

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

November 18, 2015

The Idaho Transportation Board convened at 9:00 AM on Wednesday, November 18, at the Idaho Transportation Department in Boise, Idaho. The following principals were present:

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

Board Minutes. Member Gagner made a motion to approve the minutes of the regular Board meeting held on October 21-22, 2015 as corrected. Member DeLorenzo seconded the motion and it passed unopposed.

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

December 17, 2015 – Boise
January 20, 2016 – Boise
February 17, 2016 – Boise

Consent Items. Member Vassar made a motion, seconded by Member Horsch, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, consent calendar items are to be routine, non-controversial, self-
ITB15-48 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 the certification of receipts and disbursements FY15; the US-20, Broadway Bridge, Boise; the SH-5, Railroad Bridge, Plummer; the addition of the Local, Geosynthetic Reinforced Soil Integrated Bridge System Workshop project to the FY16 Bridge Discretionary Program; and contract awards.

- 1) Certification of Receipts and Disbursements FY15. The FY15 certification of receipts and disbursements cash basis, as shown as Exhibit #464, which is made a part hereof with like effect, was submitted for Board approval in conformance with the requirements of Section 40-708, Idaho Code. Total receipts were \$622,224,100, disbursements were \$589,481,400, and the cash balance as of June 30, 2015 was \$89,650,800.
- 2) US-20, Broadway Bridge, Boise, Key #11588. URS, now AECOM, was selected in September 2013 for engineering and design work for the US-20, Broadway Bridge. The original estimate and approved supplementals total \$1,610,851. Additional services are being requested during the construction phase. The work, estimated at \$300,000, is to review shop drawings and contractor submittals, assist with requests for information from the contractor, assist with change orders, and be a resource for project development knowledge of a highly-visible project. Staff requests approval to exceed the consultant agreement amount of \$1,610,851 by \$300,000.
- 3) SH-5, Railroad Bridge, Plummer, Key #12864. In March 2013, Parametrix, Inc. was selected to perform engineering design services for the replacement of the Plummer Railroad Bridge on SH-5. The Board approved a request to exceed

the original term agreement in February 2015, increasing the amount to \$700,000. This work was for structural engineering and shop drawing support during construction. Delays have occurred during construction that will require the work to extend significantly beyond the completion date, resulting in the need to extend Parametrix, Inc.'s service. Staff requested approval to exceed the term agreement amount of \$700,000 by \$100,000.

4) Addition of Local, Geosynthetic Reinforced Soil Integrated Bridge System (GRS-IBS) Workshop Project to FY16. Idaho received an FY15 State Transportation Innovation Councils grant for \$84,500 to host a demonstration workshop on GRS-IBS bridge construction for local agencies. Staff requests the addition of the \$84,500 project to FY16 of the Bridge Discretionary Program and to amend the Statewide Transportation Improvement Program accordingly.

5) Contract Awards for Approval. The low bids on the following projects were more than ten percent over the engineer's estimate, requiring justification.

Key #13437 – SH-11, Grangemont Road to Headquarters, District 2. The main difference between the engineer's estimate and low bid was in the Cold-In-Place Recycle Pay item, which is specialty work that few contractors in the area perform. Staff does not believe a significant savings would be realized if the project is re-advertised, and recommends awarding the project. Low bidder: Knife River Corporation – Northwest - \$1,442,200.

Key #13886 – US-12, Milepost 83 Safety Improvements, District 2. The main difference between the engineer's estimate and low bid were in the Mobilization and Superpave Pavement items. Bids appear to be high due to the small contract quantities and remote project location. Staff does not believe there is a significant potential for savings if the project is re-advertised, and recommends awarding the project. Low bidder: Debco Construction - \$510,510.

Key #13876 – US-12, Dike Route, Lewiston, District 2. District staff does not believe the Engineer's Estimate adequately accounted for the Flagging and Traffic Control Maintenance items. It believes the low bid is responsive and that delaying the project is not in the public interest because of the importance of the surface treatment and safety improvements. Low bidder: Poe Asphalt Paving, Inc. - \$1,131,241.

