

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

January 22, 2020

The Idaho Transportation Board convened at 8:30 AM on Wednesday, January 22, 2020 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/Security Share. Chief Operations Officer (COO) Travis McGrath stressed the importance of railroad safety. A train grazed the back of an ITD snowplow. Fortunately the driver was not seriously hurt. He is following up with measures to prevent future incidents.

Chairman Moad thanked COO McGrath for the safety message.

Board Meeting Dates. The following meeting dates and locations were scheduled:

February 19, 2020 – Boise

March 18, 2020 – Boise

April 15-16, 2020 – District 2

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

Consent Items. Vice Chairman Kempton asked for more information on the consultant agreement for the Bridge Bundling Projects. Local Highway Technical Assistance Council (LHTAC) Deputy Administrator Laila Kral responded that the intent is for one consultant to design eight similar bridges under one contract. This process should be faster and more efficient.

Vice Chairman Kempton 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-
ITB20-01 explanatory items that can be approved in one motion; and

WHEREAS, Idaho Transportation Board members have the prerogative to remove items from the consent calendar for questions or discussion.

NOW THEREFORE BE IT RESOLVED, that the Board approves the Trucking Advisory Council membership appointments; the addition of the State

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Transportation Innovations Council Incentive Grant to the Program; the state institution road improvement project; and a consultant agreement.

1) Trucking Advisory Council (TAC) Membership Appointments. Staff recommends re-appointing Wally Burchak and Dave McNabb to represent Districts 2 and 5, respectively on the TAC. The incumbents' terms would run from January 2020 to December 31, 2022.

2) Add FY19 State Transportation Innovation Councils (STIC) Incentive Grant to the Approved FY20-26 Idaho Transportation Investment Program (ITIP). LHTAC received a \$100,000 STIC grant for the Local, Bridge Repair and Bundling Workshops project, key #22616. The total cost is \$125,000 due to a 20% local match. The project will be added to FY20 of the ITIP.

3) State Institution Road Improvement Project. In accordance with Idaho Code 40-310(14), Board Policy 4045 State Institution Road Improvement allocates \$30,000 annually for the construction, alteration, repair, or maintenance of roadways in, through, or around the grounds of state institutions. The Division of Public Works requests funds for improvements to the Old Penitentiary Road. The Board approved \$30,000 for this project last year. Due to the \$1.8 million cost of the project, the Division of Public Works is requesting additional funding for this project in FY21. The Division will receive the funds and administer or cause to be administered the improvements. Governor Little supports this recommendation.

4) Request to Approve Consultant Agreement. 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 keys #22595, #22596, #22593, #22594, #22597, #22598, #22599, and #22431 – Bridge Bundling Projects in Districts 3, 4, 5, and 6 for design services and engineer of record services in the estimated amount of \$1,950,000.

Information Items. 1) Contract Awards and Advertisements. Keys #19130 and #20040 – US-93, Jones Road to Silver Creek Bridge, District 4. Low bidder: Western Construction Inc. - \$4,646,465.

Key #20180 – SH-74, Junction US-93, District 4. Low bidder: Staker & Parson Companies DBA Idaho Materials Construction – \$206,916.

Keys #20233 and #19826 – US-95, Webb Road to Aspen Lane and Cul-de-sac to Mission Creek Road, District 2. Low bidder: Poe Asphalt Paving Inc. - \$2,588,806.

Key #20203 – I-84, Eisenman Interchange to Milepost 70 and Milepost 82 to Mountain Home, District 3. Low bidder: Kloefer Inc. - \$1,676,930.

Key #19863 – SH-75, Old US-93 to Richfield, District 4. Low bidder: Western Construction Inc. - \$3,131,000.

Key #20474 – East Canyon Road Striping, Eastside Highway District #3. Low bidder: Western Construction Inc. - \$400,000.

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Key #20795 – US-95, Garwood Road Grade Separation and Frontage Road, District 1. Low bidder: Apollo Inc. - \$11,235,040.

Key #13486 – STP-8423, Colorado and Holly Signal/Pedestrian Improvements, Nampa. Low bidder: Hawkeye Builders Inc. - \$972,100.

Key #19946 – SH-24, Minidoka to County Line, District 4. Low bidder: Knife River Corporation - Mountain West - \$512,000.

Key #20170 – SH-81, Declo to Burley, District 4. Low bidder: Western Construction Inc. - \$5,697,000.

Key #20133 – SH-25, Tiger Drive to Junction US-93, District 4. Low bidder: Staker & Parson Companies DBA Idaho Materials Construction - \$2,494,494.

The list of projects currently being advertised was provided.

