

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

January 17, 2008

The Idaho Transportation Board met at 8:30 AM, on Thursday, January 17, 2008, at the Idaho Transportation Department in Boise, Idaho. The following principals were present:

Darrell V Manning, Chairman
Monte C. McClure, Member – District 3
Gary Blick, Member – District 4
John X. Combo, Member – District 6
Pamela Lowe, Director
Scott Stokes, Deputy Director
Tim Thomas, Deputy Attorney General
Sue S. Higgins, Board Secretary

December 12, 2007 Board Minutes. Member Combo made a motion to approve the minutes of the regular Board meeting held on December 12, 2007 as submitted. Member Blick seconded the motion and it passed unopposed.

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

February 20-21, 2008 – Boise
March 19-20, 2008 – Boise

Consent Calendar. Member Combo made a motion, seconded by Member Blick, and passed unopposed, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the relinquishment

ITB08-01 of a portion of US-95, District 1; the relinquishment of a portion of US-95, District 1; and the FY07 Forest Highway Program changes; and has received and reviewed the program and district obligation graphs and tables, monthly status reports; the contract award information; the semi-annual report on administrative and legal settlements of right of way acquisitions; the annual report on status of state-owned dwellings; and the November 2007 financial statement analysis.

1) Relinquishment of a Portion of US-95, District 1. The US-95, Milepost (MP) 536 to Idaho/Canada Border project, Boundary County, key #7748, District 1, has been completed. Boundary County and ITD have approved a Road Closure and Maintenance Agreement for the relinquishment of a portion of US-95. The Official Minute, as shown as Exhibit 349, which is made a part hereof with like effect, authorizes the transfer of this section of former US-95, MP 537.22 to 537.34, to Boundary County.

2) Relinquishment of a Portion of US-95, District 1. The US-95, Junction SH-1 Northeast project, Boundary County, key #4177, District 1, has been completed. Boundary County and ITD have approved a Road Closure and Maintenance Agreement for the relinquishment of a portion of US-95. The Official Minute, as shown as Exhibit 350, which is made a part hereof with like effect, authorizes the transfer of a section of former US-95, MP 522.93 to 524.83, to the County.

3) FY07 Forest Highway Program Changes. The Tri-Agency Group, consisting of ITD, the U.S. Forest Service, and the Western Federal Lands Highways Division of the Federal Highway Administration, met in October 2007 to make interim changes to the FY07 Idaho Forest Highway Program. Major changes include the delay of SH-75 (Forest Highway 26), Ketchum-Challis Highway, Warm Springs Realignment from FY09 to FY11; delay Forest Highway 88, Yankee Fork Road from FY10 to FY12; and delay Forest Highway 9, Enaville Thompson Road from FY08 to FY09. The changes were proposed to offset the higher cost of the Salmon River Road project, as the low bid was almost \$4 million more than the engineer's estimate. The Program is shown as Exhibit 351, which is made a part hereof with like effect.

4) Program and District Obligation Graphs and Tables, Monthly Status Reports. As of December 31, \$43.1 million had been obligated, or 11% of the planned amount. The total amount obligated for construction projects was \$29.4 million. Obligation information by program and district and project status reports for 2008 projects were also presented.

5) Contract Award Information. Key #8987 – I-15 and I-86, Wye Bridges, Pocatello/Chubbuck, District 5. Low bidder: Cannon Builders, Inc. - \$353,259.

Key #11002 – Ten Mile Creek Widening, Meridian, District 3. Low bidder: McAlvain Construction, Inc. - \$376,998.

Key #7832 – US-95, Snake River Bridge, Weiser, District 3. Low bidder: Sletten Construction Company - \$10,015,956.

Key #8447 – SH-34, 3rd Street Railroad Bridge, Soda Springs, District 5. Low bidder: Cannon Builders Inc. - \$1,989,330.

Key #9008 – SH-22, Milepost 47 to Milepost 59.6, Clark County, District 6. Low bidder: H-K Contractors, Inc. - \$2,769,332.

Key #8686 – Junction US-30 to Vista Avenue, Fruitland, District 3. Low bidder: WF Construction & Sales, LLC - \$756,675.

Key #9761 – Pennsylvania Avenue and 4th Street, Fruitland, District 3. Low bidder: WF Construction & Sales, LLC - \$330,303.

Key #8991 – US-30 Business, Portneuf River Bridge, Lava Hot Springs, District 5. Low bidder: Idaho Construction Company - \$478,454.

Key #9509 – Intersection Chicago Street and 21st Avenue, Caldwell, District 3. Low bidder: WF Construction & Sales, LLC - \$448,145.

6) Administrative and Legal Settlements of Right-of-Way Acquisitions. From July 1, 2007 through December 31, 2007, the Right-of-Way Section processed 25 parcels. There were 11 administrative settlements and 3 legal settlements during this time frame.

7) Annual Report on Status of State-owned Dwellings. The status of the Department-owned buildings was presented, including information on the monthly rental fee, the fair rental amount, and rental status. The Department owns 11 houses, 3 bunkhouses, an apartment at Johnson Creek Air Strip, and 35 trailer pads that are available to employees. ITD also owns 10 trailer pads and 3 houses at rest area locations around the state.

8) November Financial Statement Analysis. Total federal aid for November was \$60.1 million ahead of projections. Revenue to the Highway Distribution Account of \$15.4 million was \$400,000 short of the revised forecast. Expenditures for personnel were less than budgeted. Operating and Capital Equipment expenditures reflected a 5.25% and 12.8% positive variance, respectively. In contract construction, the federal and state programs were ahead of projections by 50% and 2%, respectively.

Aviation fuel tax revenue for November was 16%, or \$117,466, more than projections. Miscellaneous revenue was 17% below the forecast. Federal aid revenue was \$41,000 below projections. Overall expenditures were less than budgeted.

In the GARVEE Capital Projects Fund, expenditures in the amount of \$42.3 million were made on authorized projects. Utilization of bond proceeds was \$8.5 million less than the cash flow projected through the end of the month. The monthly payment from the GARVEE Debt Service Fund in the amount of \$588,450 was made.

Board Items. Chairman Manning attended a number of meetings and activities recently, mostly related to the legislative session under way. He also participated in a press conference in the Governor's Office yesterday to introduce the new Support our Troops license plate.

Member McClure asked for an update on erecting signs at GARVEE construction sites to inform

motorists that the projects are being funded with GARVEE bonds. Director Lowe responded that a briefing will be given under Old/New Business. (See later minute entry.)

Director's Report. Director Lowe reported that the federal appropriations bill has been approved by Congress. Idaho's obligation limit is \$247 million, which is the level outlined in the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU). A nationwide rescission is being proposed for FY09. Staff is waiting for additional information on that action.

Director Lowe provided a summary of the congestion relief initiative ITD submitted to the U. S. Department of Transportation to address increasing traffic congestion on the high-growth I-84 corridor in the Treasure Valley. Some of the components of the initiative include developing and implementing congestion pricing, constructing and outfitting the Interagency Regional Operations Center facility, constructing additional park and ride facilities, and additional enforcement assets with Idaho State Police. The estimated cost of the initiative over four years is \$208 million. She will keep the Board apprised of the status of this request.

Director Lowe said the National Surface Transportation Policy and Revenue Study Commission, established in SAFETEA-LU, to address funding the nation's transportation infrastructure recommends increasing the federal gasoline tax by 40 cents per gallon over a five-year period. The revenue would fund improvements to the nation's roads and bridges. The report indicates that the fuel tax needs to be a viable funding mechanism through 2025.

An interim report has been released regarding the collapse of an interstate bridge in Minnesota in August 2007, according to Director Lowe. Gusset plates are believed to have contributed to the collapse of the structure. FHWA is working with ITD on gathering data on gusset plates in Idaho's steel truss bridges.

Director Lowe summarized the presentation for the upcoming Joint Finance and Appropriations Committee. The focus will be on the FY09 budget request, revenue, efficiency measures, and the GARVEE Program.

Traveler Information System (CARS 511). Bob Koeberlein, Mobility Services Engineer (MSE), provided an update on the Traveler Information System, also known as "511". This system was launched in November 2005 as an improved method to keep motorists informed of road conditions and related information. Recent changes made to the system include: improvements to the low band-width (dial-up) website such as a larger map, events in geographic order within each route, and future events on the trucking page; new high band-width website using Google maps as a background with pan and zoom capabilities and with faster system updates and improved location reporting; improved 511 phone system using the latest text-to-speech software,

better location reporting, and a trucking menu; AMBER alert banner displayed on both websites and a message played on the phone system when an AMBER alert has been issued; and subscription-based notification service providing information from the 511 system based on the types of events subscribers pick on selected highways and during chosen time periods. This service is currently being offered to public agencies and the media.

Chairman Manning thanked MSE Koeberlein for the presentation and for the continued efforts to improve this important service.

Delay US-91, Yellowstone Avenue; Flandro to Hurley, Key #10566, District 5, to FY10 in the Pavement Preservation Program. District 5 Engineer (DE) Ed Bala requested approval to delay the US-91, Yellowstone Avenue; Flandro to Hurley, project to FY10 of the Pavement Preservation Program. The City of Pocatello is completing development of a local project, Alameda Bike Lanes, key #8126, in the STP-Urban Program. As development has neared completion, the City has determined the project is underfunded by about \$1.2 million. District 5, Bannock Planning Organization, and the City of Pocatello have met to discuss strategies to fund the project. DE Bala recommends delaying the US-91 project to FY10 to fund the City's project now. Funds from the City's FY10 Intersection Alameda and Hawthorne Roads project, key #8127, would be used to fund the US-91 project, as approximately \$1.2 million in savings has been identified from that local project.

Member Blick expressed concern with inflation and asked if increased costs were considered in the action to delay the US-91 project. DE Bala believes the construction costs of the US-91 project are around \$800,000, so there would be inflation increases available, as the programmed amount is \$1.2 million.

Member McClure questioned the actions of the STP-Urban Committee. Manager, Transportation Investments Dave Amick replied that the Urban Committee was not able to identify a funding solution for the City of Pocatello's project. He noted that historically, pavement preservation projects have not been delayed, but he also emphasized the importance of working with local entities.

Member Combo said that Member Neil Miller contacted him in support of DE Bala's request. Member Combo elaborated on the importance of ITD partnering with local entities and maintaining and enhancing those relationships.

Member Combo made a motion, seconded by Member Blick, to approve the following resolution:

RES. NO. WHEREAS, it is in the public interest for the Idaho Transportation Department to accomplish a current,
ITB08-02 realistic, and fiscally constrained Highway Capital Investment

Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal and state capital investment funding; and

WHEREAS, the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) requires that a priority list of projects covering a three-year period be provided in a Statewide Transportation Improvement Program (STIP); and

WHEREAS, it is understood that continued development and construction of improvements are entirely dependent upon the availability of future federal and state capital investment funding in comparison to the scope and costs of needed improvements; and

WHEREAS, the District, Bannock Planning Organization, and City of Pocatello find this solution to be most beneficial for all parties and result in the immediate funding of the Local, Alameda Bike Lanes, key #08126, cost increase of \$1.2 million; and

WHEREAS, the District agrees to delay US-91, Yellowstone Avenue; Flandro to Hurley from FY08 to FY10 to fund the local project increase; and

WHEREAS, the District benefits from the delay since it allows for the intended advancing of an adjacent project on US-91, Yellowstone Avenue, key #11121, to FY10, during the FY09 program update, to reduce overall construction impacts; and

WHEREAS, the locals have identified \$1.2 million in cost savings in FY10 on Local, Intersection Alameda Road and Hawthorne Road, to fund the delay of US-91, Yellowstone Avenue; Flandro to Hurley project.

NOW THEREFORE BE IT RESOLVED, that the Board approves the delay of US-91, Yellowstone Avenue; Flandro to Hurley, Pocatello in the Highway Pavement Preservation Program from FY08 to FY10 to fund the cost increase of a local project; and

BE IT FURTHER RESOLVED, that the Board authorizes staff to make the appropriate changes to the FY08-12 STIP in accordance with the provisions of SAFETEA-LU.

Member Blick mentioned that District 4 has a similar situation with the City of Twin Falls. He

also believes it is important for the Department to work cooperatively with local jurisdictions and trusts the District Engineers' judgment on these recommendations.

Member McClure expressed concern with delaying a pavement preservation project. He believes it is important to obtain the goal of 18% deficient pavement and questioned achieving that goal if these types of projects are delayed to fund local projects.

Director Lowe said that both Districts 5 and 6 have lower pavement deficiency levels than the statewide average. Chief Engineer (CE) Steve Hutchinson added that the Department's goal of 18% is statewide, so adjustments within Districts can be made.

Member McClure is concerned with parochialism if the Board delays a pavement preservation project in a District because its miles of deficient pavement are below the overall goal. Achieving 18% deficient pavement is a statewide goal, not a District goal.

The motion passed 2-1 with Member McClure dissenting.

Professional Services Agreements and Term Agreement Work Task Report. The Consultant Administration Unit processed \$439,120 in new professional service agreements and work tasks from November 21 through December 19, according to CE Hutchinson. The majority of agreements was issued due to the need for special expertise. Two supplemental agreements to existing agreements were processed in the amount of \$12,061 during this time period.

Transportation Business Plan for the Yellowstone – Teton Corridor. In December 2006 the Board approved \$30,000 in Federal Transit Administration (FTA) funds to retain a consultant for the development of a transportation business plan for the Yellowstone – Teton corridor. Randy Kyrias, Public Transportation Administrator (PTA), said the Yellowstone Business Partnership (YBP) was going to administer the funds. The plan was to be a collaborative effort of the states of Idaho, Montana, and Wyoming, to develop and allocate resources to provide improved transportation options, environmental protection, economic development opportunities, safe and secure travel, and greater access to recreation opportunities in the tri-state Teton Area. The \$30,000 was approved concurrently with the submittal of an FHWA grant application to fund the remainder of the proposed project. PTA Kyrias said the FHWA grant was not approved. Additionally, the other two states have elected not to participate in the development of this business plan; however, there is still support to develop a regional plan. The YBP recently secured a commitment for a USDA Rural Development Grant in the amount of \$150,000 for the development of a strategic business plan, including considering a regionally coordinated public transportation system. PTA Kyrias asked the Board to modify the use of the previously-approved \$30,000 FTA funds to use \$25,000 as local match for the USDA Rural Development grant and the remaining \$5,000 to support the administration of the grant.

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

RES. NO. WHEREAS, the Idaho Transportation Department recognizes inevitable growth in the Yellowstone/Teton

ITB08-03 three state region; and

WHEREAS, transportation growth management and land issues are among the top issues of public concern in the 25 county region as shown by numerous attitudinal surveys; and

WHEREAS, on Friday, December 16, 2005, 61 people (working group) from throughout the Yellowstone/Teton region met to explore the past, present, and future of transportation in the Yellowstone/Teton region; and

WHEREAS, ITD participated in a conference call on Wednesday, November 29, 2006 to discuss transportation in the Tetons; and

WHEREAS, the need for a business plan was agreed upon as the next step in the planning process; and

WHEREAS, ITD participated in a meeting with the Yellowstone/Teton three state region working group on Wednesday, November 28, 2007 to develop a new strategy for the development of a business plan since ITD was not awarded the anticipated Federal Transit Administration (FTA) TCSP grant; and

WHEREAS, ITD/Public Transportation has FTA funds available to use as match and administration of a USDA Rural Development Grant to support the development of a business plan; and

WHEREAS, ITD's share is estimated to be \$30,000.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board approves participating in the development of a business plan with the Yellowstone/Teton three state region working group; and

BE IT FURTHER RESOLVED, that staff will report periodically to the Board progress and results for this initiative.

Notification of Non-Attainment Areas for PM2.5. Transportation Planning Administrator (TPA)

Matthew Moore said the Department of Environmental Quality (DEQ) has notified ITD that two areas in the state will eventually be designated by the Environmental Protection Agency as non-attainment for PM2.5, particles with an aerodynamic diameter of 2.5 micrometers or less.

A value greater than 36 in a 24-hour period is above the acceptable limit. To be in non-attainment, the average for three years must be above the level. During testing over the past three years, the average level for Pinehurst in Shoshone County and Franklin in Franklin County were 38 and 63, respectively.

Although both communities have three-year averages that exceeded the level, TPA Moore said the effective date of non-attainment designation will not begin until April 2010. After that date, the state has three years to develop State Implementation Plans for each area. DEQ is applying for Congestion Mitigation/Air Quality (CMAQ) Program funds to assist in the development of these Plans. If either community has a highway expansion project, transportation conformity determinations at both the project and program level will have to be in place before the Statewide Transportation Improvement Program can be approved for that area. When ITD was first made aware of the new PM2.5 standards in 1997, there was concern that up to 15 areas in the state might be designated. At that time, the CMAQ Program began to focus on projects that could reduce PM2.5. That strategy seems to have been successful as only two areas within the state are in non-attainment.

A brief discussion was held on the Department's involvement, as the causes of non-attainment are not ITD-related. Wood smoke and industry caused Pinehurst to be in non-attainment and Franklin County's source is from Utah.

Chairman Manning thanked TPA Moore for the report.

Dedication of Training Room. Director Lowe thanked Member Combo for his extensive service to the Transportation Department. She noted his strong support for employees and human resource issues during his 18-year tenure on the Board. She was pleased to dedicate a training room at the ITD Headquarters' as the "John X. Combo Training Room".

Human Resources Manager Mary Harker also thanked Member Combo for being a strong advocate for employees. She noted that historically, Member Combo has supported employee welfare, including the establishment of the Wellness Committee, increasing compensation, and promoting continuing education.

Member Combo thanked staff for the recognition. He acknowledged the great people at ITD and said he has enjoyed his time on the Board. He thanked the employees for their support.

Chairman Manning acknowledged Member Combo's numerous accomplishments during his tenure on the Board. He thanked Member Combo for his service and for all of his contributions to transportation. He also noted that although Member Combo's term expires January 31, he is to continue serving on the Board until the Governor appoints a replacement.

Legislative Report. Budget, Policy, and Intergovernmental Relations Manager (BPIRM) Julie Pipal said the Department's rules have been approved. All except two of the legislative proposals have been printed to date. She mentioned that the Governor's budget recommendation included removing Idaho State Police from the Highway Distribution Account formula, increasing revenue to the Department's contract construction program, and a directive for ITD to be more efficient.

Chairman Manning thanked BPIRM Pipal for the report.

Addressing Access Idaho Online Program Credit Card Fees and Other Department Credit Card Fees. Administrator, Division of Administration (ADA) Dave Tolman said the Department contracts with Access Idaho to provide online services for several Division of Motor Vehicle programs. ITD has been tasked to reduce and if possible, eliminate credit card fees it pays as part of doing business. The driver license re-instatement program will pass the credit card charges on to the customer along with the Access Idaho online charge in the form of a consolidated "convenience fee". Staff would like to implement the credit card fee on driver license re-instatements and then transition the fee to the remaining online programs over the next six months. As additional online applications are implemented, credit card fees would be charged to the customer in this manner as well. Idaho Code allows the Department to pass the fee on to the customer.

ADA Tolman said staff is also working with vendors to transition credit card fees to customers in other business areas. Credit card processing fees are incurred for over the counter and phone-in transactions, in addition to processing payments that are mailed in. In FY07 the Department paid a total of \$232,300 in credit card charges. Approximately 20%, or \$44,800, of all credit card fees was from Access Idaho online applications.

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

RES. NO. WHEREAS, the Idaho Transportation Department provides online services through Access Idaho
 ITB08-04 for the Division of Motor Vehicle programs and incurs fees to process credit card payments; and

WHEREAS, the Department incurs credit card processing fees when customers pay by credit card for services provided over the counter, by phone, and when payments

are received in the mail.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board approves of Access Idaho charging customers for fees incurred in processing credit card payments; and

BE IT FURTHER RESOLVED, that the Board approves ongoing work with vendors to pass credit card processing fees to customers paying by credit card for services provided over the counter, by phone, and payments received in the mail.

Aeronautics Division and Aeronautics Advisory Board (AAB) Annual Briefing to the Transportation Board. AAB Chairman Rodger Sorensen relayed the AAB members' pleasure to serve the Transportation Department. He provided an update on the efforts to relocate the Friedman Memorial Airport in Hailey. The existing facility cannot comply with Federal Aviation Administration standards. The Environmental Impact Statement is currently being prepared.

Aeronautics Administrator John DeThomas said funding, personnel, and security are the Division's major issues. He reported that the legislative proposal to increase jet and aviation fuel tax has been printed.

Airport Maintenance Manager Mark Young said some of the projects completed this year included dust abatement at the Stanley Airport, installation of showers at Garden Valley, and erecting a shop at Cavanaugh Bay. The courtesy car program continues to be a popular component of the state's airstrip program. The Department continues to rely heavily on volunteers to help maintain airstrips. He expressed appreciation for the valuable service these volunteers provide.

Mike Pape reported that the Flight Operations Program can provide increased passenger productivity when using state planes for some transportation. The Division had zero incidents or accidents in 2007. Safety is the Division's top priority. Goals for this year are to develop a computerized flight administration system and promote increased usage by state organizations.

Safety outreach and education continues to be a big part of the activities, according to Manager Frank Lester. The Division sponsored various seminars, inspection authorization training, the Aviation Career Exploration Academy, and teacher aviation workshops. He was pleased to report that the state's aviation fatalities were at a ten-year low.

Reduced financial assistance was provided through the Idaho Airport Aid Program, Planning and Development Manager Bill Statham said. Assistance was also provided through the airport supplies program, the airport inspection program, obstruction evaluations, and technical

assistance. Federal Aviation Administration grants, totaling \$877,502, funded three airport layout plans, provided airport maintenance funding, and is updating the state airport system plan.

Division Business Manager Connie Lane-Porter reviewed the FY08 budget. A slight increase in revenue is projected; however, the FY09 revenue is expected to be flat while expenditures are anticipated to increase.

Chairman Manning thanked staff for the informative presentation and for their important efforts in the aviation industry.

The Board had an informal luncheon with the AAB. Chairman Manning thanked the AAB members for their service and dedication to the state.

Executive Session on Personnel and Legal Issues, Section 67-2345(1), (b), (d), and (f), Idaho Code. Member McClure made a motion to meet in executive session at 12:50 PM to discuss personnel and legal issues. Member Blick seconded the motion and it passed 3-0 by individual roll call vote.

A general discussion was held on pending or probable litigation related to the US-95, Mica Bay project; the US-95, Sandpoint North and South project; and matters that are exempt from disclosure related to contract negotiations.

A general discussion was held on a personnel matter related to a public office at the Department.

The Board came out of executive session at 2:00 PM. No decisions were made.

Old/New Business. Driver Services Manager (DSM) Ed Pemble provided an update on the federal REAL ID Act, which requires states to adopt minimum federal standards for the issuance of driver licenses and personal identification cards. The final rules have been published; however, staff is still in the process of reviewing and analyzing them. He does not believe Idaho can be in compliance by the deadline of May 11, 2008. ITD has submitted a letter to the U.S. Department of Homeland Security requesting an extension of time to meet the requirements of the Act. DSM Pemble was notified yesterday that the extension has been granted.

Some discussion followed regarding applying for a grant to help fund implementation of the federal act. The consensus of the Board was to have staff work with the Governor's Office and Legislature on a grant request.

GARVEE Staff Engineer (GSE) Amy Schroeder presented samples of signs to inform the traveling public that projects are being funded with GARVEE bonds. Member McClure asked if

staff researched the signs that Oregon is using for its massive bridge program. GSE Schroeder responded that Oregon's signs were not reviewed; however, she can look into those signs. The Board provided comments and suggestions on the proposed signs.

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

RES. NO. WHEREAS, the United States of America, Environmental Protection Agency (EPA) filed a lawsuit
ITB08-05 against the Idaho Transportation Department over the construction of
US-95, Bellgrove to Mica, known as project #NH-CM-5110(119).

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board authorizes Deputy Attorney General Vogt and Director Lowe to proceed with negotiation and resolution of the EPA lawsuit on the US-95, Bellgrove to Mica project.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 2:30 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
February 20, 2008
Boise, Idaho

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

February 20, 2008

The Idaho Transportation Board met at 8:45 AM, on Wednesday, February 20, 2008, at the Idaho Transportation Department in Boise, Idaho. The following principals were present:

Darrell V Manning, Chairman
Bruce Sweeney, Vice Chairman – District 2
Jim Coleman, Member – District 1
Monte C. McClure, Member – District 3
Gary Blick, Member – District 4
Neil Miller, Member – District 5
Lee Gagner, Member – District 6
Pamela Lowe, Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Board Secretary

Chairman Manning welcomed former Representative Lee Gagner to the Board. Chairman Manning thanked Member Gagner for his willingness to serve the state in this capacity.

Election of Vice Chairman. Vice Chairman Sweeney nominated Member McClure to serve as vice chairman of the Board and then recommended the nominations cease. There were no objections. Member McClure was elected vice chairman by unanimous vote.

January 18, 2008 Board Minutes. Member Blick made a motion to approve the minutes of the regular Board meeting held on January 18, 2008 as submitted. Member Miller seconded the motion and it passed unopposed.

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

March 19-20, 2008 – Boise
April 16-17, 2008 – District 2
May 21-22, 2008 – location to be determined

Consent Calendar. Member Sweeney made a motion, seconded by Member Blick, and passed unopposed, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the revisions

ITB08-06 to Board Policy B-27-09, Airport Caretakers; the construction engineering and inspection work task agreement for 2008; the relinquishment of a portion of US-95 Spur to the South Latah Highway District; the relinquishment of a

portion of US-95 Spur to the City of Genesee; and the delay of the West Fork Pine Creek Bridge, Shoshone County, District 1 project to FY09 of the Local Bridge Program; and has received and reviewed the program and district obligation graphs and tables, monthly status report and the contract award information.

- 1) Revisions to Board Policy B-27-09, Airport Caretakers. Minor revisions were made to this policy, which was last signed in 1996. The corresponding administrative policy was clarified to state that caretakers are to report violations to appropriate law enforcement officers rather than the presumed direction to act as peace officers.
- 2) Construction Engineering and Inspection Work Task Agreement for 2008. District 1 planned to do a large portion of the inspection and testing for the I-90, Washington State Line to Sherman Avenue project, key #8918, during the 2008 construction season, but will not be able to due to a lack of resources. HDR Engineering provided staff augmentation for construction inspection and laboratory testing during the 2007 construction season. Staff requested approval to exceed the term agreement limit with HDR Engineering by \$108,000 for construction engineering and inspection on this project.
- 3) Relinquishment of a Portion of US-95 Spur, District 2, to the South Latah Highway District. According to a Road Closure and Maintenance Agreement, a former portion of US-95 Spur, from milepost (MP) 0.00 to MP 0.57 is to be relinquished to the South Latah Highway District upon completion of key #7769. The Official Minute, as shown as Exhibit 352, which is made a part hereof with like effect, authorizes the transfer of this section of former US-95 Spur, MP 0.00 to 0.57, to the South Latah Highway District.
- 4) Relinquishment of a Portion of US-95 Spur, District 2, to the City of Genesee. According to a Road Closure and Maintenance Agreement, a former portion of US-95 Spur, from MP 0.57 to MP 0.781 is to be relinquished to the City of Genesee upon completion of key #7769. The Official Minute, as shown as Exhibit 353, which is made a part hereof with like effect, authorizes the transfer of this section of former US-95 Spur, MP 0.57 to 0.781, to the City of Genesee.
- 5) Delay West Fork Pine Creek Bridge, Key #7216, Shoshone County, District 1, to FY09 of the Local Bridge Program. The West Fork Pine Creek Bridge replacement project is programmed for \$661,000 in FY08 of the Local Bridge Program. Shoshone County has requested that construction be delayed until FY09 due to readiness issues and increased costs. The project can be accommodated in FY09 of the Local Bridge Program with the unprogrammed balance of \$1.1 million within the combined Off-System and Local Bridge Programs.
- 6) Program and District Obligation Graphs and Tables, Monthly Status Reports. As of January 31, \$60.7 million had been obligated, or 16% of the planned amount. The total amount obligated

for construction projects was \$41.6 million. Obligation information by program and district and project status reports for 2008 projects were also presented.

7) Contract Award Information. Key #10208 – District 3 FY08 Region 2 Sealcoats. Low bidder: Snake River Construction, Inc. - \$1,141,566.

Key #10207 – District 3 FY08 Region 3 and 4 Sealcoats. Low bidder: Snake River Construction, Inc. - \$362,073.

Key #9239 – US-20, Junction US-26 to Bonneville County Line, District 6. Low bidder: H-K Contractors, Inc. - \$4,588,255.

