

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

February 22, 2017

The Idaho Transportation Board convened at 8:30 AM on Wednesday, February 22, at the Idaho Transportation Department in Boise, Idaho. The following principals were present:

Jerry Whitehead, Chairman
Lee Gagner, Vice Chairman – District 6
Janice B. Vassar, Member – District 2
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

Members Jim Coleman, District 1, and Julie DeLorenzo, District 3, participated via teleconference.

Member Kempton said he and Member Vassar reviewed revisions to the Budget Preparation Administrative Policy. He requested adding it to the agenda for the full Board's review. There were no objections to the addition of the policy to the agenda.

Director's Report. Director Ness reported on winter operations activities and commended employees for their exemplary efforts to maintain and repair the highways and bridges. The annual presentation to the Senate and House Transportation and Defense Committees was last month and the budget presentation was made to the Joint Finance and Appropriations Committee (JFAC) earlier this month. The latter presentation included a briefing on national transportation issues. ITD and the 5-State Coalition are involved in discussions at the national level to ensure rural states' issues are being considered. The Region 10 Administrator of the National Highway Traffic Safety Administration commended ITD for its highway safety activities.

Chief Deputy Stokes said the Division of Motor Vehicles has been re-organized to improve communication and provide better cross training for staff. The Division has four Sections: Operations; Policy; Compliance; and Supporting, Transforming, and Reporting. The Division of Aeronautics held a safety workshop in Coeur d'Alene earlier this month. The workshop was successful with approximately 120 participants.

Chief Administrative Officer (CAO) Char McArthur reported on activities in the Innovate Program, including an emphasis on the design thinking process.

District 4 Engineer (DE) Devin Rigby elaborated on the winter maintenance activities. The state has been experiencing numerous avalanches and rockslides. To date, an additional \$7.5 million has been expended on maintenance efforts and about \$7.5 million more will be needed to repair the roadway damage caused by the weather.

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Chairman Whitehead thanked staff for the reports and commended the employees for their winter maintenance activities.

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

Executive Session on Personnel and Legal Issues. Member Vassar made a motion to meet in executive session at 9:07 AM to discuss personnel and legal issues as authorized in Idaho Code Section 74-206 (a), (b), and (f). Member Horsch seconded the motion and it passed 6-0 by individual roll call vote.

The personnel matters related to the hiring of an employee, a disciplinary action, and compensation.

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

The Board came out of executive session at 10:10 AM.

Director Ness left the meeting at this time.

Delegation: Millennial Development Partners. DE5 Ed Bala provided history on efforts to construct a new I-15 interchange at Siphon Road. The project was identified as a priority earlier and some preliminary work was completed, including the environmental assessment; however, activity was discontinued during the economic downturn in the late 2000s. It has been identified as a need to address the growth in the Pocatello and Chubbuck area.

Member Coleman discontinued the teleconference at this time.

Millennial Development Partners representative Buck Swaney said a Siphon Road interchange is critical to the development plans. The proposal to partner with ITD that was presented to the Board in May 2016 has been revised. The risk is more broadly distributed. The Cities of Chubbuck and Pocatello and Bannock County support the development project. The three local entities have committed over \$10 million for the development, mainly in infrastructure improvements such as connecting roads. Additionally, an Urban Renewal Agency or Tax Incremental Financing district is being considered to assist with the development. Surrounding property owners are donating right-of-way for the connecting roads. On behalf of the coalition of partners, Mr. Swaney requested \$5 million from the Board to help fund the new I-15 interchange. Millennial Development will provide the other funding necessary for the interchange and local roads. ITD's participation would be contingent on having all of the connecting road projects under contract. Mr. Swaney would like the interchange to be under construction by mid-2017.

Member Vassar asked if the environmental assessment that was completed earlier is still valid. DE Bala said the District is in the process of updating the environmental document now.

In response to Vice Chairman Gagner's question on the funding mechanism, Mr. Swaney elaborated on the intent for both cities to implement Tax Incremental Financing districts. Pocatello Mayor Brian Blad expressed the municipality's support and elaborated on the plans,

including annexation. As a follow-up to Vice Chairman Gagner's question, Mayor Blad said he believes a Tax Incremental Financing district could be set up so that it reimburses ITD its \$5 million; however, he has some concerns with that proposal because that would take funding away from other needed infrastructure projects. DE Bala added that if the Board is receptive to this partnership, the District would look for off-setting projects to fund the interchange.