Key #9914 – Allen Bridge, Near Salmon, District 6. The following items accounted for the majority of difference between the engineer's estimate and low bid: Mobilization, Loose Riprap, pre-stressed bridge girders, and dewatering the foundation. The location of the project presumably led to higher Mobilization bids. The Loose Riprap item is a bit unusual and the higher bid prices may reflect uncertainty by the contractors. The dewatering the foundation item had extraordinary requirements due to a limited project area for detention. The Local Highway Technical Assistance Council (LHTAC) and project sponsor, Lemhi County, do not believe there is a potential for savings if the project is re-advertised, and recommend awarding the bid. Low bidder: Cannon Builders, Inc. - \$826,740.

Informational Items. 1) Status: FY17 Appropriation Request – Revision #1. ITD's FY17 appropriation request has been modified. Personnel benefit costs are being reduced \$86,700 due to the deletion of 20 positions. Operating costs are being increased by \$136,600 mainly due to a Risk Management increase. Contract Construction is being increased by \$240,800 due to spending authority for the House Bill 132 revenue. This results in a net change of \$292,700 for a total request of \$637,969,100.

2) State FY16 Financial Statements. Through September, revenues to the State Highway Account from all sources were ahead of projections by 2.8%. Of that total, receipts from the Highway Distribution Account were ahead of forecast by 5% or \$2.3 million. State revenues to the State Aeronautics Fund were ahead of projections by 4.6%. Expenditures were within planned budgets. Personnel costs have a savings of \$3.1 million or 10.1% due to vacancies and timing between a position becoming vacant and being filled. At the end of September, the balance of the long term investments was \$108.3 million. These funds are obligated against construction projects and encumbrances. Based on cash balances and anticipated cash flow requirements, ITD requested that the State Treasurer transfer \$45 million from the cash account into the long term investment account on September 30. Expenditures for GARVEE projects through the month of September exceeded \$10.4 million and are progressing as planned. It is estimated that the final payments from bond proceeds will be expended by the end of December, which will complete an investment of just over \$857 million from bond proceeds.

- 3) Monthly Reporting of Federal Formula Program Funding for October. Obligation authority through October 29 is \$20.6 million. This corresponds to \$20.2 million with match after a reduction of prorated indirect costs. Legislation extending Moving Ahead for Progress in the 21st Century through November 20 was passed on October 29. The Department is awaiting federal action before the funds become available. Idaho received a prorated 7.9% share of its annual federal formula apportionments of \$23.9 million including match. Obligation authority is 93.8% of apportionments. Of the \$20.2 million allotted, \$24 million in funding remains.
- 4) Non-Construction Professional Service Contracts Issued by Business and Support Management (BSM). The BSM Section processed three professional service agreements from October 1 to October 30 in the amount of \$134,502.
- 5) Contract Awards. Key #9171 – Schweitzer Basin Cutoff Road, Sandpoint, District 1. Low bidder: Interstate Concrete & Asphalt Co. - \$1,313,075.
- Key #13406 – SH-3, Coeur d’Alene River Bridge to I-90 Overpass Interchange #34, Kootenai County, District 1. Low bidder: Interstate Concrete & Asphalt Co. - \$1,629,338.
- Key #12973 – I-90, US-95, and SH-41, FY16 District 1 Districtwide Brooming. Low bidder: Aero Power-Vac. Inc. - \$223,989.
- Key #18744 – US-2, FY16 District 1 Americans with Disabilities Act Improvements. Low bidder: Earthworks Northwest Inc. - \$157,441.
- Key #14337 – Middle Schools Safe Routes to School Safety Improvements, Moscow, District 2. Low bidder: WM Winkler Company - \$417,399.
- Key #13439 – FY17 District 2 Sealcoats. Low bidder: Knife River Corporation – Northwest - \$1,236,275.
- Keys #13438 and #13877 – SH-13 and US-95, Main Street, Grangeville and West South 1st to Johnston Road, Idaho County, District 2. Low bidder: Knife River Corporation - Northwest - \$2,298,000.
- Key #13895 – Intersection Thain Road and Grelle Avenue, Lewiston, District 2. Low bidder: Stillwater Electric Inc. - \$338,474.
- Key #13436 – SH-11, Weippe to Timberline High School, Clearwater County, District 2. Low bidder: Valley Paving & Asphalt, Inc. - \$1,172,702.
- Key #11588 – US-20/26 Broadway Bridge, Boise, District 3. Low bidder: Knife River Corporation – Northwest - \$10,912,777.
- Key #11237 – Sand Hollow, Payette County, Phase 1, District 3. Low bidder: Staker & Parson Companies dba Idaho Materials Construction - \$1,488,106.
- Key #12881 – SH-167, Snake River Bridge, Near Grandview, District 3. Low bidder: J C Constructors, Inc. - \$1,272,121.
- Key #13085 – SH-75, FY16 District 4 Guardrail. Low bidder: Northwest Guardrail LLC - \$97,019.
- Key #13072 – I-84, Northside Canal to Interchange #201, Eastbound, District 4. Low bidder: Knife River Corporation – Northwest - \$3,150,150.
- Key #14039 – US-20, Fremont County Line to Ashton Hill Bridge, District 6. Low bidder: H-K Contractors, Inc. - \$1,117,777.

