

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

October 17, 2019

The Idaho Transportation Board convened at 8:00 AM on Thursday, October 17, 2019 at the Idaho Transportation Department in Boise, Idaho. The following principals were present:

Bill Moad, Chairman  
Jim Kempton, Vice Chairman – District 4  
James R. Thompson, Member – District 1  
Janice B. Vassar, Member – District 2  
Julie DeLorenzo, Member – District 3  
Dwight Horsch, Member – District 5  
Bob Hoff, Member – District 6  
Brian W. Ness, Director  
Larry Allen, Lead Deputy Attorney General  
Sue S. Higgins, Executive Assistant and Secretary to the Board

Safety Share. Senior Transportation Planner Cecilia Awusie said national teen driver week is October 20-26. Youthful drivers are overrepresented in traffic crashes. She provided tips on how parents and adults can help teen drivers, including by being good role models when driving and having conversations about engaged, safe driving.

Board Minutes. Member DeLorenzo made a motion to approve the minutes of the regular Board meeting held on September 11-12, 2019 as submitted. Member Vassar seconded the motion and it passed unopposed.

Board Meeting Dates. The following meeting dates and locations were scheduled:  
November 21, 2019 – Boise  
December 12, 2019 – Boise  
January 22, 2020 – Boise

Consent Items. Member DeLorenzo 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-  
ITB19-35 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 consultant agreements, contracts for award, and a contract for rejection.

1) 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

October 17, 2019

projects: key #10005 – FY25 Pleasant Valley Interchange, Kootenai County, District 1 for a supplemental agreement and engineer of record services with HDR Engineering for \$700,000, bringing the total to \$3,100,000; key #13476 – Half Continuous Flow Intersection Intersection of Eagle Road and SH-44, Ada County, District 3 for a supplemental agreement of \$40,000 for a total of \$1,040,000; key #14002 – I-15, Rose Road Interchange, Bingham County, District 5 for a supplemental agreement of \$300,000 bringing the total to \$1,100,000; and keys #19944 and #20594 – US-20/26, Locust Grove to Eagle Road, Ada County and US-20/26, Linder Road to Locust Grove Road, Ada County, District 3 for an agreement for construction engineering and inspection services of approximately \$2,025,000.

2) Contracts for Award. The low bids on the following projects were more than ten percent over the engineer's estimate, requiring justification. The Curb & Gutter Type 1, Survey – 2 Person Crew, Retaining Wall – Gravity Block, Special – Concrete Block Steps, Mobilization, and Water Line – 16" D.I. Water Line items account for the main difference between the engineer's estimate and low bid on key #22160 – SMA-7564, A Street, Moscow, Stage 2. The project is in a residential area with retaining walls and other conditions that will confine the construction site. Some of the items are specialty items, which are hard to estimate. Due to the bidding climate and challenging construction, it is unlikely that alterations to the plans or specifications would provide any savings to the project. The City of Moscow and the Local Highway Technical Assistance Council recommend awarding the project. Low bidder: Motley-Motley Inc. - \$3,839,834.

The majority of difference between the low bid and engineer's estimate on key #19086 – US-30, North 400 West to Parke Avenue, Burley, District 4, was in the Granular Subbase, ¾" Aggregate Type B for Base, and Superpave Hot Mix Asphalt Special-5 items. This was the second time the project was advertised. The low bid was higher than the previous advertisement, which is likely an indication of how quickly construction costs are increasing. Staff does not believe re-advertising the project again would lead to significant cost savings, and recommends awarding the contract. Low bidder: Western Construction Inc. - \$11,795,842.

The two Traffic Signal Installation items accounted for most of the difference between the engineer's estimate and low bid on key #19879 – FY21 District 6 Signal Upgrades. Because these two bid items were Lump Sum and unique work, staff could not use past bid history to determine the engineer's estimate. The current high market pricing for labor and materials for electrical work should have been considered. Funds have been identified to cover the additional cost, and due to the close range in pricing between bids and the healthy economy, staff recommends awarding the contract. Low bidder: Mountain West Electric Inc. - \$499,800.

