing

Mr. McGee gave a brief history of the Highway Expansion and Extension Program. He stated, in 1999, the Legislature authorized three $100 million BFO loans to the State Infrastructure Bank, as well as a $20 million State Highway Fund loan and a $60 million State General Fund appropriation. He explained the Legislature later authorized an additional $40 million in BFO loans in lieu of $40 million of the $60 million appropriated from the General Fund. He said a call provision enacted in the law allows the state to call the BFOs if the state's operating balance drops below $200 million. He said concerns about the call provision resulted in the program being temporarily suspended last year. He stated the Legislature also reverted the 2001 $20 million State General Fund appropriation and required that the $20 million State Highway Fund loan be repaid by December 31, 2008. Mr. McGee reported the HELP program is currently capitalized with approximately $209 million, including $46 million in federal funds, $3 million in state match funds, $20 million in State Highway Fund monies and $140 million in BFOs. He said, to date, the Board has approved 43 loans, totaling nearly $436 million. He said loan disbursements of $379 million have been offset by loan repayments of $236 million and interest and investment income of $32 million. He reported nine loans have been paid in full. He said Arizona's program is one of the most active and successful State Infrastructure Banks in the Country, ranking second in the number of loans approved, second in total amount of loan disbursements and third in total amount of loan agreements.

Mr. McGee reviewed HELP loans by region, stating three loans have been made to the MAG region, totaling $172.5 million. He said eight loans totaling $86.6 million have been made to the PAG region and 29 loans totaling $126.5 million have been made to the statewide region. He reviewed a chart of loans by county, noting they have made loans to every county except Greenlee County. Mr. McGee stated the MAG and PAG regions need $80.5 million and $39.9 million, respectively, in new loans to meet the percentage requirements set forth in the law. He said the statewide area has already reached its maximum percentage allocation and is not eligible for additional loans at this time. He noted the temporary suspension of the program lowered the program's loan capacity by approximately $100 million. He stated several loans are currently under consideration, including an $80.5 million loan in the MAG region, a $5 million loan for the Town of Oro Valley, and two statewide loans totaling about $3 million.

Mr. McGee stated an additional $69.5 million of HELP loans will be needed to complete the Regional Freeway System by 2007, consequently, the total amount of outstanding MAG HELP loans by 2006 will reach $200 million. He said repayment of the MAG HELP loans will begin in FY 2007, therefore only a limited amount of non-MAG HELP loans can be outstanding during FY 2006 and 2007. He said, while the program has been and is expected to continue to be successful, changes need to be made to ensure the program's future. He explained the $20 million General Fund revision in FY 2003 impacted the amount of loans the program can make and the last authorized BFO funding is in FY 2004. He stated all BFOs must be repaid by FY 2008 and there is currently no provision to reborrow those funds. He said, therefore, legislative changes or a new source of funding will have to be identified by FY 2008. With regard to Federal reauthorization, Mr. McGee explained TEA-21 makes no provision for contributing additional federal funds to HELP and limits the State Infrastructure Bank program to four states.

He said, while their hope was that the new reauthorization would open the program to all states, the administration's proposal continues to limit the program to four or five states.

Mr. McGee stated the required regional funding split will no longer be in effect after December 31, 2004, however, HELP cash flow will limit loans in areas other than MAG. He explained additional funding could be made available if extension of the half-cent sales tax is approved, allowing for earlier repayment of MAG loans or restructuring of the final two years of funding for the accelerated program.

In response to Chairperson Radicke's question, Mr. McGee anticipated January 2005 as being the earliest the program could make new statewide loans. He said, however, earlier than anticipated loan repayments or passage of the half-cent sales tax extension could allow loans to made prior to that time. He asked the Board for direction on how to handle new applications, explaining they do not want to discourage people from submitting requests because the situation could change in the future. He said, however, they do not want to bring loans to the Advisory Committee and Board that will have to be turned down. He suggested a resolution be drafted that says something to the effect that, given the percentage requirements and the amounts already loaned, the Board will not consider loans in the statewide region and loans up to a certain amount in the other two regions, but that the restrictions on loans could be changed if the situation changes.

Mr. Martin asked what are the consequences if the state does not obtain the percentage distribution requirements. Mr. McGee stated there could be an opportunity to rescind loans that were made, but are no longer necessary, with the money redirected to another project or region.

In response to Mr. Jeffer's question, Mr. McGee said, 80 percent of the loans have been made to ADOT. He noted, along with the state's distribution requirement, the Department is also required to maintain sufficient cash flow. He explained the loans to ADOT generally have a short duration, while the local loans typically have longer terms.

One of the board members asked if the program would be able to borrow additional funds if the Legislature approved additional BFOs. Mr. McGee responded yes, stating the program would also benefit if the Legislature extended the FY 2008 repayment date. Mr. Mendez pointed out that, while the Legislature might approve additional BFOs, the department might choose not to utilize that option depending on debt/revenue ratios.

In response to a member's question, Mr. Fink identified California, Rhode Island, Florida, Texas and Missouri as the five states being considered for inclusion in the program.

Dave Barber asked if statewide loan applications will be considered in the chronological order of when they were received if additional statewide funding becomes available. Mr. McGee responded yes, pointing out, however, that all loans have to go through the Transportation Advisory Committee.

The Board recessed for a short break.

Contingency Monies – Allocation/Distribution

Mr. McGee presented an overview on how monies are established in the contingency column and how allocation occurs from the contingency. He explained the Program Cost Adjustments Contingency is intended to provide funding for unforeseen program funding needs and to act as a control mechanism for maintaining the fiscal integrity of the Five Year Construction Program. He stated the contingency applies only to the statewide program. He said the total amount of contingency in the Five Year Program is $29.369 million, with $5 million generally allocated to the contingency each year. He explained additions to and uses of the contingency fall into two broad categories; Program Changes and Project Variances. He stated Program Changes include budget authority changes and project and subprogram budget changes while Project Variances include awards that fall over or under the program budgets and project closures that fall over or under the awarded amount.

Mr. Higgins explained the adjustment process, stating the project manager must justify any adjustments to the Project Review Board. He said, assuming approval by the Project Review Board, the adjustment is then reviewed by the Priority Planning Advisory Committee and, if approved, forwarded to the Transportation Board for final approval. He discussed some of the uses of the contingency, including funding budget shortages in line items in the Five Year Program, funding projects that have not had programmed funding approved, receiving funds from projects deleted from the program or from projects that were over-funded, and funding emergency projects.

Mr. McGee stated the contingency is currently programmed $5 million per year, with any prior year balance rolled over into the next year's contingency. He explained they currently utilize one account, however, some have suggested using three accounts, one for MAG, a second for PAG and a third for the Thirteen Other Counties. He expressed his opinion having a single account allows them to optimize the use of the funds. He stated there has been some discussion as to how to handle extraordinary gains and losses. He explained that in one specific instance of a $50 million gain the decision was made that the funds should be reprogrammed within the same region because the program is allocated according to recommendations of the RAAC and distributing the gain to another region would have significantly changed the distribution percentages.

