

DISTRICT SIX TOUR AND REGULAR MEETING
OF THE IDAHO TRANSPORTATION BOARD

July 20-21, 2017

The Idaho Transportation Board met at 9:00 AM on Thursday, July 20, 2017 in Idaho Falls, 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

District 6 Tour. The Board traveled US-20 east. Madison County commissioners joined the tour in the Rexburg area to discuss growth and the resulting transportation challenges. The tour continued east on US-20, and north on SH-47 and the Mesa Falls Scenic Byway. The Board returned to Idaho Falls via US-20 west. It stopped in the City of Rigby to meet with local officials to discuss the US-20 Business and Stockham Boulevard intersection.

WHEREUPON, the tour ended at 3:15 PM.

July 21, 2017

The Board convened at 8:30 AM on Friday, July 21, 2017 at the District 6 Office in Rigby, Idaho. All members were present.

Board Minutes. Member Vassar made a motion to approve the minutes of the regular Board meeting held on June 20-22, 2017 as submitted. Member DeLorenzo seconded the motion and it passed unopposed.

Board Meeting Dates. The following meeting dates and locations were scheduled:
August 16-17, 2017 – District 1
September 20-21, 2017 – District 4
October 12, 2017 – Boise

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

RES. NO. WHEREAS, consent calendar items are to be routine, non-controversial, self-
ITB17-33 explanatory items that can be approved in one motion; and

July 21, 2017

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 authorization of funding for permanent repair on the state highway system; the addition of funding for Quick Release (Immediate Emergency Repairs) on the state highway system and local roads system; modifications to the Transportation Alternatives Program – Urban/Rural; a contract for award; and a contract for rejection.

1) Authorize Funding for Permanent Repair on the State Highway System. This past spring, numerous areas in the state experienced extremely wet weather, causing extensive flooding. The saturated ground conditions resulted in various slope locations to fail, causing material impact or damage to roads. Staff requests authority to develop and/or construct emergency relief projects with state funded Advance Construction and to adjust the Idaho Transportation Investment Program (ITIP). Construction funds would be authorized for each project upon receiving signed Detailed Damage Inspection Reports from the Federal Highway Administration (FHWA) or state grant awards from the Idaho Office Emergency Management. Over \$1 million in development funds are being requested and \$6.2 million in construction funds. The projects are on SH-5, SH-57, US-95, and SH-97 in District 1 and SH-34 in District 5.

2) Add Funding for Quick Release on the State Highway System and Local Roads System. In May, FHWA authorized \$1.25 million for work associated with flooding in March on the state and local highway systems. Staff is recommending \$744,000 to fund the most critical emergency repairs on the local system and \$506,000 on the state system in north and north central Idaho, and to adjust the FY17-21 ITIP accordingly. The list of projects is shown as Exhibit #483, which is made a part hereof with like effect.

3) Modifications to the Transportation Alternatives Program (TAP) Urban/Rural. Staff requests modifying the TAP with support of the affected local public agencies: delay key #18680, Horseshoe Park Pathway, New Plymouth from FY17 to FY18 for \$119,000; and advance key #19895, Wallace Western Gateway Pedestrian Improvements - \$13,000; key #19921, FY18 Mountain Rides Safe Routes to School Coordinator - \$49,000; and key #20089 Canyon County Safe Routes to School, Valley Regional Transit - \$60,000 into FY17.

4) Contract for Award. The low bid on key #18836 – FY18 District 2 Bridge Repairs, was more than ten percent over the engineer's estimate, requiring justification. Staff does not believe the engineer's estimate properly accounted for the Mobilization item. The project consists of repairing 14 bridges scattered over District 2, separated by nearly 200 highway miles. Several of the bridges are in remote locations. Contractors also appear to have a busy work schedule, which may have impacted the bidding. District 2 recommends awarding the contract. Low bidder: Braun Jensen, Inc. - \$2,258,000.