The main difference between the engineer's estimate and low bid on key #19673 – SH-3, North of Bovill, Potlatch River Bridge, District 2, were in the Superpave Hot Mix Asphalt and Mobilization items. This was a re-bid of a previously rejected low bid. The paving item was hard to estimate because of the low quantity and remote nature of the project. The District does not believe re-advertising the project will result in lower bids and recommends awarding the project. Low bidder: Razz Construction Inc. - \$1,246,745.

The main difference between the engineer's estimate and low bid on key #19499 – SH-48, Rigby to Ririe, District 6, was in the Polymer Modified Emulsified Asphalt and Mobilization items. Staff acknowledges it should have considered the increase in oil prices. Also, the designer failed to update the Mobilization item. The District does not believe re-advertising the project will result in lower bids, so recommends awarding the contract. Low bidder: Geneva Rock Products Inc. - \$714,405.

The Removal of Miscellaneous Items, Dewatering Foundation, Special Bridge Rubble Retaining Wall Repair (Vegetation Removal), and Special Bridge Rubble Retaining Wall Repair (Joint Repair) accounted for the main variance between the engineer's estimate and low bid on key #18896 – I-90B, Old US-10 Wall Repair, Wallace, District 1. The majority of work on this project is specialty, requiring a lot of handwork, and special equipment, which presumably increased the costs. The District does not believe re-advertising the project will result in lower bids, so recommends awarding the contract. Low bidder: Clearwater Construction Inc. DBA Clearwater Western - \$1,895,924.

3) Contract for Rejection. The low bid on key #20091 – FY19 Capital Maintenance, Phase 3, Ada County Highway District (ACHD), was more than ten percent over the engineer's estimate, requiring justification. ACHD discovered significant errors during the bidding process. It recommends rejecting the bids, correcting the bid package, and re-advertising the project. Low bidder: Sunroc Corporation - \$489,000.

Information Items. 1) Contract Awards and Advertisements. Key #20341 – US-95, Emergency Repair Milepost 518.4, District 1. Low bidder: N A Degerstrom Inc. - \$514,014.

Key #18737 – US-93, 200 South Road, District 4. Low bidder: Staker & Parson Companies DBA Idaho Materials Construction – \$6,785,831.

Key #20265 – US-95/US-12, FY21 District 2 Sealcoats. Low bidder: Knife River Corporation – Mountain West - \$1,520,000.

Key #18995 – STC-7846, 12<sup>th</sup> Street/Idaho Canal Culvert, Idaho Falls. Low bidder: Cannon Builders Inc. - \$1,193,457.

Key #19413 – I-84, FY20 District 4 Bridge Repair. Low bidder: Coldwater Group Inc. - \$1,170,528.

Key #19857 - SH-9, Grind and Seal, District 2. Low bidder: Knife River Corporation – Mountain West - \$1,490,000.

Key #21839 – I-84, FY20 District 4 Interstate Striping. Low bidder: Idaho Traffic Safety Inc. - \$353,059.

The list of projects currently being advertised was provided.

2) Professional Services Agreements and Term Agreement Work Tasks Report. From August 23 through September 26, 32 new professional services agreements and work tasks were processed, totaling \$6,895,113. Six supplemental agreements to existing professional services agreements were processed during this period in the amount of \$287,827.

3) Sign Upgrades at Public Passive Rail-Highway Crossings, Statewide. The 2009 Manual on Uniform Traffic Control Devices (MUTCD) requires all public passive rail-highway crossings nationwide to have uniform signage in place by December 31, 2019. Because the MUTCD states that a yield sign shall be the default traffic control device at passive grade crossings unless an engineering study is performed that determines a stop sign is appropriate, ITD is working with the respective railroads to change the current stop signs to yield signs. The IdaShield signs will be removed as part of this project.

4) Sponsorship of Department Programs. There are no sponsorship agreements at this time.