In response to Mr. Martin's question, Mr. McGee clarified the PAG program is part of the statewide program and, as such, is included in the contingency. He explained projects in the MAG Region are also included in the contingency, however the MAG Regional Freeway Program is controlled by the MAG Life Cycle Program which has its own contingency. Mr. Martin asked if a methodology is in place to prioritize small projects that receive contingency funds. Mr. Higgins responded no. Mr. Martin asked if the contingency represents a way to utilize a HELP loan mechanism to fund projects in the statewide region. Mr. McGee said, to his recollection, they have used contingency funds to accelerate projects, but they have not utilized contingency funds in lieu of HELP loans. He explained staff typically has a list of projects for which it would like to see additional contingency funds utilized. Mr. Mendez pointed out, however, the ultimate decision as to where contingency funds are used lies with the Board.

Mr. Buskirk noted, at each Board meeting, he reviews all of the project changes to the program approved at the previous meeting. He said that overview should provide the Board with a historical view of the types of changes occurring in the program and the financial consequences of those changes.

Board Policy Comments – Policy No. 16/Route Transfers

Mr. Buskirk gave an overview of the comments received on the recently updated Board Policy No. 16 – Policy on Route Transfers. He said, based upon the findings of a Route Transfer and Level of Development Study, a Board policy concerning route transfers was brought to and approved by the Board. He explained, given the significance of the policy to those jurisdictions that have responsibility for roadways, he wrote a letter to the jurisdictions informing them of and requesting their comments on the policy. He said a number of responses were received, copies of which were provided to the Board. He said, basically, the position taken by many of the counties was that in the year 2000 the counties did a very involved needs assessment which found that the financial resources available for their systems were insufficient to meet the demands of constructing and maintaining the system. He stated, therefore, they are very concerned that they do not have the financial resources necessary to handle the transfer of additional routes. He said the Yavapai County Board of Supervisors expressed concern and asked to meet, particularly, on the development of the route transfer candidate list alluded to in the policy. He reported the City of Cottonwood voiced no objection to the policy and said it appears to be well intentioned. He said, however, they also had questions regarding the candidate list. He stated the Pima Association of Governments also raised some issues, including the fact that the policy does not address additions to the state system.

Dave Barber, WACOG Deputy Director, stated two major routes in his area could be under consideration for turnback. He explained Route 66 is a scenic highway and Mojave County does not have the resources necessary to maintain the miles it would obtain under a route transfer. He said a new route, SR 95, is also under consideration for transfer to Bullhead City and Mojave County. He stated he does not believe either entity has the resources required to maintain that roadway. He said the tremendous growth occurring along those two major routes and, despite the construction of alternative routes such as Highway 95, large volumes of ADT will continue to be on the old SR 95.

Mr. Buskirk clarified that the routes listed are candidates for transfers, but no plans have been made for transfer of those routes.

Cherie Campbell, Transportation Planning Director, PAG, said PAG asked that the Board postpone consideration of the transfer policy to allow for additional comment from the COGs, MPOs and local jurisdictions. She said, while the Board has allowed the opportunity for those comments to be made, she still feels it should have been done before the policy was developed as opposed to after the fact. She referred to a letter she submitted to the Board detailing her concerns, including the need for a parallel policy that addresses how routes will be added to the state system. She asked if the transfer policy would have any impact on the portion of federal funding that relates to the number of state lane miles on the system. She said they also want complete and total involvement in development of the candidate list. She stated they are also

concerned about wording in the policy, specifically that ADOT will not approve routes that are Level Development 4. She said those routes will be effectively abandoned and they are concerned about the impact on the traveling public. She asked that the Board reconsider the policy and provide additional documentation, including a recent history of route transfers and a legislative review of applicable statutes.

Kurt Weinrich, Director of Transportation for Pima County, agreed with the comments made by Ms. Campbell. He pointed out Arizona has had very strong population growth and the state has become increasingly responsible for infrastructure. He said turnbacks of routes not only impact maintenance costs, but local land use decisions as well.

Mr. Buskirk said a common concern in the letters he received with regard to the Transfer policy was that local jurisdictions did not have the resources necessary to maintain additional miles of roadway. He pointed out No. 2 in the policy states that transfer of state highways will be carried out in cooperation with local jurisdiction and in full recognition of their financial capabilities. With regard to Level of Development 4 routes, he said the policy states maintenance and development decisions will be based on appropriate service for the specific facility being served. In answer to concerns regarding the list of candidate routes, he stated the policy says ADOT will seek input from local jurisdictions in preparing the list and will present the list to the Transportation Board. He explained the candidate list was developed as part of the Route Level of Development and Route Transfer Study.

Arnold Burnham explained the Board asked to see a list of possible candidate routes, noting the list will be reviewed and revised as necessary every two years. He referred to a list of six "other" recommendations included in the draft final report, including the adoption of a process for consideration of routes that local agencies believe should be transferred to the state system. He proposed they conduct another study to address the other recommendations.

Mr. Buskirk pointed out the report states consideration of local roads for addition to the state highway system was beyond the scope of the study and it is recommended that an application process be created through which additions to the state system can be considered.

Mr. Schorr expressed his opinion there is not a sufficient comfort level among local jurisdictions to proceed with the policy and that the policy should be reconsidered, revised and/or supplemented.

Mr. Jeffers said he is unsure about the tie between the Level of Development and designation of routes for possible transfer, noting many of the routes are significant to the statewide movement of people. He expressed his opinion that the volume of traffic on a roadway is not the best criteria when determining whether a route should be transferred. He suggested the list of candidate routes be separated out of the policy.

Mr. Mendez emphasized that the list of candidate routes was never intended to be viewed as a mandate that those routes will, in fact, be turned back. He explained the department will not be able to maintain the addition of new miles, assuming approval of the extension of the half-cent sales tax, therefore, the state, as a whole, will have to work on maintenance funding levels.

Chairperson Radicke directed staff to re-examine the criteria used to determine the Level of Development Classification and revise the criteria, if necessary. He said staff should then update the list of candidate routes and circulate the list with ample opportunity for each jurisdiction to comment.

Mr. Buskirk said the Technical Advisory Committee that has worked on the issue will be continued and possibly expanded to include other entities that would like representation. He stated they will likely work through the COGs, MPOs and TMAs as forums for their outreach into the various jurisdictions.

The meeting recessed for a short break.

Disadvantaged Business Enterprise (DBE) Goal Percentage

Lisa Wormington updated the Board on the DBE Goal Percentage. She explained ADOT's goal of nine percent for FY 2004 was arrived at by determining the availability of DBEs compared to the overall population of contractors and design firms, weighted by the amount of work in each category. She stated a team comprised of AGC members, DBEs, and others came to consensus on the goal. She said ADOT has determined it will achieve one percent of the nine percent goal through race neutral measures and eight percent through race conscious measures. She explained contractors are still required to made DBE commitments prior to award of the project, but ADOT measures compliance by actual payments/commitments to all DBEs working on the project. She said ADOT is required to maintain a running tally of DBE compliance. She reported, last year, ADOT did not meet its DBE goal because contractors did not meet the race neutral portion of the goal. She said, in accordance with regulations and guidance from DOT, they have raised the race conscious portion of the goal and lowered the race neutral portion.