Key #9341 – SH-45, Melba Road to Deer Flat Road, Canyon County, District 3. Low bidder: Cannon Builders Inc. - \$2,143,341.

Key #9026 and #9172 – Mullan Avenue, Greensferry to SH-41 and Mullan Avenue Overlay, Post Falls, District 1. Low bidder: Knife River dba Hap Taylor & Sons, Inc. - \$1,880,865.

Key #9727 – US-95, Signal Upgrades, Kootenai County, District 1. Low bidder: WF Construction & Sales, LLC - \$279,832.

Board Items. Chairman Manning said the meetings and activities he has participated in recently have mostly been related to legislative issues, including the budget presentation to the Joint Finance and Appropriations Committee (JFAC) and a presentation to the joint germane committee.

Director's Report. In 2006, via Board resolution, staff was directed to develop a plan to increase mobility on US-95 in the Coeur d'Alene area, including consideration to close medians. The plan was to be presented to the Board not later than July 1, 2008. Director Lowe said that due to a number of turnovers with the personnel involved on this proposal, the District will not be ready before July. Staff believes it will be able to present the plan to the Board in September.

As a follow-up to last month's discussion on erecting signs at GARVEE construction sites to inform the public that the project is being funded with GARVEE bonds, Director Lowe said staff contacted the Oregon Department of Transportation and received information on the signs it uses. Staff has installed signs on the I-84 corridor in the Treasure Valley.

Director Lowe said that she will have to leave the meeting early today to give a budget presentation to the House Transportation and Defense Committee.

Director Lowe reported that the national Highway Trust Fund is expected to have a negative balance in FY09. There has been some discussion to transfer funds from the mass transit account.

Staff is working on updating the Statewide Transportation Improvement Program, according to Director Lowe. Due to fiscal constraints, staff is considering suspending funding in the Congestion Mitigation/Air Quality, Enhancement, Systems Planning, and Board Unallocated Programs. A detailed discussion with the Board is planned in April.

In response to Member Sweeney's concern with adequate funding to maintain the existing roads, Director Lowe stated that if funding for the four Programs is held, there should be sufficient money to maintain the Preservation Program. Member Blick expressed concern with suspending the Board Unallocated Account, as that Program is often used for emergencies.

Delegation – Right Truck for Idaho Coalition. Coalition member Roy Eiguren summarized Idaho's pilot project to allow 129,000 pound trucks on certain routes. Because the Idaho Legislature does not have authority on Interstate routes, the Coalition is seeking authorization from Congress to expand this pilot project on certain Interstate routes.

Coalition member Brian Whipple elaborated on the proposed Interstate routes, which would connect with the state routes. The pilot project would reduce the number of trucks operating on the Interstate. The group has been working with ITD staff on this proposal and wants to ensure the pilot project is acceptable to the Board and Department.

Member Gagner asked what criteria is being used to determine the success of the pilot project. Mr. Eiguren said that safety is a major consideration and is being tracked via accident statistics. Idaho's pilot project requires a legislative report every three years. The first report indicated there is insufficient data to determine the success of the project.

Member Blick asked if federal funding would be available if the Interstate routes are damaged due to the increased weights. Mr. Eiguren said the Coalition discussed that possibility with some members of Congress. Congressman Oberstar, chairman of the House Transportation Committee, supports a funding mechanism of some kind to address damaged routes.

Chairman Manning thanked the delegation for the overview on this federal initiative.

Briefing on a Southern Treasure Valley High Capacity Corridor. As a follow-up to a delegation last fall that referenced discussions it has held with Canyon County officials on a proposed South Treasure Valley Bypass Loop, District 3 Senior Planner (SP) Phil Choate said staff has discussed this issue with the impacted local entities. Because the GARVEE Program includes a potential SH-16 connection in the vicinity of McDermott Road, a new emphasis has been placed on a

McDermott/Kuna-Mora corridor.

SP Choate said that the Community Planning Association of Southwest Idaho (COMPASS) and the involved highway districts are exploring options for the potential jurisdiction of this route. A determination will need to be made on whether the route should be added to the state highway system or should be retained on the local system, as jurisdiction is needed to establish the proper standards for the corridor. Direction will be needed on policy issues, including who should take the lead on right-of-way, environmental issues, and smart-growth issues. Additionally, as Idaho continues to urbanize, a discussion will be needed on state routes in urbanized areas. SP Choate said the next steps are to consider local governments' positions, ITD's participation, a review by the Board's Subcommittee on Adjustments to the State Highway System, planning for future right-of-way, and establishing urban standards.

Katey Levihn, Deputy Director of Planning and Projects, Ada County Highway District (ACHD), said *Communities in Motion*, which ACHD adopted, included McDermott/Kuna-Mora as a major corridor. One study has been completed on this proposal, with three more anticipated followed by establishing the alignment. The preference is for a limited-access highway. She expressed support to work with ITD on urbanization issues, including the function of a state highway versus a local highway. She added that corridor preservation is a critical issue and ACHD would like to work cooperatively with ITD on that concern.

In response to Chairman Manning's question on a recommendation, Ms. Levihn suggested that ITD, ACHD, and Canyon County explore the functionality of state and local highways in urban areas, consider urban design standards, and work cooperatively on funding.

Member Sweeney asked about options to preserve the corridor. Ms. Levihn said some alternatives are local improvement districts, working with developers, and establishing standards such as requiring developers to provide set backs. Member Blick expressed concern with the escalating costs of right-of-way in urban areas. Ms. Levihn concurred. She said that right-of-way expenditures are approximately half of the cost of a construction project for ACHD. The entity is willing to work with ITD to address this concern.

In response to Member Coleman's question on whether consideration was given to alternative financing, such as toll roads, Ms. Levihn said she believes toll roads were considered. She acknowledged the need to consider alternative funding mechanisms, but added that the functionality of the route, a state or local road, may be a factor in the funding equation. Member Miller emphasized that ITD and ACHD have common goals and should work cooperatively.

Charles Trainor, Director of Planning, COMPASS, thanked the Board for its time and ITD staff for its efforts to address a south Treasure Valley corridor. He believes a high capacity east-west

corridor to alleviate traffic on I-84 is needed. It would help the region, and would be especially beneficial with a SH-16 connection to I-84. He also stressed that the local entities need to work with ITD on corridor preservation and access management.

Member Blick believes this may be a short-term solution and that a long-term plan needs to be considered. He asked if extending the bypass around Caldwell was considered. Mr. Trainor believes timing is an issue. That area is already being developed. It is time-consuming to establish a corridor, as specificity is needed to determine access issues, interchanges, set backs, etc. The corridor cannot be preserved until the location is determined.

Wayne Forrey, Director of Planning and Development for Kastera Development, LLC, stressed that the private sector needs to be involved in these discussions. Kastera Development is willing to provide seed money for a federal grant for preservation activities. It wants to help identify mechanisms for corridor preservation.

Chairman Manning thanked the group for its comments on this important proposal.

Increase in Land Values. Right-of-Way Manager (RWM) Jesse Smith said the Right-of-Way Section's initial involvement in a project begins in the identification of proposed alternatives. The right-of-way acquisition process consists of an appraisal, appraisal review, document preparation, negotiations, and property acquisition. RWM Smith said that lead time of a project can influence the cost of the property. If a new route or major improvements to an existing route are being considered, speculators may purchase property. Other cost factors include the urbanization of the state, as land in urban areas is generally more expensive than rural areas, zoning changes, and the public is becoming more informed of the process and expects higher compensation. Per federal regulations, the appraiser is to disregard any increases or decreases in value of the property due to the improvements being made.

RWM Smith said that other states were surveyed to determine if additional measures can be implemented in Idaho to control costs; however, no new information was obtained. An early involvement team to assist the District in reviewing alignment alternatives and identifying right-of-way impacts is one method to help control costs. Other ways are negotiator education, incentive payments, and corridor preservation.

Member Coleman asked if the right-of-way costs are a factor when a project is being developed and if the alignment is adjusted based on right-of-way issues. He said one state solicited proposals from property owners along different alignments to determine which one to construct. RWM Smith said staff contacts property owners early in the design process to determine if there may be problems and considers alternatives if need be.

Some members expressed concern that the federal requirement to disregard any increase in value of the property due to the improvements is not being adhered to.

Chairman Manning thanked RWM Smith for the informative report.

Chairman Manning welcomed Representative Ken Roberts to the meeting.

Annual Safety Rest Areas and Oasis Partnerships Program Report. Highway Operations and Safety Engineer (HOSE) Brent Jennings and staff presented the annual rest area planning map and status report. Recent changes to the Program include a funding level of \$5 million, the addition of the Oasis program, and oversight was changed from a consultant to in-house staff. A team, comprised of Headquarters and District personnel, reviews the Program and makes recommendations. An overview on partnerships and various projects was provided.

Member Sweeney noted that District 2 reduced expenditures on its rest areas projects, but the savings were not retained in the District. He believes there would be greater incentive to reduce costs if the savings were retained within the District. HOSE Jennings said that the team can consider that proposal.

Member Miller asked if consideration is given to make the facilities energy efficient and easy to maintain. Roadside Manager Cathy Ford replied that options to reduce energy costs and address environmental issues are provided to the Districts, which are responsible for the design of rest areas. The desire is to have more energy efficient facilities. Member Sweeney also expressed support to ensure the facilities are cost-effective and encouraged staff to be good stewards of the taxpayers' money while ensuring the rest areas are functional.

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

RES. NO. WHEREAS, Transportation Board Policy B-05-14, Safety Rest Areas, requires the Chief Engineer to
ITB08-07 prepare and submit annually an updated rest area planning map, along with a brief status report, to the Board for review and approval; and

WHEREAS, additional and more improved roadside rest areas are needed on the state highway system to provide motorists convenience and safety; and

WHEREAS, the cost of constructing and operating rest areas is significant while limited funding is available for new rest areas, considering the backlog of highway improvement and maintenance needs; and

WHEREAS, opportunities are arising for joint development and operation of rest areas with other agencies that could reduce the cost impact of new rest areas on highway funding; and

WHEREAS, tourist and traveler information is an integral function of the Idaho Transportation Department rest areas, in particular, those rest areas with staffed or unstaffed visitor information centers.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board approves the updated rest area planning map dated February 2008, and the rest area status report, as shown as Exhibit #354, which is made a part hereof with like effect; and

BE IT FURTHER RESOLVED, that ITD staff should actively pursue practical design and partnering when opportunities allow with other entities in the development and implementation of new rest areas. Proposed partnering projects shall be presented to the Board for consideration; and

BE IT FURTHER RESOLVED, that ITD staff is directed to work with federal, state, and local tourist and economic development agencies to provide information in ITD rest areas, which will complement motorist services, conveniences, and safety.

Update of Board Policy B-05-14, Safety Rest Areas and Oasis Partnerships. Traffic Services Engineer Carl Main presented an updated policy on the Safety Rest Area Program. B-05-14 has been revised to recognize the public/private partnerships known as the Oasis Partnership Program on both Interstate and non-Interstate routes. It also removed language from the Board policy that is included in the corresponding Administrative Policy.

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

RES. NO. WHEREAS, Safety Rest Areas are an integral part of the transportation system; and

ITB08-08

WHEREAS, the Idaho Transportation Department is committed to providing safe, secure, and sanitary rest area facilities at strategic locations on the state highway system; and

WHEREAS, Safety Rest Area projects shall be determined based on statewide needs.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board

approves the revisions to Board Policy B-05-14, Safety Rest Areas, updating the guidelines for the Safety Rest Area Program and establishing guidelines for pursuing public/private partnerships.

Legislative Update. Budget, Policy, and Intergovernmental Relations Manager (BPIRM) Julie Pipal provided an update on legislative activities. The proposal to increase the aviation fuel tax has passed both chambers. A new bill on transportation access plans is being considered. Other than the aviation fuel tax, no revenue proposals have been introduced yet. BPIRM Pipal said JFAC is expected to set the Department's budget on March 4.

Chairman Manning thanked BPIRM Pipal for the update and for her efforts on legislation.

Executive Session on Personnel and Legal Issues, Section 67-2345(1), (b), (d), and (f), Idaho Code. Member Sweeney made a motion to meet in executive session at 11:50 AM to discuss personnel and legal issues. Member Miller seconded the motion and it passed 6-0 by individual roll call vote.

A general discussion was held on matters that are exempt from disclosure related to contract negotiations and pending or probable litigation related to the US-95, Mica Bay project; Coeur d'Alene Lake Drive; and the US-95, Sandpoint North and South project.

A general discussion was held on a personnel matter related to a public office at the Department.

The Board came out of executive session at 1:15 PM. No decisions were made.

Division of Motor Vehicles (DMV) Modernization Project Update. Shannon Barnes, Project Management Office Administrator, said the purpose of the DMV Modernization Project is to improve the quality, reliability, and security of the motor vehicle services provided by ITD. Projects that have been completed include the 8600 replacement, mainframe migration, county equipment upgrade, drivers license testing automation, and online reporting. All were completed on time and within budget. She summarized projects in progress, such as the digital image exchange, the drivers' license reinstatement improvements, and upgrading the county network.

Commercial Vehicle Services Manager Reymundo Rodriguez elaborated on the Idaho Smart Roadside System. This partnership project with Idaho State Police provides cameras coupled with a virtual weigh station that will increase international inspections of commercial vehicles. Automated facilities were installed on SH-1 and US-95 in Boundary County. The cameras capture vehicle specific information that can be viewed in real time via the Internet or stored for roadway data analysis.

Chairman Manning thanked staff for the informative update.

State Institution Road Improvement. Board Policy B-05-15, State Institution Road Improvement, allocates up to \$30,000 annually for road improvements in, through, and around the grounds of state institutions. The Department of Administration, Division of Public Works, solicits projects and acquires the Governor's endorsement of projects prior to submitting the projects to the Board for consideration. HOSE Jennings said the request for FY09 is for \$30,000 to overlay and sealcoat asphalt parking lots and roadways on the North Idaho College campus.

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

RES. NO. WHEREAS, Idaho Code Section 40-310(14) establishes a program for the construction, alteration, repair, and

ITB08-09 maintenance of roadways in, through, and around the grounds of state institutions; and

WHEREAS, the Idaho Transportation Board has authorized an amount up to \$30,000 annually for this program under Board Policy B-05-15; and

WHEREAS, the Department of Administration, Division of Public Works, has received a request from North Idaho College (NIC) in the amount of \$30,000; and

WHEREAS, the project is to overlay and sealcoat asphalt parking lots and roadways on the NIC campus; and

WHEREAS, the Division of Public Works has approved this request and forwarded it to the Governor's Office; and

WHEREAS, the Governor has approved this request in a letter dated December 20, 2007 to the Idaho Transportation Department Director.

NOW THEREFORE BE IT RESOLVED, that the Board authorizes the Department Director to transfer funding to the Division of Public Works for the proposed project; and

BE IT FURTHER RESOLVED, that the Division of Public Works will administer or cause to be administered the Board approved projects including all phases of project development, construction, and final cost accounting.

Professional Services Agreements and Term Agreement Work Task Report. The Consultant

Administration Unit processed \$4,352,815 in new professional service agreements and work tasks from December 20 through February 1, according to Chief Engineer Steve Hutchinson. The majority of agreements was issued due to the need for special expertise. Nine supplemental agreements to existing agreements were processed in the amount of \$1,467,300 during this period.

ITD Greenhouse Gas Emission Reduction Plan. Intermodal Planning Manager (IPM) Pat Raino summarized recent Governor's Executive Orders directing state agencies to reduce green-house gas emissions and to decrease the amount of gasoline and diesel used in state vehicles and to consider purchasing fuel efficient/low emission vehicles. A team was established to review the Department's emissions and prepare recommendations to reduce greenhouse gas emissions. An action plan was submitted to the Department of Environmental Quality earlier this month. The majority of ITD's carbon dioxide equivalent emissions is from vehicles and equipment.

IPM Raino said the team focused on buildings, the vehicle fleet, and employees' commute. It reviewed previous accomplishments to reduce emissions and identified additional measures to undertake. A Director's Memo on energy conservation will be sent to all employees by April 1. Other activities will include collecting data for FY08, conducting yearly employee surveys, and developing additional recommendations to reduce greenhouse gas emissions.

Chairman Manning thanked IPM Raino for the report and for her efforts on this issue.

December Financial Statement Analysis. Controller Gordon Wilmoth said the federal aid for December was \$62.7 million ahead of projections. Revenue to the Highway Distribution Account (HDA) was \$1.2 million ahead of the revised forecast. He noted that the revenue from the HDA has basically been flat for the past several years. He also stated that the indirect cost recovery has been increasing due to the GARVEE projects. Expenditures for personnel were less than budgeted through December. Operating and Capital Equipment expenditures reflected a 5.77% and 19.2% positive variance, respectively. In contract construction, the federal and state programs were ahead of projections by 44% and 6%, respectively.

Controller Wilmoth said that aviation fuel tax revenue through December was 16%, or \$143,473, more than projections. Miscellaneous revenue was 12% below the year-to-date forecast. Federal aid revenue was \$359,000 below projections. Overall expenditures were 16% more than budgeted.

In the GARVEE Capital Projects Fund, Controller Wilmoth said expenditures in the amount of \$49.2 million were made on authorized projects. Utilization of bond proceeds was \$6.3 million less than the cash flow projected through the end of the month. The monthly payment from the GARVEE Debt Service Fund in the amount of \$588,450 was made.

Chairman Manning thanked Controller Wilmoth for the financial overview.

Annual Report on Human Resources. Human Resources Manager (HRM) Mary Harker summarized the Department's newly-delegated authority from the Division of Human Resources. ITD has successfully implemented responsibility for additional personnel actions, recruitment, exams, classification, and compensation.

HRM Harker provided an overview on activities from the past year. A full service recruitment program was developed with an emphasis on marketing and outreach. Internal equal employment opportunity (EEO) outreach efforts were expanded. Six EEO complaints were filed during the year. The top five employment categories that are currently underutilized are white female technicians, white female professionals, Hispanic female technicians, Hispanic males in skilled crafts, and white females in skilled crafts. A compensation specialist was hired and the training and development program was improved and expanded. There were 525 in-service classes provided with 4,708 students attending and 162 out-service classes with 1,128 students participating. Some of the efficiency measures completed included outsourcing the defensive driving training, transferring the safety training videos to the T2 Center, and purchasing pay modeling software.

Chairman Manning commended HRM Harker for assuming the additional responsibilities related to the delegated authority. He thanked her for the annual report.

Wellness Program Annual Report. Wellness Coordinator Pauline Davis said the Wellness Program continues to provide a variety of preventive health care benefits to address employee needs. The volunteer Wellness Coordinators work to educate co-workers about current health issues, provide staff convenient ways to monitor their health, and encourage employees to be proactive when it comes to their physical condition. Some activities conducted last year included an exercise challenge, with a record number of employees exercising; organized run/walk races; diabetes informational presentations; an on-site health screening clinic that evaluated vision, hearing, and blood pressure; and flu shots. In conclusion, Wellness Coordinator Davis thanked the Board for its interest in the Program and continued support.

Chairman Manning thanked Ms. Davis for the report.

Annual Report on EEO Office - External Programs Activity. EEO Manager (EEOM) Karen Sparkman highlighted the external EEO activities from October 1, 2006 through September 30, 2007. The Title VI efforts included training on compliance with Limited English Proficiency requirements; the Disadvantaged Business enterprise (DBE) program disparity study; and compliance reviews. There were three Title VI complaints. Work continued on the transition plan for pedestrian features as part of the Americans with Disabilities Act. ITD also hosted training for

employees on designing and constructing pedestrian accessible features. There were 204 DBE firms, with 19 newly-certified businesses and 23 that lost certification. The EEO contract compliance activities included training, audits to determine compliance, and compliance reviews on contractors and consultants with nine found in non-compliance.

Chairman Manning thanked EEOM Sparkman for the annual report.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 3:05 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
March 19, 2008
Boise, Idaho

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

March 19, 2008

The Idaho Transportation Board met at 8:30 AM, on Wednesday, March 19, 2008, at the Idaho Transportation Department in Boise, Idaho. The following principals were present:

Darrell V Manning, Chairman
Monte C. McClure, Vice Chairman – District 3
Jim Coleman, Member – District 1
Bruce Sweeney, Member – District 2
Gary Blick, Member – District 4
Neil Miller, Member – District 5
Lee Gagner, Member – District 6
Pamela Lowe, Director
Scott Stokes, Deputy Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Board Secretary

February 20, 2008 Board Minutes. Member Miller made a motion to approve the minutes of the regular Board meeting held on February 20, 2008 as submitted. Vice Chairman McClure seconded the motion and it passed unopposed.

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

April 16-17, 2008 – District 2

May 21-22, 2008 – District 4

June 17-19, 2008 – District 3

Consent Calendar. Member Blick made a motion, seconded by Member Gagner, and passed unopposed, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the new

ITB08-10 representative on the T2 Center Advisory Board; the relinquishment of a portion of I-86 Business in American Falls, District 5; and the delay of Custer Street Bridge, Pocatello, District 5 to the FY10 Bridge Program; and has received and reviewed the program and district obligation graphs and tables, monthly status report; the contract award information; the quarterly report on legal actions and contract claims; and the January financial statement.

1) New representative on T2 Center Advisory Board. Kim Reed, Gem County Road and Bridge, has been nominated to serve on the Idaho T2 Center Advisory Board. Mr. Reed would replace

Randy Murray of the Shoshone County Department of Public Works. The T2 Center serves as Idaho's Local Technical Assistance Program. The advisory board includes representatives from ITD, counties, cities, highway districts, and the Federal Highway Administration.

2) Relinquishment of a Portion of I-86 Business in American Falls. According to a Road Closure and Maintenance Agreement, a former portion of I-86 Business, from milepost (MP) 3.569 to MP 4.08, is to be relinquished to the Power County Highway District upon completion of key #8838. The Official Minute, as shown as Exhibit 355, which is made a part hereof with like effect, authorizes the transfer of this section of former I-86 Business, MP 3.569 to 4.08, to the Power County Highway District.

3) Delay Custer Street Bridge, Key #9554, Pocatello, District 5, to FY10 of the Local Bridge Program. The City of Pocatello has requested delaying the Custer Street Bridge rehabilitation project from FY08 to FY10 due to readiness issues and increased costs. The project is currently programmed for \$175,000. The Local Bridge Program can accommodate the project in the FY10 program at a cost of approximately \$365,000.

4) Program and District Obligation Graphs and Tables, Monthly Status Reports. As of February 29, \$84.3 million had been obligated for projects in the Statewide Transportation Improvement Program, or 22% of the planned amount. The total amount obligated for construction projects was \$72.2 million. Obligation information by program and district and project status reports for 2008 projects were also presented.

5) Contract Award Information. Key #11462 – I-84, 1900 East Road Overpass Eastbound Lane and Westbound Lane, District 4. Low bidder: Cannon Builders Inc. – \$71,932.

Key #9768 – US-30, Bliss to Malad River Bridge, Gooding County, District 4. Low bidder: Snake River Construction, Inc. - \$299,905.

Key #9532 – I-84, Junction US-93 to SH-50 Interchange, Jerome County, District 4. Low bidder: H-K Contractors, Inc. - \$1,092,219.

Key #9755 – Latah Trail, Moscow to Troy, Stage 3, District 2. Low bidder: Cannon Builders Inc. - \$425,586.

Key #8799 – 7th Avenue North, Payette, District 3. Low bidder: Hap Taylor & Sons, Inc. - \$1,459,211.

Key #7222 – Bear Lake Outlet Canal Bridge, District 5 was rejected because the bid package had errors related to the presence of utilities and the need to relocate those facilities.

6) Quarterly Report on Legal Actions and Contract Claims. A summary of legal cases resolved by the Legal Section, current legal cases, and contract claims was presented.

7) January Financial Statement Analysis. Total federal aid was \$56.1 million ahead of the year-to-date projections. In January, a refund of over \$3 million was made from the Highway Distribution Account (HDA) to the Shoshone-Bannock Tribe. ITD's share of that was \$1.8 million. HDA year-to-date revenue was \$1.6 million ahead of the revised forecast. Expenditures for personnel were less than budgeted through the month. Operating and Capital Equipment expenditures reflected a 1.62% and 15.8% positive variance, respectively. In contract construction, the federal and state programs were ahead of projections by 36% and less than 1%, respectively.

Federal aid revenue to the State Aeronautics Fund was \$164,000 below year-to-date projections. Aviation fuel tax revenue received through January was 15%, or \$146,329, more than projections. Miscellaneous revenue was 4% above the year-to-date forecast. Overall expenditures were \$225,000 more than budgeted.

In the GARVEE Capital Projects Fund, expenditures in the amount of \$51.5 million were made on authorized projects. Utilization of bond proceeds was \$7.3 million less than the cash flow projected through the end of the month. During January, the \$4.1 million semi-annual payment of the FHWA share of the debt service payment, as well as the monthly state share of the debt service payment was made from the GARVEE Debt Service Fund.

Board Items. Chairman Manning said the majority of meetings and activities he has participated in recently have been related to legislative issues, including Member Gagner's and Aeronautics' Advisory Board (AAB) Member Robert Hoff's Senate confirmation hearings. He also met with a representative from the American Road and Transportation Builders Association to discuss Idaho's transportation system, including funding issues.

Member Coleman said he has had discussions with legislators regarding House Concurrent Resolution 50 requesting a performance evaluation of ITD. He suggested a peer review conducted by personnel from other state departments of transportation. Member Coleman indicated a review may be beneficial, as it may identify additional efficiencies.

Member Coleman expressed concern with the escalating cost of fuel. He knows fuel consumption has declined nationwide. He asked if the Department's revenue is below projections. Director Lowe said staff has information on that issue. The consensus of the Board was to review the data during New Business. (See later minute entry.)

Delegation – Crossroads Point Business Center. Arlen Crouch, representing Crossroads Point Business Center in Jerome, elaborated on development plans along US-93 north of the I-84 interchange. He mentioned the traffic concerns in that area, particularly with truck traffic at the Flying J truck stop on the east side of US-93. Efforts are being made to re-configure the traffic pattern for that facility.

Mr. Crouch said Crossroads Point Business Center is being required to construct turn lanes on the west side of US-93. The Department has plans to widen the highway to four lanes. Mr. Crouch said when the highway is widened, the turn lanes will be obliterated. He encouraged the Board to fund the widening project and suggested that savings from the I-84/US-93 project could be redirected to the widening project.

Member Sweeney asked if Mr. Crouch would dedicate the funds needed to install the turn lanes to ITD's project to widen US-93. Mr. Crouch responded that yes, he would be willing to contribute the turning lane funds to the widening project.

In response to Member Coleman's question on the feasibility of using the Sales Tax Anticipation Revenue (STAR) legislation as a funding mechanism, Director Lowe replied that she believes that may be an option. Mr. Crouch said he has heard about the STAR legislation and indicated a willingness to pursue that funding option.

In response to Member Sweeney's question on the status of the US-93 widening project, District 4 Engineer (DE) Devin Rigby said the environmental document has been completed. Some design work is being done, but due to insufficient funds, the project is not scheduled for construction. The US-93/SH-75 corridor is the District's third priority for funding. The US-93, Twin Falls Alternate Route, Stage 2, and I-84/US-93 Interchange, Stage 2, are higher priorities. In response to Member Blick's question on the status of the right-of-way, DE Rigby said ITD has the required right-of-way for the US-93 widening project abutting the Crossroads Point Business Center.

Chairman Manning thanked Mr. Crouch for his comments.

Safe Routes to School Program. Elaine Clegg, Safe Routes to School (SR2S) Advisory Committee member, presented the list of Safe Routes to School projects recommended for funding in FY09. Projects were solicited and then reviewed and prioritized by the committee. A total of 27 applications were received. The committee recommends funding 19 projects. The amount requested for infrastructure improvements is \$627,000 and the total for education and encouragement projects is \$263,000.

Member Miller encouraged the SR2S Advisory Committee to work with school districts as they

plan new schools. Generally, school districts do not consider transportation issues when construction plans for new schools are developed. Ms. Clegg acknowledged the need to address transportation issues during the planning stage and indicated a willingness to educate school officials on those needs and issues. To address safety issues along major highways, Member Blick encouraged constructing sidewalks separate from the roadway.

