

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

January 18, 2017

The Idaho Transportation Board convened at 8:30 AM on Wednesday, January 18, at the Idaho Transportation Department in Boise, Idaho. The following principals were present:

Jerry Whitehead, Chairman
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 Whitehead said since the agenda was initially published, the Dealer Advisory Board requested an audience with the Board to present proposed legislation for the 2017 session. Additionally, due to the severe winter weather the Treasure Valley has been experiencing, staff would like to request approval to advance a project to address the severe pavement deterioration that has occurred on I-84 in Canyon County.

Member Coleman made a motion to amend the agenda to add the Dealer Advisory Board delegation and the request to advance the District 3 I-84 project. Vice Chairman Gagner seconded the motion and it passed unopposed.

Board Minutes. Member DeLorenzo made a motion to approve the minutes of the regular Board meeting held on December 14, 2016 as submitted. Member Vassar seconded the motion and it passed unopposed.

Board Meeting Dates. The following meeting dates and locations were scheduled:
February 22, 2017 – Boise
March 15-16, 2017 – Boise
April 20-21, 2017 – District 2

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

RES. NO. WHEREAS, consent calendar items are to be routine, non-controversial, self-
ITB17-01 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.

January 18, 2017

NOW THEREFORE BE IT RESOLVED, that the Board approves the contract award and the US-95, Ironwood Intersection, Coeur d'Alene, Kootenai County project.

1) Contract for Award. The low bid on key #13025 – SH-55, Intersection Midway Road, Near Nampa, District 3, was more than ten percent over the engineer's estimate, requiring justification. The main differences between the engineer's estimate and low bid were in the Special Traffic Control and Special Controlled Density Fill items. With Traffic Control being bid as a lump sum, staff believes it may be seeing transference of risk of overruns with no recourse for payment reflected in the bid amount, as contractors are not used to bidding this as a lump sum item. Staff had limited data for the Special Controlled Density Fill item, plus the time of year this project will be constructed were presumably factors in the bid variance. Staff does not believe re-bidding the project would increase the number of responsible bidders nor result in savings, so recommends awarding the project. Low bidder: Granite Excavation, Inc. - \$246,059.

2) US-95, Ironwood Intersection, Coeur d'Alene, Kootenai County. The low bid on key #19509 – US-95, Ironwood Intersection, Coeur d'Alene, District 1, was more than ten percent over the engineer's estimate, requiring justification. The main differences between the engineer's estimate and low bid were in the Excavation, Miscellaneous Pavement, Traffic Signal Installation, Pavement Marking Thermoplastic, Special Multiple Approach Advance Detection System, Special Water-Filled Construction Barrier, and Mobilization items. Staff initially recommended rejecting the bids; however, at the Board's request last month, it reviewed the engineer's estimate. District 1 believes the low bid is reasonable. Differences are primarily attributed to discrepancies between actual cost and average unit cost. It is a complex project, partly due to its close proximity to the interstate. Staff recommends accepting the low bid. District 1 has an agreement with Kootenai Health and the City of Coeur d'Alene and is currently in the process of executing an addendum that will ensure that costs to the Department will not exceed currently committed funding, so no additional ITD funds will be required. Low bidder: Cameron Reilly LLC - \$1,790,145.

Member Coleman thanked staff for reviewing the US-95, Ironwood Intersection project. He believes it is a beneficial project and expressed appreciation to the local partners for their participation.

Informational Items. 1) State FY17 Financial Statements. Revenues to the State Highway Account from all state sources were ahead of projections by 1.4% at the end of November. Of that total, receipts from the Highway Distribution Account were 2.3% or \$1.9 million more than the forecast. State revenues to the State Aeronautics Fund were ahead of projections by 2.9% or \$38,000. Operational expenditures were within planned budgets. Personnel costs had a savings of \$6.8 million or 13% due to vacancies and timing between a position becoming vacant and being filled. Contract construction payments of \$138.6 million to date were the lowest of the past three years.

The balance of the long term investments was \$160.4 million at the end of November. These funds are obligated against construction projects and encumbrances. The combined total of cash and investments is \$212 million. FY17 expenditures in the Strategic Initiatives Program Fund were \$31.5 million to date.

