

REGULAR MEETING
IDAHO TRANSPORTATION BOARD

March 20, 2024

The Idaho Transportation Board met at 8:30 AM on Wednesday, March 20, 2024, in Boise, Idaho. The following principals were present:

James R. Thompson, Member – District 1
Gary Osborn, Member - District 2
Julie DeLorenzo, Vice Chair (Presiding Chair) - District 3
Mitch Watkins, Member – District 4
John Bulger, Member – District 5
Bob Hoff, Member – District 6
Scott Stokes, Director
Dan McElhinney, Chief Deputy/Chief Operations Officer
Lorraine Dennis, Business Executive to the Board
Tim Thomas, Deputy Attorney General

Chairman Moad was absent.

Safety Share. Acting Policy Manager Sara Anderson reported on the safety importance of DMV’s motor vehicle inspectors as they travel to perform their duties. Some measures taken to ensure safety include sharing schedules and reporting when out of cell phone range.

Board Minutes. Member Bulger made a motion to approve the minutes of February 21, 2024, seconded by Member Hoff, and the motion passed unanimously.

Board Meeting Dates. The next meeting is April 17 – 18, 2024, in Pocatello.

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

RES. NO. WHEREAS, consent calendar items are to be routine, non-controversial, self-
ITB24-22 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 reappointments for District 1, District 4 and Chairman, and the contracts for award.

1) Trucking Advisory Council, District 1 reappointment. Per Board Policy 4042, the DMV administrator recommends the reappointment of District 1 Member Frank Buell to the TAC for the term January 1, 2024 – December 31, 2027.

2) Trucking Advisory Council, District 4 reappointment. Per Board Policy 4042, the DMV administrator recommends the reappointment of District 4 Member Kevin Iverson to the TAC for the term January 1, 2024 – December 31, 2027.

3) Trucking Advisory Council, Chairman reappointment. Per Board Policy 4042, the DMV administrator recommends the reappointment of John Pocock as Chairman of the TAC for the term January 1, 2024 – December 31, 2027.

4) Contract awards. The low bids on the following projects are more than ten percent over the engineer's estimate, requiring justification. KN#20383, 6th Street, S. Fork CDA River Bridge, LHTAC(1): contractor: Apollo Inc. for \$3,788,755.07. KN#21843 SIA, FY24 interstate striping, District 4: contractor: Clear Zone Construction for \$999,645.00.

Informational Items.

1) Contract awards and advertisements. There were eight ITD and zero Local contracts awarded requiring no action from the Board for February 2024. Year-to-date, from October 1, 2023 to February 29, 2024, 41 ITD and 11 Local contracts were bid, of which nine ITD and five Local contracts requiring Board approval were awarded.

The list of projects currently under advertisement was provided.

2) Professional services agreements and term agreement work tasks report. From January 29, 2024 to February 25, 2024, 36 new professional services agreements and work tasks were processed, totaling \$13,991,506. Seven supplemental agreements totaling \$4,795,943 to existing professional services agreements were processed during this period.

3) Monthly report of federal formula program funding through March 6th. Idaho received \$222.4 million in obligation authority (OA) through March 1, 2024 via a continuing resolution. It includes \$35.2 million of Highway Infrastructure General Funds and \$45 million in Bridge Formula funds. FY24 OA through March 1st is 46.7% of apportionments. Allotted program funding is \$238.9 million with \$160.2 million remaining as of March 6th.

4) Non-construction contract awards. Per Board Policy 4001 that requires reporting non-construction professional service agreements executed in the previous month, there were none to report.

5) State Fiscal Year 2024 financial statement. Revenues to the State Highway Account (SHA) from all state sources as of January 31 are ahead of forecast by 4.9% and revenues in the Highway Distribution Account are up 3.9%. State revenues to the State Aeronautics Fund are below forecast by 2.9%. The Department's expenditures were within planned budgets. Personnel costs savings of \$3.3 million is due to vacancies and timing. Contract construction cash expenditures in the SHA are \$414.8M, and total construction expenditures from the five different funds sources total \$672.6M.

The balance of the long-term investments is \$181.4M as of the end of January. These funds are obligated against construction projects and encumbrances. The cash balance is \$98.1M. Expenditures in the Strategic Initiatives Program Fund is \$96.9M. Deposits into the Transportation Expansion and Congestion Mitigation Fund is \$70M. The Federal CARES Act provided \$27.3M for public transportation. FY24 expenditures are \$2.7M. Expenditures for the TECM bond program during this period is \$136.6M and \$23.5M for GARVEE.

Board's Policies Subcommittee Report. Subcommittee Chairman Gary Osborn reported the Policies Subcommittee met yesterday afternoon to discuss proposed changes to the department's Aeronautics Advisory Board policies. The subcommittee supports staff's recommendations with revisions and the policies will be brought before the full Board for consideration.