5) Contract for Rejection. The low bid on the Districts 1 and 2 Design Build bridge project, keys #20280 and #20283, was more than ten percent over the engineer's estimate. The programmed amount of \$8,000,000 was based on a preliminary conceptual estimate to complete the design and construction using conventional construction methods. The project goals included minimizing traffic impacts, achieving rapid initiation, achieving timely completion of

July 21, 2017

construction, and delivering the project within budget. The evaluation criteria were tied to these goals and any innovations that could help meet these requirements. In reviewing the proposals, staff did not find innovations. Staff believes these bridges can be designed and constructed during the same time frame proposed by the apparent best value proposer at a price close to the programmed funding amount; therefore, it recommends not awarding the design-build project, and completing the project using the design-bid-build method of procurement.

Informational Items. 1) State FY17 Financial Statements. Revenues to the State Highway Account from all state sources were 4% ahead of projections as of May 31. Of that total, receipts from the Highway Distribution Account were 3% or \$5.5 million more than forecast. State revenues to the State Aeronautics Fund were ahead of projections by 6.6% or \$155,000. Operational expenditures were on budget. Usage and orders of winter material were ahead of planned amounts by about \$7.6 million. Personnel costs had a savings of \$15.8 million or 13.7% due to vacancies and timing between a position becoming vacant and being filled. Contract construction payments of \$217 million to date were the lowest of the past three years. The trend is contributing to the increased cash and investment balance. It is also contributing to a lower recovery from the Federal Indirect Cost Allocation Plan with FHWA. ITD is \$10.4 million short on this recovery.

The balance of the long term investments was \$162 million at the end of May. These funds are obligated against construction projects and encumbrances. The combined total of cash and investments is \$270 million. FY17 expenditures in the Strategic Initiatives Program Fund were \$41.3 million to date.

2) Monthly Reporting of Federal Formula Program Funding through June. Idaho received obligation authority through September 30 via a continuing resolution. Obligation authority is \$273.2 million. This corresponds to \$271.8 million with match after a reduction for prorated indirect costs. Apportionments through June 30 were \$295.1 million, which includes Redistribution of Certain Authorized Funds. This is \$1.5 million less than in the FY17 Fixing America's Surface Transportation Act apportionment tables. Program allotments have been reduced accordingly. Currently, obligation authority is 92.6% of apportionments. Of the \$271.8 million allotted, \$11.3 million remains.

3) Non-Construction Professional Service Contracts Issued by Business and Support Management (BSM). The BSM Section did not execute any professional service agreements in the previous month.

4) Contract Awards and Advertisements. Key #20007 – Peasley Creek Fish Passage, District 2. Low bidder: M. L. Albright & Sons, Inc. - \$360,000.

Key #19723 – I-84, Cleft to Milepost 90, District 3. Low bidder: Central Paving Company, Inc. - \$4,291,584.

Key #19602 – I-84, Sand Hollow Interchange to US-20/26, District 3. Low bidder: Knife River Corporation Northwest - \$9,660,171.

Key #13931 – I-84, I-84 Business, Northside Boulevard to Grant Street, District 3. Low bidder: Sunroc Corporation - \$4,754,000.

Key #20077 – US-91, FY17 District 5 Revegetation. Low bidder: Green Velvet Reclamation Inc. - \$144,121.

Key #19816 – US-91, Shelley City Limits. Low bidder: Depatco Inc. - \$1,432,889.

The list of projects currently being advertised was provided.

5) Professional Services Agreements and Term Agreement Work Tasks Report. From June 1 through June 28, 42 new professional services agreements and work tasks were processed, totaling \$4,733,601. Three supplemental agreements to existing professional services agreements were processed during this period in the amount of \$59,110.

