

REGULAR MEETING
OF THE IDAHO TRANSPORTATION BOARD

February 17, 2022

The Idaho Transportation Board met at 8:30 AM on Thursday, February 17, 2022, in at District 3 office in Boise, Idaho. The following principals were present:

Bill Moad, Chairman
James R. Thompson, Member – District 1
Gary Osborn, Member – District 2
Julie DeLorenzo, Vice Chair – District 3
Jim Kempton, Member – District 4
Dwight Horsch, Member - District 5
Bob Hoff, Member – District 6
Brian Ness, Director
Scott Stokes, Chief Deputy
Tim Thomas, Lead Deputy Attorney General
Dan McElhinney, Chief Operations Officer
Lorraine Dennis, Executive Assistant to the Board

Safety Share. Motor Vehicle Administrator Alberto Gonzalez presented safety awareness information regarding motor vehicles and cyclists sharing the road.

Chairman Moad thanked MVA Administrator for the important message.

Select Vice Chair. Chairman Moad called upon the Board for a vice chair nomination. Member Kempton made a motion seconded by Member DeLorenzo to elect Member Horsch as the vice chair and it passed unanimously.

Review Subcommittee Assignments. Chairman Moad reviewed the 2022 subcommittee assignments. New assignments are Member Thompson to chair the 129K truck routes with Member Horsch remaining on as a member, and Member Osborn's appointments to the Adjustments to the State System and Audit subcommittees.

Board Minutes. Member DeLorenzo made a motion to approve the minutes of the regular Board meeting held on January 13, 2022, as submitted. Member Horsch seconded the motion and it passed unanimously.

Board Meeting Dates. The following meeting dates and locations are scheduled:
March 23 & 24, 2022 – Burley May 18 & 19 - Rigby
April 20 & 21, 2022 – Pocatello June 15 & 16 - Boise

Consent Items. Member DeLorenzo made a motion and seconded by Member Kempton to approve the consent calendar resolution and it passed unanimously.

The motion to approve the following resolution passed unopposed:

RES. NO. WHEREAS, consent calendar items are to be routine, non-controversial, self-
ITB22-09 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 Freight Advisory Committee membership appointment, to advance SH-33 & LeGrand Pierre Pathway Extension to FY22 and delay Pathway Connector to FY23, 2022 Children Pedestrian Safety Program, contracts for award, contracts to reject, and consultant agreements.

1) Freight Advisory Committee Membership Appointments. Per Board Policy 4048, staff requests approval to reappoint Chair Winston Inouye (February 2022 – January 2026) and District 2 David Doeringsfeld (February 2022 – January 2027). And to approve the following four new nominations: District 1 Alan Harper (February 2022 – February 2025), District 3 Rob Roe (February 2022 – February 2026), District 4 Gary Halverson (February 2022 – February 2026), and District 6 Kurtis Lindsey (February 2022 – February 2025).

2) Advance SH-33 & Legrand Pierre Pathway Extension to FY22 and delay Pathway Connector to FY23. On behalf of the project sponsors, staff requests approval to advance the SH-33 & Legrand Pierre Pathway Extension, Driggs, to FY22 - cost of \$427,000, and delay the Pathway Connector, Dover, to FY23 - cost of \$434,000. Both projects are included in the approved FY22-28 ITIP in the Transportation Alternatives Program.

3) 2022 Children Pedestrian Safety Program. ITD and LHTAC staff requests approval of the Children Pedestrian Safety Program project rankings, and for LHTAC to award \$2 million for the top eight ranked projects. Provided there is a savings in the cost of a project or a sponsor of an approved project is unable to proceed, the next highest ranked project will be contacted for a full or partial award depending on available funding.

4) Contracts for Award. The low bids on the following projects were more than ten percent over the engineer's estimate, requiring justification. On key # 21831, SH-34, Soda Springs to Conda, Caribou County, District 5, the difference between the low bid and engineer's estimate is mainly in asphalt pavement. On key #22258, US-20 and SH-44, culvert repairs, Canyon County, District 3, the difference between the low bid and engineer's estimate was mainly in culvert end replacement and traffic control.

