MINUTES
OF THE SPECIAL
STATE TRANSPORTATION BOARD MEETING
10:00 A.M., Thursday, September 4, 2003
Arizona Department of Transportation
State Transportation Board Room, Room #147
206 South 17th Avenue
Phoenix, Arizona 85007

The State Transportation Board met in official session for a special meeting at 10:00 a.m., Thursday, September 4, 2003, with Chairperson Radicke presiding. Other Board Members present included: Vice Chairman, Bill Jeffers, Dick Hileman, Rusty Gant, Jim Martin, Joe Lane and Si Schorr. Also present were Debra Brisk, Deputy Director, John McGee, Chief Financial Officer, Gary Adams, Assistant Director, Aeronautics, and Dale Buskirk, Assistant Director, Transportation Planning Division. There were approximately 30 people in the audience.

OPENING REMARKS AND PLEDGE

Chairman Radicke led the audience in the Pledge of Allegiance.

CONSTRUCTION CONTRACTS (Action As Noted)

(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)

***ITEM 1:**	BIDS OPENED:	August 22
	HIGHWAY:	CLAYPOOL – JAKE'S CORNER HIGHWAY (SR 188)
	SECTION:	Resort Road – Devore Wash
	COUNTY:	Gila
	ROUTE NO:	SR 188
	PROJECT:	STP-038-1(032)A 188 GI 225 H407601C
	FUNDING:	94% Federal 6% State
	LOW BIDDER:	Ames Construction, Inc.
	AMOUNT:	$ 25,643,042.70
	STATE ESTIMATE:	$ 30,130,514.00
	$ UNDER:	$ 4,487,471.30
	% UNDER:	14.9%
	NO. BIDDERS:	5
	RECOMMENDATION:	AWARD

Si Schorr recused himself from voting.

Board Action: A Motion to approve Item 1 was made by Mr. Jeffers, seconded by Mr. Hileman and passed unanimously.

ADJOURN

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

The meeting adjourned at 10:10 a.m.

Ingo Radicke, Chairman
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

*Denotes items approved on the consent agenda.

MINUTES
OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
10:05 A.M., Thursday, September 4, 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 10:05 a.m., Thursday, September 4, 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, Assistant Director, Planning Division; and Gary Adams, Assistant Director, Aeronautics Division. There were approximately 30 people in the audience.

PLEDGE

Chairperson Radicke led those present in the Pledge of Allegiance.

Financial Management Services – Budget Update FY 2004

Mr. McGee updated the Board on the overall budget program for FY 2004 based on the status from the 2003 Legislative Session and on the 2005 – 2009 Five Year Construction Program Financial Forecast. He stated total funding for FY 2008-09 is expected to total approximately $611 million, assuming a 4.3 percent growth rate in HURF revenue and slight growth in MVD fees, three percent annual growth in the operating program, $10 million in L.B. & I., $20 million for DPS, and $71 million in Bond and GANs debt service. He said the figures also represent a 2.5 percent annual growth in Federal funds. He stated, while the amount they will be able to actually program has not yet been determined, preliminary estimates indicate it will be approximately $570 million.

Mr. McGee stated, while the $128 million in VLT funds the Governor and Legislature originally intended to take in FY 04 may not happen, they have been asked to assume it will happen in FY 2005. He said staff should have some indication as to whether or not that will happen by the time they finalize the five year program.

In response to a member's question, Mr. McGee stated they now believe they will be able to resume the HELP Loan Program, however, it will be limited in terms of statewide projects. He explained the statewide share of all loans made to date totals 33 percent, therefore, more loans have to be made to Maricopa and Pima Counties to meet distribution requirements. He said they hope to come up with a small amount of additional capacity for statewide projects, but they will primarily be city and county projects.

SR 179 Update

Jennifer Livingston/Flagstaff District Office, presented an overview and status of the SR179 corridor. She briefly reviewed the project's background, explaining an Engineer to Engineer meeting was held in November of 2002, resulting in a Needs Based Implementation Plan and the integration of other ADOT studies. She stated ADOT then met with the seven Corridor Agency Stakeholders in February 2003 to determine the process that would be used to select Public Outreach and Corridor Development Consultants. She said ADOT, through a four member selection panel, selected a Public Outreach Consultant in April 2003. She said ADOT and the agency stakeholders developed the scope of work for the consultants, reducing the typical six month process to one month. She stated a Corridor Development Consultant was selected in May 2003 through a two step process that involved a 10 member selection panel. She said an Executive Team was established in April 2003 and ADOT and the consultant team worked to establish a Needs Based Implementation Plan in June through August 2003. She stated the Needs Based Implementation Plan was approved by the Executive Team on August 1. She stated those involved in the April 2003 meeting agreed on several issues, including the need for a schedule, to utilize a comprehensive public outreach program, to use a team approach, to seek a multi-modal corridor solution, and to strive for timely communication. Ms. Livingston explained the project was divided into three phases, the Needs Based Implementation Planning process, the final design, and construction. She said the corridor has been separated into four projects, the Village of Oak Creek area, the Forest Service area, the City of Sedona, and the Y. She stated, however, they are emphasizing a corridor-wide approach during the Needs Based Implementation Plan. She pointed out design and construction of the projects is staggered every six months.

Ms. Livingston explained the Needs Based Implementation Plan process involves three phases, process definition, corridor-wide design framework, and segment design concepts. She said the process definition phase involved going out to stakeholders and determining what the Needs Based Implementation Process was going to be. She said each phase involves extensive public outreach efforts, including newsletters, news releases, press conferences and e-newsletters. She stated, at the end of the Corridor-Wide Design Framework phase, they will have a draft Corridor-Wide Framework and establish five other teams, including a Corridor Consistency Team and Design Advisory Panels. She said the Segment Design Concepts phase will include refinement of the Segment Alternative Concepts and evaluation of the detailed design options.

Ms. Livingston stated they are coordinating with other studies and projects, including the Verde Valley Multi-Modal Transportation Plan Update, the Cortez Signal Project, the US 89A Traffic Signal Synchronization Study, the Uptown Circulation Study/Uptown Enhancement Project, the Citizens Gas Environmental Assessment, the USFS Facilities Development and Focused Future II.

Ms. Livingston reviewed the financial aspect of the project, stating the total corridor budget totals $53 million. She explained the Public Outreach and Corridor Development Consultants are both funded through the Needs Based Implementation Plan and funds have been identified for right-of-way, utility and construction.

Ms. Brisk reviewed the lessons the Department learned on SR 179, including: 1) that it must be more collaborative with the community; 2) the importance of teamwork and people skills; 3) that the process consumes a great deal of time and resources; 4) the MOU should have been signed prior to consultant selection; and 5) agency stakeholders should participate financially. She said a site has been selected for the local project office and the Public Kickoff Event will be held on September 15. Board members were invited to attend.

Ms. Livingston confirmed for a member that, at this point, their intention is for the roadway to remain a state route. She said, however, there is a possibility that the portion within the city limits would be turned back to the city.

SR 69 and US 89 Interchange

Tom Foster presented a project update on the SR 69 and US 89 Interchanges. He said they had to deal with several entities around the SR 69 interchange, including the Indian Tribe, the VA Center, the VA Cemetery, Yavapai College, Yavapai County, the City of Prescott, and the Bureau of Land Management. He said $3.143 million was redirected from the SR 69 interchange to the Glassford Hill Road project and never returned, therefore, they have $14 million left. He stated the final DCR was approved for $21 million in 2001 and a public meeting was held. He said, however, updated unit costs have increased the project total to $27 million. He said, in an effort to obtain the additional $14 million needed to complete the project, they decided to do a supplemental DCR. He discussed differences between the original and supplemental DCRs, and the impact those differences had on the project's cost. He said they have $15.6 million available to build the project, including design money in 2003, right-of-way money in 2004, construction money that moved from 2004 to 2005, approximately $500,000 in enhancement money, and money from the removal of the Butterfield Access. He discussed other steps they are taking to bring the cost of the SR 69 and Highway 89 projects in line with available funding, including elimination of two bridge projects, widening 89 in conjunction with the SR 69 project, and using the waste on SR 69 as fill on Highway 89.

Mr. Foster reviewed the Butterfield IGA as well as IGAs signed with the City of Prescott.

Mr. Foster confirmed for Chairperson Radicke that the IGA on the turnbacks have been signed, stating, however, the dollar amounts will need to be modified. He clarified they need district minor and signal funds and will use $3.1 million of the SR 69 project funds to create a new project from Sundog to Willow Lake.