Chairman Whitehead asked if the interchange would be constructed using the design-build method. DE Bala said yes, the intent is to use design-build. In response to Vice Chairman Gagner's questions, DE Bala said some limited design work was completed earlier as part of the environmental assessment, and he believes the project could be under construction by mid-year.

Member Horsch asked for an estimate on the total cost of the interchange. DE Bala believes it will cost between \$12 and \$15 million.

Chairman Whitehead thanked Mr. Swaney for the presentation. He said the Board will take the request under consideration.

Election of Vice Chairman. Member Vassar made a motion to re-elect Lee Gagner as vice chairman. Member Horsch seconded the motion and it passed unopposed.

Board Minutes. Vice Chairman Gagner made a motion to approve the minutes of the regular Board meeting held on January 18, 2017 as submitted. Member Vassar seconded the motion and it passed unopposed.

Board Meeting Dates. The following meeting dates and locations were scheduled:
March 15-16, 2017 – Boise
April 20-21, 2017 – District 2
May 17-18, 2017 – District 5

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-
ITB17-03 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 SH-53, Union Pacific Railroad Bridge, Near US-95; the removal of 18th Street, Intersection Idaho Avenue and G Street, Lewiston; increase cost of Local, FY17 Capital Maintenance, Valley Regional Transit, Boise; adjustments to the Local Highway Programs in the FY17-21 approved Statewide Transportation Improvement Program; and contract awards.

1) SH-53, Union Pacific Railroad (UPRR) Bridge, Near US-95. District 1 requested exceeding the \$1 million limit for a consultant engineering agreement by \$300,000 for the SH-53, UPRR Bridge, Near US-95 project, key #19385. David Evans and Associates was selected to

provide full design services. As the design developed through concept analysis and preliminary design work, the need to extend the project limits to address a gap in SH-53's bicycle-designated shoulders was identified. Additionally, the original scoped alignment was modified and lengthened to provide a straighter, safer alignment and tie-in with the SH-53 and US-95 intersection. These two changes in scope resulted in the need for additional services.

2) Remove 18th Street; Intersection Idaho Avenue and G Street, Lewiston. The City of Lewiston requests the removal of the 18th Street; Intersection Idaho Avenue and G Street project, key #13441, from the FY18 Local Urban Program for \$78,000. ITD is designing a major revision to the intersection of Main Street, US-12, and 21st Street. The project will disconnect G Street from 21st Street with a cul-de-sac and change allowable movements at Idaho Street. These changes impact the scope of the 18th Street project, resulting in the request to remove it from the Program.

3) Increase Cost of Local, FY17 Capital Maintenance, Valley Regional Transit (VRT), Boise. The Community Planning Association of Southwest Idaho requests the increase of the Local, FY17 Capital, Maintenance, VRT Boise project, key #13902, from \$104,000 to \$287,000. The funding for the replacement of public transportation buses and/or bus facility is from the Surface Transportation Program – Transportation Management Area. Staff also requests approval to adjust the Statewide Transportation Improvement Program (STIP) accordingly.

4) Adjust the Local Highway Programs. The Local Highway Technical Assistance Council (LHTAC) requests the following project adjustments in the FY17-21 STIP:

- Delay STC-1701, Old Highway 37, The Narrows, key #9894, to FY18 - \$6,391,000
- Advance to FY17 STC-7165, Farmway Road/SH-44, key #13054 - \$2,001,000
- Advance to FY17 STC-3945, East Lake Fork Road Bridge, key #13056 - \$1,709,000
- Advance to FY17 Robinson Park Road Bridge, key #13450 - \$1,001,000
- Advance design STC-5708, Beck Road, Seltice Way to Prairie Avenue, key #19288 - \$212,000
- Advance design STC-6748, Annis Highway, Rigby to Mennan-Lorenzo Highway, key #19305 - \$280,000
- Advance design STC-6854, 45th West; 65th South to US-20, key #19434 - \$174,000
- Advance design STC-5770, Wisconsin Street; High Street to US-2, key #19513 - \$136,000
- Advance design STC-2837, Yale Road Stage 4, Milepost 12.1 to 13.7, key #19637 - \$425,000
- Advance design STC-5727, Ramsey Road, Chilco to Scarcello, key #20038 - \$497,000

5) Contracts for Award. The low bids on the following projects were more than ten percent over the engineer's estimate, requiring justification. Key #20160 – US-2, Washington State Line to Wrenco Loop Road, Bonner County, District 1. The difference between the engineer's estimate and low bid was primarily in the Special Traffic Control Operations for

Warranty Seal Coating item. During review of the bids, an error was identified in the engineer's estimate for this item. The estimated value was too low. Due to the error, staff recommends accepting the low bid. Low bidder: Central Washington Asphalt Inc. - \$1,393,013.