The engineer's estimate were developed using the average bid costs of previous projects in the area and assumed price increases. The District does not believe re-advertising the projects would result in lower bids, and recommends awarding the contracts. Low bidder, for key # 21831: Western Construction - \$2,898,977.16 and key #22258: Integrity Inspections Solutions Inc. - \$171,750.00.

5) Contract for Rejection. In accordance with Board Policy 4001, staff requests approval to reject the more than 10% over the engineer's estimate for key #20788 – SH-16, I-84 to US-

20/26 & SH-44 IC demolition package, District 3, Ada & Canyon Counties. Contractor – Winspear Construction LLC, \$1,061,069.00.

6) Request to Approve Consultant Agreement. In accordance with Board Policy 4001, staff requests approval to exceed the \$1 million agreement limit for key #19129 – Cove Road Bridge, Washington County (LHTAC), for design services of approximately \$1.2 million; key #23121 – Sagle Road to Long Bridge interim improvements, Phase 2 (District 1) for design service including engineer of record services of approx. \$1.5 million; key #s 19195, 19526, & 19653 – US-95, Jct. SH-6 Turnbay, US-95 WIR Bridge, and US-95 Deep Creek Bridge (District 2) for design services including engineer of record services of approx. \$1.5 million; and key #23348 – US-95, Sagle to Lakeshore Dr., NEPA Study, Bonner County (District 1) for design services of approx. \$3 million.

Informational Items.

1) Contract Awards and Advertisements. Key #20403, SH-21, Lowman to South Avalanche Gates, District 3. Low bidder: Geneva Rock Products Inc. - \$2,585,000.00

Key #20552, SH-3, Clemenhagen Road to Deary, District 2. Low bidder: Poe Asphalt Paving Inc. – \$1,423,734.49.

Key #23332, SH-34, West Side Road to Waylan Loop Road, District 5. Low bidder: Sunroc Corporation – \$1,166,701.50.

Key #21849, SH-45, Jct. SH-78 Deer Flat Road, District 3. Low bidder: Knife River Corporation-Mountain West – \$5,532,598.00.

Key #21901, US-12/US-95, FY23 seal coats, District 2. Low bidder: Poe Asphalt Paving Inc. - \$841,354.87.

Key #22487, I-86, FY21 fence improvements, District 5. Low bidder: All Rail Construction LLC. - \$220,000.00.

The list of projects currently being advertised was provided.

2) Professional Services Agreements and Term Agreement Work Tasks Report. From December 18, 2021 to January 23, 2022, 15 new professional services agreements and work tasks were processed, totaling \$4,875,297. Six (6) supplemental agreements to existing professional services agreements were processed during this period in the amount of \$1,320,003.

3) Annual report on status of state-owned dwellings. Per Board Policy 4049, staff summarized the state-owned dwellings (houses and trailer pads) provided to department employees. The department owns 3 stick framed houses, 17 manufactured homes, 6 bunkhouses, and 1 apartment each at Johnson Creek and Cavanaugh Bay Air Strips used seasonally. In addition to the houses, the department owns 19 trailer pads (11 have employee-owned manufactured housing on them).

The department has locations where employees reside in a state-owned dwelling as a condition of their employment. These locations are Powell (District 2), Lowman and Riddle (District 3), and Cavanaugh Bay and Johnson Creek Airports (Aeronautics).

The department also owns 9 trailer pads and 3 houses at rest area locations around the state. Rest area maintenance contracts require the contractor to be available for daily conferences and on call for emergencies 24-7.

4) Non-construction professional services report. In accordance with Board Policy 4001, there was one agreement to report. Staff executed one professional service agreement to High Street Consulting Group for business analysis of OTIS software replacement.

5) Monthly Reporting of Federal Formula Program Funding through February 1. Idaho received obligation authority of \$194.7 million through February 18, 2022 via a Continuing Appropriations Act signed on December 2, 2021. It includes \$2.0 million of Highway Infrastructure General Funds carried over from last year in the local urban and off-system bridge programs, \$45 million of Infrastructure Investment and Jobs Act (IIJA) Bridge Formula funds, and \$39 million COVID Relief funds carried over from last year in the Transportation Management Area, Local Urban and SHS Programs. The IIJA was signed on November 15, 2021. Additional apportionments were allocated via the Appropriations Act. Idaho will receive apportionments of \$468.3 million. Currently, obligation authority is 41.6% of apportionments. As of February 18, 2022, \$161.6 million was allocated with \$78.8 million remaining program funding as of February 1, 2022.

