

WORKSHOP AND REGULAR MEETING
OF THE IDAHO TRANSPORTATION BOARD

March 15-16, 2017

The Idaho Transportation Board met at 2:15 PM on Wednesday, March 15, 2017 at the Idaho Transportation Department in Boise, Idaho. The following principals were present:

Lee Gagner, Vice Chairman – District 6
Jim Coleman, Member – District 1
Janice B. Vassar, Member – District 2
Julie DeLorenzo, Member – District 3
Jim Kempton, Member – District 4
Dwight Horsch, Member – District 5
Brian W. Ness, Director
Scott Stokes, Chief Deputy
Larry Allen, Deputy Attorney General
Sue S. Higgins, Executive Assistant and Secretary to the Board

Chairman Jerry Whitehead participated via teleconference. Vice Chairman Gagner presided.

Winter Operations. District 4 Engineer (DE) Devin Rigby said the Department spent about \$7.5 million more on salt and winter de-icing material than it had budgeted. There will also be additional costs to address deteriorating pavements. He reported on various avalanches and landslides throughout the state. Funding to address impacts of the severe winter weather will come from operations, salary savings, and project savings.

Project Delivery. Planning Services Manager Randy Gill reported on efforts to improve project delivery. The District Engineers are working on a statewide approach as a team. They expect to have the rest of the FY17 projects ready to advertise by June 1, 2017. The goal is to have all of the FY18 projects ready for advertisement by October 1, 2017. The team proposes using consultants to help prepare the FY19 and FY20 programs.

Funding for the FY22 Idaho Transportation Investment Program (ITIP). Caleb Lakey, Transportation Systems Manager, said 85% of the Department's pavement is in good or fair condition, exceeding the goal of 80%, and 75% of the bridges are in good condition, which is below the goal of 80%. About 740 more lane miles need to be improved every year to maintain the current metric of 86% in good or fair condition; otherwise, in six or seven years, the number of lane miles in good or fair condition is expected to decrease to 80%. The highway fatalities have been increasing, with 252 fatalities in 2016 compared to 216 in 2015 and 186 in 2014. The number of serious injuries has also been increasing. He proposed funding levels of \$104 million for pavement, \$80 million for bridges, and \$80 million for the Strategic Initiatives Program in FY22. More funding is being proposed for the Strategic Initiatives Program to address safety. The Board expressed support for the funding recommendations.

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Shovel-ready Projects. DE Rigby said there are about \$36 million worth of projects on the shelf ready for construction. In about 18 months, staff expects to have about \$170 million worth of projects shovel-ready.

Program Extension. Engineering Services Administrator (ESA) Blake Rindlisbacher said when projects are advanced from later years in the Program, that leaves a hole in the outer year. To stabilize the Program, he proposed extending the ITIP by two years. Adding a 6th and 7th year would extend the time available to get projects ready. These projects would be similar in size and cost to projects that are currently programmed, like pavement, bridge, and Strategic Initiative projects. Keeping the Program fiscally constrained should ensure the projects will be constructed, avoiding unrealistic expectations. This change would not impact the federally-required four-year Statewide Transportation Improvement Program (STIP). The consensus of the Board was to proceed with establishing a 6th and 7th year for the ITIP.

The Board thanked staff for the informative workshop.

WHEREUPON, the workshop ended at 4:40 PM.

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The Board convened at 8:30 AM on Thursday, March 16, 2017 at the Idaho Transportation Department in Boise, Idaho. All members were present except Chairman Whitehead, who participated via teleconference. Vice Chairman Gagner presided.

Board Minutes. Member Vassar made a motion to approve the minutes of the regular Board meeting held on February 22, 2017 as submitted. Member Horsch seconded the motion and it passed unopposed.

Consent Items. Vice Chairman Gagner said staff requested the removal of the change of scope for the I-15 project in District 6 from the agenda. There were no objections to the removal of the District 6 agenda item.

Member Coleman made a motion, seconded by Member Horsch, and passed unopposed, to approve the following resolution:

RES. NO. ITB17-04 WHEREAS, consent calendar items are to be routine, non-controversial, self-explanatory items that can be approved in one motion; and

WHEREAS, Idaho Transportation Board members have the prerogative to remove items from the consent calendar for questions or discussion.

NOW THEREFORE BE IT RESOLVED, that the Board approves letting resolution #13-05A expire; increasing the cost of Northside Boulevard Signal, Near Nampa; a contract award; and the speed minute entry change.

1) Expiring Resolution #13-05A. Idaho Transportation Board resolution #13-05A states that the Board believes 129,000 pound trucks enhance freight mobility and promote economic

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opportunity without compromising highway safety. The Board approved this resolution in 2013 when delegations spoke in support of proposed legislation that made the 129,000 pound pilot project permanent. The resolution is four years old. Staff recommends letting ITB13-05A expire because the legislation passed and has been implemented.