Key #13521 – US-93, 400 South Road, Jerome County, District 4. 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 was based on the Average Unit Price Report for the past two years and engineering judgment. There is a short duration for irrigation winter shut down and the irrigation delivery shall not be impacted. There is risk of rock excavation that was included in the excavation price. The assumed source location will require some haul and presumably added to the price. The District does not believe re-advertising the project will result in better bids and the project needs to start so it can be completed this construction year. Low bidder: Staker & Parson Companies dba Idaho Materials - \$7,258,475.

Vice Chairman Gagner requested additional information on the US-93, 400 South Road project. DE Rigby said he believes the high traffic volume may have contributed to the higher bids; however, he would like to review the bid information further and report back at a later time.

Informational Items. 1) Monthly Reporting of Federal Formula Program Funding through January. 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 January 31 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. Allocations 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, \$106.1 million remains.

2) Non-Construction Professional Service Contracts Issued by Business and Support Management (BSM). The BSM Section processed one professional service agreement in the amount of \$175,000 in the previous month.

3) Contract Awards and Advertisements. Key #13407 – US-95, Round Prairie Creek to Canada, District 1. Low bidder: Interstate Concrete & Asphalt Company - \$4,583,760.

Key #18885 – SH-62, Holes Creek Bridge, Lewis County, District 2. Low bidder: Crea Construction, Inc. - \$376,413.

Key #19387 – Overland Road and Vista Avenue Lighting, Ada County Highway District, District 3. Low bidder: Quality Electric, Inc. – \$78,652.

Key #19809 – SH-51, Nevada State Line to Junction SH-78, District 3. Low bidder: Central Paving Company, Inc. - \$4,291,420.

Key #13388 – US-95, Little Salmon River Bridge, Idaho/Adams County, District 3. Low bidder: Braun-Jensen, Inc. - \$2,454,000.

Key #12886 – US-95, Junction US-20/26 Union Pacific Railroad Overpass, Canyon County, District 3. Low bidder: Central Paving & Concrete Placing/Joint Venture - \$5,373,178.

Key #9225 – US-91, Shelley North City Limits to York Road, District 5. Low bidder: Knife River Corporation - Northwest - \$1,799,500.

Key #19580 – I-15, McCammon Interchange #47 to Inkom Interchange #56, Bannock County, District 5. Low bidder: Staker & Parson Companies dba Jack B. Parson Companies - \$8,906,919.

The list of projects currently being advertised was provided.

4) Professional Services Agreements and Term Agreement Work Tasks Report. From December 29 through January 31, 32 new professional services agreements and work tasks were processed, totaling \$4,241,034. One supplemental agreement to an existing professional services agreement was processed during this period in the amount of \$18,300.

5) FY17 Mid-Year Program Adjustments. Staff adjusted the Idaho Transportation Investment Program to advance projects that will be delivered in FY17 and delayed projects that will not be delivered in time to begin construction this summer. The intent is to utilize all available funding. Projects totaling \$33.1 million are being delayed to FY18. Projects advancing into FY17 total \$30.4 million. Other changes include over \$4 million in cost decreases and about \$7.5 million in cost increases.

6) Report of Speed Minute Entry Change. At the request of the Fremont County Sheriff, a speed study was conducted to evaluate the school zone speed limit on SH-33 through the City of Teton. Based on engineering judgment, a school zone speed of 25 miles per hour will be implemented using flashing beacons at selected times as students are traveling to and from the elementary school.

<u>Route</u>	<u>Beginning Milepost</u>	<u>Ending Milepost</u>	<u>Speed Limit</u>	
			<u>Existing</u>	<u>School Zone</u>
SH-33	102.260	102.645	35	25

Legislative Update. Government Affairs Manager (GAM) Mollie McCarty said ITD's FY17 supplemental appropriation has been signed by the Governor. Some technical corrections are being made to ITD's legislative proposal regarding license plate cost recovery. Several transportation revenue proposals are being discussed, including extending the surplus eliminator (Strategic Initiatives Program Fund) and expanding the GARVEE Program.