In response to Member DeLorenzo's question, and discussion, on why the board packet information is printed on color paper versus white paper, Chairman Moad instructed EAB Dennis to use white paper for future board meeting packets.

Monthly Report on Activities. Director Ness stated his remaining board reports will feature a past, present, and future theme. Each report will have five focal points: 1) setting the strategic direction; 2) empowering, developing and retaining employees; 3) building a culture of trust and innovation; 4) establishing good government using sound business principles; and 5) how we have changed the way we deliver our program and services to the citizens of Idaho.

Director Ness's report highlighted how the department has transformed over the last thirteen years under his tenure and the steps he took to accomplish them.

Chief Deputy Stokes reported on the various legislative presentations the department has made to the House and Senate Transportation Committees and Joint Finance and Appropriations Committee (JFAC). He shared staff received a few questions regarding the potential to reduce the state's fuel tax and contractor's capacity to handle increased construction with the additional funds.

On January 19, directors from multiple agencies testified at the Change of Employee Compensation (CEC) Committee. Each director had a unified message urging the committee to pass Governor Little's 5% pay increase recommendation. The committee recommended a 3%

increase across the board with a \$1.25/hour increase based on performance. CD Stokes announced in an effort to retain maintenance technicians and mechanics, which impacts over 500 employees, the department will implement a sign-on bonus of \$1,500 and retention bonus of \$5,000 (requiring a one-year commitment) for hard to fill maintenance positions, as well as a 10% pay increase effective February 20, 2022.

CD Stokes concluded his remarks stating staff is seeking Board approval this month to proceed with \$325 million bonding for the first five Transportation Expansion & Congestion Mitigation (TECM) corridor projects. He also invited the Board to work with their respective district engineer on priorities as they prepare for the draft State Transportation Improvement Program (STIP) update in June.

Director Ness presented the American Association of State Highway Transportation Officials (AASHTO) Meritorious Awards to Transportation Investment Program Manager Randy Gill – 39.2 years, Controller Dave Tolman – 31.8 years, and District 2 Engineer Doral Hoff – 25.9 years. Criteria includes at least 25 years of experience in a top managerial role.

Chairman Moad congratulated staff for their years of service and dedication.

Legislative Update. Chief External Affairs Officer Mollie McCarty reported on various legislative meetings held this week. Staff made its presentation to JFAC who had a question regarding the \$19 million facilities line item request. Staff is working on a response. ITB Member Osborn and Aeronautic Advisory Board Member Blakley had their senate confirmation hearings. They anticipate the Senate Transportation Committee will vote on the two appointments next week. House Transportation Committee Chairman Joe Palmer read HCR33 honoring Director Ness at its committee meeting. The department's budget setting hearing is scheduled for March 3. She has been hearing strong support for the Governor's recommendation of \$200 million (\$120 million to ITD) ongoing and \$200 million of one-time funding, plus additional supplemental program amounts. She also reported on a variety of house and senate bills the department is tracking, and concluded with an update on HB640, Broadband. The primary challenge is with the legislative intent clarity. Because dig once is a vague term stakeholders are interpreting it various ways. A hearing is expected next week.

Member Kempton commented on HB640 in respect to ITD managing future dig requirements and tracking events. He called upon Deputy Attorney General Rick Hart to provide background and discuss legislative concerns. DAG Hart stated the Broadband Advisory Board is aware of the various issues mentioned previously. The bill would require reimbursement to stakeholders; however, it is not clear on how it will occur and where the money comes from.

In response to Member Kempton's question if it would require legislative rulemaking, DAG Hart stated it would. Member Kempton commented it could delay the process, but reiterated the need for ITD to monitor the bill and make recommendation to amend, if need be, before it goes to the senate.

In response to Chairman Moad's question on the bill's target date moving from the house to senate and amending orders, CEO McCarty confirmed there is adequate time. She stated it is

challenging because of the complexity. The legislation needs to be clear to successfully facilitate rulemaking and it is difficult to reach consensus because of the diverse interest.

Chairman Moad thanked CEO McCarty for the report.