Director's Monthly Report. Director Stokes reported on ITD's 50-year old White Bird Bridge, TECM bonding history and project status, work zone awareness and the I-84, SH-16 Interchange project. Some highlights included the 811-foot White Bird Bridge was constructed in 1975 and marked a critical transportation link between northern and southern Idaho. Last year, a preservation project was completed on the iconic bridge. The third TECM bond sale occurred on March 14 at 3.96% rate and will go towards another 86 miles of reconstructed or added lane miles. Projects from bond sales 1 and 2 are well into construction with estimated completion dates ranging from 2024 to 2027. Construction payout is \$670 million, which is far ahead of last year's \$490 million. As projects advance, the traveling public will see major progress on several big projects statewide. Most projects from the latest bond sale 3 will be a continuation of work from the previous bond sales and are scheduled to be bid this spring and summer. Construction on the Burley and Heyburn interchanges are underway. The department is continuously delivering on its project commitments. Director Stokes announced National Work Zone Awareness Week begins April 15 and the department is taking a proactive approach to safety. He concluded by sharing a video clip of girders made locally that will be used for the I-84, SH-16 Interchange.

Member Bulger complemented staff on the video quality and suggested they be credited on these in-house produced videos.

Legislative Update. Government Affairs Manager Colby Cameron stated the Joint Finance Appropriation Committee (JFAC) finished its budgeting setting March 15. The legislative session is anticipated to wrap up by March 29. ITD's budget setting was March 1 and 8. Staff is tracking about 45 bills. Some highlights on those bills included HB534, electric vehicle fees - stalled in committee; HCR24, traffic corridor study highways 55, 16 and 95 - return to committee; SB1261, telework - stalled in committee; and HB638, transportation local grant program - a policy bill was written redirecting program administration to LHTAC (no new funding was designated).

In response to Member Bulger's question regarding ITD's State Street property and decisions on where the department will reside, GAM Cameron replied the legislature thought it important to hold onto the State St. property; however, final decisions are still pending.

FY2025 Appropriation Request – JFAC Recommendation. Financial Services Manager Dan Hansen reviewed the department's FY25 appropriation request highlighting changes from JFAC's actions. The District 4 (\$9.6 million) relocation was not funded and the Headquarters relocation request was reduced to \$32.5 million and redirected for the HQ State Street office bring the total capital facilities enhancements to \$48 million. Six million was also not funded for the HQ relocation (furnishing). Highway Operations enhancements for 53 new positions funding level was reduced by \$821,500. The following items were added for contract construction and right of way enhancements: \$123.6 million for road and bridge maintenance (General Fund transfer Idaho Works), \$58.08 million for transportation safety, and \$200 million for local bridge maintenance. The FY25 total appropriation is \$1.37 billion with 1,645 positions. Total FY25 program funding with bond debt service is \$1.47 billion.

In response to Madame Chair's question about how the \$32.5 million was determined for the HQ State Street rehabilitation, Chief Administrative Officer stated it was from the Department of Administration's standard based on square footage. Estimates also took into consideration similar recent bids received for the Chinden Campus Building 3 renovation.

Transportation Expansion & Congestion Mitigation (TECM) 2024A Bond Sale Update. Controller Justin Collins reported on the TECM 2024A bond sale that took place on March 14. Some highlights included the department continues to receive strong bond credit ratings. The latest bond reaffirmed an AA+, which is the second highest obtainable credit rating, at an All-In True Interest Cost (TIC) of 3.96%. Proceeds totaling \$372 million is anticipated to close March 27. In comparison to the two previous TECM bond sales, the All-in TIC continues to be under 4% - 2022A (3.55%) and 2023A (3.79%). Accumulated proceeds total \$988 million with \$62.13 million in debt service.

In response to Member Bulger's question regarding an option of splitting the bond of \$400 million into two sales, Controller Collins affirmed the Board did approved a bond sale amount up to \$400 million and there were no market indications that two bond sales would be needed or advantageous, but the department rolled back to \$372 million based on project readiness. Remaining bond capacity will be evaluated later in the year to determine when best to pursue another bond sale.

Contract Award for TECM Construction Projects. TECM Engineering Manager Shawna King presented the request for an exception to Board Policy 4001 that requires Board approval for bids more than \$2 million above the engineer's estimate (EE). Bids that exceed 110% of the EE will still be presented to the Board for approval or rejection. The projects are as noted in the resolution below.