2) Increase Cost on Northside Boulevard Signal, Near Nampa. The Local Highway Technical Assistance Council requests increasing the cost of the Northside Boulevard Signal, Near Nampa project, key #18702, by \$141,000 to accommodate the increased scope of the project. In addition to revising the cost to a total of \$389,000, staff requests decreasing the cost of the following FY17 projects: Local, cost increase set-aside, key #15001 - \$94,000; Offsystem, Eureka Ridge Area Safety Improvements, Clearwater County, key #18880 - \$14,000; STC-2810, Gannett Picabo Road Safety Audit, Blaine County, key #13992 - \$11,327; Local, Ada County Highway District Signal Timing Plan Update on 9 Corridors, key #13955 - \$19,797; and SMA-7071, Pole Line Road, Alameda to Quinn, Pocatello, key #19596 - \$1,876; and to amend the STIP accordingly.

3) Contract for Award. The low bid on key #13850, US-95, Cocolalla Creek Bridge, Bonner County, District 1, was more than ten percent over the engineer's estimate, requiring justification. The difference between the engineer's estimate and low bid was primarily in the Special Bridge Precast Concrete Stiff-Leg Culvert and Temporary Shoring items. Possible reasons for the discrepancies include increased cost and tightened availability of large scale precast structures, complexity of the construction staging with the traffic diversion for the bridge replacement, construction within the railroad right-of-way, and the state-aid contract requirement for most of the contractor's workforce to be Idaho residents. Staff does not believe there is potential for a significant savings if the project is re-bid. Also, in order to utilize current railroad, easement, and environmental permitting and agreements, the District recommends awarding the project. Low bidder: Earthworks Northwest Inc. - \$1,653,000.

4) Speed Minute Entry Change. A speed study was conducted on US-20 from Idaho Falls to Ashton to determine if current speed zones should be adjusted. Based on the study, staff requests concurrence to increase the speed limit to 70 miles per hour from milepost 308.600 to 360.143:

| <u>Route</u> | <u>Beginning</u> | | <u>Ending</u> | | <u>Speed Limit</u> | |
|--------------|------------------|---------|-----------------|---------|--------------------|------------|
| | <u>Milepost</u> | | <u>Milepost</u> | | <u>Old</u> | <u>New</u> |
| US-20 | 307.450 | | 307.773 | | 35 | 35 |
| US-20 | | 307.773 | | 307.793 | 55 | 35 |
| US-20 | | 307.793 | | 308.121 | 55 | 45 |
| US-20 | | 308.121 | | 308.600 | 55 | 55 |
| US-20 | | 308.600 | | 360.143 | 65 | 70 |
| US-20 | | 360.143 | | 360.343 | 65 | 65 |

Informational Items. 1) State FY17 Financial Statements. Revenues to the State Highway Account from all state sources were ahead of projections by 3.9% at the end of January. Of that total, receipts from the Highway Distribution Account were 3.3% or \$3.8 million more than the forecast. State revenues to the State Aeronautics Fund were ahead of projections by 4.2% or \$72,000. Operational expenditures were within planned budgets. Personnel costs had a savings of \$10 million or 13.2% due to vacancies and timing between a position becoming vacant and

being filled. Contract construction payments of \$174 million to date were the lowest of the past three years. The trend is contributing to the increased cash and investment balance.

The balance of the long term investments was \$160.9 million at the end of January. These funds are obligated against construction projects and encumbrances. The combined total of cash and investments is \$221.8 million. FY17 expenditures in the Strategic Initiatives Program Fund were \$37.5 million to date.

2) Monthly Reporting of Federal Formula Program Funding through February. Idaho received obligation authority through April 28 via a continuing resolution. Obligation authority is \$155.1 million. This corresponds to \$154.1 million with match after a reduction for prorated indirect costs. Apportionments through February 28 are \$294.8 million, which includes Redistribution of Certain Authorized Funds. This is \$1.8 million less than in the FY17 Fixing America's Surface Transportation Act apportionment tables. Allotments have not been reduced yet, providing the new congress time to act. Currently, obligation authority is 52.6% of apportionments. Of the \$154.1 million allotted, \$102.1 million remains.

3) Contract Awards and Advertisements. Key #12409 – Adams Gulch Road, Big Wood River Bridge, Ketchum, District 4. Low bidder: Wadsworth Brothers Construction Company, Inc. - \$1,738,200.

Key #13965 – I-84 and SH-50, FY17 District 4 Bridge Preservation. Low bidder: Cannon Builders, Inc. - \$1,273,252.

Key #13532 – US-93, Deep Creek to North City Limits Hollister, District 4. Low bidder: Western Construction, Inc. – \$4,659,505.

The list of projects currently being advertised was provided.