In the interest of time, Chairman Moad adjusted the agenda to do the Excellence in Transportation Awards next followed by the Linder Village STAR agreement amendment item.

Excellence in Transportation Awards. Chief Operations Officer Dan McElhinney and Chief External Affairs Officer Mollie McCarty presented awards honoring ITD outstanding personnel. Forty-four nominations were received from every division and district. Awards were presented in the following categories: Safety Person/Team of the Year, Maintenance Person/Team of the Year, Professional of the Year (non-engineer), Engineer of the Year, Vanguard Award (recognized fast-rising star at ITD with fewer than five year of service), Career Achievement Award (recognizes outstanding ITD employee with 20+ years of service), and Kimbol Allen Excellence in Innovation Award.

Chairman Moad commended staff for a job well done.

Linder Village (Orchard Park) Sales Tax Anticipated Revenue Agreement (STAR) amendment. District 3 Engineer Caleb Lakey outlined the proposed changes to the STAR agreement to proceed with Phase 2 improvements for US-20/26, Linder Rd. to Locust Grove. Due to the increase in real estate value, the amendment removes the two highest parcels from the agreement – Chinden Zamzows LLC., and Friendship Celebration Lutheran Church of Ada County, Idaho, Inc. DE3 Lakey reported the Ada County Highway District would provide the initial signatory approval.

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

RES. NO. WHEREAS, the Idaho Transportation Board is charged with considering
ITB22-10 the safety and convenience of the highway users; and

WHEREAS, it is the intent of the Idaho Transportation Board (Board) to effectively utilize all available Federal, State, and Private highway funding; and

WHEREAS, Sales Tax Anticipation Revenue (STAR) legislation has been enacted by the Legislature which permits reimbursement, within established limits, of private funding of highway improvement construction projects with future sales tax reimbursements by the State; and

WHEREAS, the Board entered into a STAR agreement with High Desert Development, Inc. in January of 2019 to finance in its entirety the design, right-of-way acquisition, and construction for the improvement to US-20/26 (Chinden Rd.); and

WHEREAS, real estate values and construction costs in the Treasure Valley have dramatically increased between the time the STARs Agreement was entered into in 2019 and the present time; and

WHEREAS, due to the dramatically increased real estate values in the Treasure Valley, the parties are in agreement that two parcels of real estate should be removed from the STARs Agreement.

NOW, THEREFORE BE IT RESOLVED that the Idaho Transportation Board approves the STAR Agreement Amendment between the Department and High Desert Development, Inc. for the Phase 2 improvements of US-20/26, Linder Rd. to Locust Grove.

State Fiscal Year 2022 financial statement. Controller Dave Tolman provided the mid-year FY22 financial report. Revenues to the State Highway Fund is ahead of forecast in all state source categories. Receipts from the Highway Distribution Account are ahead of forecast by \$12 million. Expenditures are on track for the State Highway Fund – contract construction for July through December are \$243.1 million. Revenue to the State Aeronautics Fund is ahead of forecast by 57% and expenditures have increased in comparison to FY21. Revenue for TECM is over \$50 million, 14% ahead of forecast. Additional revenue exceeding ITD’s \$80 million cap will be transferred to the Locals. TECM expenditures for selected projects are \$11.3 million year to date. The Strategic Initiatives Program Fund’s balance as of December 31, 2021 is \$75.5 million. FY22 year-to-date expenses for GARVEE is \$62.6 million and ITD is on track to expend all bond proceed within the required timeframes. Idaho received \$27.3 million in CARES Act Funding for public transit and expenditures for FY22 are \$2.2 million. There were no audit findings for FY21. All previous findings are closed. The Federal compliance single audit is ongoing.

In response to Member Kempton’s question regarding the legislature’s interest in reducing the fuel tax, CEO McCarty clarified that proposal is presumably dead. It has been directed to the Ways and Means Committee; however, staff will continue to monitor it.

In response to Member Horsch’s question regarding if the \$18 million pay off for the GARVEE debt service is the best course of action, Controller Tolman stated if the Governor’s recommendation for the funds were not received, they would pursue refinancing the bonds. However, if received, it would free up funds to use for ITIP projects going forward.

Chairman Moad thanked Controller Tolman for the update.