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

RES. NO. WHEREAS, Board Policy 4001 indicates the Board shall approve the justification
ITB24-23 for award or rejection 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, three Transportation Expansion and Congestion Mitigation (TECM) projects will be advertised for construction, with bids opened Spring/Summer 2024; and

WHEREAS, the estimated cost of these three TECM projects are substantial, ranging between \$65 million and \$105 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 approve 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 justification threshold amount for the following three TECM funded projects:

I-15, Northgate to Fort Hall, North
I-15, Northgate to Fort Hall, South
SH-16, SH-44 Interchange

CD McElhinney Introduced the New Highway Division Administrator. Highway Division Administrator of Engineering Services Michael Johnson thanked executive staff and the Board for the opportunity to serve. He will remain as the State Bridge Engineer and lead environmental, right-of-way and asset management in this Division, and is in the process of hiring the Assistant Bridge Engineer.

Request to Approve Consultant Agreements. CD McElhinney stated in response to the Board's request to simplify the consultant agreement approval process, staff is presenting a new consolidated approach. The board agenda item provides the standard background information that includes a table of proposed agreements footnoted with the four types of agreements, and a justification memo for each project from the representing district engineer.

State Design Engineer Monica Crider presented the request for consultant agreement authorization. The projects, as shown in the resolution, are: US-95, Thorn Creek to Moscow by

HMH, LLC; SH-53, Pleasant View Interchange by HDR Engineering, I-15B, UPRR, S. Blackfoot Interchange by David Evans and Associates; and US-93, Perrine Bridge repair by Burgess & Niple.

In response to Member Bulger’s concerns about approving multiple agreements, Madame Chair, clarified that the Board still has the prerogative to remove any project agreement from the resolution.

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

RES. NO. ITB24-24 WHEREAS, Board Policy 4001 requires the Idaho Transportation Board to authorize professional services agreements greater than \$1,000,000 and each subsequent cost increase, work task agreements greater than \$500,000, cumulative work task agreements on a project greater than \$1,500,000, and consultant two-year work task agreements total greater than \$1,500,000; and

WHEREAS, the Idaho Transportation Board has been provided details about each project requesting authorization; and

WHEREAS, funding will be committed to this agreement before it is executed.

NOW THEREFORE BE IT RESOLVED that the Board hereby grants the authority for professional service agreement(s) as noted in the following table:

KEY NUMBER	PROJECT NAME	TOTAL PREVIOUS AGREEMENTS	PREVIOUS AUTHORIZATION	THIS AUTHORIZATION REQUEST	TOTAL AUTHORIZATION
09294 ¹	US-95, Thorn Creek Rd to Moscow, Phase 1	\$3,444,373	\$3,500,000	\$2,898,030	\$6,342,403
10005 ¹	SH-53, Pleasant View Interchange, Kootenai County	\$3,299,997	\$3,300,000	\$171,282	\$3,471,279
22241 ¹ 22242	I-15B, UPRR, S Blackfoot IC #89 SBL, Bingham County / I-15B, UPRR, S Blackfoot IC #89 NBL, Bingham County	\$0	\$0	\$4,188,000	\$4,188,000

23044 ^{1, 2}	US-93, Perrine Bridge Repair, Twin Falls County	\$899,085	\$900,000	\$385,000	\$1,284,085
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1 Professional Agreements > \$1M

2 Work Task Agreements > \$500K

3 Cumulative Work Task Agreement for project > \$1.5M

4 Consultant two-year Work Task total > \$1.5M

Executive Session on Legal and Personnel Issues. Member Osborn made a motion to meet in executive session at 10:10 AM to discuss issues as authorized in Idaho Code Section 74-206 (b) and in Idaho Code Section 74-206 (f). Member Watkins seconded the motion and it passed unanimously by roll call vote.

The executive session discussion pertained to department highway operations on legal matters and adjourned at 11:00 a.m.

Administrative settlement over \$200,000. Right of Way Manager Justin Pond presented an administrative settlement for KN22715, Project No. A022(715) SH-55, Farmway Road to Middleton Road, Canyon County, Parcels 157 and 158.

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

RES. NO. WHEREAS, the Idaho Transportation Department is acquiring right-of-way along
ITB24-25 SH-55, Farmway Rd. to Middleton Rd., for Project No. A022(715); and

WHEREAS, the Idaho Transportation 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 Idaho Transportation Department to fairly compensate the property owner of Parcels 157 and 158.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board approves an Administrative Settlement over \$200,000 for the right-of-way acquisition along SH-55, Farmway Rd. to Middleton Rd., for Project No. A022(715), KN 22715, Parcels 157 and 158.

WHEREUPON, the Idaho Transportation Board adjourned its regular monthly meeting at 11:06 a.m.

Signed

JULIE DELORENZO, VICE CHAIR (Presiding Chair)
Idaho Transportation Board

Read and Approved
April 18, 2024, Boise Idaho
Lorraine Dennis, Business Executive