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

RES. NO. WHEREAS, the Idaho Transportation Board adopted Board Policy B-11-07, Safe Routes to School

ITB08-11 Program, to establish a Safe Routes to School (SR2S) program for the State of Idaho, under Section 404 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU), P.L. (109-59); and

WHEREAS, the purpose of the SR2S program is to 1) enable and encourage children in grades K-8, including those with disabilities, to walk and bicycle to school, 2) make bicycling and walking to school a safer and more appealing transportation alternative, thereby encouraging a healthy and active lifestyle from an early age, and 3) facilitate the planning, development, and implementation of projects and activities that will improve safety and reduce traffic, fuel consumption, and air pollution in the vicinity of schools; and

WHEREAS, SR2S funding supports two project categories: 1) infrastructure, and 2) non-infrastructure improvements, to directly support increased safety and convenience for children to walk and bike to school; and

WHEREAS, Board Policy B-11-07 required establishment of a SR2S Advisory Committee, comprised of volunteer representatives from state agencies and private organizations, with expertise and knowledge in the fields of education, transportation, law enforcement and health care; and

WHEREAS, the SR2S Advisory Committee adopted the SR2S program guidelines and project criteria under the Secretary of Transportation issued program guidance of January 2006; and

WHEREAS, the Idaho Transportation Department advertised and accepted applications eligible for SR2S funding for infrastructure and non-infrastructure projects through a competitive statewide process; and

WHEREAS, the SR2S Advisory Committee has reviewed and prioritized the list of

projects deemed eligible for SR2S federal-aid funding.

NOW THEREFORE BE IT RESOLVED, that the Board approves SR2S federal-aid funding for the list of prioritized projects recommended by the Safe Routes to School Advisory Committee, as shown as Exhibit 356, which is made a part hereof with like effect; and

BE IT FURTHER RESOLVED, that staff is authorized to include the approved projects in the FY09-11 Statewide Transportation Improvement Program (STIP) in accordance with the provisions of SAFETEA-LU; and

BE IT FURTHER RESOLVED, that the Chief Engineer may delay projects approved under this resolution from FY08 to FY09 of the STIP if appropriate to accommodate reasonable obstacles to project delivery in FY08.

Chairman Manning thanked SR2S Advisory Committee Member Clegg for the report and for her service on this important committee.

Employee Service Awards. The Board participated in the Employee Service Awards. Vice Chairman McClure provided remarks on behalf of the Board.

Legislative Update. Budget, Policy, and Intergovernmental Relations Manager (BPIRM) Julie Pipal provided an update on legislative activities. Both Member Gagner and AAB Member Hoff were confirmed by the Senate. She added that AAB Member Scott Patrick was confirmed earlier in the session. The \$134 million GARVEE authorization proposal has passed the House. The House Transportation and Defense Committee has indicated it will consider several revenue proposals if the House concurrent resolution to conduct an audit on the Department is approved.

Chairman Manning thanked BPIRM Pipal for the update and for her efforts on legislation.

Use of Magnesium Chloride. Mobility Services Engineer (MSE) Bob Koeberlein summarized the Department's use of magnesium chloride. ITD began using this anti-icing treatment in 1988. The treatment procedures have been refined over the years. Currently, monitoring is required if application rates of 20-30 gallons per lane mile are exceeded. The application is to be coordinated with the weather event, using a "just in time" application approach. Also, magnesium chloride should not be applied if the air temperature is above 40 degrees with a relative humidity of 45-50%. Staff polled other states and found that the application rates ranged from 15 to 50 gallons per lane mile; few states have written policies for magnesium chloride applications; and some states have temperature and humidity restrictions.

MSE Koeberlein said that because slippery conditions may be created by applying magnesium chloride to freeway ramps and intersections, staff is considering restricting application of the anti-icing treatment at those locations.

In response to a question on liability, DAG Vogt reported that in general, the establishment of policies and adherence to those policies provides some protection on liability.

DE 1 Damon Allen elaborated on options that District 1 has utilized. A salt/sand brine is being utilized more than magnesium chloride now. This decision was based on economics.

Chairman Manning thanked staff for the informative presentation.

Pavement Engineering Update, Current Practice and Future Efficiencies. State Materials Engineer (SME) Jeff Miles said the Department's major physical asset is its pavement system. He provided an update on pavement types, design, quality systems, improvement program groups, and maintenance treatments. He said emerging technologies include perpetual pavement, quiet pavements, warm mix asphalt, and recycled asphalt pavement. Alternative pavement bidding is one of the efficiency measures being considered.

Chairman Manning thanked SME Miles for the report.

Professional Services Agreements and Term Agreement Work Task Report. The Consultant Administration Unit processed \$734,737 in new professional service agreements and work tasks from February 2 through February 29, according to Chief Engineer Steve Hutchinson. The majority of agreements was issued due to the need for special expertise. Nine supplemental agreements to existing agreements were processed in the amount of \$578,500 during this period.

Executive Session on Personnel and Legal Issues, Section 67-2345(1), (c), (d), and (f), Idaho Code. Vice Chairman McClure made a motion to meet in executive session at 11:50 AM to discuss personnel and legal issues. Member Miller seconded the motion and it passed 6-0 by individual roll call vote.

A discussion was held on pending or probable litigation related to the US-95, Sandpoint North and South project and Coeur d'Alene Lake Drive and legal matters that are exempt from disclosure related to contract negotiations.

A discussion was held on personnel matters related to compensation.

The Board came out of executive session at 1:20 PM. No decisions were made.

Director's Report. Director Lowe distributed a draft document with various information and facts on ITD. The booklet is being published instead of the annual report.

Director Lowe announced that Dennis Clark, the Environmental Manager, is retiring at the end of this month, after 40 years of employment.

Gus Shanine has been named the new assistant division administrator at the Idaho FHWA division office, according to Director Lowe. He is currently with the Georgia Division Office.

Director Lowe reported that the environmental impact statement for the SH-75 corridor, Timmerman to Ketchum, has been approved by FHWA.

The federal Government Accountability Office will conduct a site visit in Idaho to assess the Department's programs. Director Lowe said the review will focus on federal requirements for projects and the extent to which states use other funding sources to avoid those requirements.

Director Lowe said the recent *Horizon Air* magazine included a positive story on Idaho's Scenic Byways.

Director Lowe mentioned that Deputy Director (DDIR) Scott Stokes and Administrator, Division of Administration Dave Tolman were in New York recently for the sale of additional GARVEE bonds. The Idaho Housing and Finance Association was instrumental with that effort and Director Lowe expressed appreciation for its assistance. She added that DDIR Stokes also traveled to Washington, DC to participate in American Association of State Highway and Transportation Officials meetings.

In conclusion, Director Lowe said the Environmental Protection Agency has strengthened the National Ambient Air Quality Standards for ground-level ozone to 0.075 parts per million. Staff is working with the Community Planning Association of Southwest Idaho, FHWA, and the Department of Environmental Quality to develop guidelines for air quality analysis at the plan, project, and program levels. Staff will continue to review the requirements and their impacts.

Program Changes to Deliver US-95, Sandpoint North and South, Key #1729, District 1, in FY08. Senior Transportation Planner Nathan Hesterman requested the removal of three pavement preservation projects and one bridge project from the FY08 STIP to fund delivery of the US-95, Sandpoint, North and South project. The project is a major expansion to widen, realign, and reconstruct a nine-mile section of US-95 in Sandpoint at an estimated total cost of over \$130 million. Development of this project began in 1979 and \$26.3 million has been obligated to date. Additional utility and depot repair work, railroad construction maintenance, archaeology, and right-of-way acquisition by the railroad must be contracted and funded before construction can

begin. Additional funding of \$8.754 million over the current programmed costs is required to fund these activities and the most recent engineer's estimate.

Member Sweeney expressed concern with a \$130 million project for a two-lane road.

Member Coleman made a motion, seconded by Vice Chairman McClure, to approve the following resolution:

RES. NO. WHEREAS, it is in the public's interest for the Idaho Transportation Department to publish and

ITB08-12 accomplish a current, realistic, and fiscally constrained Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal, state and private highway funding; and

WHEREAS, US-95, Sandpoint North and South, key #1729 is a major and highly visible expansion project that has been under development since June of 1979 and has currently reached the milestone of Plans, Specifications, and Estimates; and

WHEREAS, the engineer's estimate and additional development and right-of-way costs for US-95, Sandpoint, North and South are \$8.7 million higher than funds currently programmed; and

WHEREAS, the Department has chosen to utilize the advanced construction provisions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act – a Legacy for Users (SAFETEA-LU) to fund construction of the US-95, Sandpoint, North and South project over multiple years; and

WHEREAS, the District has identified three pavement preservation projects and one bridge project to remove from the Program to offset the increase in the engineer's estimate; and

WHEREAS, the pavement preservation project removals reduce the Department's ability to meet its pavement goal by 5.95 lane miles.

NOW THEREFORE BE IT RESOLVED, that the Board approves the removal of SH-200, Burlington Northern Santa Fe Railroad Bridge, Hope, key #9451, from FY08; US-95, Smith Creek to Sheep Creek, Benewah County, key #9458, from FY08; US-2, Hornby Creek to Lake Street, Bonner County, key #11022, from FY11; and SH-41, Seltice Way North, Post Falls, key #11023, from FY11 of the FY08 Statewide

Transportation Improvement Program.

The motion passed 4-1 with Member Sweeney dissenting. Member Miller was not present for the discussion and vote on this item.

Update of Board Policies, B-13-02, Public Involvement for Location and Design Determinations, and B-20-03, Public Hearings. Public Involvement Coordinator Adam Rush summarized B-13-02 and B-20-03. He elaborated on the public hearing process and introduced the Board-appointed hearing officers. He said the two referenced policies were reviewed because they were last signed in 1996. Both policies are still applicable and the language is current.

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

RES. NO. WHEREAS, Idaho Transportation Board Policy B-13-02, Public Involvement for Location and

ITB08-13 Design Determinations, governs when public involvement will be sought on transportation projects to ensure that project locations and designs are consistent with federal, state, and local goals and objectives; and

WHEREAS, B-13-02 states that location and design determinations shall be made only after full consideration of transportation needs, socioeconomic, and environmental factors and a review of official public hearing testimony for projects where a public hearing was held; and

WHEREAS, B-13-02 states that ample opportunity is provided for public input; and

WHEREAS, Idaho Transportation Department staff in the Roadway Design Section and the Office of Communications reviewed the policy and do not recommend changes.

NOW THEREFORE BE IT RESOLVED, that the Board approves Board Policy B-13-02, Public Involvement for Location and Design Determinations.

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

RES. NO. WHEREAS, Idaho Transportation Board Policy B-20-03, Public Hearings, governs the process of

ITB08-14 ensuring the public is involved in transportation decisions and activities; and

WHEREAS, B-20-03 ensures the Idaho Transportation Department will give the public the opportunity to comment on proposed transportation projects, review proposed alternatives and any new developments; and

WHEREAS, B-20-03 ensures the public shall be afforded early and continuing involvement in the identification of social, economic, and environmental impacts as well as impacts associated with relocation of individuals, groups, or institutions; and

WHEREAS, B-20-03 ensures public hearings shall be held to provide the public with the opportunity to receive information, discuss findings and proposed actions, and offer comments about transportation projects in the following areas: purpose and need for the proposed project; major location/design features or location of new routes; alternate courses of action; social, economic, and environmental affects; modification of the state highway system; and transportation planning; and

WHEREAS, Department staff in the Office of Communications reviewed the policy and does not recommend changes.

NOW THEREFORE BE IT RESOLVED, that the Board approves Board Policy B-20-03, Public Hearings.

Annual Report on Audits. Internal Review Manager (IRM) Carri Rosti and staff presented the annual report on audits. The office conducts independent reviews to assess the effectiveness, compliance, and efficiency of department programs, procedures, and controls. It also reviews records and financial reports for certain third parties contracting and sub-granting with ITD.

Some of the activities completed in 2007 included a review of expense reports, Purchase Card use, and out-of-state travel; a joint review with FHWA on construction contracts; an audit of the Connecting Idaho Partners to ensure it is following the procedures to which it has committed and that adequate controls are in place; a joint review of the Local Highway Technical Assistance Council, focusing on financial and compliance issues; and an audit of a public transportation sub-grantee.

IRM Rosti said some of the focus areas for 2008 are to improve the office's efficiency by using Audit Documentation Software, expand the use of Risk Assessments in Audit Planning, and assure that ITD is meeting its financial management responsibilities in a cost effective manner.

Chairman Manning thanked IRM Rosti and staff for the thorough presentation.

Employee Safety and Risk Management Program. Safety and Risk Management Manager

(SRMM) Cheryl Rost said the Safety and Risk Management team develops and initiates the overall loss control program for ITD. She summarized activities during 2007. Preventing employee injuries and equipment damage was addressed by educating employees in safe work practices, ensuring the provision of adequate protective gear, and communicating regulatory compliance information. Hazardous work sites and practices were identified through a scheduled inspection program and hazard controls were developed. The public filed 224 new tort claims in FY07, which is considerably lower than the average number of 400 per fiscal year. There were a total of 110 industrial injuries or illnesses, resulting in 542 lost work days. The five-year average of incidents is 109. A total of 131 vehicular collisions were reported in FY07, while the five-year average is 133.

SRMM Rost said future plans include implementing the revised standardized equipment lighting statewide and assessing its impact; implementing procedures to test innovative ideas in controlled settings; and promoting security and emergency preparedness statewide, both at work and home.

Chairman Manning thanked SRMM Rost for the annual report.

Video – Rebuilding of MacArthur Maze. DDIR Stokes showed a video depicting the rebuilding of a portion of a freeway in California after part of the structure collapsed during a fiery collision. The project was a major undertaking but was completed in a timely manner due to partnerships and innovations. DDIR Stokes said ITD had a similar success story last fall when the I-84 Broadway Bridge was hit in Boise. The Division of Highways' staff was able to repair that structure and re-open the route to traffic in an expedient manner.

Old/New Business. Economics and Research Manager Doug Benzon distributed historical information on fuel consumption in Idaho. The Department's revenue from both gasoline and diesel fuel taxes has been declining the past several months.

Earlier, Member Blick asked staff to consider assisting the Filer and Twin Falls Highway Districts with improvements to 2400 East and Pole Line Road, respectively. The issue of who would pay for the maintenance or repair of those routes prior to the construction of the Twin Falls Alternate Route was raised several years ago. This was due to the additional traffic that was expected to be added to the local routes upon completion of Stage 1 of the US-93, Twin Falls Alternate Route project. Funding for Stage 2 of the Alternate Route project has not been secured. Member Blick proposed providing state funds to the highway districts for improvements. The funds would be converted from a federal overlay project that will be delayed.

DE 4 Rigby clarified that if Stage 2 of the alternate route is funded, state funds would not be necessary to assist the local jurisdictions. Improvements to the local roads would be included in the US-93 project.

In response to Chairman Manning's question on the urgency of this issue, DE Rigby replied that the highway districts are planning to complete the work with local forces. Due to scheduling concerns, the highway districts would like to know the Board's decision soon so they can adjust their work schedules accordingly.

Member Gagner asked about the condition of the ITD route that would not be funded at this time. DE Rigby stated that the highway is in poor condition and improvements are needed.

Member Blick made a motion to approve payments in the amount of \$306,981 and \$430,000 to the Twin Falls Highway District and Filer Highway District, respectively to improve Pole Line Road and 2400 East due to impacts of the US-93, Twin Falls Alternate Route project. The payments are to be contingent on DAG Vogt's review and concurrence on the procedures. Member Coleman seconded the motion.

Although Vice Chairman McClure concurs with the Department's responsibility to assist the local entities, he expressed concern with taking funds from a needed overlay project.

The motion passed 4-2 with Vice Chairman McClure and Member Gagner dissenting.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 3:20 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
April 17, 2008
Lewiston, Idaho

SPECIAL MEETING OF THE IDAHO TRANSPORTATION BOARD

April 4, 2008

Idaho Transportation Board Chairman Manning called a special meeting of the Idaho Transportation Board at 1 PM on Friday, April 4, 2008. The following were present at the Idaho Transportation Department in Boise, Idaho:

Darrell V Manning, Chairman
Scott Stokes, Deputy Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Board Secretary

The following participated in the meeting via teleconference or video conference:

Monte C. McClure, Vice Chairman – District 3
Jim Coleman, Member – District 1
Bruce Sweeney, Member – District 2
Gary Blick, Member – District 4
Neil Miller, Member – District 5
Lee Gagner Member, - District 6

Executive Session, Section 67-2345(f), Idaho Code. Member Coleman made a motion to meet in executive session at 1 PM to discuss legal issues. Vice Chairman McClure seconded the motion and it passed 6-0 by individual roll call vote.

A discussion was held on pending litigation related to the recent District Court opinion in *Keenan vs. State of Idaho* and its potential impacts to the operation of the state highway system.

The Board came out of executive session at 1:30 PM. No decisions were made.

Member Sweeney made a motion to appeal to the Idaho Supreme Court the District Court decision in *Keenan vs. State of Idaho*. Member Blick seconded the motion and it passed unanimously.

WHEREUPON the special session of the Transportation Board adjourned at 1:35 PM.

signed _____

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
April 17, 2008
Lewiston, Idaho

REGULAR MEETING AND DISTRICT TWO TOUR
OF THE IDAHO TRANSPORTATION BOARD

April 16-17, 2008

The Idaho Transportation Board met at 8:15 AM, on Wednesday, April 16, 2008, in Lewiston, Idaho. The following principals were present:

Darrell V Manning, Chairman
Monte C. McClure, Vice Chairman– District 3
Bruce Sweeney, Member – District 2
Jim Coleman, Member – District 1
Gary Blick, Member – District 4
Neil Miller, Member – District 5
Lee Gagner, Member – District 6
Pamela Lowe, Director
Scott Stokes, Deputy Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Secretary

District 2 Tour. City of Lewiston/Nez Perce County Regional Airport Manager Robin Turner thanked the Board for visiting the airport. He summarized the activities at the facility. An industrial park is being developed at the south end. It will provide new economic development opportunities for the region. A number of partners are involved in this effort and construction is anticipated to start next year. Manager Turner encouraged the Board to support airport land use planning legislation to ensure adequate protection from non-compatible encroachment.

The Board traveled to the Port of Lewiston. Manager Dave Doeringsfeld said the Port's focus is economic development, international trade, and intermodal transportation. Container traffic has increased at the facility and capacity is a concern. Manager Doeringsfeld elaborated on plans to expand the dock. He is working with Idaho's Congressional Delegation on securing funding. He also thanked the Board for improvements that have been made to US-95.

The tour continued north on US-95 to Potlatch. After lunch with maintenance employees, Potlatch Mayor David Brown summarized the curb and gutter project planned on SH-6. He requested the addition of sidewalks as part of that project. Senior Environmental Planner Zachary Funkhouser explained the procedures for storm water monitoring during construction. He also provided an update on the Draft Environmental Impact Statement (DEIS) for the US-95, Thorncreek to Moscow project. The Federal Highway Administration submitted its comments on the EIS and staff is in the process of making revisions. Revisions to the document are expected to be complete in approximately six weeks.

The Board traveled US-95 south to Moscow.

University of Idaho (U of I) Assistant Vice President Brian Johnson welcomed the Board to the U of I campus. Raymond Pankopf, Director, Architectural and Engineering Services, explained the proposal to extend Stadium Drive to align with Peterson Street on SH-8. The existing campus entrance from SH-8 would be closed. The new signalized entrance would improve pedestrian safety and facilitate better traffic flow on campus. Mr. Pankopf said the project is a partnership with the City of Moscow, ITD, and the U of I. Construction is anticipated to begin next summer.

The Board traveled to Moscow City Hall where Mayor Nancy Chaney welcomed the group to Moscow. She emphasized the need to work collaboratively on transportation issues and expressed appreciation for the assistance District Engineer (DE) Jim Carpenter has provided. Public Works Director Les MacDonald summarized current projects. He also mentioned several projects that have been funded through the federal Enhancement Program. He emphasized the importance of that program and encouraged the Board to continue funding both the Enhancement and Congestion Mitigation/Air Quality (CMAQ) Programs. He also expressed appreciation for the Safe Routes to School Program.

Mayor Chaney added that the city's desire is to provide a walkable community. It would like to connect sidewalks and provide alternative means of transportation. Valley Transit Executive Director Tom LaPointe provided an update on the area's public transit services and mentioned that ridership has been increasing.

The tour continued south on US-95. At the roving port of entry (POE) site north of Lewiston, staff provided a briefing on the activities of the roving port. ITD works in partnership with Idaho State Police. POE Inspector Henry Daniels thanked DE Carpenter for establishing the new northbound roving site, which opened today.

The Board returned to Lewiston via US-95.

WHEREUPON the tour and meeting recessed at 4:05 PM.

April 17, 2008

The Board reconvened at 8:30 AM on Thursday, April 17, 2008, at the Idaho Transportation Department District 2 Office in Lewiston, Idaho. All members were present.

Board Minutes. Member Gagner made a motion to approve the minutes of the regular Board

meeting held on March 19, 2008 and the minutes of the special Board meeting held on April 4, 2008 as submitted. Member Miller seconded the motion and it passed unanimously.

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

May 21-22, 2008 – District 4

June 17-19, 2008 – District 3

July 16-17, 2008 – District 1

Consent Calendar. Member Blick made a motion, seconded by Member Sweeney, and passed unanimously, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board ITB08-15 approves the FY08 federal Scenic Byway discretionary funding request; revisions to Board Policy B-03-01, Acquisition and Disposal of Real Properties and their Improvements; revisions to Board Policy B-38-01, Coordination with Idaho Traffic Safety Commission; and increase in design work under existing work task agreement; and has received and reviewed the contract award information; the program and district obligation graphs and tables, monthly status report; and the February financial statement.

1) FY08 Federal Scenic Byway Discretionary Funding Request. Funding is available on a nationally competitive basis for routes that have been designated as a state scenic, historic, or back country byway and All American Roads and National Scenic Byways. The Scenic Byways Advisory Committee submitted a list of prioritized projects for the Board's consideration. A match of 20% is required. Upon approval, the request will be transmitted to the Federal Highway Administration. The projects, with the federal amount being requested, include:

- statewide scenic byway interpretive signage - \$540,000
- regional marketing for six north Idaho byways - \$125,000
- corridor management plan implementation: International Selkirk Loop - \$116,000
- corridor management plan implementation: Western Heritage Historic Byway – \$30,000.

2) Board Policy B-03-01, Acquisition and Disposal of Real Properties and their Improvements. Because this policy was last signed in 1997, staff reviewed it to ensure it is still applicable and current. Revisions were made to the administrative settlement language to reflect current procedures and the Code of Federal Regulations reference.

3) Board Policy B-38-01, Coordination with Idaho Traffic Safety Commission. Board Policy B-38-01 was last updated in November 1997. Revisions were made to the language regarding reporting of activities.

4) Increase in Design Work Under Existing Work Task Agreement. The SH-21, Mores Creek

Bridge, key #8669, Ada County, District 3, project is in the Bridge Program for rehabilitative construction in FY10. The estimated construction cost is \$4,390,000. In 2005, HDR Engineering Inc. was contracted to perform the rehabilitative roadway and bridge design. Improvements and additional work that were not included in the original scope of work have been identified. Staff requested approval to exceed the term agreement limit with HDR Engineering, Inc. by \$104,500 for the SH-21, Mores Creek Bridge project. Use of a different consultant engineering firm would not be beneficial to the project, delaying the development schedule and the construction schedule. There are sufficient funds for the additional work.

5) Contract Awards. Key #11006 – I-84, Garrity Interchange to Meridian Interchange Traffic Control, District 3. Low bidder: Specialty Construction Supply - \$5,066,081.

Key #9236 – US-93, Double Springs Road, South, Custer County, District 6. Low bidder: H-K Contractors, Inc. - \$1,496,263.

Key #9005 – US-20, Rigby, North and South, District 6. Low bidder: H-K Contractors, Inc. - \$7,669,770.

Key #9816 – I-84, Cole Road to Broadway Avenue Westbound, District 3. Low bidder: RSCI - \$9,534,742.

Key #10533 – I-84, Leveling Course, Cleft to Sebree, District 3. Low bidder: Central Paving Company, Inc. - \$1,899,487.

The low bid on key #10589 – SH-48/US-26 Business, Rigby-Ririe, District 6, was more than ten percent over the engineer's estimate, requiring justification. The difference between the engineer's estimate and low bid are in CRS-2R Emul Asph for Seal Coat, Cover Coat Material C1 A, and Cover Coat Material C1 B. Staff believes that inflation in fuel and asphalt, compounded by bidding the project late in the fiscal year, resulted in bids exceeding the engineer's estimate. Given the trend of higher fuel and asphalt prices, it is unlikely that lower bids would be received if the project is re-advertised. The District has identified funds that can be used to fund the additional costs and recommends awarding the project. Low bidder: H-K Contractors, Inc. - \$633,123.

The low bid on key #11461- I-84, Crestview Road Overpass Westbound Lane, District 4, was more than ten percent over the engineer's estimate, requiring justification. The project is to repair damage caused by an overheight load. The overall bridge prices are comparable between the engineer's estimate and the low bid. The roadway items are also within reason except for the S612-15A Portable Concrete Guardrail. It appears this item was bid higher because it is labor intensive and due to the high traffic speeds and large number of trucks on the route. Staff would

like to complete the work as soon as practical because one lane of I-84 is currently closed. The funds should be recovered from a claim against the private individuals' insurance carrier. Staff recommends accepting the bid. Low bidder: Cannon Builders Inc. - \$112,732.

Keys #9347 and #9435 – US-95, Parma Business District and 4th Street to Roswell Boulevard Sidewalk, District 3. Low bidder: Hap Taylor & Sons, Inc. - \$746,810.

The low bid on key #7783 – Joseph Street Bridge, Moscow, District 2, was more than ten percent over the engineer's estimate, requiring justification. In reviewing the bid, it appears that the Compacting Backfill, Aggregate Base, Plant Mix Pavement, Concrete Class 40-B, and Arch Pipe items varied from the engineer's estimate. All three bids were in close range. The Local Highway Technical Assistance Council (LHTAC) does not believe it would be advantageous to reject the bids and re-advertise the project. Also, the project sponsor, the City of Moscow, prefers awarding the project to the low bidder. It will pay the local match of an additional obligation authority. LHTAC proposed to transfer \$258,000 from key #6282 to this project, and recommends accepting the low bid. Low bidder: M.L. Albright & Sons Inc. - \$708,478.

6) Program and District Obligation Graphs and Tables, Monthly Status Reports. As of March 31, \$99.2 million had been obligated for highway projects in the Statewide Transportation Improvement Program, or 26% of the planned amount. The total amount obligated for construction projects was \$82.9 million. Obligation information by program and district and project status reports for 2008 projects were also presented.

7) February Financial Statement Analysis. Total federal aid was \$54.8 million ahead of the year-to-date projections. Highway Distribution Account year-to-date revenue was \$1.6 million ahead of the revised forecast. Expenditures for personnel were less than budgeted through the month. Operating expenditures reflected a .9% negative variance. The Operating Expenditures budget will be hard pressed this year because of the need to replenish the highway materials used during the high maintenance winter. In contract construction, the federal and state programs were ahead of projections by 35% and 4%, respectively.

Federal aid revenue to the State Aeronautics Fund was \$169,000 below year-to-date projections. Aviation fuel tax revenue received through February was 14%, or \$157,978, more than projections. Miscellaneous revenue was 4% below the year-to-date forecast. Overall expenditures were 20%, or \$261,000, more than budgeted.

In the GARVEE Capital Projects Fund, expenditures in the amount of \$58.4 million were made on authorized projects. Utilization of bond proceeds was \$5.7 million less than the cash flow projected through the end of the month. During February, the \$589,296 monthly payment of the state share of the debt service payment was made from the GARVEE Debt Service Fund.

Board Items. Chairman Manning said the legislature authorized a performance evaluation of the Department. Progress reports will be provided periodically, with the first one due in December 2008. He also met with the Governor's Office to discuss a strategy to secure additional transportation revenue.

Member Coleman reported on a meeting with INSIDE Idaho. INSIDE Idaho, under the auspices of the U of I, is developing a Geographic Information System roadway inventory. He encouraged staff to consider working cooperatively with INSIDE Idaho on this project and possibly assuming responsibility for the roadway data.

At a recent meeting with local officials, Member Blick mentioned the Department's use of magnesium chloride and that some Districts are using this de-icer less. Some officials were concerned that they would not be able to continue using magnesium chloride if ITD discontinues using it. Magnesium chloride is often used for dust abatement in summer. Member Blick said he told the officials that ITD's use of the substance would have no impact on the locals' operations.

Director's Report. Director Lowe said two GARVEE projects are being advertised, one on US-95 and one on I-84.

U.S. Senator John McCain proposed suspending the federal fuel tax between Memorial Day and Labor Day to provide relief to motorists. Director Lowe said the impact of that suspension would be approximately \$52 million to Idaho.

Director Lowe reported that staff is working with the Governor's Office and Senator Crapo's staff on a transportation summit. The intent of the event, tentatively to be held in August, is to focus on reauthorization at the federal level and to highlight funding issues.