Transportation Expansion & Congestion Mitigation Program bond sale authorization. Transportation Program Manager Amy Schroeder provided a review leading up to the first TECM bond series. Staff received feedback from the Board on its bond approach and reviewed the corridors/projects and phases for project readiness. Bond amounts were determined on the ability to meet cash flow requirements – both 6-months and 36-months. TPM Schroeder reviewed the proposed TECM 2022A Series Bonds plan, shown as in Exhibit 545, which is made a part hereof with like effect. The plan outlines specific projects, estimated costs, and funding

methods. The first TECM bond sale would fund 50% of the six designated projects currently in environmental and design development and 80% of the five designated projects in construction for a combined total of approximately \$315.5 million.

Member Horsch commented on his perception that I-15 is more congested north of Blackfoot and questioned why the current study only includes Northgate to Blackfoot. TPM Schroeder explained that the traffic analysis shows more traffic south of Blackfoot, and that the intent is to continue the traffic and environmental analysis north of Blackfoot, but that the corridor needed to be split down into more manageable study limits initially. Member Horsch also shared his experience using the Burley and Heyburn interchanges and that the length of the merge lanes are incredibly short. TPM Schroeder clarified that one of the primary concerns at these interchanges is the length of the acceleration lanes on I-84.

Member Kempton commented there was a lot of interest on both the Burley and Heyburn Interchanges with over 100 people in attendance at the public hearing, and believed the projects selected represents the right combination.

Controller Tolman reviewed the resolution noting rates have increased since January, and have since been in flux. The proposal is to enter the market in March. They are waiting on the rating agencies to share the provisional ratings, which mean ITD will be notified prior to it going public giving staff the opportunity to proceed or revisit. The issuance of the bond amount is not to exceed \$325 million.

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

RES. NO. WHEREAS, the Idaho Transportation Board is charged with determining
ITB22-11 the timeframe and scope of improvements for the State Transportation
 System; and

WHEREAS, Idaho Code § 40-310 directs the ITB to plan, design and develop statewide transportation systems when determined to be in the public interest; and

WHEREAS, Idaho Code § 40-720 established the Transportation Expansion and Congestion Mitigation (TECM) Fund and ability to use the funds for bond debt service, and House Bill 362 (FY21) increased the sales tax distribution annually and sustainably for large infrastructure projects on the state highway system; and

WHEREAS, the ITB has approved a list of eligible Corridors to define the focus of the TECM expansion program and the advantages of this approach; and

WHEREAS, the Idaho Legislature, through Title 40, Chapter 7 of the Idaho Code, as amended, authorizes the ITB to request the Idaho Housing and Finance Association (IHFA) to issue bonds for financing all aspects of highway projects eligible for TECM funding as recommended and approved by the ITB; and

WHEREAS, there will be prepared a Preliminary Official Statement and related bond documents 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 need 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 referenced and defined below and recommends to IHFA the financing thereof through the issuance of the bonds in an aggregate principal amount not to exceed \$325,000,000 comprising of the project costs listed below that are approximately:

- I-90 Washington State line to Coeur d'Alene in the amount of \$69,100,000;
- I-84, Centennial Interchange to Franklin Interchange (exit 27-29) in the amount of \$4,000,000;
- SH-55 Farmway to Middleton in the amount of \$4,200,000;
- US-20/26, I-84 to Star Road in the amount of \$37,800,000;
- SH-16, I-84 to US-20/26 (Chinden) in the amount of \$103,200,000;
- I-84, Burley and Heyburn Interchanges in the amount of \$5,500,000;
- I-15 Pocatello to Blackfoot including the I-86/I-15 System Interchange in the amount of \$91,700,000;

provided that if savings are determined on one or more projects, such savings may be allocated to any other projects listed above. Further, the said funds are necessary to meet program obligation requirements and are to be used and disbursed in accordance with US Treasury regulations for tax-exempt bonds. In addition, otherwise unobligated moneys are expected to be received and held in the TECM Fund as needed and subject to continuing appropriation to meet the bond debt service obligations. 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.

Master Financing Agreement
Final Official Statement
Supplemental to Master Financing 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.