January 18, 2017

2) Monthly Reporting of Federal Formula Program Funding through December. Idaho received obligation authority through December 9 via a continuing resolution. Obligation authority is \$54.4 million. This corresponds to \$54.3 million with match after a reduction for prorated indirect costs. A second continuing resolution was approved, extending obligation authority through April 28; however, the state has not received official notice of its obligation authority. Idaho received apportionments through November 30 of \$294.2 million, which includes Redistribution of Certain Authorized Funds. This is \$2.4 million less than in FY17 Fixing America's Surface Transportation Act apportionment tables. Allocations have not been reduced yet, providing the new congress time to act. Currently, obligation authority is 18.5% of apportionments. Of the \$54.3 million allotted, \$29 million remains.

3) Non-Construction Professional Service Contracts Issued by Business and Support Management (BSM). The BSM Section processed one professional service agreement in the amount of \$15,000 in the previous month.

4) Contract Awards and Advertisements. Key #19368 – I-90, Pinehurst to Kellogg, Shoshone County, District 1. Low bidder: Intermountain Slurry Seal, Inc. - \$458,308.

Key #19428 – I-90, Kellogg to Elizabeth Park Road, Shoshone County, District 1. Low bidder: Intermountain Slurry Seal, Inc. - \$375,519.

Keys #19221 and #19765 – US-95, Blackwell Slough to I-90 Overpass Interchange #12, Coeur d'Alene, and Cougar Creek to Blackwell Slough, Kootenai County, District 1. Low bidder: Poe Asphalt Paving, Inc. – \$2,246,679.

Key #13052 – 21st Avenue, Cleveland to Chicago, Caldwell, District 3. Low bidder: Staker & Parson Companies dba Idaho Materials - \$1,298,902.

Key #13950 – US-95, Roberson Slough Bridge, Washington County, District 3. Low bidder: Braun-Jensen, Inc. - \$885,000.

Key #18753 – I-84, FY18 District 4 Bridge Preservation. Low bidder: Cannon Builders Inc. - \$2,065,886.

Keys #19185 and #19348 – I-84, Glens Ferry to King Hill Interchange East Bound Lane and Glens Ferry to King Hill Interchange West Bound Lane, District 4. Low bidder: Acme Concrete Paving, Inc. - \$2,982,765.

Key #19613 – SH-46, FY19 District 4 Pavement Preservation. Low bidder: Western Construction, Inc. - \$797,798.

Key #19276 – I-84, FY20 District 4 West Sealcoats. Low bidder: Intermountain Slurry Seal, Inc. - \$669,393.

Key #19249 – FY20 District 4 East Sealcoats, Cassia County. Low bidder: Knife River Corporation - Northwest – \$1,074,500.

Key #12444 – Portneuf River Lewis Street Bridge, District 5. Low bidder: Cannon Builders, Inc. - \$673,685.

The list of projects currently being advertised was provided.

5) Professional Services Agreements and Term Agreement Work Tasks Report. From November 28 through December 28, 26 new professional services agreements and work tasks were processed, totaling \$4,328,136. Nine supplemental agreements to existing professional services agreements were processed during this period in the amount of \$211,200.

6) Semi-Annual Report on Administrative Settlements for Right-of-Way Acquisitions. From July 1 through December 30, 2016, staff processed 28 parcels. Of those, nine parcels included an administrative settlement. There were no legal settlements during this period.

7) Annual Report on Status of State-owned Dwellings. The report on the status of ITD-owned dwellings included the fair rental value, rental status, and monthly rental fee. The Department owns 3 stick-framed houses, 13 manufactured homes, 5 bunkhouses, and 2 apartments at Johnson Creek and Cavanaugh Bay Air Strips, plus 19 trailer pads, of which 11 have employee-owned manufactured housing on them. ITD also owns nine trailer pads and three houses at rest area locations.

Director's Report. Director Ness said the Joint Finance and Appropriations Committee (JFAC) approved the Department's FY17 supplemental request totaling \$24.4 million last week. The American Association of State Highway and Transportation Officials (AASHTO) recognized the Department's innovate program and will help other states develop similar programs. AASHTO also recognized a number of ITD employees for 25 years of meritorious service. I-84 was closed in the Nampa area last week due to the pavement's deteriorating condition. Director Ness commended staff for its quick response to repair the interstate and re-open the route. He also expressed appreciation to the maintenance crews throughout the state for their efforts to keep the roads safe and traversable, noting that it has been a severe winter with record snowfall at some locations.

