

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

March 21, 2019

The Idaho Transportation Board convened at 8:00 AM on Thursday, March 21, 2019 at the Idaho Transportation Department in Boise, Idaho. The following principals were present:

Jerry Whitehead, Chairman
James R. Thompson, Member – District 1
Janice B. Vassar, Member – District 2
Julie DeLorenzo, Member – District 3
Jim Kempton, Member – District 4
Bob Hoff, Member – District 6
Brian Ness, Director
Larry Allen, Lead Deputy Attorney General
Sue S. Higgins, Executive Assistant and Secretary to the Board

Chairman Whitehead introduced Board Members James Thompson and Bob Hoff from Districts 1 and 6, respectively.

Amendment to the Agenda. Member Kempton requested the addition of draft legislation to the agenda. Idaho Code 40-210 is being revised to clarify wording regarding public utilities. Deputy Attorney General Allen added that the legislation was not on the agenda initially because it was drafted yesterday. The legislative session appears to be waning, so the matter is urgent.

Without objection, the Board concurred to add the proposed legislation to the agenda.

Safety Share. Shauna Miller, Public Transportation Office, emphasized the importance of safety and the Department's effort to shift the safety culture. She elaborated on her safety activities with transit providers, and noted the importance of holding people accountable and learning from mistakes instead of punishing employees for mistakes.

Chairman Whitehead thanked Ms. Miller for the message.

Election of Vice Chairman. Member Vassar made a motion to elect Member Kempton as vice chairman. Member DeLorenzo seconded the motion and it passed unanimously.

Board Minutes. Member DeLorenzo made a motion to approve the minutes of the regular Board meeting held on February 21, 2019 as submitted. Member Vassar seconded the motion and it passed unopposed.

Board Meeting Dates. The following meeting dates and locations were scheduled:
April 17-18, 2019 – District 2
May 15-16, 2019 – District 5
June 19-20, 2019 – District 6

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Consent Items. Member DeLorenzo questioned the \$10 million request for consultant services on I-84 projects in District 3. GARVEE Program Manager (GPM) Amy Schroeder responded that the two projects, Karcher Interchange to Northside Boulevard and Northside Boulevard to Franklin Boulevard, Canyon County, are adjacent to each other and share many similarities. It appeared to be more efficient to combine the Request for Proposals for professional services for construction engineering, inspection, materials sampling and testing, and project close-out services for the two projects. The successful consultant, Horrocks, is comprised of multiple firms for this work. The \$10 million estimate for consultant services for the two projects is approximately 8% of the total project costs.

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

RES. NO. WHEREAS, consent calendar items are to be routine, non-controversial, self-
ITB19-08 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 Trucking Advisory Council membership appointment; the addition of Idaho highway construction workforce pilot project; the addition of State Density Testing with Ground Penetrating Radar project; the addition of two Technology Transfer grant projects; the advance design of Stoddard Path Extension Phase 2, Nampa; the removal of Union Pacific Railroad Crossing Closures, Kootenai County and combine with East Prairie Avenue to Lancaster project; and consultant agreements.

1) Trucking Advisory Council (TAC) Membership Appointment. Staff recommends re-appointing Tony Black as the District 3 representative to the TAC, for a term expiring on December 31, 2021.

2) Add Idaho Highway Construction Workforce Pilot Project. ITD was awarded a \$75,000 grant to partner with the Idaho Associated General Contractors and the Idaho Workforce Development Council to provide pre-apprenticeship training to workers entering the highway construction trades. The program trains workers and then places them with construction contractors. The program will fast-track trainees that show aptitude for more specialized trades or employment with ITD. Staff requests the addition of the \$75,000 Idaho Highway Construction Workforce Pilot project to FY19 of the Idaho Transportation Investment Program (ITIP).

3) Add State, Density Testing with Ground Penetrating Radar Project. Idaho received a \$100,000 FY18 State Transportation Innovation Councils Incentive grant. The total cost of the State, Density Testing with Ground Penetrating Radar project is \$125,000, so the state will provide the \$25,000 match. Staff requests the addition of this project to the FY19 ITIP.