Ms. Wormington clarified for Mr. Jeffers that the disabled are not included in the definition of a disadvantaged business enterprise in federal regulations. She said, however, the regulations do provide an opportunity for "others" to apply and participate if they can demonstrate that they are economically or socially disadvantaged as a result of their disability. It was also stated that minorities and women are presumed to be socially disadvantaged under federal regulations, whereas other categories of people have to prove they are disadvantaged.

I-40 East of Kingman – Proposed New Interchange

Sam Elters, District Engineer, stated the proposed location for the new I-40/Parkway interchange is near milepost 56, midway between the East Kingman T.I. and the DW Ranch T.I. He explained the interchange is necessary because of the heavy commercial truck traffic on I-40 at Andy Devine/Route 66 and the congestion at the location relative to pedestrian and vehicular movements. He noted the location also has a high number of vehicular accidents. He said, furthermore, the I-40 and BNSF Railroad/Route 66 Corridor bisects the City of Kingman into zones and restricts the flow of traffic in and around the city. He stated the proposed TI conforms with the City of Kingman General Plan, which anticipates access from I-40 to the airport industrial area. He said the proposed TI also supports and aligns with the recommendation of the

CANAMEX Task Force to stimulate development of multi-modal infrastructure in Arizona. Mr. Elters explained Phase I of the interchange will consist of four ramps and a five-lane bridge over I-40 and will tie into Louise Avenue to the south and Airway Avenue and the airport industrial area to the north. He stated the City of Kingman will also acquire right of way for the TI and connections as part of Phase I. He stated Phase II of the project will extend the south connection to Hualapai Mountain Road for enhanced traffic circulation around the city and construction of a connector loop that could serve as a detour during accidents on I-40. Mr. Elters reviewed the project timeline, stating the preliminary study was completed in 1998, design is scheduled for FY 2007 and construction is scheduled for FY 2009. He estimated the design and construction costs to total $17 million, with ADOT contributing $12 million and the City of Kingman contributing $5 million plus the cost of acquiring the right-of-way. He explained Intergovernmental Agreements will be developed regarding the timeline for acquiring right of way, completion of the future connector loop and the potential turnback of SR 66 within city limits.

Mr. Byram, Mayor of Kingman, spoke about the need for the proposed TI, stating the area west of the railroad is the fastest growing residential area in the city. He said residents in that area have only two ways to access and exit the area, Highway 93 which is an at-grade crossing, and an overpass to the west at Hualapai Mountain Road. He stated the airport area has 70 industries, with over 2,000 employees. He said the CANAMEX Corridor and Hoover Dam projects, once completed, will both impact Kingman. He pointed out ADOT has had maintenance issues at the truck stop because of the tremendous truck traffic during the summer months. He urged the Board to support the proposed interchange.

The City Manager said the interchange addresses a community access issue and solves the problem of congestion at the Route 66/I-40 interchange. He said the city will also benefit from the enhanced circulation during temporary closures on I-40.

Project on SR 10 B at MP 18.46 – Quartzsite

Robert Miller gave an overview of the status of this project, in accordance with the action taken at the October 17, 2003 Board Meeting in Wickenburg. He explained SR 95 currently has two lanes, although it is stripped for three lanes, and SR 10B has two lanes with left turn lanes at intersections. He stated neither road has sidewalks and both have narrow shoulders. He said a four way stop is located at the intersection of SR 10B and SR 95. He reported 45 accidents within three years, with 85 percent of the accidents involving multiple vehicles and one third of the accidents occurring at the SR 10B and SR 95 intersection. He stated a Corridor Study/DCR, completed in 1997, had the expressed purpose of identifying a long range plan for improving SR 95 and SR 10B within Quartzsite. He said the DCR recommended the east Quartzsite TI be replaced and that both SR 95 and SR 10B be reconstructed and widened to five lanes. He said it also recommended that the SR 10B approach to the west Quartzsite TI be realigned. Mr. Miller reported the West Quartzsite TI project was programmed into the FY 1997-2001 program, design began in 1997, and the construction contract was awarded in the spring of 1997. The East Quartzsite TI was programmed into the 1998-2002 Program, design of the relocated east Quartzsite TI and SR 10B approach started in 1998, and the construction contract was awarded in February 2001. The SR 95 project was included in the 1999-2003 program, design started in 1999, and Phases I and II of the construction contract were awarded in June 2000 and March

2001, respectively. Funding for the FY 2000 design of the SR 10B project was programmed into the 1997-2001 program, however, the project was accelerated in the 1999 Program, advancing the designing money to 1999. Reconstruction of SR 10B started in 1999 and Stage IV was completed in 2001, however, the design has been on hold since that time. He stated the 1997-2001 program included funding for right of way acquisition, which was then increased in October 2002. Mr. Miller reported, to date, right of way acquisition east of the Tyson Washes is nearly complete, the Environmental Assessment was updated in June 2003, and the Tyson Wash Bridges 404 Permits were approved in March 2003. He said they are currently updating construction documents to reflect current conditions, rates and 404 Permit stipulations.

In response to Mr. Martin's question, Mr. Miller stated the 404 Permits expire after approximately three years. He noted changes in the regulations resulted in their losing their 404 Permits. Mr. Martin asked if the Town of Quartzsite has other projects currently under design that have not yet been programmed. Mr. Miller responded yes. Mr. Martin asked for a composite list of those projects. He questioned whether the $5 million would be better used to help accelerate other higher priority projects in the area. Mr. Miller challenged the Board to find another area in the state with a similar congestion problem that can be fixed with as little money.

Chairperson Radicke pointed out the department's liability will be significantly reduced once B10 is turned back to the Town of Quartzsite.

Chuck Busby commented that the shoulders are very narrow, with large ditches on both sides of the roadway. He pointed out emergency vehicles cannot pass through the area when traffic is backed up. He said he has brought the issue up to the Board on numerous occasions since 1987. He noted negotiations are underway for a motel and an Exxon Gas Station at that location, stating the congestion will continue to get worse. He stated the Department of Commerce estimates 1.2 million people cross through that area during the month of January.

Mr. Mendez said staff will return to the Board at its next study session and provide a list of other projects included in the program for which the $5 million could be used.

Pavement Preservation Program and Smoothness Specification Overview

Jim Delton gave an overview on the pavement preservation program and how smoothness specification correlates to the program. He explained the Pavement Preservation Program currently includes two sub-programs, statewide pavement preservation and statewide minor pavement preservation. He stated a third subprogram, preventative maintenance, will be added beginning in FY 2005. He said they have contracted with a consultant to rewrite the software they use for financial and performance analyses of the highway system. He reported Arizona's pavement condition currently rates slightly below Good, but considerably above Fair. He said material costs increased 23% between 1999 and 2003 and the quiet pavement program is anticipated to cost $50 to $60 million. He explained the rubberized asphalt is expected to last 10 years, therefore, another $50 million will be needed in 10 years for resurfacing. He pointed out that, while they expect to spend $99 million in 2007, the system is expected to become slightly rougher. Mr. Delton reviewed the smoothness specification, stating they have generally tightened target values and placed maximums on the amounts contractors can earn.

Mr. Lane asked why the threshold for smoothness cannot be raised. Mr. Delton said they have raised the threshold by making the targets more difficult. He explained that contractors are given incentives for exceeding the minimum smoothness level because it has been shown that smoother pavement lasts longer.