Director Lowe said she and some other key staff members plan to visit each District and every Division and Section at Headquarters in the next several months.

In conclusion, Director Lowe reported that Chief Engineer (CE) Steve Hutchinson has announced his retirement. His last day in the office will be June 27. She expressed appreciation for his service and added that his expertise will be missed.

Adopt-A-Highway. Member Sweeney thanked John Allen and Cooper Thomas for their participation in the Adopt-A-Highway Program. He expressed appreciation for their valuable service to the state. The two neighbors have been picking up trash along US-12 since 2006.

Revisions to Board Policy B-09-04, Corridor Planning for Idaho Transportation Systems. Senior

Transportation Planner Ron Kerr said this policy was last approved in 1998. The Idaho Corridor Planning Guidebook has been updated several times to reflect better methods of conducting long-range planning for state highway system corridors. B-09-04 and the corresponding administrative policy, A-09-04, Corridor Planning for Idaho Transportation Systems, have been revised to reflect current best practices for conducting corridor planning and implementing the recommendations from the plans.

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

RES. NO. WHEREAS, Board Policy B-09-04, Corridor Planning for Idaho Transportation Systems,

ITB08-16 established the procedures for corridor planning in February 1998; and

WHEREAS, corridor planning provides for the protection of transportation investments, the promotion of a shared state and local vision, the early identification of transportation issues and problems, the resolution of major planning issues prior to project development, and the application of the most economic and efficient solutions; and

WHEREAS, corridor plans provide a basis for updating the Statewide Transportation Improvement Program and longer-term planning documents such as the Horizons in Transportation Program, the state long-range transportation plan, and district transportation plans; and

WHEREAS, the Secretary to the Board has directed staff to review and update this policy to accommodate needed modifications.

NOW THEREFORE BE IT RESOLVED, that revised Board Policy B-09-04, Corridor Planning for Idaho Transportation Systems, is approved as revised.

Capital Investment Program Levels for the Fiscal Years 2009 – 2013 Draft Statewide Transportation Improvement Program (STIP). Manager, Transportation Investments (MTI), Dave Amick requested guidance to develop the draft (STIP). Senior Budget Analyst Joel Drake provided an overview on the Department's anticipated funds and summarized the projected allocation of those funds. By FY13, staff believes there will be no state funds available for construction projects and insufficient state funds to match all of the available federal dollars.

MTI Amick reviewed the funding level requested by each Program Team to meet the objectives of each individual program. Due to a projected revenue shortfall, not all of the programs can be funded at levels that they have historically been funded. Additionally, funds to replenish

stockpiles have not been identified yet.

Preserving the existing highway system is the Department's top priority. Planning Services Manager Gary Sanderson said the basic strategy is to repair 600 lane miles per year. The plan includes preserving 500 lane miles at an estimated cost of \$85 million and restoring 100 lane miles at a cost of \$50 million. Member Sweeney commented that some routes are not good candidates for an overlay due to the narrowness of the road or substandard condition of the route. He does not believe those roads should be included in the pavement preservation goal of 18% deficient pavement.

MTI Amick outlined several options to address the funding shortfall. Staff recommends Option A, which minimizes disruption to existing projects in the STIP. It suspends solicitation for new CMAQ, Enhancement, and State Board Unallocated projects in FY11-13; removes existing System Planning projects in FY10-12 and suspends solicitation for projects in FY13; and increases the Pavement and Bridge Preservation and Restoration Program to the funding that is available after the previous adjustments are made, or approximately \$136.7 million. The Pavement Team, however, requested \$166.6 million for this program. MTI Amick also mentioned that the Department has received numerous letters of support for continued funding of the Enhancement and to a lesser extent, CMAQ Programs.

Member Coleman suggested reducing the Rest Area Program. Member Blick expressed concern with impacting the Rest Area Program, although he concurred that a short-term reduction to that program may be acceptable. He also discouraged eliminating the Board Unallocated Account, because that program has been used to fund emergencies recently. Vice Chairman McClure also expressed concern with eliminating the Board Unallocated Account. Although he supports Option A, he asked staff to consider establishing a fund for emergencies. He also believes it is important to discuss long-term plans. Staff is seeking guidance for the current STIP update, but if additional revenue is not secured, the Board will need to discuss its highest priorities for funding and determine what additional programs may need to be reduced.

Vice Chairman McClure made a motion, seconded by Member Miller, to approve the following resolution:

RES. NO. WHEREAS, it is in the public's interest for the Idaho Transportation Department to publish and

ITB08-17 accomplish a current, realistic, and fiscally constrained Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal, state, and private highway funding; and

WHEREAS, the Department's goal is to maintain 82% of State Highway System pavements in good or fair condition; and

WHEREAS, the Pavement Team estimates that \$85 million annually of pavement preservation and \$50 million annually of pavement restoration activities are required to meet and maintain this goal; and

WHEREAS, projected federal revenues for capital investments in FY09 to FY13 are flat; and

WHEREAS, projected state funding for capital investments are declining; and

WHEREAS, program levels already fully utilize all projected revenue; and

WHEREAS, the Expansion Program contains commitments for federal obligation of GARVEE debt service, for federal advanced construction payback for projects underway, and for Practical Design projects with efficiencies optimizing funding for roadways; and

WHEREAS, the Board has appreciated the numerous comments from the public in support of continued funding for long supported federal programs such as the Surface Transportation Program – Enhancements and Congestion Mitigation and Air Quality Programs; and

WHEREAS, the Board will continue to re-evaluate funding options as new funding information becomes available; and

WHEREAS, the program levels presented in the April 2008 Board meeting as Option A minimize delays to existing projects and programs in the STIP, while continuing the Department's funding for core programs preserving the State Highway System.

NOW THEREFORE BE IT RESOLVED, that the Board selects the program levels presented in the April 2008 Board meeting as Option A, as shown as Exhibit 357, which is made a part hereof with like effect, for programming projects in developing the Draft FY09-13 Statewide Transportation Improvement Program to be reviewed again by the Board in June 2008 and published for public review and comment in July 2008.

Member Miller expressed support to continue funding the Local Program. He believes maintaining a good relationship with local officials is important. Member Sweeney said future

discussions should include reducing the GARVEE Program. With reauthorization of the federal transportation bill coming up, ITD's federal funding is unknown. Reauthorization may impact decisions on the GARVEE Program. He believes all Programs should be considered for funding cuts. Member Blick concurred, but added that he is committed to the GARVEE projects that have been authorized to date.

The motion passed 4-2 with Members Blick and Sweeney dissenting.

Draft Strategic Focus Area Plans. DDIR Stokes summarized the Strategic Planning Team's efforts to develop a new mission, vision, and strategic plan for the Department. As a result, four teams were established to address focus areas: investing in our people; expanding and enhancing partnerships; leading through agency performance; and improving our customer service culture. The teams were directed to establish recommendations to address both short-term and longer-term issues.

Investing in Our People team leader Mary Harker, Human Resources Manager, summarized the action plans for the three identified themes: establish, implement and sustain a set of organizational and cultural values that define ITD; be an employer of choice; and create and maintain a positive work environment where people thrive.

CE Hutchinson, Expanding and Enhancing Partnerships team leader, said the team's purpose is to develop an action plan to further ITD's use of partnerships, both internal and external, to provide an efficient, safe, and cost effective multi-modal transportation system. He elaborated on the action plans for the themes to establish a partnership culture and policies; identify and validate existing partnerships; and identify and establish future partnerships.

The Leading through Agency Performance team will recommend a process to develop a performance management model with suggested measurements, according to team leader Dave Tolman, Administrator, Division of Administration. The action plan has a department-wide focus. The themes are: identify, evaluate, and define successful agency performance management; identify and describe appropriate models; develop an implementation plan; and establish a performance management office.

Alan Frew, team leader for Improving Our Customer Service Culture, said the team established a philosophy of: the Idaho Transportation Department is dedicated to meeting or exceeding the expectations of external and internal customers in an efficient, courteous and knowledgeable manner. The themes are: assess customer satisfaction with current products and service delivery and determine necessary improvements; and develop an ITD customer service change management and implementation plan.

Chairman Manning thanked staff for the update on this important project. The Board expressed support for the themes and direction of the teams.

Transportation Development Agreement Process. Sonna Lynn Fernandez, Senior Transportation Planner (STP), summarized efforts to implement Transportation Development Agreements (TDAs). The agreements are between the Department, land use agencies, metropolitan planning organizations, highway districts, and developers. The purpose of TDAs is to encourage intergovernmental coordination, provide an additional finance tool for transportation improvement projects needed to meet the demand for access, and mitigate traffic-related impacts caused by development. Voluntary fees collected from developers/landowners will be used to finance the transportation improvement projects related to the development. The Department and developer will plan and study the impacts of the proposed development and incorporate needed additions, if any, to the state highway system. STP Fernandez said the TDAs are a result of requests by local governmental agencies and developers to focus on public-private partnerships to fund needed transportation systems related to development.

The Board expressed support for transportation development agreements and thanked STP Fernandez for her efforts.

Executive Session on Legal and Personnel Issues, Section 67-2345(b), (d), and (f), Idaho Code. Member Blick made a motion to meet in executive session at 12:05 PM to discuss legal and personnel issues. Member Miller seconded the motion and it passed 6-0 by individual roll call vote.

A discussion was held on legal matters related to potential impacts to the operation of the state highway system; the US-95, Sandpoint North and South project; and matters exempt from public disclosure related to contract negotiations.

A discussion was held on personnel issues related to public officers.

The Board came out of executive session at 1:30 PM. No final actions or decisions were made.

Design Approval for the I-84, Ten Mile Interchange, Key #9815, District 3. Project Manager Sue Sullivan said six interchange design options and various realignments of impacted local roads have been evaluated for a new interchange to be constructed at Ten Mile Road on I-84 in Meridian. The public hearing in December 2007 was attended by 121 people. No significant public controversy was noted and no significant changes to the project were made as a result of public testimony. A Single Point Urban Interchange for Ten Mile is recommended. Construction on the interchange is expected to begin in June 2009. The total cost of the project, which is in the GARVEE Program, is estimated at \$73 million.

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

RES. NO. WHEREAS, western Ada County is an area of high growth; and
ITB08-18

WHEREAS, a lack of local road connectivity to I-84 exists in western Ada County;
and

WHEREAS, a new interchange will relieve congestion at the existing adjacent
interchanges; and

WHEREAS, a new interchange is consistent with the I-84 Corridor Plan; and

WHEREAS, a new interchange is consistent with the Metropolitan Planning
Organization Regional Long Range Plan; and

WHEREAS, a new interchange is compatible with the City of Meridian Ten Mile
Specific Area Plan; and

WHEREAS, the Idaho Transportation Board has scheduled the development of a new
interchange on Interstate 84 at Ten Mile Road; and

WHEREAS, the Idaho Transportation Department has conducted public meetings
and a public hearing in conformance with the National Environmental Protection Act,
providing information to the public and receiving comments from the public; and

WHEREAS, construction of an interchange at Ten Mile Road is consistent with the
outcome of the public hearing; and

WHEREAS, the Board has reviewed the hearing testimony from the December 4,
2007 hearing.

NOW THEREFORE BE IT RESOLVED, that the Board approves alternative S3 for
the Ten Mile Road Interchange, a single point urban interchange with a Ten Mile
Road alignment shifted to the west; and

BE IT FURTHER RESOLVED, that District 3 is granted design approval and
authorization to complete final design for the project.

reported that \$769,192 in new professional service agreements and work tasks were processed from March 1 through March 23. The agreements were issued due to the need for special expertise. Four supplemental agreements to existing agreements were processed in the amount of \$141,000 during this period.

Idaho's Mobility and Access Pathway. Public Transportation Administrator (PTA) Randy Kyrias said staff initiated a process to evaluate the status and desired future of public transportation in Idaho. The intent was to produce a vision for a meaningful and viable public transportation environment based on Idahoans' actual needs and circumstances. More than 600 stakeholders were involved. This effort resulted in the development of Idaho's Mobility and Access Pathway (IMAP). It defines the vision for mobility and describes a new paradigm for mobility services based on a premise called mobility management where the emphasis is placed on how best to move people instead of focusing on a particular mode of transportation.

PTA Kyrias said some of the notable aspects of IMAP are the approach fully supports and complements the direction provided in "Idaho's Transportation Vision 2004-2034"; the user is the primary customer for all stakeholders; public transportation is relevant in Idaho; transportation needs are best defined by local communities; success relies on local leadership and commitment; significant need for coordination exists, especially between urban and rural communities; Idaho's rural nature makes mobility management more challenging; and the system and services need to strike a balance between efficient and effective.

Valley Transit Executive Director LaPointe expressed appreciation for this valuable undertaking. He emphasized the importance of providing citizens with transportation options.

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

RES. NO. WHEREAS, the Public Transportation Advisory Council, Interagency Working Group,

ITB08-19 Statewide Mobility Stakeholders, and the Division of Public Transportation collaborated to define the future of mobility and multi-modal transportation within the State of Idaho; and

WHEREAS, more than 600 individuals statewide participated in this process; and

WHEREAS, this effort illuminated many key findings, including:

- Regardless of the stakeholder, the primary customer for all is the user and potential user of transportation and mobility services,
- It is imperative that local stakeholders establish and support local mobility networks,

- Effective mobility networks start at the local level and are led by local leadership,
- Aggregating local mobility networks generate opportunities for coordination and connectivity,
- Recognition that public transportation and mobility services are relevant in Idaho,
- Idaho’s rural nature does not make mobility any less necessary; however it does make it more challenging,
- Idaho’s mobility networks, and stakeholders, should develop and support “Mobility Management” partnerships and systems that encourage moving people instead of focusing on the mode of transportation; and

WHEREAS, the collaboration produced the “Idaho’s Mobility and Access Pathway” (IMAP) document which presents Idaho’s comprehensive mobility management vision and scope within a new paradigm for working and furthering mobility management in Idaho; and

WHEREAS, IMAP describes the way in which the state and its many stakeholders will restructure and refocus themselves so that a most meaningful Statewide Mobility Management Plan, guided by customer needs being met through the efforts of local leadership, can be generated and pursued; and

WHEREAS, while many goals and objectives within IMAP rely on the Division of Public Transportation to lead and implement, it is clearly a plan that makes engagement and leadership of those at the local level its fundamental element of success; and

WHEREAS, the Division supports the development and coordination of locally designed mobility management networks—the foundation of Idaho’s mobility management system and services—and integrates and develops those into a comprehensive and coordinated Mobility Network articulated in the Statewide Mobility Management (Public Transportation) Plan; and

WHEREAS, the Division shall provide leadership and support by helping to coordinate and maximize all mobility management resources to provide accessibility and mobility, and by developing and supporting the availability of technical, informational, and educational resources that generate system efficiencies and viability; and

WHEREAS, Idaho’s Mobility and Access Pathway fully supports “Idaho’s

Transportation Vision 2004-2034” including the following principles:

- Mobility of the future must be planned, preserved, developed, operated, and maintained in a fully integrated manner,
- Mobility of the future will support the citizen’s desired quality of life and be endorsed by stakeholders and citizens who own and use the system,
- Mobility of the future will be provided through adequate funding that allows multi-modal flexibility, with state and local commitment to integrated transportation and land use planning,
- Mobility of the future will support transportation choices for all individuals and clearly address the needs of all populations, including those with low incomes, people with disabilities, and the aging population.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board commends all those who have participated in this visioning process and authorizes staff to continue the Division’s efforts in building a statewide coalition of mobility management stakeholders with the intent to further define and pursue statewide multi-modal coordinated transportation based on a system of true mobility management; and

BE IT FURTHER RESOLVED, that the Division of Public Transportation report back to the Board when draft local network plans are completed, and also as significant milestones are achieved and it becomes appropriate for the Board to consider further action.

Chairman Manning welcomed Representative Liz Chavez to the meeting.

Legislative Report. Budget, Policy, and Intergovernmental Relations Manager (BPIRM) Julie Pipal summarized the legislation and actions affecting ITD from the 2008 session. All of ITD’s rules were approved. The following ITD proposed legislation passed: driver services efficiency; aviation fuel tax increase; uniform brand for salvage vehicles; federal safety standards for registration; driver’s license expiration date; counties retain liability form fee; and driver’s license suspension procedures.

Chairman Manning thanked BPIRM Pipal for the report. He also expressed appreciation to the staff members for their efforts during the legislative session.

New Business. Member Blick expressed concern with the sufficiency rating of the US-2, Dover Bridge. He believes it is the Board’s responsibility to address the condition of the structure and asked staff to consider funding options. DDIR Stokes acknowledged that the bridge is a priority for the Department, but added that the deck was rehabilitated last year. The sufficiency rating may have improved. Staff will review the condition of the bridge, explore funding proposals, and

report back to the Board at a later date.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 2:35 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
May 22, 2008
Shoshone, Idaho

OF THE IDAHO TRANSPORTATION BOARD

May 21-22, 2008

The Idaho Transportation Board met at 9:00 AM, on Wednesday, May 21, 2008, in Jerome, Idaho. The following principals were present:

Darrell V Manning, Chairman
Monte C. McClure, Vice Chairman– District 3
Jim Coleman, Member – District 1
Bruce Sweeney, Member – District 2
Gary Blick, Member – District 4
Neil Miller, Member – District 5
Lee Gagner, Member – District 6
Pamela Lowe, Director
Scott Stokes, Deputy Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Secretary

Representatives Donna Pence and Bert Stevens were also present.

District 4 Tour. Jerome Airport Commissioner Breck Glassinger welcomed the Board to the Jerome Airport. He encouraged the Board to support legislation for comprehensive land use planning around airports.

Chris Pomeroy, a consultant with Toothman Orton, elaborated on the land use planning efforts underway at the Jerome Airport. The City of Jerome and Jerome County are working cooperatively to address land use issues. The community recognizes the importance of the airport. The local entities are promoting business and commercial development near the facility and are working to limit residential development in close proximity to the airport.

Travis Rothweiler, Jerome City Administrator, elaborated on the City's efforts to ensure the airport is able to grow unimpeded and remain functional. Administrator Rothweiler also stated that a traffic signal is warranted on SH-25 near the high school. The City is proposing paying for the signal now and asking the state to reimburse it for the traffic signal costs in a couple of years.

Due to a critical funding shortfall, the Board members expressed concern with committing future funds at this time.

The Board traveled south on US-93 to the Crossroads Point business center where it met a

delegation of local officials and businessmen. Representative Maxine Bell was present. Arlen Crouch elaborated on the development plans in the area. He expressed concern with the postponement of the US-93 widening project. Due to increased traffic, safety concerns, and the poor condition of the pavement, he asked the Board to make the widening project a higher priority, or at a minimum, to widen US-93 from I-84 one mile north. Mr. Crouch also reported that he explored the feasibility of using the Sales Tax Anticipation Revenue funding mechanism, but the project appears not to be eligible because it is off the Interstate system.

Discussion followed on the transportation funding shortfall and the impacts development has on the state highway system. District Engineer (DE) Rigby said he has been working closely with Mr. Crouch on the development. He thanked the various officials for attending the meeting.

Representative Stevens left the tour at this time. The Board traveled south on US-93, west on I-84, and west on a local road to Hagerman.

At Hagerman City Hall, Thousand Springs Scenic Byway Committee Administrator Debbie Dane thanked the Board for its support of the Scenic Byway Program. She said the corridor management plan has been completed on the 67-mile byway that includes portions of SH-50 and US-30. In partnership with the District Office, efforts are underway to enhance wildlife viewing activities at the Hagerman Rest Area. Ms. Dane said bird watching, in particular, is a popular activity at the facility.

DE Rigby elaborated on the rest area improvement plans scheduled in 2010. The project, estimated at \$800,000, includes a new rest room, curb, gutter, and sidewalks.

DE Rigby said the Cotterell Port of Entry (POE) and Rest Area are located at the same site on I-84, which is not ideal. The rest area needs improvements, but he is reluctant to fund a major project at this time. Staff is reviewing the feasibility of moving the POE closer to Declo, where it would be more functional. He also mentioned that preliminary discussions on establishing an Oasis Rest Area have been held with representatives from a truck stop in the Declo area. DE Rigby said staff will continue to explore options for these two facilities.

After a brief stop at the Hagerman Rest Area, the Board toured the Hagerman Fish Culture Experiment Station at the National Fish Hatchery. It traveled US-30 east and local routes following the basic alignment of the US-93, Twin Falls Alternate Route Stage II project to Twin Falls.

WHEREUPON the tour and meeting recessed at 4:50 PM.

May 22, 2008

The Board reconvened at 8:30 AM on Thursday, May 22, 2008, at the Idaho Transportation Department District 4 Office in Shoshone, Idaho. All members were present.

Board Minutes. Member Blick made a motion to approve the minutes of the regular Board meeting held on April 16-17, 2008 as submitted. Member Miller seconded the motion and it passed unanimously.

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

June 17-19, 2008 – Boise

July 9-10, 2008 – District 1

August 20-21, 2008 – District 6

Consent Calendar. Member Sweeney made a motion, seconded by Member Coleman, and passed unanimously, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the

ITB08-20 FY09 out-of-state travel; US-95, Sandpoint North and South construction support agreement; FY07 Forest Highway Program changes; and FY08 delays in Statewide Safety Program; and has received and reviewed the Transportation Enhancement prioritization; FY11 recommendations Congestion Mitigation/Air Quality Technical Review Committee; the program and district obligation graphs and tables, monthly status report; contract award information; and the March financial statement.

1) FY09 Out of State Travel. The FY09 out of state travel budget was reduced \$24,467, or 6%, from the preliminary FY09 request presented to the Board in June 2007. The request totals \$386,000, including \$3,000 anticipated to be reimbursed by a third party.

2) US-95, Sandpoint North and South Construction Support Agreement, Key #1729, District 1. The US-95, Sandpoint North and South project consists of reconstructing the highway and rerouting a portion of traffic from downtown Sandpoint. It will relieve congestion and create a safer, more convenient route for US-95 travelers. The project has been advertised for construction, with a 905 working day schedule. CH2MHill designed the large structures. District staff would like to utilize the consultant for construction support consisting of bridge submittal review and tasks relating to clarification of design intent. The firm would also provide engineering services for geotechnical monitoring during the roadway and bridge construction and environmental monitoring and archaeological items during construction. Staff requested approval to exceed the agreement limit with CH2MHill by \$1,600,000 for this project.

3) FY07 Forest Highway Program Changes. The Tri-Agency Group, consisting of ITD, U.S. Forest Service, and Western Federal Lands Highway Division of FHWA, met in February 2008 to update the Forest Highway Program. There were no project delivery changes or additions to the program since the Board reviewed the program in January 2008. A request for new projects is not expected in the next couple of years due to the projects and funding already programmed. The average annual funding is approximately \$14 million with a 100% federal share. The Program is shown as Exhibit 358, which is made a part hereof with like effect.

4) FY08 Delays in Statewide Safety Program. Staff requested delaying three projects from FY08 to FY09 of the Statewide Safety Program. Two projects in District 5, US-91, Intersection Reservation Road, Bannock County, key #9233 programmed for \$696,000 and US-91, Agency Road Partnership, Bingham County, key #8265 for \$122,000 will not be ready in FY08. The I-90/US-95, FY08 Intelligent Transportation Systems Corridor Study project, key #10619 in the amount of \$95,000 is being rescoped to include implementation of a study. Delaying these projects will make approximately \$900,000 available to cover increased interstate striping contract costs in Districts 1, 3, 4, and 6.

5) Transportation Enhancement Prioritization. Last month, the Board voted to suspend soliciting new Congestion Mitigation/Air Quality and Enhancement projects in FY11-13 in addition to other funding decisions. The Enhancement Program's annual application cycle was nearly complete and applications had been received by ITD. The Enhancement Advisory Committee reviewed and prioritized the proposed projects in the event funding is reinstated. There were 36 project submittals totaling \$16.2 million in federal aid. The prioritized list includes funding eight bicycle/pedestrian projects, three scenic/environmental projects, and two historic projects plus the statewide Community Transportation Enhancement project.

6) FY11 Recommendations Congestion Mitigation/Air Quality (CMAQ) Technical Review Committee. The application process for the CMAQ Program was also nearly complete before the funding decisions were made last month. There were 33 applications received for CMAQ funding, totaling \$8.1 million. The Technical Review Committee recommends programming 14 projects in the amount of \$4 million if funding for this Program is restored.

7) Program and District Obligation Graphs and Tables, Monthly Status Reports. As of April 30, \$151.3 million had been obligated for highway projects in the Statewide Transportation Improvement Program, or 40% of the planned amount. The total amount obligated for construction projects was \$248.8 million. Obligation information by program and district and project status reports for 2008 projects were also presented.

8) Contract Awards. Key #9246 – US-20, Idaho Canal and Snake River Dry Bed Canal Bridges,

District 6. Low bidder: Trinity Construction, Inc. - \$497,961.

Key #9385 and #9384 – SH-34, Riverdale Bridge and Cleveland Bridge, District 5. Low bidder: Cannon Builders Inc. - \$987,453.

Key #7811 – US-93, Watts Bridge, Custer County, District 6. Low bidder: Idaho Construction Company, Inc. - \$5,461,143.

Key #11020 – FY09 District 1 Districtwide Brooming. Low bidder: RSCI - \$247,230.

The low bid on key #8719 – SH-33, Sugar City/Madison County Bike Path, District 6, was more than ten percent over the engineer's estimate, requiring justification. The difference between the engineer's estimate and low bid are in Conc CL 40-B, Pedestrian/Bicycle railing, Plantmix for Shared Use Path, and SP Bollards – Embedded items. Staff believes that inflation in fuel and asphalt, compounded by bidding the project late in the fiscal year, resulted in bids exceeding the engineer's estimate. Given the trend of higher fuel and asphalt prices, it is unlikely that lower bids would be received if the project is re-advertised. This is the second time the project has been advertised. Staff recommends awarding the project. Low bidder: Eagle Rock Timber - \$421,170.

Key #8826 – I-84B, American Legion Boulevard, Mountain Home, District 3. Low bidder: H-K Contractors, Inc. - \$546,405.

Key #10523 – SH-55, Eagle Road ATMS, Overland Road to SH-44, District 3. Low bidder: Cannon Builders Inc. - \$696,073.

9) July 2007 through March 2008 Financial Statement Analysis. Total federal aid was \$54.9 million ahead of the year-to-date projections. Highway Distribution Account year-to-date revenue was \$1.8 million ahead of the revised forecast. Expenditures for personnel were less than budgeted through the month. Non-construction operating expenditures reflected a 1.1% positive variance. In contract construction, the federal and state programs were ahead of projections by 34% and 2%, respectively.

Federal aid revenue to the State Aeronautics Fund was \$164,000 below year-to-date projections. Aviation fuel tax revenue received through March was 14%, or \$169,327, more than projections. Miscellaneous revenue was 2% below the year-to-date forecast. Overall expenditures were 14%, or \$223,000, more than budgeted.

In the GARVEE Capital Projects Fund, expenditures in the amount of \$63.8 million were made on authorized projects. Utilization of bond proceeds was \$7.7 million less than the cash flow projected through the end of the month. During March, the \$589,296 monthly payment of the

state share of the debt service payment was made from the GARVEE Debt Service Fund.

Board Items. Chairman Manning said he attended meetings recently with the Governor's Office to coordinate the upcoming transportation road shows that will be held throughout the state. He attended a meeting sponsored by Ada County Highway District to discuss a proposal to increase the local vehicle registration fee, and he met with the Office of Performance Evaluation regarding plans for the evaluation of the Department.

Member Gagner suggested developing a five-year budget tool to educate and inform legislators on the Department's budget and related activities. He also talked about performance measures and suggested evaluating the Department on budget, schedule, quality, innovation, and communication. He requested a discussion at next month's meeting on performance measures and a tool to provide to legislators.

Director's Report. Director Lowe noted the reductions made to the FY09 out-of-state travel request. She encouraged staff to tie travel to the Department's strategic focus areas.

At a recent American Association of State Highway and Transportation Officials' meeting, a resolution in opposition of suspending the federal fuel tax to provide relief to consumers was proposed, according to Director Lowe. A policy paper is being developed for the upcoming reauthorization of the transportation bill; however, Director Lowe did not have details on what the paper will include. She added that the 5-State Coalition is also developing principals for reauthorization with criteria such as less federal mandates and more flexibility for states.

Director Lowe reported that a federal technical corrections bill changing the sliding scale match from 80/20 to 93/7 is being considered. The bill would be beneficial to Idaho and provide more flexibility to the Department.

In conclusion, Director Lowe said the Federal Aviation Administration is working on its reauthorization bill and the Administration is currently operating under a continuing resolution. Increases to the jet fuel tax and aviation gas tax are being considered.