Move AZ

Mr. Buskirk presented an overview of the Move AZ Long Range Plan. He said public participation and stakeholder involvement have been an important part of Move AZ, with 17 regional forums and 12 stakeholder meetings held across the state. He said the Working Group has met 10 times to discuss plan milestones, the Continuity Team has met with ADOT engineering staff five times and Input Teams have met with working group members and ADOT staff three times. He stated two additional rounds of public involvement meetings will be held once the draft plan has been completed. He said, in response to a Federal Highways

Administration ruling requiring non-metropolitan local elected officials to be formally consulted on planning and programming issues, there have been four meetings to date and four additional meetings are scheduled in late Fall, 2004.

Mr. Buskirk reviewed the project schedule, noting it was their original intent to have a draft plan completed this fall and presented for final approval by the Board in December. He explained they have since revised the schedule to accommodate another round of public outreach on the methodology used to create the plan. He said they expect to complete the draft plan late this year or early 2004, followed by an extensive public and stakeholder involvement process and final approval in May 2004. He pointed out the state statute requires the plan be completed no later than December 2004.

John Pein reviewed the technical aspects of the methodology developed to date. He explained the Legislature mandated ADOT use performance based measures and planning factors to deliver programs and projects.

Mr. Pein explained all of the information for the projects came from Vision 21 and the 33 Corridor Profiles ADOT has done over the past five years. He said, furthermore, every Regional Transportation Plan, as it relates to or impacts the statewide system, have been incorporated into the database. He stated the projects have been bundled using $50 million as a rough guideline. He said the bundles include all necessary infrastructure replacement and design items. He explained every measure and factor is given a score, noting factors related to safety and mobility received a weighted score of 1.4 percent and those related to accessibility and preservation received a weighted score of 1.2 percent. He said, while the percentage increase of the weighted scores could change in the future, the fact that safety and mobility, followed by accessibility and preservation, are the public's highest values will not. He said the scores will allow the Board to determine whether a particular project is a priority.

Mr. Schorr asked which, if any, of the performance factors could be classified as subjective versus objective. Mr. Pein said every factor is subjected to FHWA approved modeling and predictive models.

In response to Chairperson Radicke's question, Mr. Buskirk stated they expect to present a draft to the Board in January. Mr. Pien said they will begin developing their priorities before October and will come back to the Board with 200+ bundles before the first of the year. He noted the districts are currently reviewing all of the bundles, purging any projects that have been completed and making comments and recommendations.

Mr. Pein confirmed for Mr. Schorr that they are looking solely at the state highway system. He said funds have been made available for a study to look at a loop road system, future routes, and state routes that could come back into the system. He said, however, they do not have the predictive modeling to look at routes that do not currently exist. He noted $15 billion would not be an overestimation of the funding needed to meet the number of requests from small communities.

Ms. Brisk asked how Move AZ relates to the MAG and PAG areas. Mr. Buskirk explained ADOT, MAG and PAG were in the process of developing long range transportation plans, however, MAG's plan development process differed significantly. Mr. Pin noted ADOT is required to cooperatively develop its plans with MPO's, therefore, any project listed in an approved regional transportation plan receives up to 10 points.

East Flagstaff Traffic Interchange Project

John Harper updated the Board on the Intergovernmental Agreement and status of the negotiations in regards to finances and turnbacks. He said, through a resolution of the County, City of Flagstaff and the FMPO, they would like to move money from the JW Tile project programmed in 2005 towards the East Flagstaff traffic interchange project.

Mark Landsiedel, Capital Improvements Director, said parts of the East Flagstaff interchange are part of the national highway system, resulting in a lot of regional traffic. He said the District Engineer, Don Dorman, formally submitted for scoping the interchange project in 1998, however, it was rejected. He said the lack of pedestrian and bicycle facilities, failing structural integrity of the bridges, and increasingly difficult and dangerous weaving movements were cited as issues at that time. He stated Mr. Dorman submitted the project for scoping again in 1999 and it was accepted. He reported a Design Concept Report contract was awarded in 2000, resulting in the recommendation for a single point curb and interchange. He said that recommendation was rejected by the district and the city and a value engineering session was completed in October 2001, leading to a DCR for the project. He explained the accident history for the area is approximately twice that of the state average, stating pedestrian systems are non-continuous and arterial levels of service are at C and D. He stated vertical clearances on some structures are below ASHTO recommendations and bridges in the study area are functionally obsolescent. He stated the city advanced $1 million to ADOT in 2002 for design of which they are anxiously awaiting completion.

The City Planning Director said they have been working in the area for the past five years and are entering final design on a number of projects that will help revitalize the region. He said, in their estimation, it will take an investment of approximately $200 million to complete the area, including public/private partnerships, $120 to $140 million in investments by the private sector, and $12 million in city funds. He said, in concert with the five TI projects, the area will benefit from a TEA21 and ISTEA enhancement project and transit improvements.

A member of the Coconino County Board of Supervisors, said the East Flagstaff TI will benefit the county and the Board of Supervisors has signed a resolution supporting the project. She stated the project will improve both current economic and transportation situations.

David Wilcox, City Manager, reviewed key points of an agreement between the City of Flagstaff and ADOT. He said ADOT will move the East Flag TI into the current five year plan and commence its design immediately, while the city will turn back Route 66 from the East Flag TI to the Walnut Canyon TI and Highway 89 from the TI to the city limits. He said the City and ADOT will separately agree to a process for Route 66 turn backs and recognize the long range opportunity for future discussions about remaining highways in Flagstaff.

In response to Chairperson Radicke's question, Mr. Wilcox said the Route 66 turn back totals approximately 12 miles.

Mr. Wilcox clarified for Mr. Schorr that the total cost of the East Flag TI will be approximately $20 million.

Mr. Buskirk asked if ADOT has procedures in place for instances where a city or town wants ADOT to participate in a new interchange. Ms. Brisk explained the East Flag TI is an existing interchange and its history shows the project has been proposed by ADOT staff for many years. She said ADOT will work with a city or town on a new interchange, however, it will ask for financial participation from the city. She stated each situation is handled on a case-by-case basis.

Mr. Jeffers pointed out ADOT will also work with developers on new interchanges.

The meeting recessed for lunch.

Statewide Rest Area Program

LeRoy Brady presented an overview on the statewide rest area program; including the status of rest areas being scoped, designed and proposed. He stated the Page, Monument Valley, Four Corners, Jerome, and Bylas rest areas are funded, but will be owned and maintained by others.

Chairperson Radicke asked if the state will have any assurances that the rest areas will be well maintained once they are turned over. Mr. Brady explained having any assurances would imply ADOT continues to have some level of control over the rest areas.

Mr. Brady reviewed a chart indicating the cost of rest areas included in the five year program as well as reconstruction and new construction costs that have not yet been programmed. He identified Meteor Crater, Mohawk, Parks, Sunset Point and the Texas Canyon rest areas as being critical. He reviewed another chart depicting rest areas that are currently underway, rest areas that have been completed since 1999 and rest areas that had funding at one time but have since been moved out of the program. He explained the items depicted in blue represent rest areas that were coordinated with the Forest Service and for which they applied for National Byways Funding.

Mr. Radicke commented on the litter problems at rest areas, suggesting they add more trash receptacles and collect trash more frequently. He also expressed his opinion the state needs more rest area facilities, pointing out trucks often resort to parking alongside the interchanges.

Mr. Brady said funding for this year is available and they are spending 2003 carryover money from the Meteor Crater and 2004 money for the Mohawk rest areas. He pointed out, however, no rest areas are funded beyond 2005 and only $1.2 million is funded in 2007 for Rest Area Systems Preservation. He noted they are submitting an application for Scenic Byways money for the Wickieup rest area.

Mr. Jeffers asked if the Page rest area would be eligible for Scenic Byway funds. Mr. Brady responded no, explaining, although the route is being studied, it has not yet been designated as a scenic route. Chairperson Radicke suggested the Board write a letter to the designation committee, identifying specific routes it believes should be given consideration. Mr. Brady stated the committee is currently considering four routes, SR 98, SR 87, SR 161 and SR 66.

In response to Mr. Schorr's question, Mr. Brady explained the rest area buildings are constructed of masonry because of the material's longevity and maintainability. He stated the main cost associated with construction of a rest stop is associated with the ramps and parking. Mr. Schorr pointed out a lot of the wear and tear on the ramps and parking facilities is caused by the trucks, not the average motorist, suggesting they impose a portion of the burden on trucks utilizing the facilities. Mr. Brady noted trucks are already charged proportionately more for their licenses because of their impact on the highway system.