4) Professional Services Agreements and Term Agreement Work Tasks Report. From February 1 through February 23, 16 new professional services agreements and work tasks were processed, totaling \$1,686,477. Six supplemental agreements to existing professional services agreements were processed during this period in the amount of \$89,150.

5) US-93, 400 South, District 4. Last month the Board approved awarding the contract for the US-93, 400 South project, key #13521; however, it requested more information on the justification for the low bid, which was more than ten percent over the engineer's estimate. The major differences between the engineer's estimate and low bid were in the Excavation, Granular Subbase, Superpave Hot Mix Asphalt Paving Including Asphalt and Additives Class Special 5, and 18" Irrigation Pipe. The engineer's estimate did not take into account the risk of additional cost due to encountering rock during the construction of the project. Also, shortly before advertisement, a condition to provide temporary irrigation facilities during the construction of the new facilities was added and the cost would be incidental to the construction of the new facility. The engineer's estimate was not corrected to reflect that change. Regarding the Excavation item, contractors were not sure how much of the excavation would be rock. The Superpave Hot Mix Asphalt item was presumably influenced by the availability of materials. Also, the contract states the contractor shall supply and maintain a delivery system to the

property owners at all times during the irrigation season. Staff believes the contractors included temporary systems due to the short duration of time before the irrigation season starts.

Legislative Update. Government Affairs Manager (GAM) Mollie McCarty said various transportation revenue proposals are being discussed. ITD's legislative proposal regarding license plate cost recovery has passed the House and the Senate Transportation Committee. Legislation decreasing the registration fee for hybrid cars has been signed into law. Staff is working on the implementation of that bill. She reported on other bills staff is monitoring, and said a Senate Concurrent Resolution establishing an interim committee to review a weight distance tax has been introduced. She also congratulated Member Horsch and Aeronautics' Advisory Board Member John Blakley on their confirmation.

Member Horsch asked GAM McCarty to relay the Board's appreciation to Senate Transportation Committee Chairman Bert Brackett and House Transportation and Defense Committee Chairman Joe Palmer for their efforts to increase transportation revenue.

Vice Chairman Gagner thanked GAM McCarty for the report.

Internal Review Annual Report. Chief Administrative Officer (CAO) Char McArthur introduced the new Internal Review Manager, Michelle Yankovich. The Board welcomed Ms. Yankovich to ITD.

Principal Auditor Mike Cram summarized the Internal Review Office's 2016 activities. The three auditors conducted 85 external assignments. A review of overhead rates resulted in a 3% reduction on \$52.3 million in contracts, for a \$573,000 savings to ITD. Some of the internal assignments consisted of an update of the Annual Internal Control Assessment Attestation to the State Controller, assistance to the Civil Rights Office, final voucher assistance to the Financial Services Section, and a District Records Inspector process review. The 2017 work plan includes reviewing 60-80 overhead rates, continuing internal control consulting on the Division of Motor Vehicles' modernization system, reviewing motor vehicle investigator processes, and assisting the Accounts Payable Process Improvement Team. The office is shifting its focus to enterprise risk management. This will involve addressing findings and risks as they are identified, providing assistance by researching problem areas, utilizing problem-solving methods, and educating staff on risks and consequences of weak internal controls.

Member Kempton asked about the status of the Internal Review policies, which are in the process of being revised. CAO McArthur said the Board Subcommittee on Audits reviewed the policies and identified some gaps. Internal Review Manager Yankovich will review the policies and address those concerns.

Vice Chairman Gagner thanked Mr. Cram for the informative report.

Human Resources Annual Report. CHRO Williams and staff reported on Human Resources' activities. The employee safety goals are to reduce the injury rate by 10%, reduce the vehicle accident rate by 10%, and reduce the tort claim costs by 10% by calendar year 2020. The total preventable accidents have been decreasing the past couple of years. In FY16, there were 85 preventable accidents compared to 103 in FY15. The Wellness Program continues to provide

activities and information to increase productivity and morale by decreasing absenteeism and improving healthcare.

The Civil Rights Office secured \$190,000 in discretionary funding for a heavy equipment operator school, which will target veterans. Human Resources Services worked on the performance management model to improve the ability for employees to align their work with ITD's strategic initiatives. It reported that the number of positions advertised increased 28% from 2015 to 2016 while the number of applicants increased 53%. The Training Section continued delivering the Western Association of State Highway and Transportation Officials' Emerging Leaders Program. It is working on implementing a similar program within ITD.

Vice Chairman Gagner thanked staff for the informative presentation.

Chairman Whitehead discontinued the teleconference at this time.

Employee Service Awards. The Board participated in the Employee Service Awards. Member Kempton provided remarks on behalf of the Board.