Mr. Delton confirmed for Mr. Schorr that smoother pavement also helps extend the life of trucks. Mr. Schorr asked why they cannot specify a certain smoothness level. Mr. Delton explained contractors cannot guarantee meeting a specific target and would have to either risk being penalized for not making the target or construct to an even higher level which would increase their costs. He said, additionally, good contractors exceed the target and earn incentives which results in their ability to submit lower bids. He assured Mr. Schorr the practice is very common, although some states do not provide incentives and others provide larger disincentives.

In response to a member's question, Mr. Delton stated they have not done any cost comparisons to determine the trade off for doing rubberized asphalt versus rehabbing the concrete.

Adjournment

No closing comments were made.

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

The meeting adjourned at 2:15 p.m.

Bill Jeffers

Bill Jeffers, Chairperson
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

MINUTES
OF THE
STATE TRANSPORTATION BOARD MEETING

9:00 A.M., Friday, November 21, 2003
La Paz County Board of Supervisor's Office
In The Board Room
1108 Joshua Avenue
Parker, Arizona 85344

The State Transportation Board met in official session for a regular meeting at 9:00 a.m., Friday, November 21, 2003, with Chairperson Radicke presiding. Other Board members present included: Vice Chairperson Bill Jeffers, Rusty Gant, Dick Hileman, Joe Lane, Jim Martin, and Si Schorr. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; John McGee, Chief Financial Officer, Administrative Services Division; Bill Higgins, State Engineer; and Kim Stevens. There were approximately 50 people in the audience.

OPENING REMARKS AND PLEDGE

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

AWARDS

Bill Higgins and Chairperson Radicke presented a 30 Year Service Award to Ron McCally.

DISTRICT ENGINEER REPORT

Bill Alfier, Yuma District Engineer, introduced members of his staff. He then updated the Board on construction projects and significant issues in La Paz County. A written copy of his comments was submitted for the record.

CALL TO AUDIENCE

D.L. Wilson, Mayor of Parker, welcomed the Board to Parker.

Jay Howe, Chairperson, La Paz County Supervisors, thanked the Board for the B95 turnback. He stated the entire length of SR 72, starting at Hope and ending at the intersection of SR72 and SR95, needs right and left turn lanes at intersecting county roads and shoulders. He characterized the current condition of the intersection of SR72 and SR 95 as a super-priority.

John Gross, Executive Director, YMPO, updated the Board on the Yuma Area Service Highway. He said the environmental document will take longer than anticipated, therefore, funding scheduled for the current year needs to be rolled over to next year. He denied rumors that the

YMPO will be requesting a utility corridor, stating the YMPO will draft a resolution to that end. He noted the Rural Summit will be held in Yuma on January 15.

Gary Magrino, Chairman, Greater Yuma Port Authority, stated, in their attempt to promote Yuma as being on the western side of the CANAMEX Corridor, they have purchased property along the Border and are scheduled to open in 2007. He asked the Board to ensure adequate funding is set aside to complete SR195.

Dave Barber, Deputy Director, WACOG, commented on the importance of the B10 frontage road transfer, explaining it will carry in excess of 30,000 vehicles per day within the next few months. He commended Mr. Alfier and members of the Transportation Planning Department on their ability to obtain functional classification of the route into the casino, stating it will allow WACOG to allocate approximately $300,000 in STP funds towards the Parker/Lakeside project. He stated the types of vehicles traveling through La Paz County, including RV's and trailers, create passing hazards. He emphasized the importance of the HELP Loan Program to rural areas. He asked the Board to reconsider the $9.2 million allocation to COGs and MPOs, stating route transfers result in cities and counties being held responsible for the maintenance of more routes.

Lanny Sloan, Town Manager, reported CALTRANS decided to make the Colorado River Bridge a four lane bridge. He said they support a five lane approach for the existing five lane roadway to the bridge. He stated they also support the junction of SR 72 and SR 95, noting the intersection averages more than one accident per month. He said the town is willing to look at what it can do to support efforts to improve the intersection.

Bill Liester, Transportation Director, CAAG, stated the Board was presented with the final Joint Transportation Study at its meeting in Wickenburg and passed a resolution endorsing the five major transportation corridors identified in the study. He said the CAAG Regional Council voted to accept the final version of the study and to endorse it and the corridors will be included in the long range plan.

Steve Sanders, Public Works Deputy Director, asked the Board to approve the railroad trestle widening project on US70 in Globe. He explained the road currently has to narrow from five lanes to two in order to go under the trestle. He asked the Board to keep the railroad trestle widening program for widening in 2009. He stated the DeVore Wash project is ongoing and will make a significant difference to those traveling between Globe and Payson. He thanked the Board for a pavement preservation project on Highway 60 and the Christopher Creek section of Highway 260.

Berlin Michael, Mayor of Quartzsite and Vice Chairperson of WACOG, thanked the Board for the consideration it has given to Quartzsite. He mentioned passing problems on Highway 95 North, stating he intends to bring the issue up with DPS.

CONSENT AGENDA

Chairperson Radicke noted pages 70 through 78 were pulled from the agenda.

Mr. Schorr recused himself from voting on Consent Agenda Items 44, 46 and 51.

Director's Report

Ms. Brisk announced Shannon Wilhelmson has been hired and will work with Director Mendez on communications/relations issues. She stated the Loop 202 has been opened.

Legislative Report

Ms. Colleran updated the Board on Federal Legislative issues. A written copy of her comments was submitted for the record.

Ms. Colleran said bills are expected to come out of the State Legislature soon.

Financial Report

Mr. McGee reviewed the October 2003 Highway User Revenue Fund report, stating collections totaled $90.061 million, which is $1.4 percent above last year and 2.9 percent over forecast. He said year-to-date collections now total $371.377 million, which is 4.4 percent over last year and 2.9 percent above the forecast. With regard to RARF, he reported September collections totaled $22.664 million, representing an increase over last year of 4.7 percent and 2.7 percent over the forecast. He stated year-to-date collections now total $68.568 million, which is 4.7 percent over last year and 2.7 percent over the forecast. He said preliminary October results indicate collections were 7.2 percent over last year, noting it was the best month-over-month growth since February 2001.

Mr. McGee reviewed the September 2003 Investment Performance Report, stating the department earned approximately $453,000 on an average invested balance of about $764,113 million, representing an average yield of 0.72 percent. He noted the Treasurer's Office has made its way through the premium write-offs which generated negative investment earnings for a couple months. He said, while Pool 2 is no longer losing money, interest earnings continue to be anemic because of the general interest rate environment.

Mr. McGee reported an October 31, 2003 HELP Fund cash balance of $79,720,789.

Financing Program

Mr. McGee reported the Board and ADOT priced $142,090,000 in HURF subordinated bonds on October 27, 2003. He said the issue was priced at a 4.44 percent interest rate for an average of 14.6 years. He explained the issue netted $150 million for construction activities, of which, $80

million will go to the MAG Acceleration program. He stated Bear Sterns took a very aggressive posture in marketing the bonds and, along with the rest of the management team, offered to underwrite the entire issue with a very modest change of one basis point in seven of the maturities. He noted the issue had the lowest interest rate for any comparable issue ever issued by the Board. Copies of the Official Statement and Final Pricing Review were submitted for the record.