Adopt-A-Highway. Member Blick thanked the Employees of Idaho Power for participating in the Adopt-A-Highway Program. He expressed appreciation for the valuable service to the state the group is providing and the cost savings to ITD. The group has been participating in the Program since 2003 when it adopted a portion of US-93 near Jerome.

Presentation by Federal Highway Administration. Pete Hartman, FHWA Idaho Division Administrator said ITD and FHWA started a friendly competition in conjunction with the annual employee fitness challenge. The competition is based on the average number of hours employees

exercise. ITD won the competition the past two years. To encourage participation and enhance the competition, Administrator Hartman presented ITD with a traveling trophy.

Chairman Manning thanked Administrator Hartman for the trophy and expressed support for the fitness challenge.

Public Transportation Advisory Council (PTAC) Annual Report. PTAC Chairman Joe Herring thanked the board for the opportunity to participate in the tour yesterday. He said PTAC's strategic plan resulted in the development of Idaho's Mobility and Access Pathway. The outcome was a new focus on public transportation's customer. Instead of concentrating on who receives funding, the focus is shifting to who needs a ride. PTAC Chairman Herring said the Council was proud to be part of that effort. He also mentioned that PTAC Members Kathleen Simko and Steve Hadley's terms expire next month. The Council is recommending that both members be re-appointed.

Chairman Manning thanked PTAC Chairman Herring for the report and expressed appreciation for PTAC's service.

Relationship with INSIDE Idaho. Gary Sanderson, Planning Services Manager (PSM), said INSIDE Idaho is a clearinghouse for geospatial data, which is data about physical locations that can be shown on maps as information. Geospatial data, such as location and condition of highways, city streets, canals, rivers, mountains, wetlands, utilities, etc. can be mapped as layers contributing to the overall information picture. No one agency has all the layers of data needed for informative mapping. Agencies borrow each others' layers of data. For example, ITD uses river and stream data for maps and Idaho Department of Water Resources uses highway data for its maps. INSIDE Idaho is the clearinghouse that makes geospatial data available for sharing.

INSIDE Idaho is administered by the University of Idaho Library, according to PSM Sanderson. It does not own nor house all the data, but rather makes it available to others. Currently, there are 2,385 downloadable data sets. ITD has worked with INSIDE Idaho for years, sharing files of roadways and roadside data and receiving files of data like political boundaries, terrain, and habitats. ITD's roadway information is just one part of the overall picture. Accessibility of these data sets saves many hours for ITD personnel doing Geographic Information System analyses. PSM Sanderson recommended that ITD should continue providing its data to INSIDE Idaho and supporting it financially, but ITD should not be the clearinghouse. INSIDE Idaho is performing this clearinghouse function admirably and there is no reason to interrupt that success.

Chairman Manning thanked PSM Sanderson for the report.

Board Policy B-01-01, Public Convenience. Budget, Policy, and Intergovernmental Relations

Manager (BPIRM) Julie Pipal said B-01-01, Public Convenience was adopted in 1997 as a helpful attitude to serve customers. The policy was implemented by division memorandums in 2000 and the philosophy is reflected in numerous other Board policies. Although it has been 11 years since the policy was signed, BPIRM Pipal recommended no action at this time. Upon completion of the work by the Customer Service Focus Team, a new Board policy that calls for the implementation of the team's recommendations via the Department's strategic plan will most likely be recommended.

The Board concurred with the recommendation to delay action on B-01-01, Public Convenience, until the Customer Service Focus Team completes its initial work. Chairman Manning thanked BPIRM Pipal for the review of the policy.

Right of Way Costs. Right of Way Manager Bill Smith outlined the right-of-way acquisition process. Deputy Attorney General Scot Campbell elaborated on the condemnation process. District 2 Right of Way Supervisor Tim Long summarized the administrative settlements and incentive payments and Appraisal Review Coordinator Rick Bachmeier reported on the appraisal process.

Discussion followed on a number of topics, including concerns that planned highway projects influence the value of the needed right-of-way; the recognition of property owners' rights; and the ability to re-design a project to avoid high right-of-way costs.

A number of recommendations were proposed to address the concerns with escalating right-of-way costs, including revising the board policy on administrative settlements. Some of the legislative remedies include revising existing Code to require that property valuation for purposes of eminent domain is to be based upon appraisals by qualified appraisers and that interest does not begin to accrue until either possession is obtained or the property is obtained by judgment. New language to address the equitable fee limit in small cases was also suggested.

The consensus of the Board was for staff to proceed with the legislative proposals. It thanked staff for the informative presentation and its efforts to address this issue.

Professional Services Agreements and Term Agreement Work Task Report. Chief Engineer Steve Hutchinson reported that \$2,831,510 in new professional service agreements and work tasks were processed from March 24 through April 28. The majority of agreements were issued due to the need for special expertise. Eight supplemental agreements to existing agreements were processed in the amount of \$263,900 during this period. Member Sweeney commented on the number of new agreements and work tasks processed for the US-95, Sandpoint North and South project. CE Hutchinson responded that the work is for standard procedures related to a project.

Highway Safety Summit. Highway Safety Manager (HSM) Mary Hunter reported on the annual Highway Safety Summit held in Boise earlier this month. She believes it was a beneficial event, providing education and focusing on highway safety coordination efforts with ITD's partners. She provided statistics on the state's seatbelt usage, which is a big focus area for the highway safety coalition. She showed a video promoting seatbelt usage. Director Lowe added that the video will be distributed to all District Engineers and they will be encouraged to show the video at various meetings and events.

Chairman Manning thanked HSM Hunter for the report on this important issue.

Executive Session on Legal and Personnel Issues, Section 67-2345(a), (b), (d), and (f), Idaho Code. Member Gagner made a motion to meet in executive session at 11:15 AM to discuss legal and personnel issues. Member Miller seconded the motion and it passed 6-0.

A discussion was held on legal matters related to the US-95, Bellgrove to Mica Environmental Protection Agency settlement; the US-95, Sandpoint North and South project; and matters exempt from public disclosure related to contract negotiations.

A discussion was held on personnel issues related to the filling and evaluation of a public office.

The Board came out of executive session at 1:35 PM. No decisions were made.

Old/New Business. DDIR Stokes summarized the Connecting Idaho Program, funded through Grant Anticipation Revenue Vehicle or GARVEE bonds, and the Connecting Idaho Partners' (CIP) role as program manager. The initial agreement with CIP was for oversight of the first \$200 million authorized by the legislature. A supplemental contract was negotiated with CIP to provide management and oversight for the additional \$250 million authorized by the legislature in 2007. The contract includes incentives for cost savings, successful delivery of projects, and exceptional performance in areas such as innovation and quality.

Vice Chairman McClure made a motion, seconded by Member Coleman, to approve the following resolution

RES. NO. WHEREAS, the 2007 Legislature passed and the Governor signed House Bill 336
GARVEE

ITB08-21 bonding authorization in order to provide funds to finance the
Connecting Idaho Program; and

WHEREAS, in August 2006, the Idaho Transportation Board selected
the Connecting Idaho Partners (URS/Washington Group Internal/CH2MHill) to act as
the Connecting Idaho Program Manager; and

WHEREAS, the Board has directed staff to negotiate with the selected team; and

WHEREAS, Board Policy B-06-08, Professional Services Agreements, requires Board approval for agreements exceeding \$1,000,000 and Board Policy B-01-09, Authority to Sign Contracts, authorizes the Idaho Transportation Department Director to sign all contracts; and

WHEREAS, the Board has reviewed the scope, terms, and conditions, and compensation proposal in Funding Authorization #2 for the Connecting Idaho Program Manager.

NOW THEREFORE BE IT RESOLVED, that the Board approves and authorizes the Director to execute the Connecting Idaho Program Manager Funding Authorization #2 contract documents.

In response to Member Miller's question on the Department's ability to meet the deadlines, particularly related to payments, DDIR Stokes acknowledged that the Program got off to a slow start. He is optimistic about the current schedule and although he realizes there are still challenges, believes the various schedules will be met.

The motion passed 5-1 with Member Sweeney opposing.

Member Blick expressed concern with the Dover Bridge on US-2. He believes the bridge should be funded and suggested the money could come from the Districts' operating budget, with the majority from District 1 and the other Districts contributing proportionately based on the amount of money it has in the STIP.

Member Blick made a motion directing staff to fund the US-2, Dover Bridge project and to construct the project in the near future. Member Sweeney seconded the motion.

Member McClure asked if the structure has a new sufficiency rating since the deck was rehabilitated last year. Director Lowe said that staff is planning to discuss this project next month, including a report on the current sufficiency rating.

Member Coleman said the District 1 tour plans in July include visiting the Dover Bridge. He encouraged the Board to view the structure and get an update on the sufficiency rating before making a decision.

Member Coleman made a substitute motion to postpone a decision on the US-2, Dover Bridge until July. Member Gagner seconded the motion. The substitute motion passed 4-2 with Members Blick and Sweeney dissenting.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 2:10 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
June 19, 2008
Boise, Idaho

WORK SESSION, RETREAT, AND REGULAR MEETING
OF THE IDAHO TRANSPORTATION BOARD

June 17-19, 2008

The Idaho Transportation Board met at 8:30 AM, on Tuesday, June 17, 2008, at the Idaho Transportation Department, District 3 Office, Boise, Idaho. The following principals were present:

Darrell V Manning, Chairman
Jim Coleman, Member – District 1
Bruce Sweeney, Member – District 2
Gary Blick, Member – District 4
Neil Miller, Member – District 5
Lee Gagner, Member – District 6
Pamela Lowe, Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Board Secretary

Director Lowe summarized the workshop agenda. She commended staff for its efforts developing the various presentations and preparing the meeting material.

Revenue Outlook and Economic Factors. Acting Budget, Policy, and Intergovernmental Relations Manager (ABPIRM) Tim Greeley provided historical information on the federal Highway Trust Fund. He noted that the Fund is expected to incur a deficit of approximately \$3.4 billion in FY09. Idaho's obligation authority is projected to be reduced by \$79.1 million. He added that Congress is exploring options to address the funding concerns.

Economics and Research Manager (ERM) Doug Benzon provided factors and trends on transportation revenue. The forecast for revenue to the Highway Distribution Account is basically flat through FY12, mainly due to the high fuel prices, which is reducing consumption; increased use of ethanol, which, due to a tax exemption results in lower fuel tax revenue; and an increase in utilization of fuel-efficient vehicles. Due to the recent increase in jet fuel tax and aviation gas tax, ERM Benzon anticipates growth to the Aeronautics Fund in FY09 and FY10, but then anticipates revenue will be static through FY12.

Materials Inflation. Assistant Chief Engineer – Development Loren Thomas reported that the price per ton of asphalt has increased from \$175 in December 2007 to \$430 in May 2008. He noted that other construction materials have also been increasing in cost.

Performance Measures. Dave Amick, Manager, Transportation Investments (MTI), provided background on the Department's performance measures and summarized the current measures.

He noted that the Focus Area Team, Leading through Agency Performance, is continuing efforts to expand and enhance the performance measure efforts, including researching the best practices of other state departments of transportation. Discussion followed on the performance measures, focusing on schedules and ensuring projects are on time.

Managing ITD's Future. MTI Amick said the Department's priorities have been operations, preservation, restoration, and expansion. He suggested establishing a longer-term view on priorities, while acknowledging constraints beyond ITD's control. He believes it is important to be ready to perform in areas where the Department has control.

Chairman Manning welcomed Representative Phylis King to the work session.

Draft FY10 Budget. Senior Budget Analyst Joel Drake presented the draft FY10 appropriation request. A total of \$302.4 million in federal funds is included in the appropriation request, including a \$25 million transfer for GARVEE debt service. Staff anticipates the state revenue will total \$220.7 million. A total of \$130,000 in line item expenditures for basic airport planning documents and Aeronautics program manuals will be requested. Some of the other recommendations include a 3% change in employee compensation plus an additional \$1.7 million for health insurance, \$21.7 million for replacement items, \$291.5 million for contract construction, and \$2.85 million for capital facilities. The total appropriation request is \$506.6 million and 1,833.5 full-time employees.

Vice Chairman Monte C. McClure joined the work session during the discussion on the budget. He had been participating in Idaho's Transportation Conference with industry representatives.

Local Highway Programs Update. Local Highway Technical Assistance Council (LHTAC) Administrator Lance Holmstrom summarized the Local Programs. He expressed appreciation to the Board for allowing the local entities to participate in the Program. He emphasized the insufficient funding available to address the statewide transportation needs. Administrator Holmes also requested the establishment of a local safety program. The High Risk Rural Roads Program established in the Safe, Accountable, Flexible, Efficient, Transportation Equity Act – A Legacy for Users (SAFETEA-LU) could fund the program. LHTAC would work with ITD to identify needed safety improvements and develop projects to address those safety concerns.

Matt Stoll, Executive Director, Community Planning Association of Southwest Idaho (COMPASS) reported on the Urban Program and Transportation Management Area. He expressed appreciation to ITD staff for its assistance and the good working relationship the two entities have established. Executive Director Stoll expressed concern with escalating costs and declining or flat revenue. He would like to partner with ITD and the Governor's Office on the effort to educate the public and local officials on the state's transportation funding concerns and

explore additional revenue options.

Executive Director Stoll also expressed concern with the earlier Board decision to suspend funding the Enhancement and Congestion Mitigation/Air Quality (CMAQ) Programs. As the Treasure Valley moves toward non-attainment, he believes it is critical for the Board to fund the CMAQ Program to address the area's air quality needs.

Chairman Manning thanked Messrs. Holmstrom and Stoll for their comments and their partnership.

Capital Investment Program. Nathan Hesterman, Senior Transportation Planner, summarized the FY09-13 Capital Investment Program, which is based on the Department's strategic needs. By Division, the Program includes almost \$80 million, or 3%, for Public Transportation, \$145 million, or 6%, for Aeronautics, and \$2.2 billion, or 91%, for Highways, including the GARVEE Program. By Program, GARVEE and road and bridge preservation each receive 29% of the Highway Capital Investment funding, while expansion and GARVEE debt service comprise 20% of the funds.

MTI Amick said the Department needs to be prepared to deliver projects if additional revenue is received. He reviewed the projects in Near Horizons. Discussion followed on the priorities. It was noted that expansion has been the lowest priority. The consensus of the Board was to focus on pavement preservation before expansion projects. Member Miller also suggested funding safety improvements. He believes a number of rural intersections could be improved without major expansion projects. He encouraged flexibility to address safety concerns.

Aeronautics and Transit Programs Update. Aeronautics Administrator John DeThomas said Congress is working on reauthorization of the Federal Aviation program. He summarized the Idaho Airport Aid Program. With the 2008 legislative action increasing aviation revenue, grant funding to commercial airports will resume using a new distribution formula that gives an equal amount to each of the seven airports; \$247,000 will be allocated as matching funds for GA-NPIAS Airports; the maintenance supplies program for public airports will increase slightly; and grant funding to community airports will expand.

Randy Kyrias, Public Transportation Administrator (PTA), said the proposed FY10 budget includes \$10.7 million and 9 full-time equivalent positions for the Division of Public Transportation. The vast majority of funds are for the Trustee and Benefit Program.

Statewide Transportation Improvement Program (STIP). Senior Transportation Planner Sonna Lynn Fernandez summarized the STIP process. The public comment period will be from July 3 through August 4. A special emphasis on educating the public on transportation funding concerns

is being incorporated in the document.

US-2, Dover Bridge. Bridge Engineer (BE) Matt Farrar emphasized that the US-2, Dover Bridge is safe for the traveling public. The bridge is currently not load posted and is capable of carrying legal loads. Currently, four bridges in the state are load posted. Repairs to extend the useful life of the bridge were done to the structure last year. BE Farrar explained the sufficiency rating calculation. He reported that the Dover Bridge currently has a rating of three.

MTI Amick summarized the current funding allocations. The majority is dedicated to road and bridge preservation followed by road and bridge restoration. It was noted that if the Board desires to fund the US-2, Dover Bridge project, other projects would need to be delayed.

GARVEE Status Update. Jason Brinkman, GARVEE Program Administrator, reported on the current status of GARVEE projects. He noted that some projects were delivered late due to design issues. He also stated that the GARVEE Program is approximately \$70 million behind spending projections, but that is partly due to cost savings on some of the projects. He expects the program to be on schedule in a couple of months.

WHEREUPON the work session recessed at 4 PM.

June 18, 2008

The Board reconvened at 8:35 AM on Wednesday, June 18, 2008, at the Idaho State Police complex in Meridian, Idaho. All members were present. DAG Vogt and SB Higgins were also present.

Deputy Director Scott Stokes summarized the Department's strategic plan, mission, and vision. He elaborated on the four focus areas: Investing in our People; Leading through Agency Performance; Improving our Customer Service; and Expanding and Enhancing Partnerships. Discussion followed on the plan and specific focus areas. The Board expressed a desire to be more involved in strategic planning efforts.

The July 2006 evaluation of communication, management processes, and the Board's policies as it relates to the Department was reviewed. Employee compensation continues to be of concern to the Board, particularly in areas where the cost of living is higher than the state average.

A number of housekeeping items were discussed. There was consensus to continue participating in the semi-annual Employee Service Awards at Headquarters and to encourage Board members

to attend District ceremonies; continue recognizing the Adopt-A-Highway groups and expand that to Aeronautics' volunteers; and discontinue the practice of tape recording Board meetings. It was also suggested to pursue a state travel coordinator.

Other miscellaneous items were discussed, including the economic impact of transportation. The economic impact that ITD's annual \$500 million budget has on the state should be emphasized. The economic focus could be part of the Governor's Idaho's Transportation Funding Conference. A suggestion was made for the Board to meet with the Senate Transportation and House Transportation and Defense Committees during the upcoming legislative session. Some concern was expressed with the impacts the legislative audit will have on staff.

WHEREUPON the retreat recessed at 4 PM.

June 19, 2008

The Board reconvened at 8:30 AM on Thursday, June 19, 2008, at the Idaho Transportation Department, Boise, Idaho. All members were present except Member Coleman.

Representative King was also present.

May 21-22, 2008 Board Minutes. Member Blick made a motion to approve the minutes of the regular Board meeting held on May 21-22, 2008 as submitted. Vice Chairman McClure seconded the motion and it passed unopposed.

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

July 9-10, 2008 – District 1

August 20-21, 2008 – District 6

September 17-18, 2008 – District 5

Consent Calendar. Member Sweeney made a motion, seconded by Vice Chairman McClure and passed unopposed, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves the

ITB08-22 re-appointment of Public Transportation Advisory Council members from Districts 3 and 5; the Oregon Trail–Bear Lake Scenic Byway Corridor Management Plan; the 2015 Statewide Rural Functional Classification Update; FY08 Statewide Safety Program changes; FY08 Surface Transportation Program-Local Urban Program changes; and the update of Board Policy B-12-06, Transportation Impact Studies; and has received and reviewed the contract award information; the

program and district obligation graphs and tables, monthly status report; the quarterly report on legal actions and contract claims; and the April financial statement.

- 1) Re-appointment of Public Transportation Advisory Council (PTAC) Members in Districts 3 and 5. Staff recommends re-appointing Kathleen Simko and Steve Hadley as PTAC members representing Districts 3 and 5, respectively. The new terms would expire in June 2011.
- 2) Oregon Trail-Bear Lake Scenic Byway Corridor Management Plan. The Oregon Trail-Bear Lake Scenic Byway Advisory Committee, in conjunction with Caribou County and a number of local partners, funded a corridor management plan. The federal requirements that provide a framework to enhance and preserve the desired natural rural character of the US-89, US-30/Old US-30 corridor were addressed. The plan provides a long-term vision of the byway and identifies strategies to promote the corridor. It also provides a platform for forming partnerships, seeking funding, and gaining consensus for economic development activities. The Scenic Byways Advisory Committee reviewed the corridor management plan and recommends Board approval.
- 3) 2015 Statewide Rural Functional Classification Update. The updated rural functional classification map of the state highway system was presented. Each District reviewed its highways to determine if functional classification changes are necessary. The only change is from District 2, upgrading an 11.745 mile portion of SH-8 from Troy to Deary from major collector to minor arterial. The statewide rural functional classification map is shown as Exhibit 359, which is made a part hereof with like effect.
- 4) FY08 Statewide Safety Program Changes. Staff requests delaying the FY08 District 2 Durable Pavement Markings, key #11035 from FY08 to FY09; advancing FY09 District 5 Durable Pavement Markings, key #11130 from FY09 to FY08; adding a new Intelligent Transportation Systems (ITS) project, Moscow, Phase 2 to FY08; and removing the following projects from the program: FY08 Closed Circuit TV Statewide, key #10614; FY09 ITS Regional Operations Center, key #10616; FY08 ITS Maintenance, key #10617; and FY08 ITS Control Software Development, key #10618. The pavement marking projects in Districts 2 and 5 are being switched to double funding available to each District in both FY08 and FY09 to achieve efficiencies inherent in larger contracts. The second phase of the Moscow ITS project completes a project begun in FY05. The remaining funds freed in FY08 are being used to offset cost increases to various other Statewide Safety Program projects.
- 5) FY08 Surface Transportation Program-Local Urban Program Changes. The Urban Committee met last month to review delivery of the FY08 Program and to prepare the draft FY09-13 STIP. The Intersection Cemetery Road and SH-44, Middleton project, key #9513, will not be ready this year, so COMPASS requests delaying the project to FY09. The Urban Committee also requests utilizing \$220,000 of the funds freed up by this delay to begin preliminary engineering for

Government Way, Dalton to Hanley, Coeur d'Alene. Construction is expected in FY11 for \$1 million. The Committee requests addition of the Government Way project to the STIP.

6) Update of Board Policy B-12-06, Transportation Impact Studies. This policy was last updated in 1998. Since then, a need has been identified to update some of the volume thresholds that trigger a need for Transportation Impact Studies. Other minor policy updates were also made.

7) Contract Award Information. Key #11027 – US-95, FY08 District 2 Districtwide Sealcoats. Low bidder: Poe Asphalt Paving, Inc. - \$1,644,179.

Key #9161 – I-90, FY08 District 1 Pavement Striping. Low bidder: Specialized Pavement Markings, Inc. - \$363,240.

Key #11005 – I-84, Garrity Interchange to Ten Mile Road, Median, District 3. Low bidder: WF Construction & Sales, LLC - \$6,835,590.

The low bid on key #11094 – I-15, Deep Creek Interchange to Devil Creek Interchange, Oneida County, District 5, was more than ten percent over the engineer's estimate, requiring justification. The majority of difference between the low bid and engineer's estimate is in the PG 64-34 liquid asphalt item. Asphalt prices escalated significantly during bid advertisement. Because oil prices continue at record-high levels, staff does not believe re-advertising the project would result in better prices. District 5 has adequate funds available to offset the shortfall and recommends awarding the project. Low bidder: Western Construction, Inc. – \$2,158,434.

Keys #11143 and #9238 – US-26, Clark Hill to Granite Hill and Granite Hill to Swan Valley Bridge, District 6. Low bidder: H-K Contractors, Inc. - \$4,619,055.

The low bid on keys #9543 and #11092 – US-30, Alton Road to Milepost 454 and Dingle Road to Turnout, Bear Lake County, District 5, was more than ten percent over the engineer's estimate, requiring justification. During bid advertisement, asphalt prices escalated significantly. Because oil prices continue at record-high levels, staff does not believe re-advertising the project would result in better prices. District 5 has adequate funds available to offset the shortfall and recommends awarding the project. Low bidder: LeGrand Johnson Construction Co. – \$5,098,970.

Keys #9229 and #10592 - I-15, FY08 District 5 Pavement Striping and FY08 District 6 Pavement Striping. Low bidder: Straight Stripe Painting - \$365,428.

Key #11003 – I-84, Ten Mile Road to Meridian Interchange, District 3. Low bidder: Hap Taylor & Sons, Inc. dba Knife River - \$29,611,140.

Key #9231 - I-86, Igo Railroad Bridge, Power County, District 5. Low bidder: C.L. Heilman Company - \$270,464.

The low bid on key #8126 – Alameda Bike Lanes, Pocatello, District 5, was more than ten percent over the engineer’s estimate, requiring justification. The difference between the low bid and engineer’s estimate appear to be in Excavation, Granular Borrow, and Traffic Control Maintenance. This is a local off-system project with the City of Pocatello providing the matching funds. Neither the City nor District believes it would be advantageous to re-advertise the project. Rejecting the bids would delay the project an entire year because the schedule is based around the adjacent school summer closure, which is essential for minimizing traffic conflicts. Staff recommends awarding the contract. Low bidder: Mickelsen Construction, Inc. - \$2,321,092.

8) Program and District Obligation Graphs and Tables, Monthly Status Reports. As of May 31, \$169.1 million had been obligated for highway projects in the STIP, or 44.6% of the planned amount. The total amount obligated for construction projects was \$175.2 million, excluding GARVEE projects. Obligation information by program and district and project status reports for 2008 projects were also presented.

9) Quarterly Report on Legal Actions and Contract Claims. A summary of legal cases resolved by the Legal Section, current legal cases, and contract claims was presented.

10) July 2007 through April 2008 Financial Statement Analysis. Total federal aid was \$48.2 million ahead of the year-to-date projections. Highway Distribution Account year-to-date revenue was \$3.4 million ahead of the revised forecast. Expenditures for personnel were less than budgeted through the month. Non-construction operating expenditures reflected a 1% positive variance. In contract construction, the federal program was ahead of projections by 21% and the state program was 2.9% behind projections.

Federal aid revenue to the State Aeronautics Fund was \$127,000 below year-to-date projections. Aviation fuel tax revenue received through April was 12%, or \$175,931, more than projections. Miscellaneous revenue was 4% below the year-to-date forecast. Overall expenditures were 4%, or \$77,000, less than budgeted.

In the GARVEE Capital Projects Fund, the underwriter transferred \$175,326,356, which is the net proceeds of the GARVEE 2008 Series A bond sale, to the Trustee. With the estimated interest earnings, \$179 million will be available in this Project Fund. Expenditures in the amount of \$67.5 million were made on authorized projects through the end of April. Utilization of bond proceeds according to the schedule is critical to ensure the remaining funds held in trust by Wells Fargo are paid out by May 2009 for Series 2006 and by January 2010 for Series 2008 A. During April, the \$589,296 monthly payment of the state share of the debt service payment was made from the

GARVEE Debt Service Fund.

Board Items. Chairman Manning reported on various meetings he attended recently. The majority was related to the Governor's Idaho's Transportation Funding Conference.

At a recent meeting Member Gagner attended with some legislators, a suggestion was made to authorize jurisdiction of state highways that traverse through cities to that respective municipality. Member Gagner asked if the Board had any comments on this proposal. Vice Chairman McClure noted that the Department has numerous agreements with local entities to address issues related to state highways within local jurisdictions.

Member Sweeney said Idaho State Police, in conjunction with ITD and Swift Transportation, arranged to have a truck driver use the runaway truck ramp on US-95 near Lewiston. The purpose was to prepare a video for training purposes to educate truckers on when and how to use a runaway ramp safely. He said it was an interesting event to watch.

Member Miller said an I-86 overpass in American Falls was recently hit by an over-height vehicle, causing extensive damage to the outside girder. Contract plans and specifications for the replacement are ready for bidding. A bid package will be distributed to two bridge contractors who are actively working in the District on other bridges, with a bid opening scheduled for July 15. The low bidder will have the work awarded to his contract in the form of a non-participating change order. The repair costs will be billed to the insurance carrier. Member Miller requested \$350,000 in Board Unallocated funds to repair the structure.

The consensus of the Board was to delay this item until New Business. (See later minute entry.)

Director's Items. Director Lowe was pleased to announce that the Department received several awards recently.

Director Lowe reported that fuel consumption in the nation has declined. An FHWA trend report indicated the country has experienced its sharpest drop in vehicle miles traveled in the history of tracking that information.

Director Lowe summarized findings of a recent AAA survey on driving habits.

Director Lowe said efforts are underway at the national level to address transportation revenue.

In conclusion, Director Lowe said efforts are continuing on coordinating a transportation summit in August with Senator Crapo's Office and the Governor's Office.

Statewide Rideshare Program Sponsorship. PTA Kyrias said ridesharing refers to carpooling and vanpooling in which vehicles carry additional passengers. Carpooling uses participants' own vehicles while vanpooling usually uses vans supplied by employers, non-profit organizations, or government agencies. Ridematching is the process of creating rideshare opportunities. Enhanced Internet-based ridematching programs are available to those within the licensed area and provide various other rider/employer incentives. Because of the economies of scale that a ridematch program brings, it is preferred to have one well-publicized ridematch program serve an entire geographic region.