6) Report of Speed Minute Entry Changes. The following speed minute entry changes were processed in District 3:

<u>Route</u>	<u>Beginning Milepost</u>	<u>Ending Milepost</u>	<u>Speed Limit</u>	
			<u>Old</u>	<u>New</u>
SH-19	12.850	13.050	60	55
SH-19	14.430	14.630	60	55
SH-69	8.850	9.090	55	45
SH-69	9.090	9.340	45	35
SH-69	67.860	68.030	NA	35
US-95	37.900	38.230	65	55

7) Federal Lands Access Program (FLAP) Request for Project Proposals for FY20 and FY21. FLAP was established to improve transportation facilities that provide access to, are adjacent to, or are located within federal lands. The Program supplements state and local resources for transportation with an emphasis on high-use recreation sites and economic generators. The FHWA Federal Lands office in Vancouver, WA provides oversight for Idaho's FLAP funding of approximately \$14 million annually. A call for projects for FY20 and FY21 was issued late last year, resulting in 27 projects totaling almost \$90 million. The prioritized list of projects for the four categories: capital improvement, surface preservation, enhancement, and planning was presented. The Program Decision Committee comprised of a representative from Western Federal Lands, ITD, and the Local Highway Technical Assistance Council (LHTAC) will review the recommendations and finalize project selection.

8) Administrative and Legal Settlements of Right of Way Acquisitions. From January 1 through June 30, 2017, the Right of Way Section processed 40 parcels totaling \$953,068. Of those, 7 parcels had administrative settlements totaling \$89,660.

Director's Report. Director Ness thanked District 6 for its hospitality during his annual visit with employees earlier in the week and for the Board meeting. ITD received two America's Transportation Awards at the recent Western Association of State Highway and Transportation Officials' conference. The SH-14, Elk City Slide received the operational excellence award and the US-20, Thornton Interchange project received top honors in the best use of technology and

innovation category. ITD's innovations and accomplishments were mentioned in several publications recently. Planning efforts are continuing for the August 21 eclipse. The White House requested Idaho's participation in transportation discussions, including funding. Director Ness also recognized the District 3 Incident Response Unit for its exemplary service.

Chief Deputy (CD) Stokes said the Department is making a concerted effort to engage employees to address safety. More than 90 employees submitted 226 highway safety messages. He recognized the top ten messages, which will be displayed on dynamic message signs. He also mentioned that the legislative interim committee on weight distance fees for trucks over 60,000 pounds will conduct its first meeting next month.

Chief Operations Officer Travis McGrath said employees in all districts and divisions have been interviewed on the enterprise risk management initiative. Over 500 individual risks and opportunities were identified and will be consolidated into categories. The Senior Leadership Team will assess those risks and present the most significant ones to the Board.

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

Chairman Whitehead thanked the team for the informative report.

GARVEE Bond Refunding. Controller Dave Tolman said the Department and its GARVEE financing partners review market conditions periodically to determine if they are favorable to refunding (refinancing) a portion or all of the outstanding GARVEE debt. A recent review indicates now is a good time to refund a portion of the outstanding bonds. Bonds with an 18-year maturity are callable after 10 years. The total outstanding debt is \$533.2 million. The callable bonds total \$236.6 million. He requested authority to refund \$14 million from the 2008 series and \$87 million from the 2009 series. This should result in a total savings of almost \$11 million, or about \$1 million annually.

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

RES. NO. WHEREAS, the Idaho Transportation Department (ITD) strives to make available
ITB17-34 to the citizens of Idaho the finest transportation system via new construction projects and management of statewide assets and has authorized the use of a Grant Anticipation Revenue Vehicle GARVEE bonded program; and

WHEREAS, the ITD, the Idaho Transportation Board (ITB), and the Idaho Housing and Finance Association (IHFA) have entered into a Master Financing Agreement with respect to the bonds; and

WHEREAS, refunding such bonds promotes the purposes of the GARVEE Program, is in the public interest, serves a public purpose for the benefit of the people of the State of Idaho, provides a reduction of debt service, and constitutes a proper exercise of the authority particularly set forth in I.C. 40-315; and

WHEREAS, Idaho Code Sections 40-315 and 67-6210 provides the ITB and IHFA the authorization to approve a total bond amount and authority to issue

bonds for transportation projects on amounts authorized by the Idaho Legislature in Legislative Session 2006 House Bill 854, Legislative Session 2007 House Bill 336, Legislative Session 2008 House Bill 657, Legislative Session 2009 Senate Bill 1186, Legislative Session 2010 Senate Bill 1427, and Legislative Session 2011 House Bill 285; and

WHEREAS, a Preliminary Official Statement for the refunding bonds and the distribution thereof to potential bond purchasers and the distribution to all actual purchasers of the bonds of a final Official Statement will thereafter be carried out; and

WHEREAS, other bonding documents will also be needed to be executed setting forth the applicable series of bonds.