Mr. McGee stated he is currently working with their Financial Advisor on a potential refunding opportunity. He explained the Board currently has approximately $120 million of refunding bonds issued in 1993 that appear to be good candidates for refunding. He said, if refunded, it appears the Board will save $4 to $5 million in interest costs over the next eight years. He stated, however, because the bonds were issued for the purpose of refunding in 1993, they cannot do an advanced refunding. He said, therefore, they would not likely price the issue before March 2004.

Mr. McGee submitted two Declarations of Official Intent, explaining they will preserve the Department's ability to reimburse itself for any HURF, RARF or HELP funds expended on the Red Mountain Freeway, Loop 202/US 60 TI, Phase I or Santan Freeway (202L) Elliot Road-Baseline Road projects.

HELP Loan

Mr. McGee presented and recommended approval of a Resolution recommending approval of an application for Financial Assistance from, and a Repayment Agreement with, the Arizona Department of Transportation (ADOT) to advance the following project: MAG Regional Freeway System.

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

RESOLUTION

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

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

The Board hereby authorizes the Chairman of the Board and the Director of the Department to enter into a Loan Repayment Agreement relating to HELP Loan Number QDT21M04U, MAG Regional Freeway System.

Dated this 21st day of November, 2003.

The motion passed unanimously.

Resolution Establishing the Amount of HELP Loans that may be approved prior to December 31, 2004

Mr. McGee presented and recommended approval of a Resolution recommending the amount of loans that may be approved prior to December 31, 2004, under the Highway Expansion and Extension Loan Program.

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

The meeting recessed for a short break.

Resolution of Maricopa Association of Governments (MAG) and the Arizona State Transportation Board

Mr. Higgins presented and recommended approval of a Resolution of MAG and the State Transportation Board regarding State and Regional Funding for Landscaping, Litter Pick up and Sweeping for the State Highway System.

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

***MINUTES**

September 4, 2003 – Study Session Minutes
September 19, 2003 – Board Meeting Minutes

***2003 BOARD MEETING DATES & LOCATIONS**

December 19, 2003	Globe	9:00 a.m.

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

***The following item was tabled at the October 17th mtg. in Wickenburg.**

ROUTE NO:	SR 10B @ MP 18.46
COUNTY:	La Paz
SCHEDULE:	New Project Request

SECTION:	Quartzsite
TYPE OF WORK:	Reconstruct Roadway
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	David Harmon
PROJECT:	H519601C JPA #03-033
REQUESTED ACTION:	Add a new roadway reconstruction project in the amount of $4,700,000 to the FY 2004 Highway Construction Program. IGA includes turnback provisions upon completion of roadway segments. **Funds available from the FY 2004 Highway Contingency Fund #72304**
NEW PROGRAM AMOUNT:	**$4,700,000**

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

Chuck Busby stated approval of the project represents the end of an effort he started in 1987. He asked to have improvements to the west TI added to the project.

FY 2004 - 2008 Transportation Facilities Construction Program

Approved Changes to the FY 04 – 08
Highway Construction Program
Fiscal Year Summary

Mr. Higgins highlighted changes to the current Five Year Program, noting they total $10.7 million.

FY 2004 Economic Strength Program
(ESP) Recommended projects

Mr. Higgins said the Chamber of Commerce presented three Economic Strength projects, one for the Kingman Airport Authority, one for the Navajo Nation/Tuba City, and one for the City of Show Low. He said the requests were evaluated and the recommendation is to spend $560,976 on each project.

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

COUNTY:	Statwide
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Statewide - Rest Area Preservation
TYPE OF WORK:	Rest Area Preservation
PROGRAM AMOUNT:	New Project Request

PROJECT MANAGER:	Debra Einweck
REQUESTED ACTION:	Add a new rest area preservation sub program in the amount of amount of $2,400,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 Highway Contingency Fund #72304.**
NEW PROGRAM AMOUNT:	$2,400,000

Board Action: A motion to approve the above recommendation was made by Mr. Schorr, seconded by Mr. Hileman 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:	$5,800,000 Funding Source: IM
PROJECT MANAGER:	Debra Einweck
PROJECT:	H210701C Item #; 10402
REQUESTED ACTION:	Increase program amount by $225,000 to $6,025,000 for the addition of a new caretaker residence. **Funds available from the FY 2004 Highway Contingency Fund #72304.**
PROGRAM AMOUNT:	$5,800,000
INCREASE AMOUNT:	$225,000
NEW PROGRAM AMOUNT:	$6,025,000

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

Mr. Schorr expressed his opinion the cost of the caretaker residence is high, even taking the remote location into consideration. He asked if the cost could be lowered if they built a steel manufactured house.

Mr. Jeffers noted Federal Highways requested a more permanent structure. He asked if construction of the home will be done under separate bid. Mr. Higgins responded no. Mr. Jeffers asked if there will be additional costs associated with bonding and insuring contractors needed to construct the house. Mr. Higgins said ADOT has built other buildings in the past, therefore, those types of contractors are aware of the department's bonding and insurance requirements.

Upon a call for the question, the motion passed unanimously.

ROUTE NO:	SR 86 @ MP 148.30
COUNTY:	Pima

SCHEDULE:	FY 2005
SECTION:	Brawley Wash - 7.5 Miles West
TYPE OF WORK:	Reconstruct roadway
PROGRAM AMOUNT:	$7,029,000 Funding Source: STP
PROJECT MANAGER:	Bruce Purrier
PROJECT:	Item numbers; 14705 / 16604
REQUESTED ACTION:	Reduce program amount by $6,000,000 to $1,029,000 due to the June 2003 Feasibility Report recommendations for corridor development. Change type of work to "Construct box culvert extensions". **Funds return to the FY 2005 Highway Contingency Fund #72305.**

PROGRAM AMOUNT:	$7,029,000
DECREASE AMOUNT:	$6,000,000
NEW PROGRAM AMOUNT:	$1,029,000

ROUTE NO:	SR 86 @ MP 112.00
COUNTY:	Pima
SCHEDULE:	FY 2005 - New Project Request
SECTION:	Town of Sells
TYPE OF WORK:	Construct roadway widening
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Bruce Purrier
REQUESTED ACTION:	Add a new roadway widening project in the amount of $6,000,000 to the FY 2005 Highway Construction Program due to the June 2003 Feasibility Report recommendations for corridor development. **Funds available from the FY 2005 Highway Contingency Fund #72305.**

NEW PROGRAM AMOUNT:	$6,000,000

ROUTE NO:	SR 86 @ MP 148.30
COUNTY:	Pima
SCHEDULE:	FY 2004
SECTION:	Brawley Wash - 7.5 Miles West
TYPE OF WORK:	Design roadway widening
PROGRAM AMOUNT:	$700,000 Funding Source: State
PROJECT MANAGER:	Bruce Purrier
PROJECT:	Item #; 27902
REQUESTED ACTION:	Delete this project from the FY 2004 Highway Construction Program. Design for the remaining culvert extension project will be funded from the District Minor design sub program. **Funds return to the FY 2004 Highway Contingency Fund #72304.**

ROUTE NO:	SR 86 @ MP 112.00
COUNTY:	Pima
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Town of Sells
TYPE OF WORK:	Design roadway widening
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Bruce Purrier
REQUESTED ACTION:	Add a new roadway widening design project in the amount of $700,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 Highway Contingency Fund #72304.**
NEW PROGRAM AMOUNT:	$700,000

Board Action: A motion to approve Items 14, 15, 16 and 17 was made by Mr. Martin, seconded by Mr. Gant and passed unanimously.