4) Add Two Technology Transfer Grant Projects. Idaho received the allocation of FY19 Director of Field Services Technology Transfer funds for a Bike/Pedestrian Counters for Loan

Program and Bicycle and Pedestrian Data Bike project. The Local Highway Technical Assistance Council will oversee the \$12,500 Bike/Pedestrian Counters for Loan Program. The bike/pedestrian counters will be loaned out to cities and counties in the state. The second project, \$7,000 to purchase an electric cargo bicycle, video camera, and phone-based measurement tools to collect pavement roughness data and imagery along pathways and bicycle lanes will be managed by the Community Planning Association of Southwest Idaho. Staff requests the addition of these two Technology Transfer projects to the FY19 ITIP.

5) Advance Design of Stoddard Path Extension Phase 2, Nampa. The City of Nampa requests advancing the design funding of the FY20 Stoddard Path Extension Phase 2 project, key #22070 to the FY19 Stoddard Path Extension Phase 1 project, key #22050 to increase efficiency. The total cost of the two projects is unchanged at \$132,146.

6) Remove Union Pacific Railroad (UPRR) Railroad Crossing Closures, Kootenai County and Combine with East Prairie Avenue to Lancaster, Kootenai County. Staff requests removing the UPRR Railroad Crossing Closures, Kootenai County project, key #12977 and combining the work and budget with the SH-41, East Prairie Avenue to Lancaster Road, Kootenai County project, key #20098. There is no change to the budget. The total cost of the combined FY19 project is \$232,000.

7) Request to Approve Consultant Agreements. In accordance with Board Policy 4001 Authority to Sign Contracts, Agreements, and Grants and Requirement to Report Certain Contracts, staff requests approval to exceed the \$1 million agreement limit for the following projects: keys #20798 and #20799 for construction engineering and inspection services with Horrocks for a total of \$10 million; keys #20309 and #20278 for supplemental design build support services with J-U-B Engineers for \$1 million, for a total of \$2.9 million; keys #20794 and #20795 for construction engineering and inspection services with a firm or firms yet to be selected for \$3.5 million; keys #20794 and #20795 for engineer of record services with David Evans and Associates for \$.6 million for a total of \$5.9 million; key #20350 for supplemental design services with HDR Engineering for approximately \$1 million and engineer of record services for \$.5 million bringing the total to \$3.7 million; key #9070 for supplemental design services with Keller Associates for approximately \$.65 million bringing the total to \$2.75 million; and key #7827 for supplemental design services with AECOM for approximately \$.75 million for a total of \$1.7 million.

Information Items. 1) Contract Awards and Advertisements. Keys #20253 and #19216 – US-20, Old Highway 68 to Fairfield, District 4. Low bidder: Knife River Corporation – Mountain West - \$6,094,000.

Key #19824 – I-86, Raft River to Rockland Interchange #36, District 5. Low bidder: Cannon Builders Inc. - \$2,478,840.

Key #19711 – US-20, Ashton Hill Bridge to Dumpground Road, District 6. Low bidder: Depatco Inc. - \$6,150,889.

Keys #20283 and #20280 – Bridge Replacements Districts 1 and 2. Low bidder: T LaRiviere Equipment & Excavation - \$8,890,759.

Key #20725 – US-12, Big Canyon Creek to Orofino West City Limits, District 2. Low bidder: Knife River Corporation – Mountain West - \$2,151,045.

The list of projects currently being advertised was provided.

2) Professional Services Agreements and Term Agreement Work Tasks Report. From February 1 through February 28, 28 new professional services agreements and work tasks were processed, totaling \$6,830,556. Five supplemental agreements to existing professional services agreements were processed during this period in the amount of \$357,500.

3) State FY19 Financial Statements. Revenues to the State Highway Account from all state sources were ahead of projections by 5.4% at the end of January. Receipts from the Highway Distribution Account were 4.7% or \$5.9 million more than forecast. State revenues to the State Aeronautics Fund were ahead of projections by 26%, or \$471,000. Expenditures were within planned budgets. Personnel costs had savings of \$7.4 million or 10% due to reserves for horizontal career path increases, vacancies, and timing between a position becoming vacant and being filled. Contract construction cash expenditures of \$309.9 million through January exceeded any from the past three years.