NOW THEREFORE BE IT RESOLVED, by the Board as follows:

1. Pursuant to I.C. 40-315, the Board approves the refunding and recommends to IHFA the financing thereof through the issuance of the Bonds in an aggregate principal amount not to exceed \$106,000,000 comprising of: \$14,045,000 for the callable portion of the Series 2008A bonds; and \$87,100,000 for the callable Series 2009A bonds; and \$4,855,000 for the callable Series 2011A bonds; provided that: (a) the ITD and the ITB have entered into a supplement to the Master Financial Agreement relating to the Bonds and previously executed; and (b) the ITD has provided to the IHFA all of the certificates, documents, and information required under Idaho Code Section 67-6210(k).
2. The Chairman and/or Director is hereby authorized and directed, for and in the name and on behalf of the ITB to execute the following bonding documents and any other documents required for the closing of the bonds setting forth the terms of the applicable series of bonds together with such additions or changes in the form thereof as may deem necessary or advisable, such approval to be conclusively evidenced by the execution of said bonding documents as so added to or changed.

Final Official Statement

Supplemental to Master Financial Agreement

Master Trust Indenture

Series Trust Indenture

General Fund Surplus Transfer to the Strategic Initiatives Program Fund. Financial Planning and Analysis – Financial Manager (FP&AFM) Joel Drake said 2017 legislation extended the General Fund surplus transfers by two years; however, it dedicates 60% of the funds to ITD and the other 40% for local projects to be administered by LHTAC. ITD's portion is estimated to be \$16.5 million and LHTAC should receive about \$11 million. The money will be transferred to the Strategic Initiatives Program Fund with a sub-fund for the local projects.

July 21, 2017

Eligible projects are road and bridge maintenance and replacement, including right-of-way acquisition, and child pedestrian safety. He added that legislators hope that at least \$2 million will be dedicated to child pedestrian safety.

Member Coleman asked if the intent is for ITD to fund the child pedestrian safety projects. FP&AFM Drake replied that discussions are still occurring on the details; however, one proposal is to dedicate funds proportionally, 60/40, for child pedestrian safety projects.

In response to Chairman Whitehead's question on whether a list of proposed projects has been developed, LHTAC Administrator Jeff Miles replied that there is no list. During the legislative session, he shared examples of projects that may be good candidates, but there is no list of projects. Member Vassar expressed some concern with dedicating \$2 million for this category without knowing how many potential projects there are.

Member DeLorenzo noted that the Transportation Alternatives Program (TAP) always has more projects than available funding and suggested using TAP for this program. She also questioned the \$2 million figure and recommended using a range like \$1 million to \$2 million. Member DeLorenzo also said she would like to revisit the dollar amount next year.

Member Horsch commented that the Department uses data driven information to make funding decisions. He doubts there is data available for child pedestrian safety projects; however, he believes the need is greater than \$2 million.

CD Stokes said a number of options to implement the child pedestrian safety projects have been discussed. He concurred that there is no shortage of TAP projects. Staff intends to continue discussions with LHTAC on issues such as a joint solicitation process and using the TAP advisory committee to help identify priorities. He added that TAP is federally funded, so he would prefer to keep the state and federal programs separate.

LHTAC Administrator Miles reported that the LHTAC Council met recently and discussed this program. The Council would like to keep this program simple and prefers having the sponsor oversee the project, similar to the Exchange Program. It also supports continued discussions between the two agencies.

The consensus of the Board was for staff to continue discussions on the child pedestrian safety program with LHTAC, targeting up to \$2 million for these projects.