ROUTE NO:	SR 80 @ MP 364.00
COUNTY:	Cochise
SCHEDULE:	FY 2005
SECTION:	SR 80 / US 191 Weigh and Inspection Station
TYPE OF WORK:	Design and construct facilities
PROGRAM AMOUNT:	$2,055,000 Funding Source: CBI
PROJECT MANAGER:	Bruce Purrier
PROJECT:	H624301C Item #; 28303
REQUESTED ACTION:	Increase program amount by $2,000,000 to $4,055,000. **Funds available from an FHWA FFY 2003 Motor Carrier Safety Administraion Border Grant.**
PROGRAM AMOUNT:	$2,055,000
INCREASE AMOUNT:	$2,000,000
NEW PROGRAM AMOUNT:	$4,055,000

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

ROUTE NO:	I-10 @ MP 80.00
COUNTY:	Maricopa
SCHEDULE:	FY 2005
SECTION:	Salome - Burnt Well
TYPE OF WORK:	Pavement preservation
PROGRAM AMOUNT:	$7,084,000 Funding Source: IM
PROJECT MANAGER:	Mike Phillips
PROJECT:	H612701C Item #; 16505
REQUESTED ACTION:	Increase program amount by $1,666,000 to

	$8,750,000 due to the final project assessment estimate. **Funds are available from the FY 2005 Pavement Preservation Fund #72505.**
PROGRAM AMOUNT:	$7,084,000
INCREASE AMOUNT:	$1,666,000
NEW PROGRAM AMOUNT:	$8,750,000

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

ROUTE NO:	SR 85 @ MP 126.08
COUNTY:	Maricopa
SCHEDULE:	FY 2004
SECTION:	MP 126.08 -MP 130.71
TYPE OF WORK:	Construct roadway
PROGRAM AMOUNT:	$14,723,000 Funding Source: NH
PROJECT MANAGER:	Christ Dimitroplos
PROJECT:	H595503C Item #; 14804
REQUESTED ACTION:	Reduce program amount by $1,914,000 to $12,809,000 to reflect the current project estimate. **Funds return to the FY 2004 Highway Contingency Fund #72304.**
PROGRAM AMOUNT:	$14,723,000
DECREASE AMOUNT:	$1,914,000
NEW PROGRAM AMOUNT:	$12,809,000

ROUTE NO:	SR 85 @ MP 139.01
COUNTY:	Maricopa
SCHEDULE:	FY 2004
SECTION:	MP 139.01 -MP 142.49
TYPE OF WORK:	Construct roadway widening
PROGRAM AMOUNT:	$9,322,000 Funding Source: NH
PROJECT MANAGER:	Christ Dimitroplos
PROJECT:	H595505C Item #; 15104
REQUESTED ACTION:	Increase program amount by $1,914,000 to $11,236,000 due to increased cost of drainage related items. **Funds available from the FY 2004 Highway Contingency Fund #72304.**
PROGRAM AMOUNT:	$9,322,000
INCREASE AMOUNT:	$1,914,000
NEW PROGRAM AMOUNT:	$11,236,000

Board Action: A motion to approve Items 20 and 21 was made by Mr. Gant, seconded by Mr. Lane and passed unanimously.

ROUTE NO:	US 180 @ MP 416.30
COUNTY:	Apache
SCHEDULE:	FY 2005
SECTION:	Nutrioso – Alpine
TYPE OF WORK:	Pavement Preservation
PROGRAM AMOUNT:	$3,413,000 Funding Source: STP
PROJECT MANAGER:	Mohamad Jawhar
PROJECT:	H585701C Item #; 18905
REQUESTED ACTION:	Increase program amount by $515,000 to $3,928,000 to reflect final project assessment estimate. **Funds are available from the FY 2005 Pavement Preservation Fund #72505.**
PROGRAM AMOUNT:	$3,413,000
INCREASE AMOUNT:	$515,000
NEW PROGRAM AMOUNT:	$3,928,000

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

FY 2004 - 2008 Airport Development Program - Requested Modifications

AIRPORT NAME:	Ajo Municipal
SPONSOR:	Pima County
AIRPORT CATEGORY:	General Aviation
SCHEDULE:	FY 2004 – 2008
PROJECT #:	E4F34
PRESENT PROGRAM AMOUNT:	New grant
PROJECT DESCRIPTION:	Install Apron Lighting, Pave Access Rd. and Rehabilitate Twy A-2
REQUESTED ACTION:	Provide $12,755 funds to match Federal Grant AIP-02. Total project $285,350:
FUNDING SOURCES:	**FAA** $259,840 **Sponsor** $12,755 **State** $12,755 *Total Program* $285,350

AIRPORT NAME:	Casa Grande Municipal
SPONSOR:	City of Casa Grande
AIRPORT CATEGORY:	General Aviation
SCHEDULE:	FY 2004 – 2008
PROJECT #:	E3F66
PRESENT PROGRAM AMOUNT:	$7,363
PROJECT DESCRIPTION:	Construct Taxiway connectors, approx.

	5,000 SY; install visual approach slope indicator; install fencing, approx. 5,000 LF, Phase 1
REQUESTED ACTION:	Approve modification to scope of work to match FAA's scope modification. New scope: Construct Twy connectors, approximately 8,000 SY
FUNDING SOURCES:	**FAA** $150,000 **Sponsor** $7,363 **State** $7,363 *Total Program* $164,727

AIRPORT NAME:	Chandler Municipal
SPONSOR:	City of Chandler
AIRPORT CATEGORY:	Reliever
SCHEDULE:	FY 2004 – 2008
PROJECT #:	E4F33
PRESENT PROGRAM AMOUNT:	New grant
PROJECT DESCRIPTION:	Install Runway Incursion Action Team (RIAT) guidance signs; and Relocate Heliport, Phase II
REQUESTED ACTION:	Provide $56,452 funds to match Federal Grant AIP-15. Total project $1,262,904:
FUNDING SOURCES:	**FAA** $1,150,000 **Sponsor** $56,452 **State** $56,452 *Total Program* $1,262,904

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AIRPORT NAME:	Chandler Municipal
SPONSOR:	City of Chandler
AIRPORT CATEGORY:	Reliever
SCHEDULE:	FY 2004 – 2008
PROJECT #:	E4F32
PRESENT PROGRAM AMOUNT:	New grant
PROJECT DESCRIPTION:	Construct a Heliport/FATO, Phase II; and Rehabilitate Rwy marking including security enhancement
REQUESTED ACTION:	Provide $9,622 funds to match Federal Grant AIP-13. Total project $215,258:
FUNDING SOURCES:	**FAA** $196,014 **Sponsor** $9,622 **State** $9,622 *Total Program* $215,258