2) Professional Services Agreements and Term Agreement Work Tasks Report. From November 22 through December 31, 2019, 25 new professional services agreements and work tasks were processed, totaling \$4,806,635. Four supplemental agreements to existing professional services agreements were processed during this period in the amount of \$497,972.

3) Semi-Annual Report on Administrative Settlements for Right-of-Way Acquisitions. From July 1 through December 31, 2019, staff processed 95 parcels. Of those, 45 parcels included administrative settlements totaling \$1,547,476.

4) State FY20 Financial Statements through November. Revenues to the State Highway Account from all state sources were ahead of projections by 4%. Receipts from the Highway Distribution Account were 3% or \$2.7 million more than forecast. State revenues to the State Aeronautics Fund were ahead of projections by 2.5%, or \$37,000. Expenditures were within planned budgets. Personnel costs had savings of \$5.6 million or 9.9% due to reserves for horizontal career path increases, vacancies, and timing between a position becoming vacant and being filled. Contract construction cash expenditures of \$267.8 million exceeded any from the past three years.

A transfer of \$30 million was made from the long-term investments to the cash balance to ensure the continued payouts of construction is not constrained. The balance of the long-term investments was \$109.1 million and the cash balance was \$60.9 million at the end of November. Expenditures in the Strategic Initiatives Program Fund were \$15 million. No additional funds, other than interest earned on the cash balance, are coming into this fund due to the expiration of the law effective May 31, 2019 that required the transfer. Deposits into the Transportation Expansion and Congestion Mitigation Fund were \$7.7 million year-to-date.

5) Monthly Reporting of Federal Formula Program Funding through December. Idaho received obligation authority through December 20 via a continuing resolution. Obligation authority is \$65.8 million, which corresponds to \$65.9 million with match after a reduction for prorated indirect costs. This includes \$936,200 of Highway Infrastructure General Funds carried over from last year in the Transportation Management Area. An appropriations act was signed in

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December; however, Idaho had not received official notice from the Federal Highway Administration. Idaho has received apportionments via notices through December 20, 2019 of \$316.3 million, including the carryover of \$936,200 of Highway Infrastructure General Funds. Obligation authority is currently 20.8% of apportionments. Of the \$65.9 million allotted, \$23 million remains.

6) Annual Report on Status of State-Owned Dwellings. Information on the ITD-owned dwellings, including the fair rental value, rental status, and monthly rental fee was provided. The Department owns 3 stick-framed houses, 16 manufactured homes, 6 bunkhouses, 2 apartments at Johnson Creek and Cavanaugh Bay Air Strips, and 19 trailer pads with employee-owned housing on 11. Additionally, it owns nine trailer pads and three houses at rest area locations throughout the state.

Board Subcommittee Reports. Member DeLorenzo said the Audit Subcommittee met earlier this month with staff and legislative auditors for the close-out of two previous legislative reviews. There was one finding in each. The Financial Report Audit finding related to a reporting issue and staff will modify vendor contracts to ensure the reporting requirement is met in the future. The Management Review finding identified a process issue regarding employee access to the accounting system. The Department started changing that process last fall when it was made aware of this discrepancy.

Vice Chairman Kempton reported on yesterday's Subcommittee on State Highway System Adjustments' meeting. Staff provided a tracking sheet of the routes under consideration. Three relinquishment or realignment requests in Districts 2 and 6 were reviewed. Some process adjustments were discussed and Administrative Policy 5061 State Highway System Adjustments is being revised.

The Subcommittee on 129,000 Pound Truck Routes also met yesterday, according to Member Horsch. Staff presented the analyses and written comments received on portions of SH-75 and US-93 in District 6. Because the verbal comments submitted at the two public hearings held in December had not been transcribed yet, the Subcommittee tabled the route requests and will act on them after it receives those comments.

Chairman Moad thanked the Subcommittee chairs for the reports.

Director's Monthly Report on Activities. Director Ness said he was scheduled to be out of town this week, but due to a personal matter, did not travel. He reported that the Department's FY20 supplemental budget request has not been presented to the Joint Finance and Appropriations Committee (JFAC) yet. A presentation to the House Transportation and Defense and Senate Transportation Committees and the JFAC budget hearing are both scheduled next week. Two Governor's Executive Orders have been issued to reduce regulations and to increase transparency. In conclusion, he thanked the maintenance crews for their efforts.

Chairman Moad thanked Director Ness for the report.