Rideshareonline.com is an established ridematch program that has wide acceptance in the Pacific Northwest, according to PTA Kyrias. It uses computerized partner matching systems that take into account each commuter's origin, destination, schedule, and special needs. Commuteride in Ada County and Mountain Rides in Blaine County are participants of rideshareonline.com. Commuteride purchased the Internet system in May 2007. It pays an annual licensing fee of \$10,000. Commuteride allowed Mountain Rides to use the licensing agreement and Mountain Rides pays an annual fee of \$500.

PTA Kyrias requested approval to sponsor the licensing agreement for the rideshareonline.com system and to expand the coverage area to include the entire state of Idaho. ITD would pay the annual license fee of \$20,000 for the enhanced statewide coverage. The annual license fee, which is based on population, would be funded from the Statewide Rideshare Program and the Federal Transit Administration 5316 Job Access Reverse Commute program. He added that Commuteride is not requesting reimbursement for its initial startup investment. Additionally, it has agreed to donate all marketing and collateral material to any participant in the program and will provide training assistance and technical support free of charge.

Vice Chairman McClure made a motion, seconded by Member Miller, to approve the following resolution:

RES. NO. WHEREAS, ridesharing was identified within Idaho's Mobility and Access Pathway (IMAP)

ITB08-23 as a significant transportation mode choice to be supported by the Division of Public Transportation; and

WHEREAS, ridesharing refers to carpooling and vanpooling in which vehicles carry additional passengers. Carpooling uses participants' own automobiles while vanpooling usually uses vans often supplied by employers, non-profit organizations, or government agencies; and

WHEREAS, ridesharing is a significant mobility option within all communities regardless of their size; and

WHEREAS, ridesharing can reduce peak-period vehicle trips, commute costs, commute time, congestion, road and parking facility costs, crash risk, and pollution emissions. Rideshare programs are appropriate in most geographic areas and tend to be particularly effective at serving relatively dispersed, suburban destinations; and

WHEREAS, ridematching is the process of creating rideshare opportunities and is a common component of a *Trip Reduction* program. Ridematching tends to experience economies of scale: as more people use the service the chances of finding a suitable carpool or vanpool increase significantly; and

WHEREAS, enhanced Internet based ridematch programs provide carpool matching, vanpool matching, event matching, marketing programs, promotion programs, Park & Ride Lot Support, is open to everyone within the licensed area, and provides various other rider/employer incentives; and

WHEREAS, because of the economies of scale that a ridematch program brings, it is preferred to have one well-publicized ridematch program serve an entire geographic region; and

WHEREAS, the Division of Public Transportation has identified a statewide need for an enhanced Internet based ridematch program in support of rideshare programs; and

WHEREAS, the Division of Public Transportation has identified rideshareonline.com as the best solution to fulfill Idaho's need for an enhanced Internet based ridematch program.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board directs the Division of Public Transportation to secure the statewide license for the rideshareonline.com program; and

BE IT FURTHER RESOLVED, that the Division of Public Transportation shall allow full access to the rideshareonline.com program to all interested state and local agencies, non-profit organizations, private employers, or any other transportation stakeholder group or organization.

The motion passed 4-1 with Member Gagner dissenting.

FY09/State FY10 Public Transportation Grant Funding. PTA Kyrias reported that the public meeting and application review process for the FY09 Federal Transit Administration (FTA)

Section 5311 Rural Program, Section 5310 Elderly and Persons with Disabilities Program, Section 5316 Job Access Reverse Commute, Section 5317 New Freedom Program, and the state FY10 Vehicle Investment Program (VIP) has been completed. The PTAC has reviewed and approved the funding recommendations. He noted that the recommendation includes using \$129,490 of VIP funds as match for a proposed Congressional earmark in the FTA Section 5309 Program. The funds will be used to match federal dollars for capital improvements in the deployment of a Statewide Intelligent Transportation System project for public transit. Funds will be used to purchase technology for real-time dispatching, tracking, and billing to better manage vehicle fleets as part of the ongoing coordination process.

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

RES. NO. WHEREAS, the Division of Public Transportation has completed the review of all applications

ITB08-24 for funding, held meetings in each district for public input, and developed project recommendations for the FY09 Federal Transit Administration (FTA) programs and state FY10 Vehicle Investment Program as follows:

- Section 5310, Elderly and Persons with Disabilities Specialized Transportation - \$560,559
- Section 5311, Rural and Intercity Bus Transportation - \$4,966,769
- Section 5316, Job Access Reverse Commute - \$759,167
- Section 5317, New Freedom Program - \$371,988
- Vehicle Investment Program (VIP) - \$312,000; and

WHEREAS, the Public Transportation Advisory Council participated in the district public meetings, has worked with staff in evaluating applications, and has concurred with the funding recommendations as presented.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board approves the funding recommendations for the FTA programs FY09 and for state FY10, contingent on Legislative approval for funding the VIP, as shown as Exhibit 360, which is made a part hereof with like effect.

Extending Cellular Phone Coverage. Bob Koeberlein, Mobility Services Engineer (MSE), said there are a number of gaps in cellular coverage throughout the state. ITD and several other state agencies desire to fill in these coverage gaps to enhance public safety. Roadside call boxes were considered for these areas; however, there are several limitations to call boxes.

MSE Koeberlein reported that ITD, working with the Department of Administration, established the following approach: establish a team from various government entities; document the

coverage gaps statewide and establish a priority list ranking of coverage gaps; meet with cellular telecommunications companies to explore incentives for expanding coverage into the non-covered areas; issue a request for information to document which incentives are likely to accomplish the goal of extending cellular coverage; perform a cost analysis of the feasibility of proceeding with a pilot project; select a pilot project from the priority list and write a request for proposal incorporating popular incentives; and plan the execution of the remaining feasible projects to extend cellular coverage into these areas.

Chairman Manning believes the Department of Homeland Security is responsible for communications throughout the state. He encouraged MSE Koeberlein to contact that agency. He thanked MSE Koeberlein for the presentation.

Fire Response Plan. Emergency Program Coordinator Louie Albright (EPC) summarized the recently-developed Fire Response Plan. The Plan is a mechanism for local fire districts to receive reimbursement for responding to fire incidents outside of their respective jurisdiction. In the past, there have been fire incidents that occurred on uncovered segments on the state highway system that were not responded to by the nearest fire district. The vehicle owner and ITD incurred losses that could have been lessened by a prompt response from a fire district. Additionally, a response from a fire district can contain a vehicle fire from spreading into a major fire beyond the right-of-way.

EPC Albright said an agreement template has been established for local fire districts to recover costs when responding to incidents on the state highway system at locations beyond their jurisdiction. The agreement includes specified hourly rates for equipment and personnel and that reimbursement is to be processed within 30 days. ITD, utilizing a revolving account, will pay the reimbursements and then file insurance claims on all incidents involving insured motorists to recover the costs. The initial agreements have been established along the Interstate system. Plans are to expand the coverage to the entire state highway system.

Chairman Manning believes this arrangement is similar to the one that has been established to respond to hazardous materials incidents. He asked why the Fire Response Plan was not included in the hazardous materials coordination. EPC Albright was not sure. He believes it is due to fire districts being established on a tax-based system and they will not respond outside of their jurisdictions. Chairman Manning encouraged EPC Albright to determine if the fire response could be incorporated into the hazardous materials coordination plans.

Because this plan was established for vehicular fires, Vice Chairman McClure asked if a fire district would respond to a grass fire in the highway right-of-way. EPC Albright said the fire districts would not respond. The plan is only for vehicular fires. He believes the Bureau of Land Management would respond to range fires. Vice Chairman McClure expressed concern that the

Fire Response Plan does not include fires within the Department's right-of-way, as those fires can cause structural damage and create safety and congestion problems.

Director Lowe said the plan is fairly new and that EPC Albright had done a great job in identifying a solution to a problem. It was a good first step and staff will review the Board's comments and provide another report in the future.

Chairman Manning thanked EPC Albright for the presentation and for his efforts on this important issue.

CARS 511/Web (Traveler Services Advisory Council (TSAC)). Greg Laragan, Assistant Chief Engineer – Operations, said the Council met last month to consider future enhancements to the 511 system and provide advice on the FY09 traveler services budget of \$316,000. The Council also discussed upcoming large-scale special events and the role that the traveler services system could play in the success of those events.

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

RES. NO. WHEREAS, the Idaho Transportation Board has established the
Traveler Services Advisory
ITB08-25 Council (TSAC) to provide input to the Board as it sets policy and
provide strategic oversight of the traveler services system; and

WHEREAS, the TSAC met with the Idaho Traveler Services Management Team on
May 29, 2008; and

WHEREAS, the Idaho Traveler Services Management Team presented the TSAC
with a fiscal year 2009 budget limit of \$316,000 and a list of proposed system
changes and enhancements; and

WHEREAS, the TSAC recommended that ITD pursue the following proposed
enhancements:

- CARS MODES Add-ons
- CARS-CAD Event Exchange
- Short-term Mobile Device Web Site
- Incorporation of Road Weather Information System data

NOW THEREFORE BE IT RESOLVED, that the Board does hereby approve the
recommendations of the TSAC and directs the Traveler Services Management Team
to implement the recommendations.

New and Supplemental Professional Agreements Report. The Consultant Administration Unit processed \$2,988,650 in professional and work task agreements from April 29 through May 28, according to Chief Engineer Steve Hutchinson. Eight were issued because special expertise was required and seven were due to resources not available in-house. Four supplemental agreements to existing agreements were issued during this period in the amount of \$614,700.

Presentation – Vehicle Miles Traveled (VMT) – Based Fees: A Gas Tax Alternative. James Whitty, Manager, Office of Innovative Partnerships and Alternative Funding, Oregon Department of Transportation, said the Oregon legislature issued a mandate to explore revenue options to replace the current fuel tax system. He elaborated on the pilot project to collect a fee based on miles traveled. The system was developed to allow flexibility. Higher rates could be established based on the time of day travel occurs; location; and vehicle components like weight or fuel efficiency. Mr. Whitty acknowledged privacy concerns, but believes Oregon designed its system to provide the greatest privacy.

Mr. Whitty acknowledged the challenges to the VMT fee collection system: start up and operations costs, collection enforcement, integration with the current system, developing a seamless transition, system redundancy, and ensuring ease of use by the motoring public. He said key steps to implementing Oregon's Road User Fee System are refining technologies, including security, and investigating alternatives; defining manufacturing standards; addressing concerns of the fuel distribution industry; and integrating a collection system for all-electric vehicles.

Mr. Whitty believes it would be difficult for small states to implement a VMT fee concept alone. A consortium of small states could probably implement a system in ten to twelve years or a strong effort by the U.S. Department of Transportation or the state of California could possibly implement a system in three to five years.

In response to Member Gagner's question on out-of-state vehicles, Mr. Whitty responded that out-of-state drivers would pay the fuel tax. A dual system would be required until the country changes to a VMT system and all vehicles are equipped with the VMT technology. Member Gagner asked if Oregon has discussed installing the VMT devices with the manufacturing industry. Mr. Whitty replied no. He added that the estimated cost of the device is \$70 per vehicle.

Chairman Manning asked if the system could be altered. Mr. Whitty said that additional security is needed to prevent individuals from tampering with the system.

Chairman Manning thanked Mr. Whitty for the informative presentation. He commended Oregon for exploring alternative revenue sources and wished Mr. Whitty well as the state continues to explore options.

Amendments to Administrative Rule 39.02.60, Rules Governing License Plate Provisions. Tom Fry, Registrations Program Supervisor (RPS), said House Bill 602, passed during the 2008 legislative session, provides for a new license plate type to be issued to all-terrain vehicles, utility type vehicles, and off-road motorbikes. The Idaho Restricted Vehicle plate is to be black print on a white background and is not intended to be issued using county designators, nor is to be personalized.

RPS Fry proposed revisions to IDAPA 39.02.60 to incorporate provisions for this license plate. With the change to the validation decal process to print the decals on the registration form at the time fees are paid, a manual procedure for addressing registrations when the automated system is unavailable is needed. Amendments to the rule will allow county offices to issue 30 day temporary registrations upon payment of registration fees and then process the transaction when the automated system is working and mail the registration and stickers to the customer. Definitions of a replica vehicle, assembled vehicle, street rod, and replica street rod are provided, along with clarifications related to those vehicles. General clean up to personalized plates references is also being proposed.

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

RES. NO. WHEREAS, the Idaho Transportation Board has the authority to approve requested changes
ITB08-26 to Administrative Rules; and

WHEREAS, the Board finds the requested changes to the Administrative Rule provides clarification and updates procedures to the Rules Governing License Plate Provisions.

NOW THEREFORE BE IT RESOLVED, that the Board approves the recommended changes to Administrative Rule IDAPA 39.02.60 – Rules Governing License Plate Provisions, which defines requirements for the issuance of Idaho Restricted Vehicle license plates, provides for a process to issue temporary registrations when the automated system is unavailable, clarifies use of spaces in personalized plate messages, and improves the process to define acceptability of personalized plate messages; and

BE IT FURTHER RESOLVED, that the Board directs staff to promulgate temporary rule making effective July 1, 2008 and proceed with regular rule making at the same time for the changes as listed above for Administrative Rule.

Amendments to Administrative Rule 39.02.07, Salvage Vehicles. Daryl Marler, Dealer Operations Supervisor (DOS) said House Bill 364 and 365, passed during the 2008 legislative session, changes the processes and procedures for titling vehicles that have been declared salvage or total loss. Amendments provide that disclosure will be required upon sale of a vehicle that has been declared salvage or is branded as rebuilt salvage.

DOS Marler requested revisions to IDAPA 39.02.07 to streamline the process for titling and eliminate inspections and portions of the rule no longer required. It simplifies the process for branding vehicles such as “rebuilt salvage”. The rule change clarifies and defines a brand and when it shall be used. It eliminates motorcycles, trailers and vessels as exceptions for the purpose of declaring salvage vehicles, and will require a branded title of rebuilt salvage for these types of vehicles. Other amendments and general clean up are also being proposed.

Member Gagner made a motion, seconded by Vice Chairman McClure, and passed unanimously, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board has the authority to approve requested changes
ITB08-27 to Administrative Rules; and

WHEREAS, the Board finds the requested changes to the Administrative Rule provides clarification and updates procedures to the Rules Governing Titling of Salvage Specially Constructed and Reconstructed Motor Vehicles.

NOW THEREFORE BE IT RESOLVED, that the Board approves the recommended changes to Administrative Rule IDAPA 39.02.07 – Rules Governing Titling of Salvage, Specially Constructed, and Reconstructed Motor Vehicles, which defines requirements for the issuance of branded rebuilt salvage titles to vehicles that have been declared salvage or total loss and provides for definition of a brand and brand types; and

BE IT FURTHER RESOLVED, that the Board directs staff to promulgate temporary rule making effective July 1, 2008 and proceed with regular rule making at the same time for the changes as listed above for Administrative Rule.

2009 Legislative Concept Review. ABPIRM Greeley summarized the legislative concepts being considered for the 2009 session. The legislative “IDEA” forms will be presented to the Board for approval next month before being submitted to the Division of Financial Management. Seven of the thirteen concepts address escalating right-of-way costs, per Board discussion and direction last month.

Executive Session on Personnel and Legal Issues, Section 67-2345(1) (a), (d), and (f), Idaho Code. Member Blick made a motion to meet in executive session at 11:50 AM to discuss personnel and legal issues. Member Sweeney seconded the motion and it passed 5-0.

A general discussion was held on pending or probable litigation related to the US-95, Sandpoint North South project; I-84, Meridian to Garrity project; access control issues; and other matters exempt from disclosure related to contract negotiations.

A general discussion was held on personnel issues related to filling a public office.

The Board came out of executive session at 1:00 PM. No decisions were made.

Member Coleman participated in the following item via teleconference.

Award of Low Bid for the US-95, Sandpoint North and South Project, Key #1729, Bonner County, District 1. District 1 Engineer (DE) Damon Allen said the low bid for the US-95, Sandpoint North and South project exceeded the engineer's estimate by 17%. The project is a major expansion, including widening, realigning, and reconstructing a 2.1 mile section of highway in Sandpoint. Development of the project began in 1979. He said the Excavation, Furnish and Drive Pile, SP Bridge Temporary Access, SP Precast Concrete Panel, SP Bridge Furnish and Drive Steel Sheet Pile, and Mobilization items accounted for the majority of difference between the engineer's estimate and the low bid. Staff believes some of these higher bids are attributed to the concern of not being able to haul material through town and increases in steel prices and the difficulty in securing price commitments from suppliers for future delivery. He also mentioned that there are numerous construction windows and constraints because of the location of the project. DE Allen does not believe re-advertising the project would result in a cost savings. The project has undergone a value engineering study and staff does not believe the scope of work could be reduced significantly without jeopardizing environmental commitments. Additionally, prices continue to increase for oil and steel.

DE Allen outlined two funding options to cover the higher bid. Option 1 removes or delays pavement preservation projects in District 1: US-95, Milepost 430.8 to Milepost 436, key #9162; I-90, Pinehurst to Elizabeth Park, key #10498; SH-3, Swan Creek to Milepost 113, key #H105; and US-95, Kootenai Cut-off to Samuels Road, key #H133. Option 2 considered the statewide highway program. It would remove SH-75, Shoshone, North, key #7699 from the FY09 Draft Expansion Program to Near Horizons and remove SH-33, Main Street Improvement, Victor, from FY13 in the Draft Expansion Program. DE Allen noted that the SH-75 project does not have sufficient funding programmed.

Some members expressed concern with removing projects in Districts 4 and 6 to fund the US-95,

Sandpoint North and South project. Discussion followed on value engineering and exploring cost-saving measures with the contractor.

Member McClure made a motion, seconded by Member Gagner, to approve the following resolution:

RES. NO. WHEREAS, US-95 is the major international north and south route in the State of Idaho; and
ITB08-28

WHEREAS, US-95, Sandpoint North and South (key #1729) is a major and highly visible expansion project that has been under development since 1979 and has currently reached the milestone of having been advertised for construction; and

WHEREAS, the low bid by Parsons RCI Inc. exceeds the engineer's estimate by 17.28% or approximately \$14.5 million, including contingencies; and

WHEREAS, the Idaho Transportation Department staff has reviewed the low bid; has, in accordance with Board Policy B-14-06, Approval of Plans/Specifications/Estimates and the Award of Construction Projects, prepared the justification to award the bid, which exceeds the engineer's estimate by more than ten percent; and does not believe rejecting and re-advertising the project would result in cost savings nor be beneficial to the Department or the traveling public; and

WHEREAS, the Department has chosen to utilize the advance construction provisions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users to fund construction of US-95, Sandpoint North and South over multiple years; and

WHEREAS, additional funding from the Draft FY09-13 Capital Investment Program is needed to support the award of the US-95, Sandpoint North and South contract; and

WHEREAS, Option 1 adjusts the District Draft Program and greatly inhibits the District's ability to adequately maintain the existing highway system within the District; and

WHEREAS, Option 2, adjusts the statewide Draft Program and allows the Department to fund the construction of US-95, Sandpoint North and South with tradeoffs in other similar projects related to State Highway System expansion; and

WHEREAS, the Department has identified under Option 2, the expansion projects,

SH-75, Shoshone, North and SH-33, Main Street Improvement, Victor, to remove from the Program to offset the difference between the low bid and the engineer's estimate.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board approves the award of the construction project US-95, Sandpoint North and South to the low bidder, Parsons RCI Inc., in the bid amount of \$98,423,644.35; and

BE IT FURTHER RESOLVED, that the Board approves the removal of projects under Option 1 above from the Draft FY09 Statewide Transportation Improvement Program to fund the US-95, Sandpoint North and South project.

The consensus of the Board was to have staff pursue value engineering to reduce costs.

The motion passed 5-1 with Member Miller opposing.

Idaho State Independent Living Council. PTA Kyrias was pleased to report that Kelly Buckland, Executive Director of the Idaho State Independent Living Council, has made a generous offer to assign staffing support to Idaho's Mobility and Access Pathway (IMAP) initiative. The Council recently received an AmeriCorps grant for staffing support to create local mobility networks focused on the needs of the independent living community. Mr. Buckland's desire to connect the independent living community is an excellent fit with the vision of IMAP.

Mr. Buckland appreciated the opportunity to partner with ITD. He said transportation is a critical issue for the disabled. If citizens cannot drive, it is very difficult for them to be mobile, particularly in rural communities. He said he would be pleased to report to the Board at a future meeting on the progress of this partnership.

The Board members commended Mr. Buckland for his partnership and support of the IMAP vision and public transportation in general. They also applauded his leadership efforts on the Idaho State Independent Living Council.

2009 Strategic Plan Submittal to Division of Financial Management. Intermodal Program Manager (IPM) Pat Raino summarized Idaho Code requirements regarding strategic plans and presented ITD's 2009 plan. Some discussion followed on the Department's safety goals, including reporting fatalities that occur on local roads, which are not under ITD's jurisdiction, and efforts to reduce crashes.

Chairman Manning thanked IPM Raino for the presentation.

Roadways not Candidates for Overlays. Planning Services Manager (PSM) Gary Sanderson said there are four conditions that might disqualify a pavement from receiving a thin overlay. Highways with curb and gutter may require a mill and inlay in order to match the existing gutter elevation. Highways with a minimal one-foot shoulder may not be good candidates because an overlay would further narrow the driving surface; however, some designers prefer to pave full width and slope the pavement edge onto the existing foreslope. The third category is pavements that have deteriorated beyond the point that preservation projects would not be effective. The last condition is highways that have already had two or more overlays may have reached a practical limit. PSM Sanderson estimates that overlays are not practical for 25% to 35% of the state highway system. He added that there are other remedies to address deficient pavement and that each pavement section must be analyzed for its specific conditions. In conclusion, PSM Sanderson emphasized that the goal of 82% of the Department's pavement be in good and fair condition is a statewide goal, not a District goal.

Chairman Manning thanked PSM Sanderson for the report.

Old/New Business. Regarding the damaged overpass on I-86 in American Falls, milepost 40, Member Miller said there is a sufficient balance in the FY09 Board Unallocated Fund to pay the estimated cost of repairing the structure. Member Miller made a motion authorizing District 5 to proceed with repairs to the damaged I-86, American Falls Overpass and that Board Unallocated Funds up to \$350,000 be made available to repair the structure. Member Gagner seconded the motion and it passed unopposed.

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

RES. NO. WHEREAS, the Idaho Transportation Board is committed to providing to the citizens of
ITB08-29 the State of Idaho information in a timely manner relating to the discussions, materials, and
 decisions of the Board; and

WHEREAS, the Board is desirous of memorializing this intent by formal action.

NOW THEREFORE BE IT RESOLVED, that the Board remains committed to providing written minutes of all meetings available to the public in accordance with Idaho Code Section 67-2344.

Member Blick made a motion to hold off on the design process on US-95, entire corridor, Garwood to Sagle, until the evaluation is completed on the value engineering. Member Sweeney seconded the motion and it passed unopposed.

Chairman Manning acknowledged CE Hutchinson's retirement at the end of the month. He thanked CE Hutchinson for his numerous contributions to ITD and transportation. The Board members commended him for his service.

CE Hutchinson thanked the Board for the opportunity to serve as Chief Engineer.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 2:40 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
July 10, 2008
Coeur d'Alene, Idaho

REGULAR MEETING AND DISTRICT ONE TOUR
OF THE IDAHO TRANSPORTATION BOARD

July 9-10, 2008

The Idaho Transportation Board met at 8:00 AM, on Wednesday, July 9, 2008, in Coeur d'Alene, Idaho. The following principals were present:

Darrell V Manning, Chairman
Monte C. McClure, Vice Chairman– District 3
Jim Coleman, Member – District 1
Bruce Sweeney, Member – District 2
Gary Blick, Member – District 4
Neil Miller, Member – District 5
Lee Gagner, Member – District 6
Pamela Lowe, Director
Scott Stokes, Deputy Director
Scot R. Campbell, Deputy Attorney General
Sue S. Higgins, Secretary

Representative Phil Hart was also present.

District 1 Tour. The Board departed Coeur d'Alene west on I-90. While traveling north on SH-41, Rathdrum Mayor Vic Holmes and City Administrator Brett Boyer briefed the Board on transportation issues in the Rathdrum area.

The tour continued north on SH-41 to Oldtown and east on US-2.

In Priest River, the Board met with a delegation of state and local elected officials, including Senator Joyce Broadsword, Senator Shawn Keough, and Representative George Eskridge. Priest River Mayor Jim Martin welcomed the Board to Priest River and thanked it for the improvements it has made to the transportation system in the area. He expressed concern with the US-2/SH-57 intersection, as it is difficult for larger vehicles to make the turn. In addition to the safety issues associated with the intersection, congestion is also a concern.

Although the US-2/SH-57 intersection is a major concern, Mayor Martin said the City's highest priority is completing a transportation plan in conjunction with the Bonner County Area Transportation Team (BCATT). He also acknowledged the state's transportation funding concerns and said he has discussed the importance of adequate funding with area legislators.

Senator Keough and Representative Eskridge joined the Board as it traveled east on US-2 to

Dover. After a brief stop at the Dover Bridge, the Board met informally with local officials.

The tour continued on US-2 to Sandpoint. During lunch at the maintenance facility, Resident Engineer Ken Sorensen provided an overview on the US-95, Sandpoint North and South project.

The Board traveled US-95 north to Bonners Ferry. It met with local officials who provided an overview on transportation issues. Boundary County Commission Chairman Ron Smith expressed concern with the speed limit on US-95 north and south of Bonners Ferry. He believes the 60 mile an hour speed limit should be reduced to 45 due to safety concerns.

Bonnors Ferry Mayor David Anderson commented on the growth in the area and the increased traffic on US-95. In the future, he would like the Board to address the traffic in Bonners Ferry, either with a bypass of the community or a four-lane highway. There was also a request for pedestrian pathways.

The Board traveled to the Bonners Ferry Airport where Airport Manager Dave Parker provided an overview on the airport, including coordination with border control and customs and recent improvements made to the facility. He expressed appreciation to the Transportation Department for the technical and financial assistance it has provided. Manager Parker would like to lengthen the runway and secure an instrument approach landing system. He also expressed support to address compatible land use issues at airports throughout the state.

The Board returned to Coeur d'Alene via US-95 south.

WHEREUPON the tour and meeting recessed at 4:45 PM.

July 10, 2008

The Board reconvened at 8:30 AM on Thursday, July 10, 2008, at the Idaho Transportation Department District 1 Office in Coeur d'Alene, Idaho. All members were present.

Chairman Manning welcomed Senator Keough, Representative Eskridge, Representative Frank Henderson, and former Board Member John McHugh to the meeting.

Board Minutes. Member Gagner made a motion to approve the minutes of the regular Board meeting held on June 17-19, 2008 as revised. Member Blick seconded the motion and it passed unanimously.

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

August 20-21, 2008 – District 6
September 17-18, 2008 – District 5
October 14-15, 2008 – District 3

Consent Calendar. Member Coleman made a motion, seconded by Vice Chairman McClure, and passed unanimously, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board approves revisions

ITB08-30 to IDAPA 39.02.22 – Rules Governing Registration and Permit Fee Administration; revisions to IDAPA 39.03.06 – Rules Governing Allowable Vehicle Size; Board policy review and update; removal of Rhode Island Street Paving, Spirit Lake, from the Congestion Mitigation/Air Quality Program; and Board Policy B-14-08, Movement of Utilities; and has received and reviewed the contract award information; the administrative and legal settlements of right of way acquisitions; the annual report on railroad grade crossing protection account; and the July 2007 through May 2008 financial statement analysis.

- 1) Revisions to IDAPA 39.02.22 – Rules Governing Registration Permit Fee Administration. This rule is being revised to state that motor carriers shall not participate in future registration installment payment plans if previous registration installment payment plans have been suspended due to non-payment or payment with insufficient funds checks. This proposal is to ensure that payments of registration fees are received in a timely manner, to deter habitual registration installment plan violators, and reduce the incidence of bad checks to ITD.
- 2) Revisions to IDAPA 39.03.06 – Rules Governing Allowable Vehicle Size. Revisions are being proposed to this rule to comply with Idaho Code as a result of House Bill 181 approved in 2005. The modification relates to the legal overhang limit from the end of a vehicle.
- 3) Board Policy Review and Update. Board Policy B-31-01, Port of Entry Program, is being revised to bring it up to date and accurately reflect proper verbiage. Board Policies B-31-02, Roving Port of Entry Program; B-31-03, Joint Ports of Entry; and B-31-05, Emergency Vehicle Operations, are being updated for current signature and date with no other changes being proposed. Board Policy B-31-04, Commission of Department Employees as Peace Officers, is being amended to clarify restrictions against carrying firearms or other weapons. B-31-06, Permit Vendors, is being updated to clarify and correct type of permits to be sold as well as proper remunerated funds to vendors. Revisions to B-31-07, Overlegal Permit Operations, are being proposed to clarify maps to be established and cite proper Idaho Code references.
- 4) Removal of Rhode Island Street Paving, Spirit Lake, from the Congestion Mitigation/ Air Quality (CMAQ) Program. The City of Spirit Lake's Rhode Island Street Paving project, key

#9729, was scheduled for construction in FY08 in the amount of \$322,000. The intent was to pave approximately 3,000 feet of dirt road through town. The City has requested the removal of this project from the Program due to its inability to finance the required match. No agreements have been executed nor funds obligated. Staff intends to use the money from this project to cover cost increases to other CMAQ projects in District 1.