The list of projects currently being advertised was also presented.

6) Professional Services Agreements and Term Agreement Work Tasks Report. From October 1 through October 30, 22 new professional services agreements and work tasks were processed, totaling \$750,010. Five supplemental agreements to existing professional services agreements were processed during this period in the amount of \$89,682.

Dealer Advisory Board (DAB) Annual Report. DAB Chairman Grant Petersen, Jr. presented the annual DAB report. The Idaho Consumer Asset Recovery Fund (ICAR) is progressing well. All licensed vehicle dealers are to pay into this fund in lieu of maintaining a surety bond. These funds are available for use by consumers to file claims with the DAB, which serves as the ICAR board. To date, there have been no claims to the ICAR fund.

The allowable uses of dealer plates were confusing for dealers, salesmen, and law enforcement. The Department and DAB created easy to read and follow instructions for law enforcement and users of these plates. Labels explaining what the different plates can be used for were manufactured on weather-resistant material and will be placed on the back of the dealer plate series.

The DAB continues to have concerns with rules for a dealer's principal place of business. It believes more guidelines are needed to protect consumers from unlicensed dealers.

DAB Chairman Petersen commended ITD staff for its assistance and exemplary work, particularly with investigations. He also thanked the Board for its service to the state.

Chairman Whitehead thanked DAB Chairman Petersen for the report and for his leadership on the DAB.

Special Presentation: Patriotic Employer Award. Dianne Nordhaus with the Department of Defense and Bob Ford from Senator Mike Crapo's Office presented Bridge Asset Management Engineer Dan Gorley with the Patriotic Employer Award. Employee Toby Griffin nominated Mr. Gorley for the award because of the support Mr. Gorley has given him, not only at ITD, but also with his service to the National Guard.

Director's Report. Director Ness regrettably announced the death of District 2 employee Doug Freeman. Mr. Freeman passed away en route to Lewiston after attending meetings in Boise on November 5.

Chief Operations Officer (COO) Jim Carpenter said work on the US-95, Council Alternate Route is proceeding well. The Final Environmental Impact Statement for the US-95, Thorn Creek to Moscow project has been signed and the Record of Decision should be completed soon. Regarding the 80 mile per hour (MPH) speed limit, there doesn't appear to be a change in the differential speed limit between cars and trucks. It is still about 10 MPH. The average speed for cars appears to have increased 1 MPH to between 82 and 84 MPH.