5) State FY20 Financial Statements. Revenues to the State Highway Account from all state sources were ahead of projections by 6.4% through August. Receipts from the Highway Distribution Account were 4.9% or \$1.7 million more than forecast. State revenues to the State Aeronautics Fund were ahead of projections by 26%, or \$140,000. Expenditures were within planned budgets. Personnel costs had savings of \$1.9 million or 9.2% due to reserves for horizontal career path increases, vacancies, and timing between a position becoming vacant and being filled. Contract construction cash expenditures of \$112.6 million through August exceeded any from the past three years.

The balance of the long term investments was \$138.2 million at the end of August. These funds are obligated against construction projects and encumbrances. The long term investments plus the cash balance of \$55.9 million is \$20.8 million less than the end of June. Expenditures in the Strategic Initiatives Program Fund were \$6.6 million. Deposits into the Transportation Expansion and Congestion Mitigation Fund were \$3.2 million year-to-date.

6) Monthly Reporting of Federal Formula Program Funding through September. Idaho received obligation authority of \$334.1 million, which corresponds to \$332.6 million with match after a reduction for indirect costs. Notice of the receipt of \$19.9 million of FY19 Highway Infrastructure General Funds was received in March. Redistribution of Obligation Authority Not Used by Other States was received on August 30, totaling \$25.6 million. Idaho has received apportionments via notices through March 18, 2019 of \$341.2 million, including Redistribution of Certain Authorized Funds and Highway Infrastructure General Funds carried over from last year. Obligation authority is 98.2% of apportionments. The entire \$332.6 million allotted has been expended.

7) 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.

Board Subcommittee on Adjustments to the State Highway System Report. Vice Chairman Kempton said the referenced subcommittee met yesterday. District 3 will pursue exchanging SH-55 in the city of McCall for Deinhard Lane and Boydston Street. District 4 is negotiating with stakeholders to relinquish the SH-75 Spur in the cities of Ketchum and Sun Valley. In District 6, Jefferson County is not interested in accepting SH-48 at this time; negotiations are continuing to relinquish SH-33 in the city of Rexburg; and staff will pursue relinquishing the SH-75 Spur in Challis.

Director's Monthly Report on Activities. Director Ness reported that the Department won two American Association of State Highway and Transportation Officials' Presidents Awards at the annual meeting last month. A US-12 project in District 2 and a US-95 project in District 3 won the environmental and research awards, respectively. The state will receive a \$6.2 million federal grant for rural bridges. The U.S. Department of Transportation announced a new innovative rural program to provide funding for transportation in rural areas, mainly to address the high rate of fatalities.

Director Ness reported on other activities, including Child Passenger Safety Awareness Week; the Division of Motor Vehicles' leadership conference; the Department's Leadership Summit; a campaign to promote the Star Card driver's license; and completion of the District 3 I-84, Karcher Overpass and District 2 US-12 and 21<sup>st</sup> Street intersection projects ahead of schedule. He also recognized staff for innovations and exemplary customer service.

Chairman Moad thanked Director Ness for the report.

District 4 Administration Building Revision and Updates to FY21 Appropriation Request. Financial Manager – Financial Planning and Analysis (FM-FP&A) Justin Collins proposed several revisions to the FY21 appropriation request. The main change reduces the \$12.5 million request for a new District 4 administrative building to \$860,000 for improvements to the existing facility in Shoshone. The approximate \$11.6 million difference is being re-directed to contract construction. The intent is to make some safety and accessibility improvements to the existing building while providing additional time to work with the interested parties on co-locating at a site in Jerome County. Some of the other appropriation revisions include a \$75,000 decrease for statewide cost allocation, and increasing the construction program due to a \$9.25 million receipt of federal emergency relief funds, \$6.2 million due to the receipt of a federal grant for bridge projects, and \$1.2 million from private funds for two Sales Tax Anticipation Revenue projects.

Vice Chairman Kempton expressed concern with expending funds on the District 4 administration building when the intent is to construct a new facility soon.