Legislative Report. Governmental Affairs Manager Mollie McCarty said the Senate Transportation Committee has reviewed and approved the Department's rule changes. The rules will be presented to the House Transportation Committee soon. All five of ITD's legislative

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proposals have been introduced and approved for printing. Some of the legislative proposals staff is monitoring relate to distracted driving and transportation funding. She also mentioned Chairman Moad's confirmation hearing yesterday and the Senate Transportation Committee's intent to vote on the appointment tomorrow.

Chairman Moad thanked Governmental Affairs Manager McCarty for the update.

Status: FY21 Appropriation Request – Governor's Recommendation. Financial Manager (FM) – Financial Planning and Analysis Justin Collins summarized the Governor's recommendation for the FY21 appropriation. The main changes increase change in employee compensation from 1% to 2%, an increase of \$1,110,300, and an increase of \$3,056,600 in contract construction due to the removal and reduction of health and variable benefit costs. No changes were recommended to the FY20 supplemental request.

There was some discussion on the need to replace the District 4 Office building. Chairman Moad mentioned the plan to address the urgent deficiencies in the current building until a new facility can be constructed. Member DeLorenzo expressed concern with housing employees in the existing building and supports requesting funding for a new facility next year. Member Vassar mentioned the potential to co-locate with other entities and doesn't want to lose that opportunity. Chairman Moad said a phased approach may be needed, including starting with a lease agreement with other agencies. He thanked FM Collins for the appropriation update.

Statewide Rural Seat Belt Campaign. From 2014 to 2018, 450 people killed in motor vehicle crashes in Idaho were unrestrained, according to Highway Safety Manager John Tomlinson. Additionally, of those killed, 82% were on rural roads. The statewide seat belt usage rate for all vehicles is 85.7%. He presented a new campaign focusing on seat belt use. It will target rural Idaho and drivers between the ages of 18 and 34. He added that the campaign is an expansion of the Shift program: Drive Well Idaho!

Program Management Office (PMO) Update. PMO Manager Randy Gill said the Office's purpose is to improve and enhance the ITIP delivery by managing it; providing project management leadership, training, and support; and providing statewide delivery support. Some of the expected outcomes are more stability in the ITIP, more consistent bids, statewide standard operating procedures, statewide balancing of available funds, and improved statewide bid and award timing. Improvements have been noted in some categories, but PMO Gill said more work needs to be done.

Chairman Moad thanked PMO Gill for the update.

Delegation: MacArthur Eld. Mr. Eld said he is interested in the Historical Marker Sign Program, which he believes is important to the state's economy. He traveled throughout the state and took pictures of the signs to make into calendars. He presented 2020 calendars to the Board.

Chairman Moad thanked Mr. Eld for the calendars and for his interest in this program.

Bid Justification: SH-55, Smith's Ferry to Round Valley, District 3. District 3 Engineering Manager (EM) Jason Brinkman said bids on key #1004 – SH-55, Smith's Ferry to Round Valley, Valley County, were opened on November 26, 2019. The low bid was more than

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ten percent over the engineer's estimate, requiring justification and Board approval. This stretch of highway between Boise and McCall is in a narrow canyon where geometrics are so bad and width so diminutive, that guardrail cannot be provided on the roadway. This high-accident section needs to be realigned, widened, and straightened by blasting rock and building retaining walls.

EM Brinkman said the low bid was \$25,693,421, or 137% of the engineer's estimate. He noted the two bids received were remarkably similar to each other in spite of their significant monetary deviation from the engineer's estimate. In staff's review of the bids, it appears the Excavation, Temporary Rockfall Barrier, and Mobilization items accounted for the majority of difference between the low bid and engineer's estimate. Some of the reasons the Excavation item was bid higher appear to be due to the long haul distance, harder rock, complicated blasting sequences, and mandatory seasonal shutdowns twice a year. He admitted that the engineer's estimate severely underestimated the Temporary Rockfall Barrier item. The Mobilization item should have been estimated higher due to the seasonal shutdowns, the large and specialized equipment needed, the multiple and specialty operations, and the environmental restrictions.

The low bid is responsible, so EM Brinkman recommends awarding the contract to M.A. DeAtley Construction. He added that the District will find the additional funds needed.

Member Vassar referenced a letter dated January 21, 2020, that the Board received this morning from Knife River Corporation. It researched and bid the project and believes there are design and schedule concerns and constraints that could be improved to lessen the cost and project duration. It encouraged the Board to reject the bids and re-advertise the project. In response to Member Vassar's questions, EM Brinkman acknowledged receipt of the letter. Staff considered re-designing the project, but he does not believe substantial changes could be made to justify rejecting and re-bidding the project.

Vice Chairman Kempton noted that the two bids were close, within approximately \$3 million of each other. Member Thompson added that it appears the two qualified contractors seemed to understand the project and its difficulties. Member DeLorenzo emphasized the need to improve this stretch of SH-55 and expressed support for staff's recommendation.