COO Carpenter commended Public Transportation Manager Mark Bathrick for his leadership of the Public Transportation Program. The Federal Transit Administration conducted its annual audit recently and was impressed with the positive turn-around that has occurred with this program. Although there was one finding, no deficiencies were identified.

COO Carpenter said staff is working on revisions to two policies and hopes to have those ready for the Board's consideration in a month or two. Forty-seven projects meet the criteria for the Strategic Initiatives Program, funded via the surplus eliminator revenue. He intends to present those to the Board for approval next month. He was in Washington, DC recently regarding Congressional efforts to allow Idaho to establish weight limits of up to 129,000 pounds on its interstate system. He is also working with LHTAC and the Association of Highway Districts on 129,000 pound truck route issues. The intent is to establish a seamless system.

Member Gagner mentioned that legislators at last week's legislative outreach meeting commended the Department for expeditiously advancing numerous projects due to the revenue increase. He asked about the status of increasing speed limits to 70 MPH on some state highways. COO Carpenter replied that staff is giving that some consideration. The criteria have been established.

Member Kempton noted that the rider allowing 129,000 pound weight limits on Idaho's interstates passed the House. He asked about its status in the Senate. COO Carpenter said the Senate intends to take it up prior to the Thanksgiving holiday break. Member Kempton also asked for more information on the efforts with LHTAC to address 129,000 pound issues. COO Carpenter responded that ITD and LHTAC are discussing the feasibility of establishing a one-stop shop for issuing permits. They would also like to simplify the process for local public agencies to designate routes for vehicle combinations up to 129,000 pounds, such as establishing criteria for the local agencies' consideration. Member Kempton added that he believes the local routes that allowed 129,000 pound vehicles during the pilot project should be identified as 129,000 pound routes on the official map.

Director Ness summarized his initial five-year plan, which he presented when he became director in 2010. The first year's goal was to improve the Department's credibility and instill a culture of accountability. He also established a new mission and goals and a vision to be the best transportation department in the country. The focus the second year was to realign the Department followed by improving employee compensation, which included implementing horizontal career paths. Years four and five focused on employee development and succession planning and increasing revenue, respectively. All of those goals have been achieved.

Director Ness thanked the Board for its support and guidance as the next five-year plan was developed. He believes there is an opportunity to build a legacy for how ITD will operate during the next 25 years. The first goal is to continue building on the recent successes through the constructive culture initiative, with an emphasis on innovation and implementing horizontal career paths throughout the agency. The second goal is to take the innovation program to the next level, which should help move the performance measure dials. Establishing the 20/20 vision and developing a succession plan is the third goal. The last two goals relate to funding at the state and federal level. State funds need to be stabilized and the Department needs to invest the funds wisely. At a minimum, ITD needs to maintain its federal funding level. It would also like more flexibility with federal funds.

Some discussion followed on funding issues. There is still a significant funding shortfall. The Board concurred that Director Ness should be actively engaged in revenue discussions and should be an advocate for the state's transportation needs.

Vice Chairman Coleman expressed appreciation for the additional revenue the Department received; however, he is concerned with the requirement to use those funds for maintenance of roads and bridges. He believes it would be advantageous to have greater flexibility with state revenue because the federal funds have stringent requirements. He would like to use more federal funds for maintenance projects and state revenue for safety, mobility, and economic opportunity projects. He asked if there have been any discussions regarding distributing federal funds as a block grant and eliminating some of the federal requirements. Director Ness said he has been a strong advocate for flexibility with funding. There have been some efforts to provide lump sum payments to states; however, one Congressman is recommending more regulations for federal funding.

Chairman Whitehead also expressed support to seek more flexibility with the additional state revenue. He thanked Director Ness for his report.

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

Annual Report on ITD's Research Program. Ned Parrish, Research Program Manager (RPM), said the budget for the Research Program for FY16 is \$1.4 million, with 12% from state sources. Federal statutes require that 2% of funding for roads and bridges be used for planning and research.