Statewide Salt Contract. Business and Support Manager (BSM) Michelle Doane summarized ITD's contracting authority. The Division of Purchasing is responsible for contracting when the dollar amount is more than \$100,000. It issued a Request for Proposal for a statewide salt contract and awarded the bid in May. The seven bids ranged from \$12 million to \$29 million. The initial order is to be delivered by October 1. The contract is for unlimited quantities. The prices vary based on the location of delivery; however, the average price per ton is the lowest it has been in the past four years. The Department has four one-year renewal options, although the price can adjust with each renewal.

Member Vassar noticed that the salt is more expensive in some districts. Purchaser Chase Croft concurred, noting that distance is a factor and the closer the districts are to Utah, the cheaper the price.

In response to Chairman Whitehead's comment on the comparison to last year, Purchaser Croft said the price per ton went up a little bit last year. In response to Vice Chairman Gagner's question, Purchaser Croft replied that no discount was given for the large volume. Chairman Whitehead said fuel prices are lower this year. He questioned the higher contract amount and suggested looking into this more.

Chairman Whitehead thanked BSM Doane for the report.

Chairman Whitehead welcomed Senator Brent Hill to the meeting.

Adopt-A-Highway Presentation (AAH). Vice Chairman Gagner thanked the Not Bob Marley group for participating in the AAH Program. Mr. Marley adopted a portion of US-20, from mile post 315.6 to 317.9.

2018 IDAPA Rules. Governmental Affairs Program Specialist (GAPS) Ramon Hobdey-Sanchez presented revisions to four rules. The modifications are a result of legislation passed during the 2017 session and are necessary to ensure that the rules align with Idaho Code. Because of this, there will be no negotiated rulemaking as the rule changes are simple.

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

RES. NO. WHEREAS, the 1st Regular Session of the 64th Idaho Legislature (2017) passed
ITB17-35 legislation that directly impacted the Idaho Transportation Department's
 administrative rules; and

WHEREAS, Department staff has proposed changes to the four (4) administrative rules affected by said legislation:

- 39.02.02 - Rules Governing Vehicle & Vessel Dealer License Requirements,
- 39.02.71 - Rules Governing Driver's License Violation Point System,
- 39.03.10 - Rules Governing When an Overlegal Permit is Required,
- 39.03.16 - Rules Governing Oversize Permits for Non-Reducible Vehicles and/or Loads; and

WHEREAS, all of the temporary/proposed administrative rules being presented today were approved by the Division of Financial Management, within the Idaho Governor's Office, on June 27, 2017; and

WHEREAS, these administrative rules will therefore have an effective date of July 21, 2017; and

WHEREAS, none of these rules will be negotiated as they are the direct result of passed legislation and the changes being made are simple in nature.

July 21, 2017

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board approves revisions to 39.02.02 – Rules Governing Vehicle & Vessel Dealer License Requirements to be published in the Idaho Administrative Bulletin and to be presented to the 2018 Idaho Legislature; and

BE IT FURTHER RESOLVED, that the Board approves revisions to 39.02.71 – Rules Governing Driver’s License Violation Point System to be published in the Idaho Administrative Bulletin and to be presented to the 2018 Idaho Legislature; and

BE IT FURTHER RESOLVED, that the Board approves revisions to 39.03.10 – Rules Governing When an Overlegal Permit is Required to be published in the Idaho Administrative Bulletin and to be presented to the 2018 Idaho Legislature; and

BE IT FURTHER RESOLVED, that the Board approves revisions to 39.03.16 – Rules Governing Oversize Permits for Non-Reducible Vehicles and/or Loads to be published in the Idaho Administrative Bulletin and to be presented to the 2018 Idaho Legislature.

Request to Exceed \$1 Million Consultant Services Agreement. Amy Schroeder, GARVEE Program Manager, requested approval to exceed the \$1 million limit for professional services on the I-84, Karcher Road Interchange to Franklin Boulevard Interchange GARVEE expansion project, key #20315. A Request for Proposals was issued last month for professional services to deliver the project for construction. The scope of work includes all professional services required to deliver the project for advertisement. The intent is to award the design contract to a single proposer or a single team of firms, which will minimize the overall contract administration efforts. It will also be advantageous to have a single contractual relationship for the performance of the work. A phased approach will be used, allowing long lead items and critical path activities to begin. A Value Engineering Study will be completed, which will help determine the construction staging/phasing plan. The remainder of the design services contract can then be scoped with more certainty. She said this contract is expected to cost about \$10 million, with each additional agreement for work to be included in the Consent calendar for Board approval.