Chairperson Radicke commented that Arizona's increased reliance on tourism requires that the rest areas be clean and well maintained. Mr. Mendez pointed out, however, additional funding will be needed. He suggested the Board allocate a certain amount of funding for rest area maintenance, stating funds are not available in the operating budget. Chairperson Radicke asked what would be an acceptable level of funding. Ms. Brisk said the Board first needs to identify a cycle for new interstate and non-interstate rest area construction and the cycle for renovating existing rest areas. Chairperson Radicke asked who benefits from the money collected through the vending machines located at the rest areas. Mr. Brady stated the machines bring in between $1,500 and $3,000 per month, per rest area and the Randolph Shephard Industry, which in Arizona is the Blind Enterprise Program, has first rights to those funds. He explained the Blind Enterprise Program used to be funded out of the State General Fund, however, funding from the vending machines currently supports the organization. He noted the rest areas have between 1,200 and 14,000 visitors per day. Chairperson Radicke asked if the state could offer commercial opportunities that could help fund maintenance of the rest areas. Mr. Brady said they considered a trial program, however they ran into opposition from business owners in nearby cities and towns. He noted CalTrans tried to privatize several rest areas, but their efforts ultimately failed and they went back to building rest areas.

Mr. Schorr suggested the state try privatizing one location to determine the feasibility of such a program. Mr. Brady stated they went through the process and conducted a privatization study on the Desert Hills rest area, but met a lot of opposition. He pointed out lower volume highways will not provide enough traffic for a business to succeed.

Chairperson Radicke suggested a committee be established to look into the issue in greater detail. Mr. Mendez offered to draft an internal brief, outlining ideas for the Board's consideration.

State Transportation Board Meetings and Study Sessions

Chairperson Radicke explained the Vice Chairperson typically selects the sites for the Board meetings before taking over as Chairperson. He commented on the importance of going to various communities, stating he would like the Board to continue its commitment to visit as

many communities as possible. He also encouraged the Board members to attend as many meetings as they can.

Mr. Jeffers suggested any policy adopted with regard to Board meetings include a preface that, in an ideal situation, all Board members are physically present at all meetings. He said, however, there have been instances in the past where teleconferences were necessary and worked well. He said the area meetings are one of the highlights of the Board and one of the reasons ADOT is regarded as one of the better state agencies.

Mr. Hileman said, while there is an expense involved in getting to the various meeting locations, the Board has an obligation to have a first hand understanding of projects and how they impact local communities. He said the Board would be taking a step backwards if it no longer held meetings in the districts on a regular basis. He expressed his opinion the Board has in no way abused use of the state plane, noting the plane is also used by the Engineering Department and for taking aerial photographs.

Mr. Gant said the use of the state plane is a separate issue. He stated the meetings around the state are a big public relations accomplishment for the Board and help facilitate communication between ADOT and the local communities, resulting in better projects. He expressed his opinion that it is critical for the Board to be able to see the various presentations and hear the public's input. He said, while he does not believe teleconferences are as effective, they are sometimes the only alternative.

Mr. Lane pointed out teleconferences limit, if not eliminate, the opportunity for public input. He stated he is more comfortable talking about a project when he is able to see existing conditions first hand. He said he would not be able to attend as many meetings if he were not able to use the plane.

Mr. Schorr said the plane costs approximately $412,000 per year, including the cost of two pilots, a mechanic and depreciation. He stated the plane is valued between $750,000 and $1 million. He said the question is whether it makes financial sense for the state to own the plane or if it would be more economical for the state to hire a plane when necessary. He expressed his opinion the Board should attempt to maximize the impact it has at meetings by combining study sessions and public hearings. He suggested meetings not be held on Friday's, especially during the summer months, and that they start later in the morning to allow those traveling from out of town more time to arrive. He expressed concern about the balance of meetings being held in the greater Phoenix area as compared to rural areas of the state. With regard to teleconferences, Mr. Schorr suggested they look at what other departments are adopting as their policy. He said, because of the realities of time, distance and location, people often conduct business over the telephone. He agreed, however, that members should attend the meetings whenever possible.

Mr. Hileman acknowledged that many businesses conduct meetings over the phone, stating, however, except on a staff level, teleconferencing would take away from the public process. Mr. Schorr stated, while he does not argue that teleconferencing would impact the public process, he believes the department should research how other departments utilize the technology before a

policy is adopted. He acknowledged that the department would need the equipment necessary to allow the public to hear what is being said, noting it can be obtained for a negligible cost.

Mr. Jeffers noted the schedule he proposed is tentative and invited members to inform him of any communities who have specifically expressed an interest in hosting a meeting.

Mr. Radicke clarified for Mr. Schorr that the Board often holds study sessions and Board meetings on the same day. He said when a study session and Board meeting do not occur at the same time, it is often because the Board needs time to consider the information presented during the study session and staff needs time to prepare for the Board meeting. He pointed out many of the members would not be able to serve on the Board if it were not for the plane, explaining they could not afford to dedicate the time it would take to drive to the various communities.

Mr. Schorr said, if time constraints are an issue, perhaps the Board should forego their Thursday evening meetings. Chairperson Radicke pointed out local officials use the Thursday evening meeting as a means of acquainting the board with specific issues and projects in their area.

Mr. Jeffers suggested the Board consider holding study sessions on Tuesdays.

Chairperson Radicke asked Mr. Mendez to summarize the Board's comments and either determine that a policy is not necessary or draft a policy for the Board's review.

Mr. Acosta explained, in the absence of a policy, telephonic attendance can only occur when there is no feasible alternative. He said, in that situation, the public has to be allowed to come to the Board's offices. He stated the Attorney General's Office is not taking a position with regard to the issue of teleconferencing, however, it believes the Board should adopt a policy.

Mr. Schorr explained the Attorney General's opinion is not law, stating it may or may not be upheld by the court. He pointed out the Notice of Study Session states members of the Transportation Board will attend either in person or by telephonic conference call. He said the statute defines a meeting as the gathering in person or through technological devices of a forum or members of a public body. He expressed his opinion the Board has legal jurisdiction to decide whether telephonic attendance is acceptable.

Mr. Acosta cautioned that having one person speak with each of the Board members concerning the need for a policy could, in and of itself, present an Open Meeting Law violation.

Mr. Mendez volunteered to research the issue, prepare an objective perspective and return to the Board with a recommendation, acknowledging, however, the research would likely require conversations with individual Board members. Mr. Acosta explained a violation would occur if members make their preferences and opinions known. He suggested staff already has enough information.

With regard to Mr. Schorr's comments concerning the definition of a meeting, Mr. Acosta explained the issue is not whether a meeting can occur by telephone, but whether a legal meeting can be held by telephone. Mr. Schorr stated there is only one definition of a meeting.

Chairperson Radicke stated the point seems to be that, should the Board decide to hold a telephonic conference, the meeting has to be noticed in advanced so that the public has time to make arrangements to be present either at the Board's offices or by telephone.

Mr. Schorr expressed his frustration in being unable to obtain information from the Attorney General concerning how other departments handle the issue of telephonic conferencing. Chairperson Radicke stated he does not feel the Board needs to follow the lead of any other departments.

Mr. Mendez questioned whether it is necessary to research how other departments or other states address the issue, stating staff should be able to develop a recommendation that is within the constraints of the law.

Mr. Jeffers asked the Board members if they would prefer the meetings be held on a different day. Chairperson Radicke stated he would not object to committing to hold Board meetings on Thursdays, since they have already committed to holding the study sessions on that day.

Adjournment

No closing comments were made.

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

The meeting adjourned at 3:15 p.m.

Ingo Radicke, Chairperson
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

MINUTES
OF THE
STATE TRANSPORTATION BOARD MEETING
9:00 A.M., Friday, September 19, 2003
At The Petrified Forest National Park
In The Community Building
The Petrified Forest Is Located Off Of I-40 Going East
(Toward Gallup), Exit 311
Holbrook, Arizona 86025

The State Transportation Board met in official session for a regular meeting at 9:00 a.m., Friday, September 19, 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 Gary Adams, Assistant Director, Aeronautics Division. 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 City of Holbrook for their hospitality and introduced dignitaries in the audience.

Mayor Brian Smithson welcomed the Board to Holbrook. He said they recognize the difficult job the Board members have undertaken and appreciate their efforts.

Caleb Roamhorse, Vice Chairperson, Navajo Nation, thanked the Board for coming to Holbrook, stating they would like to see the Board go even further north.