RPM Parrish reported on some of the Program's recent activities. Research on avalanche detection was completed with goals of developing a method for real-time avalanche detection in remote locations and to improve the response to avalanche events to improve safety, mobility, and economic opportunity. District 3 is exploring options to implement the findings on SH-21. It is also considering collaborating with other states to further develop the avalanche-related technology. A study on recycled asphalt pavement (RAP) found that the use of RAP increases rutting resistance of pavements and using higher percentages of RAP has the potential to reduce cracking resistance. The recommendations

of adding testing to assess cracking potential of high RAP mixes and modifying binder selection to ensure presence of polymers to increase elasticity of high RAP mixes will be incorporated into ITD specifications and practices. The goals of the Leadership/Culture project were to strengthen leadership capabilities throughout the Department and develop a more constructive organizational culture. Remaining activities include conducting a third constructive culture survey, completing leadership assessments and coaching with supervisors, and conducting a Department-wide organizational culture survey.

RPM Parrish said some of the projects currently underway are a laboratory study of fiber-reinforced asphalt products, a field study on a new low-cost approach to monitoring bridge scour, a study of freight movement and needs on the US-95 corridor, evaluation of traffic detection system performance, and a study of safety impacts of wide pavement markings on two-lane rural highways. Some of the projects planned in FY16 include development of tools to evaluate performance of implemented safety projects, a study to improve safety at signalized intersections, an analysis of safety in school zones on two-lane highways, and a study of Unmanned Aerial Vehicles for bridge inspection. Some other activities planned this year are to coordinate a process for identifying and prioritizing research needs, hosting a Transportation Research Board visit with a focus on safety, and participating in a peer exchange.

Due to several questions on the RAP study, RPM Parrish elaborated on that project. In response to Member Vassar's comment on the use of research funds for the constructive culture initiative, RPM Parrish replied that research funds are available for a variety of activities, including leadership development and training. One of the components of the project is to measure the success of changing ITD's culture through surveys.

Chairman Whitehead thanked RPM for the informative report and for his efforts on this important program.

Policy Revisions. COO Carpenter proposed revisions to Board Policy 4076 Use of Unallocated Idaho Transportation Investment Program Funds to allow these funds to be used for federal match for highway infrastructure grants. He added that the policy currently restricts the use of these funds to projects that cannot be anticipated and planned for in a five-year funding cycle.

Member Kempton made a motion, seconded by Member Gagner, and passed unopposed, to approve revisions to 4076 Use of Unallocated Idaho Transportation Investment Program Funds.

Executive Session on Personnel and Legal Issues. Member DeLorenzo made a motion to meet in executive session at 11:40 AM to discuss personnel and legal issues as authorized in Idaho Code Section 74-206 (b) and (f). Member Vassar seconded the motion and it passed 6-0 by individual roll call vote.

Discussions were held on personnel and legal matters.

The Board came out of executive session at 2:10 PM.

Old/New Business. Member Gagner made a motion to withdraw the 2016 proposed legislation waiving Idaho's sovereign immunity with regard to the National Environmental Protection Act. Member Vassar seconded the motion and it passed unopposed.

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

RES. NO. WHEREAS, Idaho Code 40-503 addresses the Idaho Transportation Board's
ITB15-49 authority regarding the hiring of the Idaho Transportation Department director; and

WHEREAS, Idaho Code states that the director serves at the pleasure of the Board but also lists reasons for which the director may be terminated.

NOW THEREFORE BE IT RESOLVED, that the Board approves proposed legislation to revise Idaho Code 40-503 to eliminate the specific reasons the director may be terminated; and

BE IT FURTHER RESOLVED, that the Board directs staff to submit the proposed legislation to the Division of Financial Management for its approval.

Vice Chairman Coleman emphasized that the resolution is not related to Director Ness, nor does it impact him.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 2:15 PM.

signed

JERRY WHITEHEAD, Chairman
Idaho Transportation Board

Read and Approved
December 17, 2015
Boise, Idaho