Request for an exception to Board Policy 4001 for first group of TECM construction projects. Transportation Program Manager Amy Schroeder requested approval to allow for the exception of Board Policy 4001, which requires Board approval for bids that exceed the engineer's estimate by more than 110% or by more than \$2 million. In an effort to expedite these large TECM projects, she is asking the Board to relax the \$2 million policy provision, but will continue to maintain the 110% threshold for board approval.

Member Kempton made a motion, seconded by Member Hoff, and passed unopposed by roll call vote, to approve the following resolution:

RES. NO. WHEREAS, Board Policy indicates the Board shall approve the
ITB22-12 justification for award or rejections of contracts when the bid exceeds the
 engineer's estimate by more than ten percent (10%) or for bids that
 exceed the engineer's estimate by more than \$2 million; and

WHEREAS, five Transportation Expansion and Congestion Mitigation (TECM) projects will be advertised for construction, with bids being opened on all by late April 2022; and

WHEREAS, the estimated cost of these five TECM projects are substantial, ranging between \$45 million and \$110 million; and

WHEREAS, it is in the interest of the Department to expedite award of these construction projects; and

WHEREAS, this requested exception to Board Policy 4001 allows flexibility to expedite the award process while providing adequate controls for presenting approval or reject justifications to the Board if the bids are greater than 110% of the engineer's construction estimate.

NOW THEREFORE BE IT RESOLVED, that the Board allows an exception to Board Policy 4001 to remove the \$2 million dollar not to exceed amount for the following five TECM projects:

I-86/I-15 System Interchange
US-20/26, I-84 to Middleton Road
I-90/SH-41 Interchange
SH-16, I-84 to Franklin Road
SH-16, Ustick to US-20/26

Local Rural Highway Investment Program (LRHIP) Update. Local Highway Technical Assistance Council Administrator Laila Kral provided background on LHTAC and the LRHIP. LHTAC currently serves 191 cities, 63 highway districts and 33 counties. They provide technical assistance, training and project oversight. LHTAC was created by ITB Policy in 2004. Surface Transportation-Rural funds are exchanged for state highway funds. In FY21, they exchanged \$4.7 million Federal dollars for \$3.7 million in state dollars. Some highlights governing the LRHIP include Locals must collect local taxes or have alternate funding and funds cannot be used for wages or equipment. Funds are available to cities under 5,000 in population, county road and bridge departments and highway districts. Projects are application based which are posted in September for award in March the following year. There are four types of funding: construction – 75%, transportation plans – 15%, signs – 10%, and emergency - \$400,000 reserved annually. Some highlighted projects include Hillsdale Highway District, \$192,000 - Valley Road, and the City of Moyie Springs, \$48,000 - new transportation plan.

Chairman Moad thanked LHTAC Administrator Kral for her presentation.

Chairman Moad delayed the SH-19 Extension and proposed distribution of Federal Bridge Funds agenda items to follow the Aeronautics annual report after lunch.

The Board recessed at 12:20 p.m. to have an informal lunch with Aeronautics Advisory Board. Chairman Moad reconvened the meeting at 1:30 p.m.

Aeronautics annual report. Aeronautics Advisory Board Chairman Mark Sweeney provided an Aeronautics Advisory Board annual update. Highlights include discussions on 5G telecommunications interference in aviation and its hazards on flight operations. AAB members also reported the following: Member Chip Kemper (Rigby) – drones in agriculture use, Member John Blakley (Boise) – increase in recreational backcountry airstrip use, Member Todd Hitchcock (Twin Falls) – escalation in fires and resource shortages, and Member Chris Pomeroy (Hailey) – rise in public and commercial airports.

Aeronautics Administrator Jeff Marker gave an annual report for the Aeronautics Division. He provided updates on Aeronautics administration, flight operations, airport planning and development, the Unmanned Aircraft Systems (UAS) Program, airfield management, safety and education, and search and rescue. Highlights include a significant increase in the King Air and Kodiak flight operations, the Governor's recommended Leading Idaho Initiative of \$6.4 million, partnership with the division of highways in backcountry airfield management, and the Automatic Dependent Surveillance-Broadcast Initiative.

In response to Member Kempton's and Member DeLorenzo's questions and comments on the King Air's life cycle and ownership, AA Marker stated they are aware the plane's nearing maintenance benchmarks and are looking at all (purchasing and leasing) options.