AIRPORT NAME:	Ernest A. Love Field
SPONSOR:	City of Prescott
AIRPORT CATEGORY:	Commercial Service
SCHEDULE:	FY 2004 – 2008
PROJECT #:	E4F44
PRESENT PROGRAM AMOUNT:	New grant
PROJECT DESCRIPTION:	Conduct Airport Environmental Impact Statement Study (EA for Rwy 3R/21L)
REQUESTED ACTION:	Provide $4,470 funds to match Federal Grant AIP-21. Total project $100,000:
FUNDING SOURCES:	**FAA** $91,060 **Sponsor** $4,470 **State** $4,470 *Total Program* $100,000

AIRPORT NAME:	Mesa – Falcon Field
SPONSOR:	City of Mesa
AIRPORT CATEGORY:	Reliever
SCHEDULE:	FY 2004 – 2008
PROJECT #:	E4F35
PRESENT PROGRAM AMOUNT:	New grant
PROJECT DESCRIPTION:	Runway Incursion Action Team (RIAT) Project: Access Road including design,

	Phase I
REQUESTED ACTION:	Provide $17,917 funds to match Federal Grant AIP-13. Total project $400,835:
FUNDING SOURCES:	**FAA** $365,000 **Sponsor** $17,917 **State** $17,917 *Total Program* $400,835

AIRPORT NAME:	Show Low Municipal
SPONSOR:	City of Show Low
AIRPORT CATEGORY:	Commercial Service
SCHEDULE:	FY 2004 – 2008
PROJECT #:	E4F43
PRESENT PROGRAM AMOUNT:	New grant
PROJECT DESCRIPTION:	Construct Heliport Parking Pads and Install AWOS
REQUESTED ACTION:	Provide $7,363 funds to match Federal Grant AIP-12. Total project $164,727:
FUNDING SOURCES:	**FAA** $150,000 **Sponsor** $7,363 **State** $7,363 *Total Program* $164,727

AIRPORT NAME:	Winslow – Lindbergh Regional
SPONSOR:	City of Winslow
AIRPORT CATEGORY:	General Aviation
SCHEDULE:	FY 2004 – 2008
PROJECT #:	E4F46
PRESENT PROGRAM AMOUNT:	New grant
PROJECT DESCRIPTION:	Improve Rwy Safety Area; Install Medium Intensity Taxi Lights (MITL); Install Precision Approach Path Indicator (PAPI).
REQUESTED ACTION:	Provide $20,372 funds to match Federal Grant AIP-11. Total project $455,743:
FUNDING SOURCES:	**FAA** $415,000 **Sponsor** $20,372 **State** $20,372 *Total Program* $455,743

AIRPORT NAME:	Winslow – Lindbergh Regional
SPONSOR:	City of Winslow
AIRPORT CATEGORY:	General Aviation
SCHEDULE:	FY 2004 – 2008
PROJECT #:	E4F45
PRESENT PROGRAM AMOUNT:	New grant
PROJECT DESCRIPTION:	Improve Rwy Safety Area, Phase 1 and Conduct Airport Layout Plan Update
REQUESTED ACTION:	Provide $6,283 funds to match Federal Grant AIP-10. Total project $140,567:
FUNDING SOURCES:	**FAA** $128,000
	Sponsor $6,283
	State $6,283
	Total Program $140,567

Board Action: A motion to approve Items 23, 24, 25, 26, 27, 28, 29, 30 and 31 was made by Mr. Hileman, seconded by Mr. Gant and passed unanimously.

* Priority Planning Advisory Committee (PPAC)

- Minutes – October 2, 2003 Regular Meeting
- Highway Program Monitoring Report.

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

- December 4, 2003
- December 30, 2003
- February 4, 2004 (Wednesday 9:00 AM– Tentative)

RIGHT OF WAY RESOLUTIONS

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RES. NO:	2003-11-A-068
PROJECT:	N-900-A-800 / 195YU000H577401R
HIGHWAY:	YUMA SERVICE HIGHWAY
SECTION:	Yuma Service Highway
ROUTE NO.:	State Route 195
ENG. DIST:	Y
COUNTY:	Yuma
RECOMMENDATION:	Establish a portion of Corridor as a controlled access state highway

*	RES. NO:	2003-11-A-069
	PROJECT:	F-070-A-800 / 070GH330H502801R
	HIGHWAY:	GLOBE - LORDSBURG
	SECTION:	Pima - Thatcher
	ROUTE NO.:	U.S. Route 70
	ENG. DIST:	S
	COUNTY:	Graham
	RECOMMENDATION:	Amendment of Resolution 2002-04-A-010 due to new design requirements
*	RES. NO:	2003-11-A-070
	PROJECT:	S-079-A-700 / 079PN127H608301R
	HIGHWAY:	ORACLE JCT. - FLORENCE
	SECTION:	Cactus Forest Road Intersection
	ROUTE NO.:	State Route 79
	ENG. DIST:	T
	COUNTY:	Pinal
	RECOMMENDATION:	Establish state route as a state highway for widening improvements
*	RES. NO:	2003-11-A-071
	PROJECT:	S-287-A-700 / 287PN122H608201R
	HIGHWAY:	CASA GRANDE – LA PALMA
	SECTION:	Eleven Mile Corner Intersection
	ROUTE NO.:	State Route 287
	ENG. DIST:	T
	COUNTY:	Pinal
	RECOMMENDATION:	Establish additional right of way as a state highway for widening improvements

STATE ENGINEER'S REPORT

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

* Right of Way Acquisition Report for October, 2003.

CONSTRUCTION CONTRACTS

Interstate, Non-Federal Aid

BIDS OPENED:	October 31
HIGHWAY:	SHOW LOW – HOLBROOK HIGHWAY (SR 77)
SECTION:	SR 77 @ Paper Mill Road
COUNTY:	Navajo
ROUTE NO:	SR 77
PROJECT:	S-077-B-504 077 NA 357 HX13701C

FUNDING:	100% State	
LOW BIDDER:	Show Low Construction, Inc.	
AMOUNT:	$	89,609.00
STATE ESTIMATE:	$	76,719.00
$ OVER:	$	12,890.00
% OVER:		16.8%
NO. BIDDERS:		6
RECOMMENDATION:	AWARD	

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

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BIDS OPENED:	October 31	
HIGHWAY:	PIMA FREEWAY (101L)	
SECTION:	McKellips Road to Thomas Road	
COUNTY:	Maricopa	
ROUTE NO:	Loop 101	
PROJECT:	S-101-B-504 101L MA 048 H604401C	
FUNDING:	100% State	
LOW BIDDER:	D B A Construction Inc.	
AMOUNT:	$	1,135,534.69
STATE ESTIMATE:	$	1,173,774.00
$ UNDER:	$	38,239.31
% UNDER:		3.3%
NO. BIDDERS:		6
RECOMMENDATION:	AWARD	

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

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BIDS OPENED:	October 24	
HIGHWAY:	TOPOCK-KINGMAN HIGHWAY	
SECTION:	I-40 Mohave Wash Pathway	
COUNTY:	Mohave	
ROUTE NO:	I-40	
PROJECT:	TEA-040-A(002)A 040 MO 052 H551901C	
FUNDING:	94% Federal 6% State	
LOW BIDDER:	K A Z Construction, Inc.	
AMOUNT:	$	430,000.00
STATE ESTIMATE:	$	457,480.00
$ UNDER:	$	27,480.00
% UNDER:		6.0%