DAG Allen informed the Board that the Military Division is ready to proceed with its facility at the I-84 and US-93 site in Jerome County. To accommodate the Military Division, he believes the options are to either declare some of the Department's property as surplus and transfer the land to the Military Division or enter into a long-term lease.

Member Vassar also expressed concern with funding \$860,000 for improvements to the existing facility now because of the plans to construct a new facility.

FM-FP&A Collins said the office building in Shoshone is inadequate and it is not known when a new facility will be constructed.

Member DeLorenzo acknowledged the deficiencies in the current building; however, she is also concerned with expending \$860,000 for improvements when the intent is to construct a new building. She suggested expending a lesser amount now for critical improvements.

Chairman Moad referenced resolution ITB18-32 that authorized the Department to work with the Department of Correction and Military Division on the feasibility of collocating with and sharing costs for a new facility with those agencies. He does not support dedicating \$860,000 to improve the office building in Shoshone. However, noting that employees' safety and comfort need to be addressed, he asked how facility needs are generally dealt with. Chief Deputy Stokes responded that there is a capital facilities budget. He acknowledged that the critical District 4 Office improvements could be funded through the capital facilities program.

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

RES. NO. WHEREAS, the FY2021 Idaho Transportation Department Budget Request will  
ITB19-36 be prepared in accordance with instructions in the Division of Financial  
Management's Budget Development Manual; and

WHEREAS, the Idaho Transportation Board has reviewed the Proposed Revision #1 FY2021 Budget Request Summary; and

WHEREAS, the Board has directed staff in previous years to prepare a line item budget request for relocation of the District Four Administrative Building from Shoshone to Jerome County; and

WHEREAS, the Board continues to desire a future relocation of the District Four Administrative Building to Jerome County; and

WHEREAS, revision of the Department's line item request for the District Four Administrative Building of \$12.5 million be completely removed; and

WHEREAS, other state agencies have approached the Department to consider potential co-location and shared costs and/or efficiencies at the Jerome County location, and additional time is needed to gain further understanding of the possibilities, needs, and requirements to co-locate.

*NOW THEREFORE BE IT RESOLVED*, that the Transportation Board has reviewed the proposed budget revision, submitted for approval October 17, 2019, as shown in Exhibit #516, which is made a part hereof with like effect, and authorizes the estimates and revisions provided to serve as the basis for the

FY2021 budget revision to be submitted to the Division of Financial Management and Legislative Services Office by October 25, 2019.

Chairman Moad recognized Representative Muffy Davis.

Best of the Best Innovate ITD! Recognitions. Chief Administrative Officer Char McArthur summarized the Department's efforts to foster an innovative culture. A concerted effort is made to recognize, track, and share the innovations. Jake Legler, Bridge Engineer and Innovations Steward, reported on the year's best innovations in seven categories: safety, mobility, economic opportunity, cost savings, time savings, customer service, and employee development.

Chairman Moad thanked staff for the report on innovations.

Employee Service Awards. The Board participated in the Employee Service Awards. Chairman Moad provided remarks on behalf of the Board. The District 1 Bridge Crew of TJ Gibson, Tim Moon, and Dylan Mitchem received the Maintenance Crew of the Year Award. The Safety Team of the Year award was presented to the Equipment Operator Training Program consisting of Mike Stowell, Chris Cunningham, and Amanda Regnier.

Enterprise Risk Management (ERM) Annual Update. Chief Operations Officer (COO) Travis McGrath said ERM is a process to identify and address threats that may interfere with the Department achieving its objectives. The risks identified earlier were reassessed recently. Currently, there are eight very high risks and one very high opportunity. Staff will continue to mitigate the risks, and monitor the effectiveness in reducing or eliminating the risk.

Chairman Moad thanked COO McGrath for the update on ERM.

FY19 Annual Report Draft. Public Affairs Manager (PAM) Vince Trimboli presented the draft FY19 Annual Report. Idaho Code requires a report on the financial condition and management of the Department. Some of the information included in the document is innovations, returns on investment, growth rates, accomplishments, performance measures, revenue, and expenditures. Chief Deputy Stokes added that revisions to the report are planned before the final document is presented for approval next month.