Chip Davis, Chairman of the Yavapai County Board of Supervisors, thanked Mr. Mendez, Ms. Brisk and Mr. Jeffers for attending the SR 179 kickoff event, stating it signified ADOT's commitment to working with the citizens of Sedona. He said Mr. McGee explained why the HELP Loan Program will not work on SR 260 and they are attempting to find another way to get the project into the Five Year Plan.

Stanley Gibson, Mayor of Globe, thanked the Board for the work being done in the Globe area. He commended the Board on its ability to balance the needs of individual communities with those of the state as a whole. He said they still need funding to complete the widening of US 70 from McMillan Wash to Highway 77 and the passing lane going west between Superior and Miami.

Martin Begay, Chapter President, Ganado, thanked the Board for coming to listen to their comments and concerns.

Bill Liester, CAAG Transportation Director, distributed copies of their list of recommendations for statewide programming. He said the Management Committee approved the list last week and it will be taken to the Regional Council next week.

Steve Stratton thanked the Board for addressing safety issues in Pima County. He said, however, the railroad trestle on Highway 170 still needs to be widened and a third passing lane to Superior on Highway 60 is warranted.

Steve Sanders thanked the Board for the upcoming DeVore Wash project on Highway 188.

DISTRICT ENGINEER REPORT

Jeff Swan, District Engineer, reported the Summit New Mexico State Line widening on Highway 264 was recently completed at a cost of approximately $20 million. He said the district has $92 million in projects in the Five Year Program and the projected program, including subprograms, anticipates spending over $125 million in northeast Arizona. He said their maintenance program totals about $6.4 million per year, noting they are short staffed by 15 employees. He said the remote weather and variable message signs have been very helpful. He spoke about the importance of intergovernmental relations, noting they continue to work with the Navajo Nation on getting material sites. He said they are also working on shared project costs with the Navajo Nation, which now has an established Transportation Fund. He discussed various issues within the district, including flooding problems on SR 98 north of US 160, commuter traffic in Holbrook, the coal mining operation, and coordination with Navajo Nation law enforcement.

CALL TO AUDIENCE

Sid Whitehair, President, Coppermine Chapter, asked the Board to conduct a feasibility study on Navajo Route 20.

Nancy Stone, Superintendent, Hubbell Trading Post, voiced her support, as well as the support of the National Park Service and Public Trading Post and the Navajo community, for the SR 264 improvement project. She submitted letters from the Park and the County office. She said the area is developing quickly and traffic on SR 264 is increasing at an astounding rate. She invited the Board to hold a Board meeting in Ganado in 2004.

Bessie Armajo, Community Service Coordinator, Coppermine Chapter, urged the Board to take N20 into consideration when discussing the Five Year Program.

Farod Morgan, Coppermine Chapter, asked the Board to conduct a feasibility study on rerouting Highway 89 at Mile Post 498 to N20, stating it would be a more suitable route to Page than SR 89. He said, historically, N20 was a backbone for the City of Page and the Glen Canyon Dam and stood for progress, economic development and a tax base for northern Arizona.

Calvin Begay, Grazing Committee, Coppermine Chapter, also asked the Board to conduct a study on N20.

Harry Begay, Vice President, Coppermine Chapter, submitted a written statement concerning their request for a study to reroute Highway 89 at Mile Post 498 to N20. Also submitted were a Resolution from the City of Page and various letters in support of their request.

Ben Hershey, President, Imperial Group, Inc., addressed the Board concerning the guardrail post project. He noted this was the first project they every developed for the public sector. He said they have met some opposition with regard to specifications for their product and the product currently being used in the field. He explained the state wants to use a Number 1 grade post, however, the product does not exist at lumber mills. He said the state has essentially accepted their competitor's lower bid although it provides for a lower grade wood based on assurances they will provide Number 1 posts. He stated they cannot compete against inferior products and will not be able to provide services to the State unless allowed to play on an even playing field. He stated their guardrail posts are an environmentally sound product, utilizing small diameter wood the forest service is attempting to clear out as part of its thinning process and resulting in very little waste. He asked the Board to support their efforts to push the specifications through the process and obtain approval from the state.

Dorothy Lee, Coordinator Bodaway/Gap Chapter, submitted a letter concerning the need for turnouts for school buses for both school districts. She also asked for a flashing light at the trading post to warn tourists of traffic turning right and suggested the state consider making Highway 89 a freeway to prevent people from slowing and stopping on the highway.

Pearl Puhuyaoma, Transportation Supervisor, Tuba City Unified School District, asked for improvements to local roads, noting their bus repairs have totaled over $25,000 this year. She identified other areas of concern, including the need for bus pullouts on Highways 160, 264 and 89. She stated she also supports the Coppermine District's request for a feasibility study on N20.

Nate Brady, Ganado Unified School District Transportation Supervisor, voiced his support for the widening of Highway 264. He explained 10,000 vehicles, including 35 buses, utilize Highway 264 between Ganado and Window Rock daily. He said they also need bus pullouts, especially at the Burnside Junction and the Hubbel Trading Post.

Paul DoBell, Executive Director, Petrified Forest Museum Association, welcomed the Board and presented Board members with an honorary membership in the Association and books on the Petrified Forest and rock art in the area.

The Board recessed for a short break.

Caleb Roamhorse readdressed the Board, stating their pavilion is expected to open in January, a Chevron and Burger King recently opened across from the High School and a new middle school will be dedicated in the next couple months. He said, as a result, the Burnside intersection is

becoming increasingly busy and dangerous and should be improved. He noted 35 buses turn at that intersection three times every day, resulting in a slowdown in traffic.

Martin Begay readdressed the Board, expressing appreciation for improvements made to Highway 264. He spoke about a disabled resident who rides his wheelchair along Highway 264 when going to work. He noted Ganado, under the Local Government Act, will run its own government rather than having to go to Window Rock. He said he also sits on the hospital board who would like the two entrances at the intersection of Highways 191 and 264 combined into one. He noted the hospital is proposing a new facility off Highway 191 towards Sanders Road. He said there are also a lot of accidents at the turnoff into Ganada Chapter. He stated the Airport Master Plan has been completed and they are awaiting funding to begin the improvement project.

CONSENT AGENDA

No items were removed from the Consent Agenda.

Director's Report

Victor Mendez reported the MAG Transportation Policy Committee unanimously passed a 20-year plan for the MAG region on Wednesday. He expressed his opinion the plan will be positive for the region and, ultimately, for the state. He thanked Boardmember Gant for his service on the Transportation Policy Committee, noting he was instrumental in pushing through three of the Department's high priorities. With regard to the meeting in Sedona, he said he believes residents received the message that ADOT is committed to the needs based implementation process. He stated he is working on recommendations for the study session with respect to future Board meetings.

Legislative Report

Ms. Colleran stated there are less than two weeks left before AIR-21 and TEA-21 expire. With regard to the Aviation reauthorization, she reported the House and Senate Conference Committee created a report that was sent to the House and Senate for approval. She said some Legislators were concerned about potential privatization of air traffic controllers and a Congressman in the House Appropriations Committee was concerned about the language on funding and personnel issues. She said, as a result of those issues, the report was pulled off the calendar for both the House and the Senate and it is unlikely AIR-21 will be reauthorized before October 1. She said, therefore, they are discussing a short term extension on AIR-21.

On the Transportation reauthorization, Ms. Colleran reported the House and Senate have determined that a bill will not happen and have started working on an extension. She said a majority of both the House and Senate support a five month extension so as not to have the reauthorization come back at a time when they are working on 2004/05 budget resolutions. She said, however, Congressman Young has submitted a bill that would provide a six month extension. She stated the Senate Finance Committee has already heard the extension and the Environment and Public Works Committee was supposed to hear it on Thursday but it was

delayed because of the hurricane. She stated the House has not yet scheduled the bills. She noted the Senate Finance Committee also heard SB 1548, which would require ethanol to be taxed at the same rate as gasoline. She said the additional tax dollars, estimated to total approximately $2 billion, would be put into the Highway Trust Fund. She stated the bill also restored the 2.5 cents that currently goes to the General Fund back to the Highway Trust Fund. In terms of appropriations, Ms. Colleran stated the House has completed their work on the Transportation appropriation, but the Senate subcommittee report has not yet gone to the floor of the Senate. She said it appears they will be under continuing resolution for transportation funding until the bills can be passed.

Ms. Colleran stated the conference report on Homeland Security has been completed and will be heard by the full House and Senate. With regard to Hoover Dam, she said a draft agreement between Arizona and Nevada and the Federal Highway Administration was sent to Secretary Minetta and a meeting should be scheduled within the next two weeks. She stated Congressman Flake is talking about introducing a bill that would allow states to keep their federal gas tax funds, noting, however, it could include a reduction in the federal gas tax.