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

RES. NO. ITB17-36 WHEREAS, the Idaho Transportation Board authorized staff to proceed with design of the I-84, Karcher Road Interchange to Franklin Boulevard Interchange project utilizing the GARVEE bonds authorized in 2017 Senate Bill 1206; and WHEREAS, the Idaho Transportation Department has determined it is in its best interests to contract with a single firm or team of firms to provide professional services to deliver the I-84, Karcher Road Interchange to Franklin Boulevard Interchange project for construction contracting; and

WHEREAS, it is anticipated that a phased approach will be utilized to begin critical activities as early as possible and to enter into a later contract with the same firm/team for final design services; and

WHEREAS, staff expects the agreement, including supplemental agreements, with the successful firm to exceed \$1 million in total; and

WHEREAS, Board Policy 4001 delegates authority for signing and executing contracts to the Director and designates limits and controls for staff authority regarding contracts, agreements, and grants; and

WHEREAS, the Director is authorized to seek necessary professional services outside the Idaho Transportation Department when the required services are not available within the Department; and

WHEREAS, agreements, including supplemental agreements, with a professional services provider that would bring the Department's obligation to more than \$1,000,000 require Board approval.

NOW THEREFORE BE IT RESOLVED, that the Board approves exceeding \$1 million for a professional services contract for the I-84, Karcher Road Interchange to Franklin Boulevard Interchange project utilizing the GARVEE bonds, with the understanding that additional agreements with the same firm, under the same contract, will be presented to it for approval per Board Policy 4001.

Law Enforcement Liaison Program. John Tomlinson, Highway Safety Manager (HSM), thanked law enforcement for its valuable partnership to address highway safety. The Law Enforcement Liaison (LEL) Program was established to support the Office of Highway Safety. Two representatives each from Idaho State Police, the Sheriff's Office, and local law enforcement agencies make up the Team, with one officer from each of the six districts. They meet with other law enforcement agencies in their district to share ideas and best practices, and to work cooperatively on highway safety campaigns. They focus on enforcement and education.

HSM Tomlinson also provided an update on the 100 Deadly Days of Summer Campaign. The summer months, from Memorial Day Weekend through Labor Day weekend, are generally when the most highway fatalities occur. Half-way through the campaign, there have been 56 fatalities, including 11 motorcyclists in June. Discussion followed on the training requirements for motorcyclists. CD Stokes recommended a future presentation on this focus area. Member DeLorenzo noted that the Board's and Department's highest priority is safety. She believes more should be done in this arena, including with motorcyclists' training and helmet requirements.

District 6 Report. District 6 Engineer (DE) Jason Minzghor highlighted some of the District's accomplishments, including staffs' exemplary response to the severe winter. Staff is involved with planning activities for next month's solar eclipse. To date, the District delivered four of its six FY18 projects and should meet the October 1 delivery date. Staff has already delivered four FY19 projects. He summarized the 654 Design Build Project, which is proceeding well. He also mentioned some chip seal projects that experienced excessive chip loss during the

winter. The District's final construction cost as a percentage of the contract bid amount is estimated at 102% for FY16 and 99% for FY17.

The Board thanked DE6 Minzghor for the report and for his leadership.

Executive Session on Personnel and Legal Issues. Member Coleman made a motion to meet in executive session at 11:30 AM to discuss personnel and legal issues as authorized in Idaho Code Section 74-206 (b), (d), and (f). Member Horsch seconded the motion and it passed 6-0 by individual roll call vote.

The personnel matters related to employees' performance. The legal matters discussed related to operations.

The Board came out of executive session at 12:40 PM.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 12:40 PM.

signed

JERRY WHITEHEAD, Chairman
Idaho Transportation Board

Read and Approved
August 17, 2017
Coeur d'Alene, Idaho

July 21, 2017