GAM McCarty said last month the Dealer Advisory Board (DAB) presented legislation that 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. The legislation has been revised to eliminate the life-time ban and to allow the issuance of a salesman's license upon completion of specified requirements and timelines. The Independent Dealers' Association is now sponsoring the legislation instead of the DAB. Some of the other transportation-related proposals being monitored address eminent domain, access management, REAL ID compliant driver's licenses, and increasing the Commercial Driver's License tester fee. She added that the

Senate Transportation Committee held Member Horsch's confirmation hearing yesterday and will hold a confirmation hearing for a new appointment to the Aeronautics' Advisory Board, John Blakley, next month.

Chairman Whitehead thanked GAM McCarty for the report.

Local Rural Highway Investment Program (LRHIP) Annual Report. LHTAC Deputy Administrator Laila Kral said the goal of the LRHIP is to provide funding to rural local highway jurisdictions for construction and planning. Per Board policy, Surface Transportation Program – Rural funds may be exchanged for State Highway Funds in an amount not to exceed \$2.8 million annually. The funds are available to cities with less than 5,000 population, county road and bridge departments, and highway districts that collect local taxes or have alternative funding mechanisms for highways and bridges. Funds cannot be used for wages, equipment, or for consultant use on construction projects. In FY16, 16 of the 55 construction applications were funded for \$1.56 million; 1 of the 3 federal-aid match requests was funded for \$100,000; all 7 of the transportation plan applications were funded for \$307,000; and 10 of the 15 sign applications were funded for \$277,000. Four emergency projects were also funded for almost \$300,000. She highlighted some of the funded projects and added that the program continues to be very popular and can't meet all of the local needs.

Chairman Whitehead thanked Deputy Administrator Kral for the report.

State FY17 Financial Statements. Controller Dave Tolman said revenues to the State Highway Account from all sources were ahead of projections by 2.4% at the end of December. Of that total, receipts from the Highway Distribution Account were ahead of forecast by 1.8% or \$1.8 million. State revenues to the State Aeronautics Fund were ahead of projections by 7.3% or \$107,000. Operational expenditures were within planned budgets. Personnel costs had a savings of \$8.9 million or 13.4% due to vacancies and timing between a position becoming vacant and being filled. Contract construction payments of \$158.2 million to date were the lowest of the past three years. Controller Tolman said staff is looking into this disturbing trend and hopes to reverse it. He also mentioned that JFAC approved a 3% change in employee compensation and a 3% pay line adjustment.

The balance of the long term investments was \$160.7 million at the end of December. These funds are obligated against construction projects and encumbrances. The combined total of cash and investments is \$215.8 million. FY17 expenditures in the Strategic Initiatives Program Fund were \$34.9 million to date. He also reported that there were no audit findings in FY16 and all previous findings have been closed.

Chairman Whitehead thanked Controller Tolman for the financial report.

ITD Website Upgrade. Communication Manager (CM) Vincent Trimboli said the Department's old website was more than a decade old, contained thousands of pages, was not compliant with the state's mandated template, and was not mobile friendly. He summarized staff's efforts, including a 2016 Leadership Summit Team, to improve it. The new site went live in November. It is more user-friendly with about 50 pages. The site focuses on customer service with an easy-to-use layout. The new site will also make it easier to integrate new technology.

The Board commended CM Trimboli and staff for the improved website.

Policy Review. Environmental Manager Sue Sullivan presented changes to Administrative Policy 5542 Asbestos Management – Building Renovation and Demolition. Since the policy was introduced to the Board in December, a consultant reviewed it and changes were made to the policy, including training requirements.

The consensus of the Board was to hold Administrative Policy 5542 Asbestos Management – Building Renovation and Demolition for a 30-day review period.

Member Kempton said he and Member Vassar reviewed changes to Administrative Policy 5003 Budget Preparation, formerly A-01-02. Minor, non-substantive changes were made to update the policy.

Vice Chairman Gagner asked for information on the referenced Budget Council. Financial Manager – Financial Planning and Analysis Joel Drake said the Budget Council was established many years ago to develop the appropriation request, monitor revenue and expenditures, and develop recommendations to address budget-related issues for the Executive Leadership Team’s consideration. CAO McArthur is the sponsor. The main members are division administrators or their business managers and Finance personnel. Program managers are invited as needed.

The consensus of the Board was to hold Administrative Policy 5003 Budget Preparation for a 30-day review period.

WHEREUPON, the Idaho Transportation Board’s regular monthly meeting officially adjourned at 1:55 PM.

signed

JERRY WHITEHEAD, Chairman
Idaho Transportation Board

Read and Approved
March 16, 2017
Boise, Idaho

February 22, 2017