Chairperson Radicke noted Congressman Young may be in the state for a fundraiser in January.

Financial Report

John McGee reported August HURF collections totaled $93.15 million, up 4.7 percent over last year and 1.5 percent over the forecast. He said, year-to-date, collections total $189 million, up 6.7 percent over last year and 3.6 percent above the forecast. He noted every category, except Other, is up over last year and running ahead of forecast. He pointed out the figures do not reflect the potential impact of the short term fuel shortage in Maricopa County in August.

Mr. McGee reviewed the July Maricopa Transportation Excise Tax report, stating revenue collections totaled $23.37 million, which is 5.6 percent over last year and 3.1 percent over forecast. He said Retail Sales has been particularly strong each of the past two months, up 7.9 percent in June and 7.3 percent in July.

Mr. McGee said the Cash Management/Investment Program report for July shows investment income continues to struggle. He said, for the month, they earned about $138,000 on an average invested balance of $648 million, representing a .25 percent yield. He said Pool 2, which by statute has to be invested in government backed securities, is and always has been heavily invested in GMA securities. He explained, while they have traditionally been good investments, a significant number of homeowners refinanced their homes, calling those outstanding securities. He said, as a result of calling those securities, any unamortized premium that had not been written off had to be taken at the time of the call. He said it appears August earnings will be similar. He noted the Treasurer's Office is looking at other types of securities for Pool 2.

Mr. McGee reported the HELP Fund Balance as of August 31 totaled $82,821,593. He pointed out $100 million in Series 2000 BFOs have been repaid and reborrowed under Series 2003. He stated an additional $40 million borrowed in FY 2002 will be repaid and reborrowed, however,

they are currently monitoring balances in the General Fund. He said they have also refunded $60 million of BFOs to the State Highway Fund.

Financing Program

Mr. McGee stated the HELP Advisory Committee met last week and their initial analysis indicates there will be sufficient capacity between now and December 31, 2004 to make $75 to $80 million in loans to the MAG Region and $37 to $40 million to the PAG Region. He said, however, it appears there will be no capacity for additional statewide loans given the number and amount of loans already made statewide. He stated the Advisory Committee will meet again in six to eight weeks.

Resolution Authorizing Issuance of Highway Revenue Bonds

Mr. McGee presented and recommended approval of a Resolution authorizing the Board's anticipated issuance of Highway Revenue Bonds Series 2003A and/or Subordinated Highway Revenue Bonds Series 2003A, in an amount not to exceed $375,000,000.

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

RESOLUTION

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED IN THE AGGREGATE $375,000,000 PRINCIPAL AMOUNT OF ARIZONA TRANSPORTATION BOARD, HIGHWAY REVENUE BONDS, SERIES 2003A AND/OR OF SUBORDINATED HIGHWAY REVENUE BONDS, SERIES 2003A; PRESCRIBING THE FORM OF SUCH BONDS; PRESCRIBING CERTAIN TERMS AND CONDITIONS AND MAKING CERTAIN COVENANTS PERTAINING TO SUCH BONDS; ORDERING THE SALE OF SUCH BONDS; SUPPLEMENTING THE RESOLUTION OF MAY 1, 1980, AS SUPPLEMENTED TO DATE, AND SUPPLEMENTING THE RESOLUTION OF SEPTEMBER 27, 1991, AS SUPPLEMENTED TO DATE; AND APPROVING CERTAIN OTHER MATTERS RELATING THERETO.

The motion passed unanimously.

Appointment of Underwriters, Highway Revenue Bonds

Mr. McGee presented and recommended approval of a Resolution recommending appointment of Underwriters for the Board's anticipated issuance of Highway Revenue Bonds, Series 2003 and/or Subordinated Highway Revenue Bonds Series 2003A.

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

RESOLUTION

RESOLUTION OF THE STATE OF ARIZONA TRANSPORTATION BOARD APPOINTING MANAGING UNDERWRITERS FOR ITS PLANNED ISSUANCE OF HIGHWAY REVENUE BONDS, SERIES 2003A AND/OR SUBORDINATED HIGHWAY REVENUE BONDS, SERIES 2003A.

The Board hereby appoints the following firms to act as managing underwriters in connection with its planned issuance of Highway Revenue Bonds, Series 2003A and/or Subordinated Highway Revenue Bonds, Series 2003A.

Bear, Stearns, & Co., Inc.	Senior Manager	40%
Citigroup Global Markets, Inc.	Co-Manager	25%
JP Morgan Securities, Inc.	Co-Manager	15%
A.G. Edwards & Sons, Inc.	Co-Manager	10%
George K. Baum & Company	Co-Manager	10%

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

Dated this 19th day of September, 2003.

The motion passed unanimously.

* **MINUTES**

Board Meeting Minutes – June 20, 2003
Study Session Minutes – July 10, 2003
July 18, 2003 – Board Meeting Minutes – July 18, 2003
Study Session Minutes – August 7, 2003
Special Board Meeting Minutes – August 7, 2003
Board Meeting Minutes - August 15, 2003

* **2003 BOARD MEETING DATES & LOCATIONS**

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

Priority Planning Advisory Committee Information only
Fiscal Year Summary

Mr. Buskirk presented this item. He referred to a matrix detailing program changes adopted by the Board in June 2003.

COUNTY:	Statewide
SCHEDULE:	FY 2004
SECTION:	Training – DBE
TYPE OF WORK:	DBE Training
PROGRAM AMOUNT:	$320,000
PROJECT MANAGER:	Lisa Wormington
PROJECT:	H643803X Item # 73004
REQUESTED ACTION:	Increase program item amount by $146,400 to $466,400 to include OJT Training funds. **Funds available from dedicated FHWA OTJ funds. Change program item name to CRO – Supportive Services and item desription to DBE & OJT Programs.**
PROGRAM AMOUNT:	$320,000
INCREASE AMOUNT:	$146,400
NEW PROGRAM AMOUNT:	$466,400

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

COUNTY:	Statewide
SCHEDULE:	FY 2004
SECTION:	Statewide - Legislative Services
TYPE OF WORK:	Professional and outside services
PROGRAM AMOUNT:	$250,000 Funding Source: State
PROJECT MANAGER:	Kevin Biesty
PROJECT:	Item # 75704
REQUESTED ACTION:	Increase program amount by $100,000 to $350,000. **Funds available from the FY 2004 Highway Contingency Fund #72304.**
PROGRAM AMOUNT:	$250,000
INCREASE AMOUNT:	$100,000
NEW PROGRAM AMOUNT:	$350,000

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

COUNTY:	Pima
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Pima County
TYPE OF WORK:	ER-Link Phase 2
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Pankaj Gupte/Marion Thompson
PROJECT:	H594302X
REQUESTED ACTION:	Add a new ITS program item in the amount of $1,039,928 to the FY 2004 Highway Construction Program. **Funds available from Federal Appropriations Bill. City of Tucson to provide 50% match. City of Tucson to advertise this project.**

Federal Appropriations Bill	$519,964
City of Tucson	$519,964
NEW PROGRAM AMOUNT:	$1,039,928

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

COUNTY:	Statewide
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Border Technology Exchange
TYPE OF WORK:	Manage Border Technology Exchange Program (BTEP)
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Arnold Burnham
PROJECT:	HBTE501X
REQUESTED ACTION:	Add a new BTEP program item in the amount of $143,750 to the FY 2004 Highway Construction Program. **See funding sources below.**

FHWA Grant	$115,000
FY 2004 Statewide SPR Federal Fund Match #77804	$28,750
NEW PROGRAM AMOUNT:	$143,750

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

ROUTE NO:	I-10 @ MP 131.70
COUNTY:	Maricopa
SCHEDULE:	FY 2004 - New Project Request
SECTION:	115th Ave TI
TYPE OF WORK:	Construct TI improvements
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Dale Drost
PROJECT:	H629301C
REQUESTED ACTION:	Add a new District Minor Project in the amount of $450,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 District Minor Fund #73304.**
NEW PROGRAM AMOUNT:	$450,000

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

ROUTE NO:	I-10 @ MP 132.00
COUNTY:	Maricopa
SCHEDULE:	FY 2004 - New Project Request
SECTION:	115th Ave TI
TYPE OF WORK:	Install traffic signal
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Mohamed Youssef
PROJECT:	HX14701C IGA 02-86
REQUESTED ACTION:	Add a new traffic signal project in the amount of $200,000 to the FY 2004 Highway Construction Program. **See funding sources below.**
FY 2004 Traffic Engineering Fund #71204	$150,000
FY 2004 District Minor Fund #73304	$50,000
NEW PROGRAM AMOUNT:	$200,000