Chairman Moad thanked AAB and AA Marker for their presentations.

SH-19 Extension, Caldwell, ID. Acting Planning Development Manager Ken Kanownik reported District 3 is seeking to extend SH-19, in the City of Caldwell, to I-84. Currently, SH-19 terminates at the intersection of Blaine Street and Centennial Way, I-84 Business Loop. In 2019, ITD relinquished portions of the Business Loop to the City of Caldwell creating a remnant less than 1-mile designated as a Business Spur. Ultimately, they will eliminate the business loop, but for now will provide signage for both the proposed SH-19 extension and Business Loop. The proposal has been reviewed the Board's Subcommittee on Adjustments to the State Highway System and they concur with staff's recommendation to extend SH-19.

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

RES. NO. WHEREAS, On May 10, 2019 the Idaho Transportation Board Subcommittee on
ITB22-13 State Highway Adjustments authorized staff to negotiate an agreement with the
 City of Caldwell and negotiate with the City of Nampa regarding the
 relinquishment of Business Loop I-84; and

WHEREAS, On June 20, 2019 the Idaho Transportation Board authorized the state and local agreement for the transfer of right-of-way and compensation for the portion of Business Loop I-84; and

WHEREAS, Idaho Transportation Department District 3 staff has completed the transfer of right-of-way and funds to the City of Caldwell; and

WHEREAS, On January 12, 2022 the Idaho Transportation Board Subcommittee on State Highway Adjustments recommended advancing the proposed extension of SH-19 to the full Idaho Transportation Board for approval.

NOW, THEREFORE BE IT RESOLVED that the Idaho Transportation Board approves the extension of SH-19 through the intersection with Interstate 84.

Proposed distribution of Federal Bridge Funds. Chief Operations Officer Dan McElhinney took a moment to acknowledge the maintenance retention and hiring plan reported earlier by CD Stokes and thanked the Board for its support, and CHRO Brenda Williams for her help. He introduced State Bridge Engineer Matt Farrar. He reported, as part of the passage of Infrastructure Investment Jobs Act (IIJA), Idaho recently received \$45 million Bridge Formula Funds for FY22. In an effort to be consistent with Administrative Policy 5011, they propose to allocate 20% for the Local Bridge Program (\$9 million) and 15% for the Off-System Bridge Program, which includes bridge inspection, (\$6.75 million) totaling 35% or \$15.75 million.

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

RES. NO. WHEREAS, Administrative Policy 5011 delineates the apportionment of federal
ITB22-14 funds to the Local Bridge and Off-System Bridge Programs to be administered by LHTAC; and

WHEREAS, that apportionment was based on funding levels found pre 2009 in the SAFETEA-LU Act; and

WHEREAS, the Federal IJA (Infrastructure Investment Jobs Act) has dedicated bridge formula funds and \$45,000,000 per year is designated for Idaho and the funds are available now in FY22; and

WHEREAS, the Board would like to distribute those funds to the Local Highways Programs consistent with requirements in the IJA and past practice; and

WHEREAS, the State Bridge Engineer presented in his proposal to the Board at its meeting on February 17, 2022 to distribute 35% of these IJA Bridge Formula Funds to the Local Highways Programs in the following proportions: Off-System Bridge Program (15%) and Local Bridge Program (20%). The bridge inspection budget is included; and

WHEREAS, the remaining 65% of IJA Bridge Formula Funds would be distributed to the State Highway System – Bridge Preservation and Restoration Programs.

NOW THEREFORE BE IT RESOLVED that the Board accepts the proposal to direct \$15,750,000/year of IJA Bridge Formula Funds to the Local Bridge Program and Off-System Bridge Program.

Executive Session on Legal and Personnel Issues. Member Hoff made a motion to meet in executive session at 2:45 PM to discuss issues as authorized in Idaho Code Section 74-206 (b) and in Idaho Code Section 74-206 (f). Member Horsch seconded the motion and it passed unanimously by roll call vote.

The discussion on legal matters related to highway and department operations.

The Board came out of executive session at 3:55 PM.