Chief Administrative Officer Char McArthur summarized the recent Governor's executive order to address cybersecurity. The Department has already completed or initiated a number of the requirements. She reported on the Governor's proposed FY18 budget. The main changes from ITD's submittal include a 3% change in employee compensation, a decrease in health insurance costs, and additional funding for contract construction.

Discussion followed on the winter maintenance efforts. District 4 Engineer (DE) Devin Rigby reported that some locations were running low on material and issued emergency contracts to acquire more salt. Overtime or compensatory time is available for employees if the duration of storms is excessive. Also, if one area is experiencing a long storm, crews from other areas or districts may provide assistance.

The Board expressed appreciation to the maintenance crews for their exceptional efforts maintaining the state's highways.

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

Legislative Update. Government Affairs Program Specialist (GAPS) Ramon Hobdey-Sanchez said the annual report to the Senate and House Transportation and Defense Committees will be presented on January 24. The budget will be presented to JFAC on February 6. The Department's administrative rule changes are scheduled to be presented to the germane committees by the end of this month. Some of the transportation-related proposals being monitored address hybrid vehicle registration fees, autonomous vehicles, and dyed diesel fuel.

Chairman Whitehead thanked GAPS Hobdey-Sanchez for the report.

Public Transportation Advisory Council (PTAC) Annual Report. PTAC Chair Maureen Gresham provided an overview on the six-member Council. It participates in planning activities, identifies transportation needs, and promotes a coordinated transportation system. Last year it helped identify strategies for the Statewide Transit Plan, which is under development, and revised the project application and evaluation process. It also reviews performance measures, including financial reports. The Council's 2017 goals are to disburse one-time funds of \$1.2 million, continue statewide planning efforts, and refine the evaluation process.

Chairman Whitehead thanked PTAC Chair Gresham for the informative report and for her continued service on the Council.

Transportation Economic Development Impact System (TREDIS) Overview. Staff Economist (SE) Greg Dietz provided an overview on TREDIS, highlighting the data inputs needed to calculate a benefit-cost ratio and the value of that information in assisting the prioritization of Strategic Initiative investments and grant applications. The elements considered in determining the benefit-cost ratio include safety – reducing fatal and serious injury crashes; mobility – improved drive time; time – typically a 20-year analysis period to fully capture benefits; and project costs – design, construction, and maintenance. The main benefits are improved safety and mobility. Projects may impact jobs and the gross state product.

Due to numerous questions, SE Dietz expanded on the system. Today's dollar value is used in the 20-year time period to ensure consistency. A travel demand model is used to project increased traffic counts. It is possible to use TREDIS for other projects, such as transit projects and to determine the cost benefit of designating a route segment for commercial vehicles up to 129,000 pounds. SE Dietz added that manpower may limit opportunities to conduct cost benefit ratio reviews of non-highway projects, as highway projects, especially Strategic Initiative projects, are the highest priority. He acknowledged that some manipulation could occur with the system; however, staff strives to be consistent with the data and the variables. A lot of the data and formulas used in the system are pre-programmed in TREDIS and cannot be adjusted.

Chairman Whitehead thanked SE Dietz for the educational overview.

Policy Review. Chairman Whitehead tabled the review of Board Policy 4017 Office of Internal Review and Administrative Policy 5017 Office of Internal Review.

Executive Session on Personnel and Legal Issues. Member Vassar made a motion to meet in executive session at 11:05 AM to discuss personnel and legal issues as authorized in Idaho Code Section 74-206 (a) and (f). Member Horsch seconded the motion and it passed 6-0 by individual roll call vote.

The legal matters discussed related to access issues, legislative proposals, and operations.

The personnel matter related to the hiring of an employee.

The Board came out of executive session at 11:45 AM.

Informal Luncheon with the Aeronautics Advisory Board (AAB). The Board visited informally with the AAB members during lunch.