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

ROUTE NO:	SR 260 @ MP 277.60
COUNTY:	Gila
SCHEDULE:	FY 2005
SECTION:	Colcord - Woods Canyon
TYPE OF WORK:	Pavement Preservation
PROGRAM AMOUNT:	$3,579,000 Funding Source: NH
PROJECT MANAGER:	Prakash Kamdar/Tim Wilson
PROJECT:	H615101C Item #; 19005
REQUESTED ACTION:	Increase program amount by $2,273,000 to $5,852,000 due to additional pavement and safety items. **Funds available from the FY 2005 Pavement Preservation Funds #72505.**

PROGRAM AMOUNT:	$3,579,000
INCREASE AMOUNT:	$2,273,000
NEW PROGRAM AMOUNT:	$5,852,000

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

ROUTE NO:	I-17 @ MP 198.22
COUNTY:	Maricopa
SCHEDULE:	FY 2005
SECTION:	Buckeye Curve - Van Buren
TYPE OF WORK:	Pavement preservation
PROGRAM AMOUNT:	$997,000
PROJECT MANAGER:	Akram Friekh
PROJECT:	H613501C Item #; 17405
REQUESTED ACTION:	Increase program amount by $533,000 to $1,530,000 due to the extension of the project limits. **Change project location to <u>Buckeye Curve to Thomas Road</u>.** **See funding sources below.**

PROGRAM AMOUNT:	$997,000
INCREASE AMOUNT:	$533,000
FY 2005 Preventive Pavement Preservation #77305	$267,000
FY 2004 Highway Contingency Fund #72304	266,000
NEW PROGRAM AMOUNT:	$1,530,000

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

ROUTE NO:	SR 260 @ MP 288.00
COUNTY:	Coconino
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Forest Lakes
TYPE OF WORK:	Construct five right turning lanes
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Orlando Jerez
PROJECT:	H580001C IGA 01-105
REQUESTED ACTION:	Add a new District Minor project in the amount of $358,000 to the FY 2004 Highway Construction Program. **See funding sources below.**

FY 2004 District Minor Fund #73304	$179,000
Coconino County per IGA 01-105	$179,000
NEW PROGRAM AMOUNT:	$358,000

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

COUNTY:	Apache
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Reservation Wide Cattle Guards
TYPE OF WORK:	Install new cattle guards and fencing materials
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Kee Yazzie / Lynn Sugiyama
PROJECT:	H647301C
REQUESTED ACTION:	Add a new District Minor project in the amount of $251,000 to the FY 2004 Highway Construction Program. **Funds available from Distric Minor Fund # 73304.**
NEW PROGRAM AMOUNT:	$251,000

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

ROUTE NO:	Various
COUNTY:	Maricopa
SCHEDULE:	FY 2004 - New Project Request
SECTION:	I-10 - 17th Ave - Van Buren; SR 101L - US 60 - Chandler; SR 101L - McDonald - McKellips; SR 202L - Alma School - Higley
TYPE OF WORK:	Quiet Pavement Phase II
PROGRAM AMOUNT:	$9,250,000 Funding Source: NH
PROJECT MANAGER:	Rich DeBoer
PROJECT:	H637102C Item #; 21604
REQUESTED ACTION:	Increase program amount by $800,000 to $10,050,000 due to need to seal roadway and bridge joints. **See Funding sources below.**

PROGRAM AMOUNT:	$9,250,000
INCREASE AMOUNT:	$800,000
FY 2004 Highway Contingency Fund #72304	$264,000
FY 2004 Pavement Preservation Fund #72504	$500,000
FY 2004 Bridge Inspection and Repair Fund #71404	$36,000
NEW PROGRAM AMOUNT:	$10,050,000

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

COUNTY:	Yuma
SCHEDULE:	FY 2004 - New Project Request
SECTION:	San Luis II Port of Entry
TYPE OF WORK:	Design new port of entry
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Charlene Fitzgerald
PROJECT:	HTCSP01X
REQUESTED ACTION:	Add a new port of entry design project in the amount of $500,000 to the FY 2004 Highway Construction Program. **Funds available from Federal Grant to Greater Yuma Port Authority.**
NEW PROGRAM AMOUNT:	$500,000

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

ROUTE NO:	I-10 @ MP 273.00
COUNTY:	Pima
SCHEDULE:	FY 2005 - New Project Request
SECTION:	Rita Road, Houghton Road & Vail Road
TYPE OF WORK:	Construct bridge deck replacement
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Arobindo Dutt
PROJECT:	H627901C
REQUESTED ACTION:	Add a new bridge deck replacement project in the amount of $1,700,000 to the FY 2005 Highway Construction Program. **Funds available from the FY 2005 Bridge Deck Repalcement Fund #78905.**
NEW PROGRAM AMOUNT:	$1,700,000

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

COUNTY:	Statewide
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Amber Alert Program
TYPE OF WORK:	Enhance ADOT Amber Alert Program
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Tim Wolfe / Manny Agah
PROJECT:	
REQUESTED ACTION:	Add a new ITS project in the amount of $160,000 to the FY 2004 Highway Construction Program. **See funding sources below.**
US DOT Amber Alert Program	$125,000
FY 2004 Highway Contingency Fund #72304	$35,000
NEW PROGRAM AMOUNT:	$160,000

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

COUNTY:	Various - Globe District wide
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Globe District - Various Locations
TYPE OF WORK:	Minor surface treatments
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Mark Guerena
PROJECT:	H620203C
REQUESTED ACTION:	Add a new district minor project in the amount of $300,000 to the FY 2004 Highway Construction Program. **Funds available from the FY 2004 District Minor Fund #73304.**
NEW PROGRAM AMOUNT:	$300,000

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

ROUTE NO:	I-8 @ MP 2.23
COUNTY:	Yuma
SCHEDULE:	FY 2004 – New Project Request
SECTION:	US 95 TI Underpass #1380
TYPE OF WORK:	Construct bridge deck replacement
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Amin Islam
PROJECT:	H611801C
REQUESTED ACTION:	Add a new bridge deck replacement project in the amount of $1,250,000 to the FY 2004 Highway Construction Program. **Funds available from FY 2004 Bridge Deck Repalcement Fund #78904.**
NEW PROGRAM AMOUNT:	$1,250,000

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

ROUTE NO:	SR 8B @ MP 8.00
COUNTY:	Yuma
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Avenue 4E Intersection
TYPE OF WORK:	Construct new traffic signal
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Mannar R. Tamirisa
PROJECT:	HX08601C IGA # 02-130
REQUESTED ACTION:	Add a new traffic signal project in the amount of $164,880 to the FY 2004 Highway Construction Program. **See funding sources below.**

FY 2004 Traffic Engineering Fund #71204 (50%)	$82,440
City of Yuma IGA #02-130 (20%)	$32,976
Yuma County IGA #02-130 (30%)	$49,464
NEW PROGRAM AMOUNT:	$164,880

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

COUNTY:	Statewide
SCHEDULE:	FY 2004 - New Project Request
SECTION:	Community Impact Assessment (CIA)
TYPE OF WORK:	Regional workshops
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	Rick Durate
PROJECT:	H64701X
REQUESTED ACTION:	Add a new environmental project in the amount of $25,000 to the FY 2004 Highway Construction Program. **See funding sources below.**

US DOT Apportionment	$20,000
FY 2004 Environmental Support Fund #77704	$5,000
NEW PROGRAM AMOUNT:	$25,000

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

FY 2004 - 2008 Airport Development Program - Requested Modifications

AIRPORT NAME:	Nogales International
SPONSOR:	Santa Cruz County
AIRPORT CATEGORY:	General Aviation
SCHEDULE:	FY 2004 - 2008
PROJECT #:	E4F03
PRESENT PROGRAM	New Grant

AMOUNT:	
PROJECT DESCRIPTION:	Widen and Rehabilitate Runway 3/21, including marking
REQUESTED ACTION:	Provide $71,178 funds to match Federal Grant AIP-10. Total project $1,592,357:
FUNDING SOURCES:	**FAA** $1,450,000 **Sponsor** $71,178 **State** $71,178 *Total Program* $1,592,357