Add Pavement Restoration Project I-90, Sherman Avenue to Blue Creek Bay Bridge to FY17. ESA Rindlisbacher requested the addition of the I-90, Sherman Avenue to Blue Creek Bay Bridge project to the FY17 ITIP for \$5 million. The rehabilitation and resurfacing project will address the poor pavement conditions caused by the severe winter weather. The project is just over 6 miles in length. Funds are available through bid savings, project closures, and other available program funds. The Kootenai Metropolitan Planning Organization will amend its Transportation Improvement Program accordingly.

Member Coleman made a motion, seconded by Member Vassar, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board is authorized to expend funds
ITB17-05 appropriated for construction, maintenance, and improvement of state highways;
and

WHEREAS, the Idaho Transportation Board is charged with considering the safety and convenience of the highway users; and

WHEREAS, it is in the public's interest for the Department to publish and accomplish a current, realistic, and fiscally constrained five year Idaho Transportation Investment Program; and

WHEREAS, it is the intent of the Board to effectively utilize all available federal, state, and local funding.

NOW THEREFORE BE IT RESOLVED, that project I-90, Sherman Avenue to Blue Creek Bay Bridge will be added to FY17 at a cost of \$5 million; and

BE IT FURTHER RESOLVED, that the Board approves the staff request that the adjustments be made to the program and that the FY17-21 Statewide Transportation Improvement Program be amended accordingly.

Policy Concurrence. Member Coleman made a motion to concur with Administrative Policy 5542 Asbestos Management – Building Renovation and Demolition. Member DeLorenzo seconded the motion and it passed unopposed.

Member Kempton made a motion to concur with revisions to Administrative Policy 5003 Budget Preparation, formerly A-01-02. Member Vassar seconded the motion and it passed unanimously.

Director's Report. Director Ness reported on awards the Department received and a workshop on innovative ways to extend the life of pavements that ITD conducted with several of its partners. He also introduced Travis McGrath, the new Chief Operations Officer.

The Board welcomed Mr. McGrath to ITD.

DE Rigby thanked the Board for its engagement at yesterday's workshop. District 1 is assessing and identifying solutions for a landslide on SH-5. The next Horizontal Career Path will be implemented within the week for transportation technician engineers. This group of 138 engineers is responsible for designing and constructing the ITIP projects.

The entire Director's Board Report can be viewed at <http://itd.idaho.gov/Board>.

Chairman Whitehead joined the meeting at this time.

Board Meeting Dates. The following meeting dates and locations were scheduled:

April 20-21, 2017 – District 2

May 17-18, 2017 – District 5

June 21-22, 2017 – District 3

Executive Session on Legal Issues. Member Vassar made a motion to meet in executive session at 11:50 AM to discuss legal issues as authorized in Idaho Code Section 74-206 (f). Member Coleman seconded the motion and it passed 6-0 by individual roll call vote.

The legal matters discussed related to access issues and operations.

The Board came out of executive session at 1:00 PM.

Chairman Whitehead left the meeting at this time.

Millennial Development Partners' Request. Vice Chairman Gagner said the Board took Millennial Development Partners' request to partner on a new I-15 interchange at Siphon Road under consideration last month.

DE 5 Ed Bala said that a different concept than what was initially proposed in May 2016 was presented last month. The Board's concerns were noted and a draft agreement has been developed that presumably addresses those concerns.

Member Vassar noted the numerous parties involved in the proposal. She asked if the local governments support the proposed development. DE Bala replied that the Cities of Pocatello and Chubbuck and Bannock County support the proposal and have committed funding for the connecting roads and infrastructure. He added that ITD's commitment would be \$5 million towards the construction of the interchange.

Member Kempton made a motion that the Board agrees with the concept of the development proposal that includes ITD's partnership on a new I-15 interchange at Siphon Road as presented at the February 22, 2017 Board meeting and that the Board will review the draft agreement and will decide at a future meeting if it will enter into the agreement based on additional information provided. Member Horsch seconded the motion.

Vice Chairman Gagner believes it is a good project; however, he would like more information on the details.

In response to Member Vassar's question, DE Bala said most of the right-of-way has been secured.

Member Horsch expressed appreciation for the partnerships' efforts. He recognizes the need for the new interchange, but urged the Board to proceed cautiously.

Bannock County Commissioner Evan Frasure said the Cities of Pocatello and Chubbuck and Bannock County support the proposal. He understands the Board's concerns, but encouraged it to support the project, which would be an economic benefit to the area.

Millennial Development Partners representative Buck Swaney said he will continue to secure resources based on the motion on the table. He added that it is difficult to commit too many resources to the project, such as designing the interchange, without an indication that the Board will commit funding. DE Bala added that the Department has design standards to follow. He will aggressively work on this project if the motion passes.

The motion passed unopposed.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 1:27 PM.

signed

JERRY WHITEHEAD, Chairman
Idaho Transportation Board

Read and Approved
April 21, 2017
Lewiston, Idaho

March 16, 2017