Chairman Moad thanked PAM Trimboli for the presentation.

Federal Land Access Program (FLAP) Update. Blake Rindlisbacher, Chief Engineer (CE)/Highway Development Administrator, said FLAP was established to improve the transportation infrastructure owned and maintained by a number of federal agencies with land and natural resource management responsibilities. Approximately \$15 million is available annually for projects that provide access to, are adjacent to, or are located within federal lands with priority given to projects accessing high-use recreation sites or federal economic generators. He presented a list of candidate projects for inclusion in the FY23-24 Idaho Transportation Investment Program (ITIP), as recommended by the Idaho Programming Decision Committee.

Chairman Moad thanked Chief Engineer Rindlisbacher for the update.

FY19 State Highway System Projects End of Year Statement. ITIP Program Management Office Project Manager Brad Wolfinger said \$258,124,900 in federal funds and \$195,963,200 in state funds were obligated in FY19. Twelve Bridge, Pavement, Safety and Capacity Program projects were advanced, three were delayed, and five were added to the Program. Sixty-one contracts were awarded for construction projects. Funds were also obligated for project development, right-of-way acquisition, and utility work.

Chairman Moad noted the delay of the US-95, Thorn Creek to Moscow project. CE Rindlisbacher said the next step is to secure an environmental permit. The regulatory agency has some concerns regarding wetlands, so staff is working with the Federal Highway Administration on the permit because the environmental documents have been approved.

Chairman Moad thanked Project Manager Wolfinger for the report.

Executive Session on Personnel Issues. Member Vassar made a motion to meet in executive session at 11:35 AM to discuss personnel issues as authorized in Idaho Code Section 74-206(a) and (b) and legal issues as authorized in Idaho Code Section 74-206(c) and (f). Member Horsch seconded the motion and it passed 6-0 by individual roll call vote.

The discussions on personnel matters related to the filling of positions and the performance of an employee. The discussions on legal matters related to acquiring real property and pending litigation.

The Board came out of executive session at 1:20 PM.

Administrative Settlement over \$200,000. Right-of-Way Program Manager Justin Pond requested an administrative settlement in excess of \$200,000 for the US-20/26, Locust Grove to Eagle project, key #19944.

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

RES. NO.      WHEREAS, the Idaho Transportation Department is acquiring right-of-way along  
ITB19-37      US-20/26 (Chinden Boulevard) for project #A019(944), key #19944; and

WHEREAS, the Department and the property owner have engaged in good faith negotiations; and

WHEREAS, both parties agree that additional payment is justified in order for the Department to fairly compensate the property owner.

*NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves an administrative settlement in the amount of \$266,125.93.

October 17, 2019



WHEREUPON, the Idaho Transportation Board's regular monthly meeting adjourned at 1:22 PM; however, the Board met informally to discuss the Transportation Expansion and Congestion Mitigation (TECM) Program and Grant Anticipation Revenue Vehicle (GARVEE) Program.

Workshop. Staff summarized the TECM legislation, which provides funding from sales and cigarette taxes to expand the state highway system and address and mitigate congestion. Legislation in 2019 authorized the Board to bond against the TECM funds and established a \$15 million a year minimum amount. Strategies and options for bonding were discussed.

GARVEE Program Manager Amy Schroeder also provided an update on the active GARVEE corridors. The US-95, Granite North safety improvements should be under construction by next summer. Portions of I-84 between Nampa and Caldwell are under construction, and savings of approximately \$26 million are expected. The SH-16, I-84 to US-20/26 alignment is being refined and efforts are continuing on acquiring right-of-way.

WHEREUPON, the workshop ended at 4:05 PM.

signed

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BILL MOAD, Chairman  
Idaho Transportation Board

Read and Approved  
November 21, 2019  
Boise, Idaho

October 17, 2019