AIRPORT NAME:	Scottsdale Airport
SPONSOR:	City of Scottsdale
AIRPORT CATEGORY:	Reliever
SCHEDULE:	FY 2004 - 2008
PROJECT #:	E4F04
PRESENT PROGRAM AMOUNT:	New Grant
PROJECT DESCRIPTION:	Install Airport Perimeter/Blast Fence; Construct Bypass Taxiway B-17 including design, Phase 1
REQUESTED ACTION:	Provide $7,363 funds to match Federal Grant AIP-17. Total project $164,727:
FUNDING SOURCES:	**FAA** $150,000 **Sponsor** $7,363 **State** $7,363 *Total Program* $164,727

AIRPORT NAME:	Scottsdale Airport
SPONSOR:	City of Scottsdale
AIRPORT CATEGORY:	Reliever
SCHEDULE:	FY 2004 – 2008
PROJECT #:	E4F05
PRESENT PROGRAM AMOUNT:	New Grant
PROJECT DESCRIPTION:	Conduct Airport Noise Compatibility Plan Update
REQUESTED ACTION:	Provide $13,410 funds to match Federal Grant AIP-18. Total project $300,000:
FUNDING SOURCES:	**FAA** $273,180 **Sponsor** $13,410 **State** $13,410 *Total Program* $300,000

AIRPORT NAME:	Scottsdale Airport
SPONSOR:	City of Scottsdale
AIRPORT CATEGORY:	Reliever
SCHEDULE:	FY 2004 - 2008
PROJECT #:	E4F06
PRESENT PROGRAM AMOUNT:	New Grant
PROJECT DESCRIPTION:	Runway 3/21 Safety Area Erosion Control including drainage, filling & grading, Phase 1
REQUESTED ACTION:	Provide $17,880 funds to match Federal Grant AIP-19. Total project $400,000:
FUNDING SOURCES:	**FAA** $364,240
	Sponsor $17,880
	State $17,880
	Total Program $400,000

AIRPORT NAME:	Greenlee County Airport
SPONSOR:	Greenlee County
AIRPORT CATEGORY:	General Aviation
SCHEDULE:	FY 2004 - 2008
PROJECT #:	E4F07
PRESENT PROGRAM AMOUNT:	New Grant
PROJECT DESCRIPTION:	Install Runway Visual Guidance Signs, Install Apron Lighting, Perimeter Fence and Construct Parallel Taxiway, Phase 1
REQUESTED ACTION:	Provide $19,439 funds to match Federal Grant AIP-05. Total project $434,878:
FUNDING SOURCES:	**FAA** $396,000
	Sponsor $19,439
	State $19,439
	Total Program $434,878

AIRPORT NAME:	Benson Municipal Airport
SPONSOR:	City of Benson
AIRPORT CATEGORY:	General Aviation
SCHEDULE:	FY 2004 - 2008
PROJECT #:	E4F08
PRESENT PROGRAM	

AMOUNT:		New Grant
PROJECT DESCRIPTION:		Construct Parallel Taxiway, Connectors and Taxilanes, Phase 2
REQUESTED ACTION:		Provide $52,580 funds to match Federal Grant AIP-08. Total project $1,176,294:
FUNDING SOURCES:	**FAA**	$1,071,133
	Sponsor	$52,580
	State	$52,580
	Total Program	$1,176,294

Board Action: A motion to approve Items 29, 30, 31, 32, 33 and 34 was made by Mr. Martin, seconded by Mr. Jeffers and passed unanimously.

* Priority Planning Advisory Committee (PPAC)

- Minutes – July 31 , 2003 Regular Meeting
- Minutes – August 5,2003 Special Meeting
- 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.

- October 2, 2003
- November 6, 2003
- December 4, 2003

Dates subject to change

RIGHT OF WAY RESOLUTIONS

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RES. NO:	2003-09-A-051
PROJECT:	I-008-A-800 / 008YU011H458101R
HIGHWAY:	YUMA – CASA GRANDE
SECTION:	B-8 @ I-8 T.I.
ROUTE NO.:	Interstate Route 8
ENG. DIST:	Y
COUNTY:	Yuma
RECOMMENDATION:	Disposal by abandonment to the City of Yuma

*	RES. NO:	2003-09-A-052
	PROJECT:	S-A89-B-701 / 089ACN382H552301R
	HIGHWAY:	PRESCOTT - FLAGSTAFF
	SECTION:	Banjo Bill Rockfall
	ROUTE NO.:	State Route 89A
	ENG. DIST:	F
	COUNTY:	Coconino
	PARCEL:	3-1340
	RECOMMENDATION:	Establish additional right of way as a state route to mitigate hazardous conditions
*	RES. NO:	2003-09-A-055
	PROJECT:	F-065-1-709 / 095MO249H088801R
	HIGHWAY:	TOPOCK – DAVIS DAM
	SECTION:	Silver Creek – Bullhead City
	ROUTE NO.:	State Route 95
	ENG. DIST:	K
	COUNTY:	Mohave
	RECOMMENDATION:	Establish donated right of way as a state route and state highway for turn lanes recently constructed by the developer
*	RES. NO:	2003-09-A-056
	PROJECT:	TEA-060-A(003)A / 060MA109H555101R
	HIGHWAY:	QUARTZSITE - WICKENBURG
	SECTION:	Los Altos Drive – Jefferson Street
	ROUTE NO.:	U.S. Route 60
	ENG. DIST:	P
	COUNTY:	Maricopa
	PARCEL:	D-P-022
	RECOMMENDATION:	Disposal by abandonment of sidewalks, curb, and gutter to the Town of Wickenburg
*	RES. NO:	2003-09-A-057
	PROJECT:	Old 69(3) / N-810-603 / 999SW000H0890S1R
	HIGHWAY:	YUMA - PHOENIX
	SECTION:	(Sears Point Haul Road)
	ROUTE NO.:	Interstate Route 8
	ENG. DIST:	Y
	COUNTY:	Yuma
	PARCEL:	D-Y-029
	RECOMMENDATION:	Disposal by relinquishment to BLM and extinguishment of easement

*	RES. NO:	2003-09-A-058
	PROJECT:	S-206-701 / 999SW000H088801R
	HIGHWAY:	DOUGLAS - SAFFORD
	SECTION:	Airport – McNeal – Unit 1
	ROUTE NO.:	U.S. Route 191
	ENG. DIST:	S
	COUNTY:	Cochise
	PARCEL:	D-S-022
	RECOMMENDATION:	Disposal by easement extinguishment of haul road, underlying fee owner to resume usage
*	RES. NO:	2003-09-A-059
	PROJECT:	S-366-605 & S-366-708 / 089ACN374H088801R
	HIGHWAY:	PRESCOTT - FLAGSTAFF
	SECTION:	(Sedona Streets)
	ROUTE NO.:	State Route 89A
	ENG. DIST:	F
	COUNTY:	Coconino
	RECOMMENDATION:	Disposal by abandonment to the City of Sedona
*	RES. NO:	2003-09-A-060
	PROJECT:	I-010-C-801 / 010MA149H545401R
	HIGHWAY:	PHOENIX – CASA GRANDE
	SECTION:	Jct. I-17 – Mohave Street
	ROUTE NO.:	Interstate Route 10
	ENG. DIST:	M
	COUNTY:	Maricopa
	PARCEL:	7-10204 & 7-10204-L1
	RECOMMENDATION:	Establish additional right of way as a state route and state highway through Advance Acquisition for expansion of Junction I-10 & I-17
*	RES. NO:	2003-09-A-061
	PROJECT:	U-070-A-700 / 070G1252H591601R
	HIGHWAY:	GLOBE - LORDSBURG
	SECTION:	McMillen Wash – Jct. S.R. 77
	ROUTE NO.:	U.S. Route 70
	ENG. DIST:	G
	COUNTY:	Gila
	RECOMMENDATION:	Amendment of Resolution 2003-03-A-016 due to a design change

*	RES. NO:	2003-09-A-062
	PROJECT:	U-060-E-702 / 060GI316H596401R
	HIGHWAY:	GLOBE – SHOW LOW
	SECTION:	Carrizo Driveway
	ROUTE NO.:	U.S. Route 60
	ENG. DIST:	G
	COUNTY:	Gila
	PARCEL:	4-0712
	RECOMMENDATION:	Establish additional right of way as a state route for intersection improvements
*	RES. NO:	2003-09-A-063
	PROJECT:	600-9-702 / 303LMA000H087901R
	HIGHWAY:	ESTRELLA CORRIDOR
	SECTION:	(115th Avenue – Lake Pleasant Road – 99th Avenue)
	ROUTE NO.:	State Route 303 Loop
	ENG. DIST:	M
	COUNTY:	Maricopa
	RECOMMENDATION:	Rescission of Access Control

STATE ENGINEER'S REPORT

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

* Right of Way Acquisition Report for August, 2003.