Aeronautics' Annual Report. AAB Chairman Rodger Sorensen said overall, the outlook for the aviation industry is positive. He reported on the growing use of unmanned aircraft systems, also known as drones. The Federal Aviation Administration released operational rules last year. AAB Member Mark Sweeney said corporate flying and charters were fairly steady last year. The industry is concerned with a pilot shortage, as experienced pilots are retiring and the high cost of training and overall low entry-level wages discourage potential pilots from entering the field. He also expressed concern with backcountry airstrips and believes it is important to ensure access to those facilities. AAB Member Colleen Back elaborated on the backcountry system, which continues to be popular. A concerted effort was made to educate users on accessing the airstrips, with an emphasis on safety. She added that other agencies, such as Fish and Game, are seeking more access to backcountry airstrips for recreational purposes. AAB Member Chip Kemper said the aviation industry in eastern Idaho appears stable. There is a demand for hangars. The aviation fire activity was average in 2016. He also acknowledged AAB Member Back's service. Her term expires this year and she will not seek another appointment due to time constraints.

Aeronautics Administrator (AA) Mike Pape said overall, the aviation industry is healthy, including commercial air service. Some of the airport planning activities in 2016 consisted of inspecting 39 airports, evaluating 26 obstructions, and fulfilling 53 supply requests. The Idaho Airport Aid Program's budget for FY17 is \$52.6 million, with \$550,000 expected from state sources. The popularity of Idaho's backcountry airstrips continues to increase. Improvements to Big Creek airstrip's runway and shed are planned this year. Staff will also be recruiting caretakers for some airstrips. The King Air flew 175 hours in FY16, which was a decrease from 210 hours in FY15. The Division reported no accidents or incidents. He added that the Department's two Cessnas are aging and should be replaced.

AA Pape said Search and Rescue conducted four searches last year. There were 21 aviation accidents with 2 fatalities in Idaho compared to 30 accidents with 11 fatalities in 2015. Safety continues to be a high priority for the Division. Some of the projects planned this year include opening a new public airstrip, conducting Airport Basic Training courses, and expanding activities to be a resource on drones. The safety goal is 16 accidents with 5 fatalities or fewer.

Chairman Whitehead thanked the AAB members and AA Pape for the reports and for their valuable service to the state.

Advance I-84, Franklin Road Interchange #29 to Milepost 32, Key #19589. DE3 Amy Revis elaborated on the deteriorating condition of I-84 in Canyon County. She expressed appreciation to the construction industry for opening a plant last week so staff could make emergency repairs to the interstate. The estimated costs of the temporary repairs are between \$500,000 and \$750,000. She requested approval to advance an I-84 rehabilitation and resurfacing project from FY18 to FY17 for \$14.4 million. The funds have been made available through bid savings, project closures, operation savings, and pre-horizontal career path salary savings. The Community Planning Association of Southwest Idaho is prepared to amend its Transportation Improvement Program contingent on Board approval.

Vice Chairman Gagner 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
ITB17-02 appropriated for construction, maintenance, and improvement of state highways;
and

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

WHEREAS, it is in the public's interest for the Idaho Transportation 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, local, and private capital investment funding.

NOW THEREFORE BE IT RESOLVED, that project I-84, Franklin Road Interchange #29 to Milepost 32 will be advanced from FY18 to FY17 at a cost of \$14.4 million; and

BE IT FURTHER RESOLVED, that the Idaho Transportation 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.

Delegation: Dealer Advisory Board (DAB). DAB Member Bobby Petersen presented proposed legislation to address concerns with unscrupulous individuals in the industry. The revision would prevent individuals that have had their dealer's license revoked due to a felony related to the dealership from being eligible to obtain a salesman's license. There have been instances where individuals who had their dealership license revoked became salesmen and ran dealerships for somebody else or committed the same kinds of violations they committed as dealers. He believes this legislation would protect the industry and consumers, and requested Board support for it.

Vice Chairman Gagner expressed concern that the legislation may take away someone's livelihood. He asked if legal counsel has reviewed the proposal and has an opinion.

Motor Vehicle Administrator Alan Frew said due process is outlined in another section of Idaho Code, allowing for a hearing and an appeal process. The legal office has received the proposed legislation, but may not have had an opportunity to review it yet.

Member Vassar asked for clarification on who will be submitting the legislation. DAB Member Petersen said the DAB members unanimously approved moving forward with this proposal. He added that there have been some discussions with legislators already and the proposal received support from them.

Because this item was presented on short notice and there appears to be some concerns with it, Chairman Whitehead asked DAG Allen to review it and provide comments before the Board takes a position on the legislation. He thanked DAB Member Petersen for presenting the proposal to the Board.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 2:10 PM.

Read and Approved
February 22, 2017
Boise, Idaho

signed

JERRY WHITEHEAD, Chairman
Idaho Transportation Board

January 18, 2017