NO. BIDDERS: 7
RECOMMENDATION: AWARD

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

BIDS OPENED:	November 6	
HIGHWAY:	SUPERSTITION FREEWAY (US 60)	
SECTION:	Country Club Way, Pedestrian Bridge	
COUNTY:	Maricopa	
ROUTE NO:	US 60	
PROJECT:	CM-060-C(011)A 060 MA 172 H537002C	
FUNDING:	94% Federal 3% State 3% City of Tempe	
LOW BIDDER:	J. Banicki Construction, Inc.	
AMOUNT:	$	1,853,805.57
STATE ESTIMATE:	$	1,633,076.92
$ OVER:	$	220,728.65
% OVER:		13.5%
NO. BIDDERS:		7
RECOMMENDATION:	AWARD	

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

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BIDS OPENED:	October 24	
HIGHWAY:	GLOBE-LORDSBURG HIGHWAY (US 70)	
SECTION:	McMillen Wash – Junction US 70/SR 77	
COUNTY:	Gila	
ROUTE NO:	US 70	
PROJECT:	STP-TEA-070-A(006)A 070 GI 252 H591601C	
FUNDING:	91% Federal 5% State 4% Globe Unified School District No. 1	
LOW BIDDER:	Show Low Construction, Inc.	
AMOUNT:	$	3,122,340.20
STATE ESTIMATE:	$	3,567,818.00
$ UNDER:	$	445,477.80
% UNDER:		12.5%
NO. BIDDERS:		7
RECOMMENDATION:	AWARD	

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BIDS OPENED:	November 6
HIGHWAY:	NOGALES-TOMBSTONE HIGHWAY (SR 82)

SECTION:	Junction SR 90 – Junction SR 80	
COUNTY:	Cochise	
ROUTE NO:	SR82	
PROJECT:	STP-082-A(004)A 082 CH 051 H556301C	
FUNDING:	94% Federal 6% State	
LOW BIDDER:	Southern Arizona Paving & Construction Co.	
AMOUNT:	$	2,399,680.30
STATE ESTIMATE:	$	2,576,176.10
$ UNDER:	$	176,495.80
% UNDER:		6.9%
NO. BIDDERS:		9
RECOMMENDATION:	AWARD	

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BIDS OPENED:	October 10
HIGHWAY:	GILA BEND – CASA GRANDE HIGHWAY (SR 84)
SECTION:	Junction I-8 to Stanfield Road
COUNTY:	Pinal
ROUTE NO:	SR 84
PROJECT:	STP-084-A(001)A 084 PN 155 H585301C
FUNDING:	94% Federal 6% State
LOW BIDDER:	Granite Construction Company
AMOUNT:	$ 2,267,187.00
STATE ESTIMATE:	$ 2,349,939.00
$ UNDER:	$ 82,752.00
% UNDER:	3.5%
NO. BIDDERS:	7
RECOMMENDATION:	AWARD

BIDS OPENED:	October 31
HIGHWAY:	GILA BEND – LUKEVILLE HIGHWAY
SECTION:	Ajo Sidewalks
COUNTY:	Pima
ROUTE NO:	SR 85
PROJECT:	TEA-085-A(002)A 085 PM 041 H569601C
FUNDING:	94% Federal 6% State
LOW BIDDER:	K A Z Construction, Inc.
AMOUNT:	$ 250,000.00
STATE ESTIMATE:	$ 303,693.60
$ UNDER:	$ 53,693.60
% UNDER:	17.7%
NO. BIDDERS:	8
RECOMMENDATION:	AWARD

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

BIDS OPENED:	October 10
HIGHWAY:	WICKENBURG-KINGMAN HIGHWAY (US 93)
SECTION:	Burro Creek Section
COUNTY:	Mohave
ROUTE NO:	US 93
PROJECT:	NH-093-B(001)B 093 MO 138 H549401C
FUNDING:	94% Federal 6% State
LOW BIDDER:	R.E. Monks Construction Co. LLC Traylor Bros., Inc. (JV)

AMOUNT:	$	25,934,219.70
STATE ESTIMATE:	$	23,495,805.42
$ OVER:	$	2,438,414.28
% OVER:		10.4%
NO. BIDDERS:		5
RECOMMENDATION:	AWARD	

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

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BIDS OPENED:	October 31	
HIGHWAY:	SANTAN FREEWAY (SR 202L)	
SECTION:	Elliot Road – Baseline Road	
COUNTY:	Maricopa	
ROUTE NO:	SR 202 Loop	
PROJECT:	STP-202-C(005)B 202 MA 031 H591501C	
FUNDING:	87% Federal 7% State 3% City of Mesa 3% KB Homes	
LOW BIDDER:	Pulice Construction, Inc.	
AMOUNT:	$	39,462,936.00
STATE ESTIMATE:	$	40,600,000.00
$ UNDER:	$	1,137,064.00
% UNDER:		2.8%
NO. BIDDERS:		3
RECOMMENDATION:	AWARD	

BIDS OPENED:	November 6	
HIGHWAY:	FLAGSTAFF DISTRICT INTERSECTION LIGHTING	
SECTION:	US89@SR64, US89@US160, SR64@US 180	
COUNTY:	Coconino	
ROUTE NO:	Various	
PROJECT:	N-900-A-542 999 CN 000 HX12401C	
FUNDING:	100% State	
LOW BIDDER:	Global Specialty Contractors, Inc.	
AMOUNT:	$	209,252.34
STATE ESTIMATE:	$	179,400.45
$ OVER:	$	29,851.89
% OVER:		16.6%
NO. BIDDERS:		4
RECOMMENDATION:	AWARD	

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

*	BIDS OPENED:	October 31
	HIGHWAY:	QUIET PAVEMENT (PHASE II)
	SECTION:	Various Regional Freeways
	COUNTY:	Maricopa
	ROUTE NO:	Various
	PROJECT:	NH-900-A(071)A 999 MA 000 H637102C
	FUNDING:	94% Federal 6% State
	LOW BIDDER:	Meadow Valley Contractors, Inc.
	AMOUNT:	$ 7,821,296.00
	STATE ESTIMATE:	$ 7,972,889.00
	$ UNDER:	$ 151,593.00
	% UNDER:	1.9%
	NO. BIDDERS:	2
	RECOMMENDATION:	AWARD

*	BIDS OPENED:	October 10
	HIGHWAY:	MORRISTOWN-NEW RIVER HIGHWAY (SR 74)
	SECTION:	Special Guardrail Program (2003)
	COUNTY:	Statewide
	ROUTE NO:	SR 74
	PROJECT:	STP-900-A(047)A 999 SW 999 H623101C
	FUNDING:	94% Federal 6% State
	LOW BIDDER:	Gonzales Construction Company, Inc.
	AMOUNT:	$ 770,438.65
	STATE ESTIMATE:	$ 864,593.00
	$ UNDER:	$ 94,154.35
	% UNDER:	10.9%
	NO. BIDDERS:	8
	RECOMMENDATION:	AWARD

CONSENT AGENDA

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

ADJOURN

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

The meeting adjourned at 11:15 p.m.

Bill Jeffers, Chairperson
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

*Denotes items approved in the consent agenda.