ITD Headquarters facilities update. Chief Administrative Officer Char McArthur reported on clean-up efforts. Because it was determined the dampers froze on the HVAC units, versus the pipes breaking, repair and replacement on the unit can be included in the cost. The insurance evaluation is still being assessed. Cleaning items in the building is an ongoing effort salvaging as much as can be cleaned. Temporary space is being sought for over 600 employees who were evacuated. About 100 employees have been relocated or are working from home. Beginning February 14, temporary leased space was secured at the Idaho Chinden Campus, Building 8, first

floor, for approximately 60 people. Efforts will continue to find additional temporary space for the remaining displaced employees. CAO McArthur outlined the process of identifying a final Headquarters location, which includes three options – restore the State Street Headquarters building and return to it, relocate to the Idaho Chinden Campus (potentially Building 3 coming available July 1), or build a new facility. A brokerage estimate obtained for the HQ building is \$60 million. Another broker’s opinion is in progress. In regards to Building 3, she noted it has about 20,000 more square footage than the HQ building and it has two data centers.

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

RES. NO. WHEREAS, the ITD campus on State Street in Boise is the central location for all
ITB22-15 ITD business support for DMV and Highways central functions and houses approximately 600 employees and contractors; and

WHEREAS, the ITD campus on State Street in Boise consists of over 44 acres of property close to downtown; and

WHEREAS, the January 3, 2022 flood event has rendered the largest building on campus uninhabitable; and

WHEREAS, the state Department of Administration has excess capacity of both land and existing facilities that can be renovated to accommodate ITD needs on the Chinden Campus; and

WHEREAS the department of Administration has requested a \$50,000,000 line item to be used for renovating a building on Chinden Campus for ITD’s use.

NOW, THEREFORE BE IT RESOLVED that the Idaho Transportation Board approves staff explore the following options:

1. Determine feasibility of returning to the main building on State St.
2. Work with the Division of Administration to explore an option to relocate the ITD HQ campus to the Idaho Chinden Campus, including the option of using the \$50,000,000 to renovate the existing building 3 facility.
3. Explore potential opportunities and interdependencies with the sale and relocation of other facilities within similar regional geographies, such as District 3 and District 4.

In response to Member Horsch’s and Member Osborn’s inquiry about building a new facility, Chairman Moad requested staff follow up with additional information.

CAO McArthur reviewed the resolution requesting funding for equipment procurement and relocation of the HQ data center and creation of a disaster recovery site.

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

RES. NO.
ITB22-16

WHEREAS, the ITD data center on the State St Campus houses the hardware and connections that host the applications and data that supports the entirety of ITD operations, including highways, DMV and administration. In addition, support of key ISP activities are also dependent on this facility; and

WHEREAS, on January 3, 2022, the ITD HQ building where the server room is currently located flooded, rendering the facility uninhabitable and requiring the relocation of all HQ housed ITD employees. Although the server room was unaffected by the flood, it is being sustained by emergency equipment, leaving the data center more susceptible to failure; and

WHEREAS, the state ITS server room does not have sufficient capacity to absorb the current ITD equipment without significant expansion of their facility; and

WHEREAS, the entirety of ITD's business operation would be in jeopardy in the event of an unplanned, unexpected shutdown of the current facility. This would include phone, email, financial, timekeeping, DMV counties, DMV central operations, Ports of Entry, Construction project information and many other smaller tasks; and

WHEREAS, based upon the immediacy of the need to relocate, the ITD staff have prepared a phased migration plan beginning March 1, 2022, that will provide a methodical and safe path toward relocating the server room with minimal staff or operational disruption that could be completed by the end of 2023; and

WHEREAS, the phased migration plan depends on orders for key equipment be placed in the beginning of March to be completed by the end of 2023 timeline which will require a supplemental appropriation from the Idaho Legislature.

NOW, THEREFORE BE IT RESOLVED that the Idaho Transportation Board directs staff to pursue funding avenues for the current fiscal year in order to begin the process of ordering equipment necessary to initiate a phased migration of the data center and report to the board at the next available time with further details on the location of the main data center site and disaster recovery options.

Chairman Moad thanked CAO McArthur for the update.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting adjourned at 4:26 PM.

Read and Approved
March 24, 2022
Burley, Idaho

Signed
BILL MOAD, Chairman
Idaho Transportation Board