The balance of the long term investments was \$136.5 million at the end of January. These funds are obligated against construction projects and encumbrances. The long term investments plus the cash balance of \$60.5 million totals \$197 million. Expenditures in the Strategic Initiatives Program Fund through January were \$11 million. Deposits into the Transportation Expansion and Congestion Mitigation Fund were \$10.2 million year-to-date.

4) Monthly Reporting of Federal Formula Program Funding through February. Idaho received obligation authority of \$289.5 million through September 30. This corresponds to \$286.9 million with match after a reduction for prorated indirect costs. This includes \$11.7 million of Highway Infrastructure General Funds carried over from last year. No Highway Infrastructure General Funds for FY19 were received. Idaho has received apportionments via notices through March 11, 2019 of \$321.3 million, which includes Redistribution of Certain Authorized Funds and Highway Infrastructure General Funds carried over from last year. Obligation authority is 90.1% of apportionments. Of the \$286.9 million allotted, \$216.3 million remains.

5) Status: FY20 Appropriation Request. The Joint Finance and Appropriations Committee (JFAC) approved the Department's FY20 appropriation with two modifications from the Governor's recommendation. Personnel costs were increased \$1,036,900 for employer health insurance and \$800,000 for change in employee compensation. Operating expenditures were reduced \$300,200 for the Integrated Service Layer for Software Applications.

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

Director's Monthly Report on Activities. Director Ness welcomed Members Hoff and Thompson to the Board. JFAC approved ITD's FY20 budget of \$727.6 million. He commended the maintenance employees for their efforts to address the heavy snowfall and avalanches the past several weeks. He congratulated District 2 Engineer Dave Kuisti for his promotion to Division of Engineering Products and Plans Administrator. Other activities and highlights include promotion of the REAL ID Star Card; starting the third phase of the Division of Motor Vehicles' modernization project, the vehicle registration component; an informational campaign for the upcoming construction on I-84 from Nampa to Caldwell; next month's Highway Safety Summit; and appreciation for employees' exemplary customer service.

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

Chairman Whitehead thanked Director Ness for the report.

Legislative Report. Governmental Affairs Manager (GAM) Mollie McCarty said Member Hoff and Aeronautics Advisory Board Member Mark Sweeney have been confirmed by the Senate. Member Thompson's Senate confirmation hearing was on March 19 and the appointment should be on the full Senate's calendar soon. She summarized several funding-related legislative proposals, including removing Idaho State Police from the Highway Distribution Account, which would have about an \$18 million a year impact; increasing the Transportation Economic and Congestion Mitigation (TECM) fund by 1% for about \$18 million annually; allowing TECM funds to be bonded; and extending the surplus eliminator. Some of the other legislative proposals staff is monitoring include establishing new processes and fees for locals to designate routes for vehicle combinations up to 129,000 pounds; expanding the move over law to include vehicles displaying emergency hazard lights; and establishing two new special license plates. Staff is also watching the proposal to revoke registrations if motorists do not maintain vehicle insurance. ITD would be required to manage this program. Legislation naming US-20 the Idaho Medal of Honor Highway has been signed into law.

Chairman Whitehead thanked GAM McCarty for the report.

Update on GARVEE-Managed Projects. GPM Schroeder provided an overview on the three corridors that are being funded with GARVEE bonds. Two projects are being funded on US-95 with \$65 million in GARVEE bonds and \$27.1 million of federal funds. Construction should start in spring 2020 on the US-95, Granite North safety improvements. The other project will be done in two phases, with construction on the US-95 and SH-53 interchange and Union Pacific Railroad bridge expected to start this summer and the Garwood Grade Separation and Frontage Roads portion next spring.

The I-84 corridor from Nampa to Caldwell is divided into three projects funded with \$185.5 million in GARVEE bonds, \$66 million with state funds, and \$90.2 million with federal INFRA grant funds. The entire corridor should be under construction by the end of this summer.

Work on the SH-16 corridor consists of preliminary engineering and right-of-way acquisition. Staff estimates between 110 and 120 parcels will need to be acquired for the completion of SH-16 from US-20/26 to I-84. Funding for this project includes \$50.5 million in GARVEE bonds, \$21.7 million in state funds, and \$26 million in federal funds.

GPM Schroeder provided additional information in response to questions. The design life of the construction projects is 20 years. The right-of-way acquisition will be handled in various ways. A Right-of-Way Section employee will oversee every project; however, the acquisition may be handled by in-house staff, a third party, or a combination of those two.