5) Revisions to Board Policy B-14-08, Movement of Utilities. Because B-14-08 was last signed in 1997, staff reviewed it to ensure it is still applicable and current. No changes are being proposed, other than updating the signature and date.

6) Contract Awards. Keys #9214 and #10534 – District 4 Pavement Striping and District 3 Pavement Striping. Low bidder: Interstate Barricades - \$497,433.

Key #11490 – FY08 District 1 Districtwide Sealcoats. Low bidder: Poe Asphalt Paving, Inc. - \$2,078,354.

Keys #11029 and #11485 – US-95, Lewiston Hill Southbound Lanes and Port of Entry to Top of Lewiston Hill, District 2. Low bidder: Poe Asphalt Paving, Inc. - \$2,527,091.

Key #7673 – Aviation Way, Caldwell, District 3. Low bidder: McAlvain Excavation, Inc. - \$645,042.

Key #9812 – Broadway Avenue, Rossi Street to Ridenbaugh Canal Bridge, District 3. Low bidder: Central Paving Company, Inc. - \$1,022,697.

Key #9700 – I-84, Statewide Sign Upgrades, Districts 3 and 4. Low bidder: Specialty Construction Supply - \$557,617.

Key #11005 – I-84, Garrity Interchange to Ten Mile Road, Median, District 3. Low bidder: Thueson Construction Inc. - \$6,388,164.

7) Administrative and Legal Settlements of Right-of-Way Acquisitions. During the period of January 1 through June 16, 2008, the Right-of-Way Section processed 41 parcels. There were 13 administrative settlements and 5 legal settlements during this time frame.

8) Annual Report on Railroad Grade Crossing Protection Account. As of June 15, 2008 the Railroad Grade Crossing Protection Account had \$456,432 available to obligate. During FY09, the Safety – State Rail Program for Statewide Railroad Crossing Improvements was programmed for \$225,000 to correct deficiencies at crossings. Additionally, \$25,000 will be obligated for administration of the Rail-Highway Safety Education Grant for Operation Lifesaver. In 2006,

there were 22 total rail/highway collisions with 3 fatalities.

9) July 2007 through May 2008 Financial Statement Analysis. Total federal aid was \$40.1 million ahead of the year-to-date projections. Highway Distribution Account year-to-date revenue was \$2.1 million ahead of the revised forecast. Expenditures for personnel were less than budgeted through the month. During May, \$418,000 in salary savings spending authority was transferred to Highways Operating Expenses. Non-construction operating expenditures reflected a 2.6% positive variance. In contract construction, the federal program was ahead of projections by 17% and the state program behind by 2%.

Federal aid revenue to the State Aeronautics Fund was \$125,000 below year-to-date projections. Aviation fuel tax revenue received through May was 12%, or \$173,249, more than projections. Miscellaneous revenue was 11% below the year-to-date forecast. Overall expenditures were 11.6%, or \$261,000, less than budgeted.

In the GARVEE Capital Projects Fund, \$69.6 million of the \$213 million, including interest earnings, from Bond Series 2006 and \$8.2 million of the \$179 million from Bond Series 2008 A have been expended. During May, the \$589,296 monthly payment of the state share of the debt service payment was made from the GARVEE Debt Service Fund.

Board Items. Chairman Manning said the majority of his activities have been related to Idaho's Transportation Funding Conferences planned throughout the state. He also participated in the I-84, Franklin Interchange dedication ceremony in Caldwell earlier this week.

Director's Report. Director Lowe confirmed the date of the transportation summit, being coordinated with Senator Crapo's Office and the Governor's Office, on August 26. The event will be held in Boise, although the location and the agenda have not been finalized.

An earlier Legislative Services Office finding related to aircraft operations has been closed, according to Director Lowe. A cost/benefit analysis should be finalized next month.

Director Lowe said the consultant for the legislative audit of ITD has not been selected. The Division of Highways is scheduling a peer review through the American Society of Civil Engineers. The report should be ready before the next legislative session.

Director Lowe reported that the Division of Motor Vehicles won two awards at the recent American Association of Motor Vehicle Administrators' conference. The award-winning Public Service Announcements on winter driving and motorcycle safety were shown to the Board.

Adopt-A-Highway. Member Coleman recognized the Diablos 4-H Horse Club for its

participation in the Adopt-A-Highway Program. He expressed appreciation for the valuable service to the state the group has officially been providing on US-95, mileposts 436.8 to 438.9, since 1991; although it has been picking up litter since the late 1970s.

Delegation – City of Sandpoint. Sandpoint Mayor Gretchen Hellar asked Member Coleman to meet with city officials, business representatives, and interested individuals on a regular basis during construction of the US-95, Sandpoint North and South project. The complex project will have a significant impact on the community and Mayor Hellar would appreciate being kept informed of the status of the project and how problems are being mitigated. She believes the status reports will also be beneficial for planning purposes.

Chairman Manning thanked Mayor Hellar for appearing before the Board.

Delegation – BCATT. Ponderay City Clerk Nancy Piatt welcomed the Board to northern Idaho and thanked it for visiting Bonner County yesterday. She relayed BCATT's continued support for the Sandpoint Byway project. She also acknowledged Idaho's transportation funding shortfall. BCATT members are planning to attend the Transportation Funding Conference next week and want to provide assistance with identifying solutions to the funding concerns.

Chairman Manning thanked City Clerk Piatt for her remarks and for BCATT's continued involvement in and assistance with transportation issues.

Delegation – Molly O'Reilly. Ms. O'Reilly provided a brief overview on the Safe Routes to School Program and emphasized that as a member of that Advisory Committee, she has a statewide perspective on the pedestrian needs. Although Ms. O'Reilly understands the transportation funding constraints, she believes it is imperative to fund the Enhancement Program and provide transportation options. She encouraged the Board to provide more funding for bicycle/pedestrian pathways and public transit.

Several Board members acknowledged the need for a multi-modal system, but emphasized that the highest priority at this time is to maintain and preserve the existing transportation system. Chairman Manning expressed appreciation for Ms. O'Reilly's support for alternative transportation and for her efforts to promote transportation options.

Chairman Manning welcomed Representative Marge Chadderdon to the meeting.

Delegation – City of Dover. Dover City Councilmember Maggie Becker thanked the Board for visiting Dover yesterday and viewing the US-2, Dover Bridge. She acknowledged the Department's funding shortfall, but encouraged the Board to find innovative ways to fund the Dover bridge project. She relayed safety concerns with the existing deficient structure.

Chairman Manning thanked Councilmember Becker for her remarks.

Delegation – City of Rathdrum. Rathdrum City Administrator Boyer expressed Mayor Holmes' regrets that he was unable to attend the meeting. Administrator Boyer thanked the Board for traveling SH-41 and visiting Rathdrum yesterday. The community's population has been growing and traffic on the north-south highway has increased 153% in the last 10 years. He encouraged the Board to address safety and congestion concerns on SH-41. Bridging the Valley is the City's second priority. Officials are working on securing a federal grant for the Main Street Underpass project, and if the grant is received, they would like the state to provide the matching funds. Administrator Boyer said the third priority is funding for the Enhancement Program. He expressed appreciation to the Board for the pathways it has funded in the community.

Chairman Manning thanked Administrator Boyer for his presentation.

Delegation – City of Post Falls. Post Falls Mayor Clay Larkin thanked the Board members for their time and expressed appreciation for District 1 staff's assistance and the good working relationship the two entities have established. He added his support for improvements to SH-41 to address safety and congestion concerns. Mayor Larkin also provided an update on the Greensferry project. The Environmental Impact Statement is almost complete and the Record of Decision should be issued soon. At that time, the City is planning to approach the Board with funding for final design, whether the recommendation is an overpass or interchange on I-90. He would like to continue partnering with ITD on this important project. Mayor Larkin also expressed appreciation to the Board members for their service to the state.

Chairman Manning encouraged Mayor Larkin to continue working with District Engineer (DE) Damon Allen on transportation issues. He also said the Department is reviewing projects to ensure their practicality and whether costs can be reduced. With limited funding, efforts are being made to ensure each dollar is spent as efficiently as possible. Chairman Manning also thanked Mayor Larkin for his comments and his partnership on transportation issues.

US-95 Access Study. Two years ago, the Board requested a long-term plan to increase mobility on US-95 from I-90 to Wyoming Avenue, according to DE Allen. Due to a number of turnovers at the state and local level, the study was not completed by July 1, 2008, as initially requested. DE Allen said a new steering committee has been formed to review access and mobility issues. Six alternatives are being analyzed. The committee plans to have its findings ready for Board consideration later this year.

Rule Change in Real Property Management, IDAPA 39.03.45. Right of Way Supervisor Bob Snyder requested amendments to IDAPA 39.03.45 – Rules Governing Sale of No Longer Useful

or Usable Real Property. Previously, ITD's surplused property valued under \$10,000 was offered to contiguous property owners first. If no adjacent landowner purchased the property, it was offered at public auction. Property valued over \$10,000 was initially offered to public entities for acquisition, and then made available at a public auction. Legislative action eliminated the \$10,000 cap, so contiguous landowners are now to be given first option at acquiring all surplused property. IDAPA 39.03.45 is being revised to comply with Idaho Code. Other minor clean up is also being proposed.

Member Miller made a motion, seconded by Vice Chairman McClure, and passed unanimously, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board has the authority to approve
requested
ITB08-31 changes to administrative rules; and

WHEREAS, the Board finds the requested changes to the administrative rule provides adaption to the recent legislative changes and revised statute.

NOW THEREFORE BE IT RESOLVED, that the Board approves the recommended changes to administrative rule: IDAPA 39.03.45 – Rules Governing Sale of No Longer Useful or Usable Real Property; and

BE IT FURTHER RESOLVED, that the Board directs staff to promulgate temporary rule making effective July 1, 2008 and proceed with regular rule making at the same time for the changes as listed above for the administrative rule.

Professional Services Agreements and Term Agreement Work Task Report. Acting Chief Engineer Loren Thomas reported that \$6,127,800 in new professional service agreements and work tasks were processed from May 29 through June 20. The agreements were issued for various reasons, including resources not available in-house and special expertise was required. Seven supplemental agreements to existing agreements were processed in the amount of \$646,615 during this period.

2009 Legislative Idea Review. Acting Budget, Policy, and Intergovernmental Relations Manager (ABPIRM) Tim Greeley presented the 2009 legislative ideas. The license plate fee increase for manufacturing costs concept proposed last month has been withdrawn. Staff believes additional work is needed on that proposal. ABPIRM Greeley said the ideas the Board approves will be submitted to the Division of Financial Management (DFM). Draft legislation on the ideas DFM approves will be submitted to the Board for review and approval in September.

Member Blick expressed frustration with the proposal to implement Commercial Drivers'

License provisions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users. He believes it is a federal mandate and that there are too many unnecessary federal guidelines regarding trucking issues.

Member Gagner made a motion, seconded by Member Coleman, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Governor's Office has requested that state agencies submit proposed 2009

ITB08-32 legislation to the Division of Financial Management for review and approval; and

WHEREAS, the Idaho Transportation Department Executive Team has approved the "Legislative IDEA Submittal Forms" as to concept and has submitted them to the Idaho Transportation Board for review and approval prior to submission to the Division of Financial Management.

NOW THEREFORE BE IT RESOLVED, that the Board approves submittal of the "Legislative IDEA Submittal Forms", as shown as Exhibit 361, which is made a part hereof with like effect, to the Division of Financial Management, and upon approval, the development by ITD staff of draft legislation to be included as part of the Governor's 2009 legislative package, dependent upon subsequent review and approval by the Board and the Division of Financial Management.

The motion passed 5-1 with Member Blick dissenting.

State by State Passenger Car Registration and Fuel Tax Comparison. Doug Benzon, Economics and Research Manager (ERM), completed a review of all states' annual motor vehicle registration fees and fuel taxes. Registration fees were calculated for a one-year renewal in the District of Columbia and the county seat of the most populous county in each of the United States. A 2007 Toyota Camry was used for comparison purposes. This car was selected because it was the most registered passenger car in Idaho last year.

ERM Benzon said Idaho's total annual registration and state/local fuel tax costs ranked 32nd nationally at \$229.08. Idaho's annual registration fee of \$73.08, which includes Ada County fees, ranked 34th nationally with the average being \$185.38. Idaho's fuel tax of 26 cents per gallon (which includes the temporary 1 cent per gallon transfer fee, a portion of which funds the Petroleum Clean Water Trust Fund) ranked 22nd, with the U.S. average being 25.99 cents.

Discussion followed on other funding mechanisms that states have implemented, such as a personal property tax or sales tax. It was suggested that a breakdown of the per person cost or per

vehicle cost or the number of lane miles in each state may be useful. Another important message is the cost to operate and maintain ITD's current system. ERM Benzon was asked to provide information on all transportation revenue sources for the surrounding states.

Chairman Manning thanked ERM Benzon for the informative report and extensive efforts on this research.

Utilization of Runaway Truck Ramp. Last month Idaho State Police (ISP) coordinated filming a truck driver utilizing a runaway truck ramp on US-95 north of Lewiston. Member Sweeney said ISP intends to distribute the video nationally as a training and educational tool. The Board viewed the DVD of this event.

Executive Session on Legal and Personnel Issues, Section 67-2345(a), (b), (d), and (f), Idaho Code. Member Blick made a motion to meet in executive session at 11:25 AM to discuss legal and personnel issues. Member Coleman seconded the motion and it passed 6-0.

A discussion was held on legal matters related to the US-95, Sandpoint North and South project; and matters exempt from public disclosure related to contract negotiations.

A discussion was held on personnel issues related to the filling and evaluation of a public office.

The Board came out of executive session at 12:50 PM. No decisions were made.

Old/New Business. DE Allen said a team has been established to review the US-95, Garwood to Sagle corridor in response to the Board's action last month to suspend design on this GARVEE project. A number of options are being evaluated, with safety and capacity the highest priorities. The team is planning to present its findings to the Board next month.

Member Blick believes the US-2, Dover Bridge needs to be replaced; however, he suggested reviewing the current plans and determining if the estimated cost of \$29 million could be reduced. Member Coleman noted that the design plans are for a four or five lane structure. He questioned the capacity needs of the bridge and asked staff to justify the additional lanes. The consensus of the Board was to have DE Allen provide a thorough overview on the proposed Dover Bridge project next month.

Member Miller believes a number of rural intersections could be improved fairly inexpensively. He asked staff to consider funding safety-improvement projects, such as turn lanes, at rural intersections. Director Lowe said the Districts were asked to review its list of projects and that a number of intersection projects have been submitted. She has also discussed scheduling rural intersection improvement projects in the Safety Program with staff.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 1:05 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
August 20, 2008
Rigby, Idaho

SPECIAL MEETING OF THE IDAHO TRANSPORTATION BOARD

July 29, 2008

Idaho Transportation Board Chairman Manning called a special meeting of the Idaho Transportation Board at 3:45 PM on Tuesday, July 29, 2008. The following were present at the Idaho Transportation Department in Boise, Idaho:

Darrell V Manning, Chairman
Monte C. McClure, Vice Chairman – District 3
Gary Blick, Member – District 4
Pamela Lowe, Director
Scott Stokes, Deputy Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Board Secretary

The following participated in the meeting via teleconference or video conference:

Jim Coleman, Member – District 1
Bruce Sweeney, Member – District 2
Neil Miller, Member – District 5

Executive Session, Section 67-2345(f), Idaho Code. Vice Chairman McClure made a motion to meet in executive session at 3:45 PM to discuss legal issues. Member Blick seconded the motion and it passed 5-0.

A discussion was held on pending litigation related to the US-95, Sandpoint North and South project.

The Board came out of executive session at 4:10 PM. No decisions were made.

WHEREUPON the special session of the Transportation Board adjourned at 4:10 PM.

signed _____

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
August 20, 2008
Rigby, Idaho

REGULAR MEETING AND DISTRICT SIX TOUR
OF THE IDAHO TRANSPORTATION BOARD

August 20-21, 2008

The Idaho Transportation Board met at 8:30 AM, on Wednesday, August 20, 2008, in Rigby, Idaho. The following principals were present:

Darrell V Manning, Chairman
Monte C. McClure, Vice Chairman– District 3
Jim Coleman, Member – District 1
Bruce Sweeney, Member – District 2
Gary Blick, Member – District 4
Lee Gagner, Member – District 6
Pamela Lowe, Director
Scott Stokes, Deputy Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Secretary

Executive Session on Legal Issues, Section 67-2345(f), Idaho Code. Member Gagner made a motion to meet in executive session at 8:30 AM to discuss legal issues. Vice Chairman McClure seconded the motion and it passed 5-0 by individual roll call vote.

A discussion was held on legal matters related to the US-95, Garwood to Sagle project.

The Board came out of executive session at 8:40 AM. No decisions were made.

Board Minutes. Member Gagner made a motion to approve the minutes of the regular Board meeting held on July 9-10, 2008 and the minutes of the special Board meeting held on July 29, 2008 as submitted. Member Sweeney seconded the motion and it passed unanimously.

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

September 17-18, 2008 – District 5
October 14-15, 2008 – District 3
November 19-20, 2008 – Boise

Consent Calendar. Vice Chairman McClure made a motion, seconded by Member Blick, and passed unanimously, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board
ITB08-33 approves the revisions to IDAPA 39.03.17 – Rules Governing Permits
for Manufactured Homes, Modular Buildings, and Office Trailers; revisions to

IDAPA 39.03.22 – Rules Governing Overlegal Permits for Extra Length Vehicle Combinations; revisions to Board Policy B-03-01, Acquisition and Disposal of Real Properties and their Improvements; revisions to Board Policy B-01-15, Release and Restriction of Department Records; and the FY08 account write off; and has received and reviewed the annual report of Department activities to the Board of Examiners; the summary of FY08 actual vs. budgeted out-of-state trips and cost; the return check report for FY08; the annual report on performance measures on contracts and procurements; the contract award information; and the program and district obligation graphs and tables, monthly status report.

1) Revisions to IDAPA 39.03.17 – Rules Governing Permits for Manufactured Homes, Modular Buildings, and Office Trailers. Currently, the transport of manufactured homes, modular buildings, and office trailers is prohibited when wind speeds exceed 20 miles per hour. This restriction was established for the safety of the operator and the traveling public. It was based on the light weight and fragility of the structures that was the industry standard when the rule was previously promulgated. The weight and construction of these structures has improved sufficiently to withstand greater wind speeds. IDAPA 39.03.17 is being revised to raise the wind speed limit to 30 miles per hour. Also, to provide consistency for the industry and compliance personnel, the wind-velocity exemption for hauling these structures on a five-axle truck tractor or semi-trailer combination is being eliminated.

2) Revisions to IDAPA 39.03.22 – Rules Governing Overlegal Permits for Extra Length Vehicle Combinations. Revisions to this rule were initially approved by the Board in December 2007. Due to in-house procedural issues and editing errors at the Department of Administration, staff opted to withdraw the original submission and thoroughly review the rule. The amendments to the rule now are the same as those presented to the Board in December 2007. They bring the rule into compliance with Idaho Code. The revisions ensure that vehicles manufactured to operate with single tires on multiple axle configurations are allowed to continue to operate in that manner without having to invest in major equipment changes; clarify that permitted longer combination vehicles with multiple axle configurations may operate with single tires on those multiple axles as long as the 600 pounds per inch width of tire is not exceeded; and clarify that single tires may be used on single axles as long as the tires are 15 inches wide or wider.

3) Revisions to Board Policy B-03-01, Acquisition and Disposal of Real Properties and their Improvements. B-03-01 is being revised to increase the administrative settlement limit requiring Board approval from \$100,000 to \$200,000. The limit has not changed in more than 10 years. This policy revision was one of the recommendations proposed in May when staff reviewed escalating right-of-way costs and possible remedies to address those concerns.

4) Revisions to Board Policy B-01-15, Release and Restriction of Department Records. This

policy was last reviewed in 1998. The proposed changes are to add specific Idaho Code references for the Department to be in compliance with law and references for certain records that are exempt from the Public Records Law.

5) FY08 Account Write Off. ITD policy requires that all uncollectible accounts exceeding \$1,000 be reviewed and approved for write-off by the Board. The Director or a designee reviews and approves for write-off all accounts less than \$1,000. For FY08, staff determined 119 accounts totaling \$75,164.17 to be uncollectible. It requested Board approval to write off 24 accounts totaling \$49,051.59, as shown as Exhibit 362, which is made a part hereof with like effect. A total of 95 accounts in amounts less than \$1,000 have been determined as uncollectible. The total of these accounts is \$26,112.58. The outstanding receivables are more than three years delinquent and are related to damage claims, registrations, and mileage tax fees. Customers are not allowed to do business with ITD until their deficiencies are paid or statute of limitations is reached.

6) Annual Report of Department Activities to the Board of Examiners. ITD requested Board of Examiners' permission to pay comp time balances in excess of 240 hours for twelve FLSA non-covered employees totaling \$71,052.44. This request was made in response to Senate Bill 1252a, which sets a new 240 hour cap on comp time balances for FLSA non-covered employees classified as Administrative or Professional. The law also states that if an employee has a balance of 240 hours or more as of the first pay period of FY09, then additional comp time would not accrue, and requires that previously earned comp time balances above 240 hours as of the last pay period of FY09 be forfeited. The Board of Examiners deferred approval of ITD's request until later in FY09.

7) Summary of FY08 Actual vs. Budgeted Out-of-State Travel. In FY08, an estimated 308 out-of-state trips were taken totaling \$272,813. The budgeted amount was \$410,355. There were 62 direct reimbursement trips, although those expenses are not reflected in the total expenditures or budgeted amount.

8) Return Check Report for FY08. During FY08, \$48,291,344 in checks were received, while 174 checks, or 0.32%, totaling \$153,566 were returned. Collection of returned checks equaled \$132,275 for an annual collection rate of 86%.

9) Annual Report on Performance Measures on Contracts and Procurements. A summary of the procurement and contract services for FY08 was provided. A total of 24,454 purchase orders were processed in the amount of \$67,421,400. The number was an increase of 3.4% over the previous fiscal year. A total of 44 professional services agreements in the amount of \$1,010,613 and 103 contracts in the amount of \$13,106,140 were processed. Additionally, 159 informal bids, 99 requests for proposals, and 240 master agreements were issued.

10) Contract Awards. Keys #9765 – Pancheri Bridge to South Pedestrian Path, Idaho Falls, District 6. Low bidder: H-K Contractors, Inc. – \$539,183.

Key #11486 – US-2, Dover Bridge to Sandpoint, District 1. Low bidder: Interstate Concrete & Asphalt Company - \$538,629.

Key #11013 – I-90, Wolf Lodge Creek Bridge, Kootenai County, District 1. Low bidder: Penhall Company - \$571,576.

Key #9772 – I-90, Golconda Overpass Road Interchange, Shoshone County, District 1. Low bidder: Penhall Company - \$1,314,980.

Keys #9449 and #9464 – SH-57, Lower West Branch to Upper West Branch Priest River and Junction US-2 to Lower West Branch Priest River, District 1. Low bidder: Interstate Concrete & Asphalt Company - \$5,896,360.

Key #9337 – US-12, Woodland Road to Milepost 70, Idaho County, District 2. Low bidder: Poe Asphalt Paving, Inc. – \$1,744,286.

Key #11518 – I-84, Orchard Street Interchange, New York Canal, District 3. Low bidder: Concrete Placing Company, Inc. - \$4,638,355.

Key #10940 – I-84, Franklin Boulevard Interchange Bridge, Nampa, District 3. Low bidder: Concrete Placing Company, Inc. - \$3,099,218.

Key #9733 – I-84, Garrity Boulevard to Meridian Road, Incident Management System, District 3. Low bidder: Power Plus, Inc. - \$246,623.

Key #11491 – I-86, Raft River to Rockland Interchange, Eastbound, Power County, District 5. Low bidder: Multiple Concrete Enterprises Inc. - \$2,412,422.

Key #9997 – SH-52, Oregon State Line to Junction US-95, District 3. Low bidder: Staker & Parson Companies dba IS&G – \$1,698,554.

Key #9334 – SH-41, Intersection Prairie and Hayden Avenues, Kootenai County, District 1. Low bidder: Thorco, Inc. – \$128,740.

Key #11010 – US-95, Junction SH-53 to Ohio Match Road, Kootenai County, District 1. Low bidder: Central Washington Asphalt, Inc. – \$12,197,905.

Key #9996 – SH-55, Deinhard Lane to Zachary Road, McCall, District 3. Low bidder: Valley Paving & Asphalt Inc. – \$943,764.

The low bid on key #11494 – US-30 and SH-50, FY08 District 4 Districtwide Sealcoats, South was more than ten percent over the engineer's estimate, requiring justification. The Engineer's Estimate was prepared utilizing the Average Unit Price Report and pricing was reviewed for District 4 bids of similar work and quantity. The major differences are in asphalt, fog coat, and mobilization. Because staff does not believe re-advertising the project would improve the cost or provide a savings and due to the urgency of the project, staff recommended awarding the contract. Low bidder: Kloefer Inc. - \$1,152,017.

Key #7222 – Bear Lake Outlet Canal Bridge, District 5. Low bidder: Cannon Builders Inc. - \$1,023,235.

The low bid on key #11475 – FY08 District 4 Districtwide Sealcoats was more than ten percent over the engineer's estimate, requiring justification. The Engineer's Estimate was prepared utilizing the Average Unit Price Report and pricing was reviewed for District 4 bids of similar work and quantity. The major difference was in the asphalt item. Because staff does not believe re-advertising the project would improve the cost or provide a savings and due to the urgency of the project, staff recommended awarding the contract. Low bidder: Emery, Inc. - \$835,978.

Key #10446 – US-95, Milepost 210.5 Landslide, Idaho County, District 2. Low bidder: Hap Taylor & Sons, Inc. dba Knife River – \$2,150,617.

Key #9687 – CSI Student Safety Initiative, District 4. Low bidder: Hap Taylor & Sons, Inc. dba Knife River - \$695,391.

Key #8811 – SH-55, Mission Street Turn Bay, McCall, District 3. Low bidder: Valley Paving & Asphalt Inc. – \$360,464.

Key #9195 – Intersection Linden Street and 10th Avenue, Caldwell, District 3. Low bidder: Staker & Parson Companies dba IS&G - \$460,915.

11) Program and District Obligation Graphs and Tables, Monthly Status Reports. As of July 31, \$262.9 million had been obligated for highway projects in the Statewide Transportation Improvement Program, or 69.4% of the planned amount. The total amount obligated for construction projects was \$222.9 million, excluding GARVEE projects. Obligation information by program and district and project status reports for 2008 projects were also presented.

Board Items. Chairman Manning said the majority of his activities have been related to Idaho's

Transportation Funding Conferences. He commended staff for its exemplary efforts to prepare for and execute these successful meetings. He also met with the Community Planning Association of Southwest Idaho to discuss funding issues.

Director's Report. Director Lowe announced that the Department won an ACEC award for the District 1, US-95, Setters to Belgrove project.

Director Lowe reported that bids for the I-84, Garrity to Meridian project opened yesterday. As an efficiency measure, the bidding process allowed for an alternate of either asphalt or concrete. The low bid, utilizing asphalt, was below the engineer's estimate.

The peer review being conducted by the American Society of Civil Engineers is progressing well, according to Director Lowe. She also reported that the auditors have been selected to perform the legislative-required audit of the Department. Staff met with the auditors and is starting to gather requested information.

Director Lowe provided the dates for the legislative outreach meetings scheduled in each District. The meetings will focus on efficiencies and the peer review.

Director Lowe distributed the draft agenda for the August 26 transportation summit. The final transportation funding conference is scheduled that afternoon. She was pleased with the attendance at the first six sessions. The Department has received a number of comments. Overall, she believes there is support to increase funding for transportation.