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

RES. NO. ITB20-02 WHEREAS, the bids for Project No. DHP-NH-1568(001), SH-55, Smith's Ferry to Round Valley, Valley County, key #01004, were opened on November 26, 2019 for construction starting fall 2020; and

WHEREAS, the low bid was more than 110% of the engineer's estimate, requiring justification and Idaho Transportation Board approval; and

WHEREAS, the amount of the overrun is substantial, and warrants specific discussion rather than simple inclusion in the normal consent calendar; and

WHEREAS, the District 3 Engineer has provided justification for the bid, committed to securing the necessary funding to move forward with construction, and recommended award of the contract.

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NOW THEREFORE BE IT RESOLVED, that the Board has determined that it is in the best interest of the public to proceed with award of Project No. DHP-NH-1568(001), SH-55, Smith's Ferry to Round Valley, Valley County, key #01004, at 137% of the engineer's estimate to the apparent low bidder: M.A. DeAtley Construction, in the amount of \$25,693,420.95.

Chairman Moad thanked EM Brinkman for the presentation.

Revisions to Administrative Policy 5552 Employee Shift Duration and Fatigue Management. COO McGrath said an interim Fatigue Management Policy was implemented in November 2017 to identify and manage risk due to fatigue. It was introduced as an interim policy to provide time to determine if the policy met ITD's needs. Due to a series of heavy winter storms that hit most of the state last winter, he is recommending revisions to the policy based on employee feedback. The key changes relate to allowable single-shift durations, extended workweek durations, and unforeseen or emergency situations. Supervisors and employees have a shared responsibility to identify and mitigate fatigue risk. He added that the policy applies to all employees except pilots, as they are governed by federal requirements. He requested concurrence to the revisions.

Without objection, the Board concurred to revisions to Administrative Policy 5552 Employee Shift Duration and Fatigue Management.

Executive Session on Personnel and Legal Issues. Member DeLorenzo made a motion to meet in executive session at 11:12 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 legal matters related to operations and acquiring real property.

The Board came out of executive session at 12:08 PM.

Informal Luncheon with the Aeronautics Advisory Board (AAB). The Board members met informally with the AAB members during lunch. Some of the items of discussion included opportunities for the Division to work with highways, such as on the potential realignment of SH-55 in McCall due to the proximity of the airport; the status of relocating the Burley and Hailey airports; funding; and the importance of training for the pilots.

Division of Aeronautics' Annual Report. The AAB members reported on efforts to implement the new navigation system that will track aircraft via satellite. Overall, Idaho's aviation industry saw some growth last year, although fire-related activity was down. The use of drones is continuing to escalate and will presumably impact revenue. AAB Chairman Rodger Sorensen said he is retiring from the board, and he introduced Member Mark Sweeney as the new chairman. He appreciated the opportunity to serve on the AAB.

The Board expressed appreciation to AAB Chairman Sorensen for his 20 years of service.

Aeronautics Administrator (AA) Jeff Marker summarized the Division's activities. The flight time of the King Air decreased from 239.7 hours in 2018 to 193.1 hours last year and the

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number of passengers decreased from 1,056 to 896; however, the Kodiak transported 525 passengers in 2019 and recorded 225.7 hours of flight. The annual Aviation Career Academy was held to promote careers in the aviation industry. Staff continued efforts on leading the state on the use and oversight of drones and will be requesting a budget line item for an additional pilot to oversee drones. The airport aid program has a base budget of \$1 million; however, there is a line item requesting an additional \$1.75 million for capital improvements. Other activities included updating the 10-year old Airport System Plan/Airport Economic Impact Analysis, maintaining the 31 state-owned airstrips, conducting the annual aviation Safety Stand Down, and participating in 45 search and rescue events. There were 31 aviation accidents with 4 fatalities.

AA Marker added that construction has started on the new hangar and offices and the Division is expected to move in August.

Chairman Moad thanked the AAB members for their service and the members and AA Marker for the informative report.

Executive Session on Personnel and Legal Issues. Member DeLorenzo made a motion to meet in executive session at 2:10 PM 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 (f). Member Horsch seconded the motion and it passed 6-0 by individual roll call vote.

The discussions on legal matters related to operations. The discussion on personnel matters related to the hiring of a public officer and the performance of employees.

The Board came out of executive session at 3:00 PM.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 3:00 PM.

signed

BILL MOAD, Chairman
Idaho Transportation Board

Read and Approved
February 19, 2020
Boise, Idaho

January 22, 2020