The Board thanked GPM Schroeder for the informative and thorough report.

GARVEE Bond Issuance. Controller David Tolman said he has been working with ITD's partners on issuing GARVEE bonds authorized in 2017. He requested approval to proceed with the issuance of \$141,590,000 in GARVEE bonds and \$8,130,000 to refund the callable portion of the Series 2009A bonds if it is determined that refunding would result in savings. Sixty-four million dollars of the GARVEE bonds would be issued for US-95, Garwood to Sagle; \$27,087,000 for I-84, Meridian to Caldwell; and \$50,503,000 for SH-16, Emmett to I-84. The Series 2009 July 2020 principle payment is \$8.1 million. Controller Tolman said it appears the Department could save about \$200,000 if the 2009 series is refunded.

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

RES. NO. WHEREAS, the Idaho Transportation Department (ITD) strives to make available
ITB19-09 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 use of future federal funds today will save the state money in the future; and

WHEREAS, Title 40, Chapter 3 and Title 67, Chapter 62 of the Idaho Code, as amended, authorizes the Idaho Housing and Finance Association (IHFA), to issue bonds for the purpose of funding a highway capital improvement program (the "GARVEE Program") for financing all aspects of the construction of highway projects eligible for federal reimbursement as recommended and approved by the Idaho Transportation Board (ITB or Board); and

WHEREAS, the ITD, the ITB, and the IHFA have entered into a Master Financing Agreement, as supplemented, 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 the 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, Legislative Session 2011 House Bill 285, and Legislative Session 2017 Senate Bill 1206; and

WHEREAS, there will be prepared a Preliminary Official Statement relating to each series of the bonds and the distribution thereof to potential bond purchasers and the distribution to all actual purchasers of the bonds of a final Official Statement relating to the bonds to be authorized; 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 the Act, the ITB approves the Projects listed and defined below and recommends to IHFA the financing thereof through the issuance of the bonds in an aggregate principal amount not to exceed \$149,720,000 comprising of: \$8,130,000 to refund the callable portion of the Series 2009A bonds if IHFA determines such refunding is feasible with savings; and \$141,590,000 for the construction projects approved by the ITB for work: US-95 Garwood to Sagle in the amount of \$64,000,000, I-84 Meridian to Caldwell in the amount of \$27,087,000, and SH-16 Emmett to I-84 in the amount of \$50,503,000, provided that if savings are determined on one or more projects, such savings may be allocated to one of the other projects without further approval; and provided that: (a) the ITD and the ITB have entered into the Master Financial Agreement and a supplement thereto relating to the bonds; and (b) the ITD has provided to the IHFA all of the certificates, documents and information required under Idaho Code Section 67-6210(k). All of said Projects are within the scope specified in Legislative Session 2017 Senate Bill 1206 and Section 40-315, Idaho Code, as amended. Further, the said funds are necessary to meet program obligation requirements and are to be used and disbursed in accordance with U.S. Treasury regulations for tax-exempt bonds. The bonds are to be issued at prevailing market rates of interest.
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.

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Final Official Statement

Supplemental to Master Financial Agreement

Master Trust Indenture

Series Trust Indenture

3. Further, the Board and ITD will keep books and records of all expenditures and will make a reimbursement allocation, which is a written allocation that evidences the use of proceeds of the bonds for Project expenditures no later than 18 months after the later of the date on which the expenditure is paid or the related Project is placed in service or abandoned, but in no event more than three years after the date on which the expenditure is paid. Finally, that this resolution evidences the Board's intent and reasonable expectation under Treas. Reg. Section 1.150-2 (d)(1) to use the proceeds of the bonds to pay certain costs of the Projects and to reimburse the Board and ITD for expenditures for the costs of the Projects paid prior to the issuance of the bonds to the extent permitted by federal tax regulations.

Chairman Whitehead thanked Controller Tolman for the presentation.

Revisions to Board Policy 4008 Open Meeting Requirements and a New Corresponding Administrative Policy. Executive Assistant to the Board Higgins presented changes to Board Policy 4008 Open Meeting Requirements. The policy is being revised to incorporate changes made to the open meeting law last year and to update the list of groups that are to follow the open meeting requirements. Extensive language in the Board Policy is also being removed. It is being updated and placed in a new corresponding Administrative Policy because most of that language is procedural requirements, such as posting meeting notices and agendas. She highlighted changes that address amending an agenda and identifying action items on the agenda. She recommended a 30-day review period for these policies. The Board concurred.