CONSTRUCTION CONTRACTS

Interstate, Non-Federal Aid

BIDS OPENED:	August 8	
HIGHWAY:	PHOENIX-CORDES JUCTION HIGHWAY (I-17)	
SECTION:	Pump Station Safety Improvements	
COUNTY:	Maricopa	
ROUTE NO:	I-17	
PROJECT:	I-017-A-509 017 MA 199 H602001C	
FUNDING:	100% State	
LOW BIDDER:	Hunter Contracting Co.	
AMOUNT:	$	612,235.40
STATE ESTIMATE:	$	303,825.00
$ OVER:	$	308,410.40
% OVER:		101.5%
NO. BIDDERS:		2
RECOMMENDATION:	AWARD	

Board Action: A motion to approve the above recommendation was made by Mr. Gant, seconded by Mr. Lane and passed by a vote of 6-0-1 (Mr. Schorr abstained). **Noreen – Your notes indicated Mr. Schorr recused himself on this item but I did not hear any mention of it on the tape.**

Non-Interstate, Non-Federal Aid

BIDS OPENED:	August 28	
HIGHWAY:	QUARTZSITE-PARKER-TOPOCK HIGHWAY (SR 95)	
SECTION:	Buckskin Mountain State Park (River Island)	
COUNTY:	La Paz	
ROUTE NO:	SR 95	
PROJECT:	S-095-C-507 095 LA ASP H534901C	
FUNDING:	100% State	
LOW BIDDER:	FNF Construction, Inc.	
AMOUNT:	$	749,538.75
STATE ESTIMATE:	$	941,500.00
$ UNDER:	$	191,961.25
% UNDER:		20.4%
NO. BIDDERS:		5
RECOMMENDATION:	AWARD	

Board Action: A motion to approve the above recommendation was made by Mr. Hileman, seconded by Mr. Jeffers and passed by a vote of 6-0-1 (Mr. Schorr abstained).

BIDS OPENED:	August 28	
HIGHWAY:	PARKER-BULLHEAD CITY HIGHWAY (SR 95)	
SECTION:	SR 95 at El Rodeo Road	
COUNTY:	Mohave	
ROUTE NO:	SR 95	
PROJECT:	S-095-D-505 095 MO 237 HX10001C	
FUNDING:	76% State 33% Mohave County	
LOW BIDDER:	AJP Electric, Inc.	
AMOUNT:	$	116,208.55
STATE ESTIMATE:	$	94,500.00
$ OVER:	$	21,708.55
% OVER:		23.0%
NO. BIDDERS:		4
RECOMMENDATION:	AWARD	

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

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BIDS OPENED:	August 22	
HIGHWAY:	GLOBE-LORDSBURG HIGHWAY (US 70)	
SECTION:	Bylas Rest Area	
COUNTY:	Graham	
ROUTE NO:	US 70	
PROJECT:	U-070-A-504 070 GH 296 H593601C	
FUNDING:	100% State	
LOW BIDDER:	A. J. Roberts Industrial, Inc.	
AMOUNT:	$	639,157.00
STATE ESTIMATE:	$	700,482.50
$ UNDER:	$	61,325.50
% UNDER:		8.8%
NO. BIDDERS:		6
RECOMMENDATION:	AWARD	

BIDS OPENED:	August 8	
HIGHWAY:	STATE HIGHWAY (I-40, US 60, SR 260)	
SECTION:	Statewide (VMS)	
COUNTY:	STATEWIDE	
ROUTE NO:	999	
PROJECT:	S-900-A-540 999 SW 000 H517408C	
FUNDING:	100% State	
LOW BIDDER:	C S Construction, Inc.	
AMOUNT:	$	581,924.35
STATE ESTIMATE:	$	695,496.00
$ UNDER:	$	113,571.65
% UNDER:		16.3%
NO. BIDDERS:		8
RECOMMENDATION:	AWARD	

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

(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)

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BIDS OPENED:	August 15	
HIGHWAY:	NOGALES-TUCSON HIGHWAY (I-19)	
SECTION:	Milepost 54.78 (Drop Structure)	
COUNTY:	Pima	
ROUTE NO:	I-19	
PROJECT:	ER-019-A(005)A 019 PM 054 H543101C	
FUNDING:	94% Federal 6% State	
LOW BIDDER:	Granite Construction Company	
AMOUNT:	$	996,767.00
STATE ESTIMATE:	$	1,089,090.00
$ UNDER:	$	92,323.00
% UNDER:		8.5%
NO. BIDDERS:		4
RECOMMENDATION:	AWARD	

BIDS OPENED:	August 8	
HIGHWAY:	ORACLE JUNCTION-FLORENCE HIGHWAY (SR 79)	
SECTION:	Milepost 113.32 – 119.74	
COUNTY:	Pinal	
ROUTE NO:	SR 79	
PROJECT:	STP-079-A(005)A 079 PN 113 H598601C	
FUNDING:	94% Federal 6% State	
LOW BIDDER:	Bison Contracting Co., Inc.	
AMOUNT:	$	140,195.00
STATE ESTIMATE:	$	195,865.00
$ UNDER:	$	55,670.00
% UNDER:		28.4%
NO. BIDDERS:		10
RECOMMENDATION:	AWARD	

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

* BIDS OPENED: August 8

HIGHWAY:	SAN LUIS-YUMA-QUARTZSITE HIGHWAY	
SECTION:	Somerton Detention Basin	
COUNTY:	Yuma	
ROUTE NO:	US 95	
PROJECT:	TEA-095-A(002)A 095 YU 011 H569301C	
FUNDING:	94% Federal 6% State	
LOW BIDDER:	Anncole Contracting Corp.	
AMOUNT:	$	555,603.50
STATE ESTIMATE:	$	536,665.00
$ OVER:	$	18,938.50
% OVER:		3.5%
NO. BIDDERS:		4
RECOMMENDATION:	AWARD	

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BIDS OPENED:	August 28	
HIGHWAY:	RED MOUNTAIN FREEWAY (202L)	
SECTION:	Gilbert Road – Val Vista Drive	
COUNTY:	Maricopa	
ROUTE NO:	SR 202L	
PROJECT:	NH-202-B(009)A 202 MA 016 H646301C	
FUNDING:	94% Federal 6% State	
LOW BIDDER:	FNF Construction, Inc.	
AMOUNT:	$	633,260.05
STATE ESTIMATE:	$	706,000.00
$ UNDER:	$	72,739.95
% UNDER:		10.3%
NO. BIDDERS:		6
RECOMMENDATION:	AWARD	

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BIDS OPENED:	August 28	
HIGHWAY:	SANTAN FREEWAY (SR 202L)	
SECTION:	Greenfield, Ray & UPRR Underpasses	
COUNTY:	Maricopa	
ROUTE NO:	SR 202	
PROJECT:	STP-202-C(008)B 202 MA 039 H625901C	
FUNDING:	37% Federal 2% State 14% RARF 47% Town of Gilbert	
LOW BIDDER:	Pulice Construction Inc	
AMOUNT:	$	15,727,574.60
STATE ESTIMATE:	$	17,428,995.00
$ UNDER:	$	1,701,420.40
% UNDER:		9.8%
NO. BIDDERS:		6
RECOMMENDATION:	AWARD	

BIDS OPENED:	August 28	
HIGHWAY:	PINAL COUNTY	
SECTION:	Santa Rosa Wash Bridge, #10269 Maricopa – Casa Grande Highway	
COUNTY:	Pinal	
ROUTE NO:	N/A	
PROJECT:	BR-PPN 0-(025)A 0000 PN PPN SB36401C STP-HES-PPN-0(032)A 0000 PN PPN SH27301C	
FUNDING:	62% Federal 38% Pinal County	
LOW BIDDER:	Royden Construction Co.	
AMOUNT:	$	1,776,410.70
STATE ESTIMATE:	$	2,103,925.00
$ UNDER:	$	327,514.30
% UNDER:		15.6%
NO. BIDDERS:		6
RECOMMENDATION: AWARD		

Board Action: A motion to approve the above recommendation was made by Mr. Hileman, seconded by Mr. Jeffers and passed by a vote of 6-0-1 (Mr. Schorr recused himself from voting).

CONSENT AGENDA

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

ADJOURN

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

The meeting adjourned at 12:00 p.m.

Ingo Radicke, Chairperson
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

*Denotes items approved in the consent agenda.