Policy Review. Russ Rivera, Civil Rights Manager, presented minor revisions to Board Policy 4006 Political Activities. The main change updates the legal authority. Administrative Policy 5006 Political Activities is being re-formatted from A-01-08 to include a purpose statement and the legal authority.

Vice Chairman Kempton made a motion to approve revisions to Board Policy 4006 Political Activities and to accept Administrative Policy 5006 Political Activities. Member Vassar seconded the motion and it passed unopposed.

Kyle Monson, Technical Writer, recommended deleting Administrative Policy A-21-01, Research Information Storage and Retrieval because it parrots Idaho Code and the records retention schedule is included in other documents.

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Vice Chairman Kempton made a motion to concur with the deletion of Administrative Policy A-21-01, Research Information Storage and Retrieval. Member Vassar seconded the motion and it passed unopposed.

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

Executive Session on Legal Issues. Member Vassar made a motion to meet in executive session at 10:50 AM to discuss legal issues as authorized in Idaho Code Section 74-206 (c) and (f). Vice Chairman Kempton seconded the motion and it passed 4-0 by individual roll call vote. (Because Member Thompson has not been confirmed by the Senate, he is not eligible to vote.)

The discussions on legal matters related to operations and the acquisition of right-of-way.

The Board came out of executive session at 11:30 AM.

US-95 and Clearwater River Casino and Lodge. Division of Engineering Products and Plans Administrator (DEPPA) Dave Kuisti said seven fatalities have occurred on US-95/US-12 in front of the Clearwater River Casino and Lodge east of Lewiston since the facility opened in 1996. Between 2012 and 2017, there were 12 crashes at the west entrance of the facility and 6 at the east entrance. The majority of crashes are related to left turns.

DEPPA Kuisti summarized improvements that have been made to the corridor over time and the agreement with the Nez Perce Tribe to construct an interchange. Acceleration lanes are good short-term options, but would be removed when the interchange is constructed. Reducing the speed limit does not appear to be a viable option because history shows that when speed limits are lowered without engineering justification, it results in more erratic movements and varying speeds. Also, the location does not warrant a traffic signal. He added that the Tribe expects the design for the interchange to be completed during the 2019/2020 winter, and the District will continue to collaborate with the Nez Perce Tribe on this issue.

In response to Member DeLorenzo's question if reducing the speed limit has the potential to make the area less safe, DEPPA Kuisti replied in the affirmative. If the speed limit deviates from the 85th percentile, crashes generally increase.

Chairman Whitehead thanked DEPPA Kuisti for the presentation. He also welcomed Senator Dan Johnson to the meeting.

Delegation – Nez Perce Tribe. Nez Perce Tribal Executive Committee Member Chantel Eastman asked the Board to temporarily lower the speed limit from 65 miles per hour to 55 for a one-mile stretch on US-95/12 in front of the Clearwater Casino and Lodge. Nez Perce Tribe Transportation Manager Mary Beth Frank Clark elaborated on this request. She provided history on the casino and surrounding area. Although she understands that speed limits are set based on the 85th percentile, she knows that the severity of crashes decreases with lower speed limits. She also acknowledged that enforcement and education are important for highway safety.

Chairman Whitehead thanked the Nez Perce Tribal officials for the presentation, and noted that the Board is concerned with safety in this corridor. He asked staff to present additional information at next month's meeting.

Proposed Legislation. Vice Chairman Kempton presented draft legislation to clarify public utilities in Idaho Code 40-210. The changes should address concerns with fiber optics in ITD's right-of-way and mirror the Public Utilities Commission's language, which should eliminate confusion.

Vice Chairman Kempton made a motion to accept the proposed legislation. Member Vassar seconded the motion and it passed unopposed. Vice Chairman Kempton added that it is desirable to get this legislation passed this session if possible.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting adjourned at 12:15 PM.

signed

JERRY WHITEHEAD, Chairman
Idaho Transportation Board

Read and Approved
April 17, 2019
Lewiston, Idaho

March 21, 2019