Director Lowe reported that Idaho ranked 14th overall in performance and cost-effectiveness in the 17th Annual Report on the Performance of State Highway Systems, prepared by David Hartgen. Last year, Idaho ranked 10th. The lower rating is partly due to the state's rural and urban interstate condition and urban interstate congestion. Idaho also ranked 36th in fatality rates per 100 million vehicle miles traveled.

Adopt-A-Highway. Member Gagner thanked the General Federated Women's Club, Rexburg Civic Club, for its participation in the Adopt-A-Highway Program. He expressed appreciation for the valuable service to the state the group provides. It adopted a portion of US-20, milepost 330 to 331.9, in 2006.

Delegation – Right Truck for Idaho Coalition. Roy Eiguren provided an update on the Right Truck for Idaho Coalition's Congressional efforts to authorize a pilot project to allow vehicles up to 129,000 pounds on certain Idaho Interstates. The legislation has been drafted. If this legislation is approved, Mr. Eiguren believes a concurrent resolution providing funding for the pilot project will also be approved. He asked the Board to support this congressional proposal.

Member Neil Miller, District 5, joined the meeting during this presentation.

In response to Chairman Manning's question on how this proposal differs from the existing pilot project on select state and local routes, Mr. Eiguren replied that there is no difference other than the higher weights would be allowed on Interstate routes. The Coalition would like more routes available for economic purposes.

Vice Chairman McClure commented that Idaho is a bridge state. He asked how the Coalition feels about allowing 129,000 pound vehicles traveling through Idaho. Mr. Eiguren responded that ideally, it would like 129,000 pound vehicles allowed throughout the country. The emphasis for now is to allow these weights in the intermountain west. It is taking this issue incrementally.

Member Sweeney made a motion to support the proposed Congressional authorization of a pilot project allowing 129,000 pound vehicles on select Idaho Interstates. Member Gagner seconded the motion.

Member Miller asked about the pilot project being revenue neutral. If 129,000 pound vehicles consume more fuel, revenue from fuel taxes may increase; however, if the number of trucks traveling on the state's routes decrease because fewer trucks are needed to transport the same amount of product, revenue from registration fees may decrease. Motor Vehicle Administrator Alan Frew did not have that information, but stated that staff would see if it could evaluate the revenue impacts.

The motion passed 5-1 with Member Miller dissenting.

US-95, Garwood to Sagle, District 1. District 1 Engineer (DE) Damon Allen summarized the US-95, Garwood to Sagle project, which was initiated in 2002. In June, the Board requested that staff suspend design activities until the value engineering study could be evaluated. A review team was established and has completed the review of the study. In total, the value engineering study evaluated the 31-mile corridor, focusing on improving safety, reducing congestion, maximizing the number of miles that can be constructed, and utilizing value engineering and the practical design theory.

Based upon the team's review DE Allen reported that the team recommends updating the Final Environmental Impact Statement (FEIS) to include the build of additional four-lane divided highway between Ohio Match Road and Parks Road, a four-lane undivided highway between Parks Road to the Granite Segment, and additional interchanges at Chilco Road, Bunco Road, and potentially SH-54. In addition the FEIS will include evaluation of frontage roads and additional right-of-way purchases. Although some improvements in the Sagle area are included,

complete right-of-way acquisition for the Sagle portion of the ultimate build out is not included. The timeline for the FEIS is December 31, 2008; Federal Highway Administration review of the FEIS by February 15, 2009; publish the FEIS in March with a record of decision in May 2009; complete the Chilco mainline and Chilco Interchange plans, specifications, and estimates (PS&E) packages by January 2010 and spring 2010, respectively; and complete the Athol and Granite PS&E package by fall 2010.

Chairman Manning thanked DE Allen for the thorough presentation. Member Coleman thanked DE Allen and the team for their work on this project, particularly in the short time frame. Member Gagner added appreciation for Member Coleman's involvement on this effort.

US-2, Dover Bridge. Assistant District 1 Engineer (ADE) Andrea Storjohann elaborated on the plans to replace the US-2, Dover Bridge. Some of the factors contributing to the cost are the difficult location, including crossing a railroad track; the high water table and poor soil type; and road work associated with the project. Improvements have been made to US-2 west of the bridge and a project is in Horizons to improve and widen the highway to the east. The Dover Bridge project was designed to tie into a five-lane highway.

Member Coleman questioned the transition plans and whether the bridge could be reduced from five lanes to four lanes. ADE Storjohann believes access to Dover has to be considered and a narrower structure may impact access. DDIR Stokes noted that elevation is an issue; however, he believes staff can re-evaluate the transition plans and structure width. He also emphasized the safety considerations, such as including acceleration and deceleration lanes.

Chairman Manning thanked ADE Storjohann for the overview on the Dover Bridge.

Idaho Traffic Crash Report. Highway Safety Manager (HSM) Mary Hunter summarized the Idaho Traffic Crashes 2007 Report, which provides data of Idaho's traffic crash problems and illustrates progress being made. Some of the highlights from the report include: Idaho's fatality rate per 100 million vehicle miles traveled was 1.59; the number of fatalities resulting from motor vehicle crashes decreased 6%, from 267 in 2006 to 252 in 2007; just over 40% of the motor vehicle fatalities were the result of impaired driving; Idaho's observed seat belt use decreased slightly to 78%; aggressive driving was a contributing factor in 54% of the crashes and was a factor in 43% of the resulting fatalities; and 17 pedestrians and 2 bicyclists were killed in motor vehicle crashes.

Highway Safety Performance Plan FY09. HSM Hunter said the goal of the Highway Safety Grant Program is to reduce deaths and serious injuries resulting from traffic crashes by implementing programs to address driver behaviors. The program provides grant funding for highway safety programs that address Idaho's unique circumstances and particular highway safety needs. She

presented the FY09 Highway Safety Performance Plan, as recommended by the Traffic Safety Commission. The National Highway Traffic Safety Administration 402 grants total \$2,189,705. Based on Idaho's highway safety needs some of the focus areas are planning and administration, impaired driving, occupant protection, police traffic services, community traffic safety projects, and paid advertising. The other grants included in the Plan, totaling over \$2 million, are for data records, alcohol impaired, racial profiling, and motorcycle safety.

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

RES. NO. WHEREAS, Idaho experienced 26,452 reportable traffic crashes and 252 traffic
ITB08-34 deaths in 2007; and

WHEREAS, the economic cost of traffic crashes in Idaho for 2007 was over \$2.8 billion; and

WHEREAS, Idaho's fatality rate for 2007 was 1.59 fatalities per 100 million annual vehicle miles traveled, which is higher than the estimated national rate of 1.44 fatalities per 100 million annual vehicle miles traveled; and

WHEREAS, the Idaho Transportation Department's goal is to reduce the number of fatalities to 168 traffic deaths in 2012; and

WHEREAS, the National Highway Traffic Safety Administration (NHTSA) has allocated almost \$4 million in funding for Idaho to reduce traffic deaths and serious injuries; and

WHEREAS, the Idaho Traffic Safety Commission and the Office of Highway Operations and Safety have developed the Highway Safety Performance Plan for FY09 to reduce Idaho traffic deaths; and

WHEREAS, the Highway Safety Performance Plan is required by NHTSA in order to receive funding.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board adopts the Highway Safety Performance Plan, which is on file in the Office of Highway Operations and Safety, for federal fiscal year 2009.

Professional Services Agreements and Term Agreement Work Task Report. Chief Engineer Tom Cole reported that \$1,378,050 in new professional service agreements and work tasks were processed from June 23 through July 31. The agreements were issued due to resources not

available in house and special expertise was required. Seven supplemental agreements to existing agreements were processed in the amount of \$519,100 during this period.

Employee Presentations. Assistant District 6 Engineer Karen Hiatt presented safety and service awards to District 6 employees. Chairman Manning thanked the employees for their dedication and service to the state.

Executive Session on Legal and Personnel Issues, Section 67-2345(a), (d), and (f), Idaho Code. Vice Chairman McClure made a motion to meet in executive session at 11:50 AM to discuss legal and personnel issues. Member Coleman seconded the motion and it passed 6-0 by individual roll call vote.

A discussion was held on legal matters exempt from public disclosure related to contract negotiations; the US-95, Sandpoint North and South project; the I-90, Beck Road Interchange; and the US-95, Garwood to Sagle project.

A discussion was held on personnel issues related to filling public offices.

The Board came out of executive session at 2:15 PM. No decisions were made.

FY08 Adjustments to the Federal-aid Formula Highway Program. Dave Amick, Manager, Transportation Investments (MTI), requested approval to modify the FY08 Federal-Aid Formula Highway Program based upon project readiness and available funds. As of August 4, there are \$206.5 million of commitments against the total \$226.1 million. Staff is requesting \$19.6 million for cost increases for FY08 projects and to advance one preservation project. Staff has requested \$48.2 million in redistribution of obligation authority to fund additional projects. MTI Amick summarized the program adjustments, anticipated project removals and delays, and list of additional project requests. There is no guarantee that any of the projects will be advanced or delayed, and although the list is prioritized, the projects would be advanced on a first-come first-served basis. The STIP that will be presented to the Board for approval next month will reflect the final project adjustments.

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

RES. NO. WHEREAS, it is in the public interest for the Idaho Transportation Department
ITB08-35 to accomplish a current, realistic, and fiscally constrained Highway
Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal-aid highway funding; and

WHEREAS, the Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU) requires that a priority list of projects covering a four-year period be provided in a Statewide Transportation Improvement Program (STIP); and

WHEREAS, as of August 4, 2008, the balance of available funds is \$19.6 million; and

WHEREAS, projects have been identified that will delay or be removed from FY08 totaling \$30.9 million; and

WHEREAS, projects have been identified requiring cost increases of \$8.7 million; and

WHEREAS, a prioritized list of projects has been identified that are ready should additional funding become available; and

WHEREAS, the result of these proposed delays, cost increases, and advances will fully utilize estimated FY08 federal-aid highway formula obligation authority and equity bonus funds of \$241.1 million; and

WHEREAS, the Department requested \$48.2 million in redistributed FY08 formula obligation authority from other states.

NOW THEREFORE BE IT RESOLVED, that the Board authorizes staff to delay or remove projects in the list entitled "Anticipated Removals and Delays" and advance projects in the list entitled "Additional Requests", as shown as Exhibit 363, which is made a part hereof with like effect, in priority order as projects are delivered and as funding becomes available through Redistribution of Federal Formula Obligation Authority; and

BE IT FURTHER RESOLVED, that staff is authorized to make the appropriate changes to the FY08-12 STIP in accordance with the provisions of SAFETEA-LU.

Add I-84, Mountain Home Overpass to FY09 State Board Unallocated Program. MTI Amick reported that a commercial vehicle struck the I-84 eastbound Mountain Home Overpass in July 2007, causing damage to the structure. Staff determined that the structure was safe for traffic, but repairs to the steel girders and cross frames and new paint were needed. During development of the repair plans, staff determined that the damages were more significant than originally assessed. The estimated cost to repair the overpass is \$200,000. MTI Amick requested Board approval of

FY09 State Board Unallocated Program funds to repair the structure.

Vice Chairman McClure suggested establishing a revolving fund to finance these types of projects.

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

RES. NO. WHEREAS, it is in the public's interest for the Idaho Transportation Department ITB08-36 to publish and accomplish a current, realistic, and fiscally constrained Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal and state highway funding; and

WHEREAS, the eastbound bridge of the I-84, Mountain Home Overpass was struck by a truck on July 12, 2007; and

WHEREAS, the District Design and Headquarters Bridge Sections have developed plans to repair the bridge at an estimated total cost of \$200,000; and

WHEREAS, the District has fully programmed all of its capital investment funds in FY09; and

WHEREAS, \$2,000,000 is set aside annually for use by the Board for such unforeseen events in the State Board Unallocated Program; and

WHEREAS, \$450,000 of funds in the FY09 Board Unallocated Program are available; and

WHEREAS, the Department anticipates reimbursement in State FY09 by the insurance carrier of the motorist who caused the damage to this structure.

NOW THEREFORE BE IT RESOLVED, that the Board authorizes the use of FY09 State Board Unallocated funds in the amount of \$200,000 to repair the I-84, Mountain Home Overpass.

Performance Measurement Report due to Division of Financial Management by September 3, 2008. Intermodal Planning Manager (IPM) Patricia Raino presented the draft 2009 Performance Measurement Report, per Idaho Code. The report contains some of the performance measure data submitted in the FY09 Strategic Plan. The "performance highlights" section focuses on efficiency

and customer service.

Chairman Manning thanked IPM Raino for the presentation.

GARVEE Financing Authorization. Administrator, Division of Administration (ADA) Dave Tolman summarized the 2008 legislative action authorizing an additional \$134 million in GARVEE bonds, bringing the total GARVEE bond amount to \$597 million. A Board resolution is required authorizing ITD to work with the Idaho Housing and Finance Association on the next series of bonds. The next bond series issue is anticipated to include the unissued \$71 million from the 2007 legislative authorization and the additional \$134 million from the 2008 session for a total of \$205 million. It is anticipated that this issue will be sold towards the end of 2008. This follows the Board philosophy to not issue bonds before the need to award contracts.

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

RES. NO. WHEREAS, the Idaho Transportation Department (ITD) strives to make available ITB08-37 to the citizens of Idaho the finest transportation system via new construction projects and management of statewide assets and has authorized the use of a Grant Anticipation Revenue Vehicle (GARVEE) bonded program; and

WHEREAS, the use of future federal funds today will save the state money in the future; and

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

WHEREAS, the ITD, the ITB, and the IHFA have entered into a Master Financing Agreement with respect to the bonds; and

WHEREAS, issuing such bonds promotes the purposes of the GARVEE Program, is in the public interest, serves a public purpose, increases commerce, promotes the health, welfare and safety of the people of the State of Idaho, and constitutes a proper exercise of the authority particularly set forth in the Act; and

WHEREAS, the legislation has passed and the Governor has signed House Bill 657 GARVEE Bonding Authorization authorizing ITB's request for bonding authority

under Idaho Code Section 40-315(4) (the “House Bill”) and IHFA intends to issue certain tax exempt bonds, Federal Highway Trust Fund Series, during state fiscal year 2009 in an amount not to exceed \$134,000,000 (the “Bonds”), in order to provide funds to finance the GARVEE Program for those projects (the “Projects”) referenced in the House Bill and other related legislation and this resolution shall serve as evidence of the Board’s intention to proceed with issue of the Bonds up to the amount stated and to reimburse its expenditures for the Projects from the proceeds of the Bonds; and

WHEREAS, there will be prepared a Preliminary Official Statement relating to each series of the bonds and the distribution thereof to potential bond purchasers and the distribution to all actual purchasers of the bonds of a final Official Statement relating to the bonds to be authorized; and

WHEREAS, other bonding documents will also be needed to be executed setting forth the applicable series of bonds.

NOW THEREFORE BE IT RESOLVED, by the Board as follows:

1. Pursuant to the Act, the Board approves the Projects and recommends to IHFA the financing thereof through the issuance of the Bonds in an aggregate principal amount not to exceed \$134,000,000 ; provided that: (a) the ITD and the ITB have entered into the Master Financial Agreement and a supplement thereto relating to the Bonds; [this has already been approved] and (b) the ITD has provided to the IHFA all of the certificates, documents and information required under Idaho Code Section 67-6210(k).
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.

Final Official Statement

Supplemental to Master Financial
Agreement

Master Trust
Indenture

Series Trust
Indenture

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

FY08 Financial Statement Review. Controller Gordon Wilmoth summarized the FY08 financial statement. The trend for ITD's total revenue continues to increase slightly every year. Total federal aid was \$314 million. Revenue to the Highway Distribution Account was \$186.4 million, which was slightly more than the forecasted amount. The indirect cost recovery rate was 11.9%, with a total recovery in FY08 of \$32.9 million. The balance in the long-term investment fund was \$41.4 million on June 30, 2008. The average return in FY08 was 4.13%. The majority of expenditures were for contract construction. Personnel costs were less than budgeted. Total non-construction operating expenditures reflected a 2% positive variance.

Controller Wilmoth reported that revenue to the State Aeronautics Fund was 1.2% below the forecast of \$1.978 million. Overall expenditures were 43.2% below the budgeted amount.

Revised Six Year Capital Facilities Program. ADA Tolman said the facility program has been revised using the philosophy "best value" within the available budget. Revisions were made by collaborating with District staff with the goal to achieve a sustainable design that maintains and extends the useful life of the Department's buildings. A major change in the program is the removal of the bonding requests for a new District 3 location and a new Headquarters building that totaled \$63 million. ADA Tolman noted that the alteration and repairs and statewide preventative maintenance budgets have been increased so the Districts can update or replace higher maintenance or inefficient facility components or needed safety revisions. New sand sheds will continue to be a priority to meet environmental and efficiency commitments. A reduction of \$77.2 million was realized from the August 2007 Board-approved six-year building program to the current proposal.

FY10 Proposed Budget Request. Senior Budget Analyst (SBA) Joel Drake summarized the proposed FY10 budget request. He said there were minimal changes to the draft presented to the Board in June. Some of the highlights of the budget request in the amount of \$510 million include 1833.5 full-time positions, a 3% change in employee compensation increase, a \$1.9 million increase for employer costs for health insurance, \$21.6 million for replacement equipment, and \$291.5 million for construction. SBA Drake said the FY10 revenue forecast is \$225.3 million from state sources and \$303 million in federal revenue. He added that no GARVEE bonding authority is included at this time; however, staff will seek Board direction next month on the GARVEE Program.

Member Gagner made a motion, seconded by Member Coleman, and passed unanimously, to approve the following resolution:

RES. NO. WHEREAS, the FY10 Idaho Transportation Department budget request will be ITB08-38 prepared in accordance with instructions in the Division of Financial Management's Budget Development Manual; and

WHEREAS, the Idaho Transportation Board has reviewed the FY10 budget request summary.

NOW THEREFORE BE IT RESOLVED, that the Board agrees with the budget request estimates and guidance provided as presented in the Department Summary and Certification, submitted for approval August 21, 2008, as shown in Exhibit 364, which is made a part hereof with like effect, and authorizes the estimates and guidance provided to serve as the basis for the budget request to be submitted to the Division of Financial Management and Legislative Services Office on or before September 2, 2008.

39.04.04 – Rules Governing Idaho Airport Aid Program. Aeronautics Administrator John DeThomas said the 2007 legislative audit found that the Division of Aeronautics was not in compliance with Rule 39.04.04 in that the Division was allowing small airport supplies to be provided to Idaho public airports without a written request from the airports. This rule is being revised to reflect the current practice of providing supplies with written, electronic, or telephonic requests. Other minor changes are also being made for clarity, but no significant operational changes are being proposed.

Vice Chairman McClure made a motion, seconded by Member Sweeney, and passed unanimously, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board has the authority to approve ITB08-39 requested changes to administrative rules; and

WHEREAS, the Board finds the requested changes to the administrative rule provide clarification and update procedures to the rules governing the Idaho Airport Aid Program.

NOW THEREFORE BE IT RESOLVED, that the Board approves the recommended changes to administrative rule IDAPA 39.04.04 – Rules Governing Idaho Airport Aid Program, which defines requirements for the distribution of Idaho Airport Aid Program grant funds; and

BE IT FURTHER RESOLVED, that the Board directs staff to proceed with regular rule making for the changes as listed above for the administrative rule.

Member Coleman commented on the number of administrative fees specified in Idaho Code. Staff was asked to review all of the administrative fees and where they are identified.

Old/New Business. Member Blick said the Filer Highway District has made improvements to 2400 East. Earlier this year, the Board approved funding improvements in the amount of \$430,000 due to the impacts the completed US-93, Twin Falls Alternate Route, Stage 1 project is having on the local route. The local entity's project totaled \$544,000. It is requesting Board assistance for the additional \$114,000. Member Blick supports providing additional financial assistance because the improvements were needed because the US-93, Twin Falls Alternate Route, Stage 2 project has not been constructed.

Member Coleman asked if savings from another project may be a funding source. DE4 Devin Rigby responded that the recently-completed SH-77, Albion Hill project realized almost \$70,000 in savings, although there are still some payments that will need to be made.

Member Blick made a motion to utilize \$50,000 in savings from the Albion Hill project and \$64,000 in Board Unallocated Funds to reimburse the Filer Highway District for the additional costs to improve 2400 East. Vice Chairman McClure seconded the motion.

Member Coleman commented that this route will continue to see increased traffic. He does not want to set a precedent. Member Sweeney concurred. He asked if ITD will be expected to provide additional assistance for these local roads. DE Rigby replied that the intent is for the respective local jurisdictions to be responsible for the maintenance of 2400 East Road and Pole Line Road.

The motion passed unanimously.

Member Coleman made a motion, seconded by Member Gagner, and passed unopposed, to

approve the following resolution:

RES. NO. WHEREAS, the Idaho Legislature has adopted Idaho Code Section 63-3641, ITB08-40 which authorizes developers of retail commercial shopping complexes making improvements to state highways to recoup the costs of such improvements from sales taxes that the complex collects; and

WHEREAS, THE POINTE LLP has and is in the process of developing a commercial shopping complex in Post Falls, Idaho; and

WHEREAS, THE POINTE LLP and the Idaho Transportation Department have negotiated an agreement for planning, design, and construction of an Interstate freeway interchange wherein THE POINTE LLP will be responsible for all costs, including the Department's internal costs of administering contracts; and

WHEREAS, THE POINTE LLP and its consultants will be responsible for obtaining the necessary approvals from the Federal government and during construction be responsible for compliance with all environmental laws; and

WHEREAS, the interchange improvements proposed by THE POINTE LLP will provide a public benefit beyond access to the commercial shopping complex; and

WHEREAS, the public will benefit from proposed improvements that will improve access from and to Interstate 90 in Post Falls and western Kootenai County, Idaho with no out of pocket expenses to the Department.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board authorizes the Director of the Department to execute an agreement with THE POINTE LLP that has been approved as to form by the Department's Lead Deputy Attorney General.

Member Coleman commented on the earlier informational presentation on the US-95, Garwood to Sagle project. The Board's motion in June 2008 requested that staff suspend design activities until the evaluation was completed on the value engineering of the corridor. Without objection, the Board acknowledged the value engineering review and that the District is proceeding with an update of the FEIS.

WHEREUPON the meeting recessed at 4:05 PM.

August 21, 2008

The Board reconvened at 8:45 AM on Thursday, August 21, 2008, in Idaho Falls, Idaho. All members were present.

District 6 Tour. Idaho Falls City Engineer Chris Fredericksen, Bonneville County Commissioner Roger Christiansen, and District 6 Region 1 Engineer Wade Allen provided an overview on the Sunnyside Road improvements. Through a partnership between Bonneville County, the Cities of Idaho Falls and Ammon, and ITD, over \$46 million in improvements were made to this important arterial in several phases. Some aspects of the overall project were the construction of an interchange at I-15, 4.6 miles of urban reconstruction, construction of sound barrier walls, and installation of five new traffic signals. Although there was significant right-of-way acquired, it was emphasized that the right-of-way acquisition costs were minimal due to the locals' earlier efforts to preserve the corridor and require setbacks.

Member Blick commended the local officials for their foresight and perseverance on preserving the corridor. The Board also acknowledged the excellent partnership on this project.

The Board traveled Sunnyside Road and viewed the various phases of the project.

After an informal luncheon at the Idaho Falls Maintenance Shed, the Board traveled to the Targhee Regional Public Transportation Authority (TRPTA). TRPTA Executive Director Lynn Seymoure provided an update on the services provided. She also provided an overview on TRPTA's new facility.

Yellowstone Business Partnership Director Jan Brown and representative Basil Barna also addressed the Board. Transportation is a major focus of the 25-county group, whose mission is to unite businesses dedicated to preserving a healthy environment and shaping a prosperous and sustainable future for communities in the Yellowstone-Teton region. One component is public transportation and connecting cities in the region. Because three states are involved, Ms. Brown noted that there are challenges due to state boundaries.

The Board traveled to the Idaho Falls Airport. Airport Manager Len Nelson reported on plans to reconstruct the main runway next month. Repairs will also be made to the secondary runway and new lights and signs will be installed. The entire project is expected to cost close to \$10 million, with the Federal Aviation Administration providing 95% of the funding. Mr. Nelson commented on the concern with expanding the existing facility due to development occurring near the facility. He expressed appreciation to the Department for the various assistance it has provided.

The tour concluded at the fixed base operator, Aeromark, where Aeronautics Advisory Board Member and Aeromark owner Bob Hoff elaborated on the business's services and showed the group its new facility under construction.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting and tour of District 6 officially adjourned at 3:00 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
September 17, 2008
Pocatello, Idaho

REGULAR MEETING AND DISTRICT FIVE TOUR OF THE IDAHO TRANSPORTATION BOARD

September 17-18, 2008

The Idaho Transportation Board met at 8:30 AM, on Wednesday, September 17, 2008, in Pocatello, Idaho. The following principals were present:

Darrell V Manning, Chairman
Jim Coleman, Member – District 1
Neil Miller, Member – District 5
Pamela Lowe, Director
Scott Stokes, Deputy Director
Karl Vogt, Deputy Attorney General
Sue S. Higgins, Secretary

Monte C. McClure, Vice Chairman, District 3 was at the Idaho Transportation Department in Boise, Idaho and participated via video conference.

Board Minutes. Member Miller made a motion to approve the minutes of the regular Board meeting held on August 20-21, 2008 as submitted. Member Coleman seconded the motion and it passed unanimously.

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

October 14-15, 2008 – District 3
November 19-20, 2008 – Boise
December 10-11, 2008 – Boise

Consent Calendar. Member Coleman made a motion, seconded by Member Miller, and passed unanimously, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board ITB08-41 approves the revisions to Board Policy B-01-09, Authority to Sign Contracts, Agreements, and Grants and their Registration; and revisions to Board Policy B-06-08, Professional Service Agreements; and has received and reviewed the contract award information; the professional services agreements and term agreement work task report; the program and district obligation graphs and tables, monthly status report; the July 2008 financial statement analysis; and the quarterly report on legal actions and contract claims.

1) Revisions to Board Policy B-01-09, Authority to Sign Contracts, Agreements, and Grants and their Registration. Changes are being proposed to B-01-09 to align the policy with current

organizational structure and to use the financial system as the system of record for financial contracts, agreements, and grants. The corresponding administrative policy will be updated to reflect these changes.

2) Revisions to Board Policy B-06-08, Professional Service Agreements. Staff is requesting revising B-06-08 to increase the total amount to be paid for non-routine professional agreements from \$25,000 to \$50,000. This reflects the increased cost of doing business. The new limit would be less than the small purchasing limit authorized by state rule, which is \$75,000.

3) Contract Awards. Key #8692 – Rex-Leland Highway, Gooding County, District 4. Low bidder: Western Construction, Inc. - \$1,129,620.

Key #9024 – Beaver Creek Road, Shoshone County, District 1. Low bidder: Interstate Concrete & Asphalt Company - \$2,180,196.

Key #11489 – I-84, Garrity Interchange to Ten Mile Road, Reconstruction, District 3. Low bidder: Staker & Parson Companies dba IS&G - \$28,654,777.

Key #11007 – I-84, Robinson and Black Cat Bridges, Canyon and Ada Counties, District 3. Low bidder: Graham Construction & Management Inc. - \$8,499,644.

Keys #9774, #9775, and #9778 – South Fork Coeur d’Alene River Frontage Road, UPRR Milepost 59.88; South Fork Coeur d’Alene River Frontage Road, UPRR Milepost 59.9; and State District 1 Districtwide Bridge Joint Repair, District 1. Low bidder: Penhall Company - \$947,908.

Key #8222 – US-12, Junction SH-7, Orofino, District 2. Low bidder: DEBCO Construction - \$2,657,658.

Key #9496 – SH-52, Payette River Bridge, Emmett, District 3. Low bidder: Braun-Jensen, Inc. - \$375,000.

Key #11488 – SH-41, Seltice Way to Hope Avenue, District 1. Low bidder: Interstate Concrete & Asphalt Company - \$778,684.

Key #9875 – I-15, South 5th Interchange to Chubbuck Road Phase 1, Pocatello, District 5. Low bidder: Western Construction, Inc. - \$3,680,977.

Key #8887 – US-12, Syringa Creek to Tumble Creek, Idaho County, District 2. Low bidder: Hap Taylor & Sons, Inc. dba Knife River - \$17,149,444.

Key #9869 – SH-46, Schooler Creek to Camas County Line, Gooding County, District 4. Low bidder: Western Construction, Inc. - \$1,315,643.

Key #8945 – Northside Boulevard, Union Pacific Railroad Overpass, Nampa, District 3. Low bidder: Concrete Placing Company, Inc. - \$429,995.

Key #9912 – Mesa Falls Road, Fremont County, District 6. Low bidder: H-K Contractors, Inc. - \$743,186.

The low bids on the following projects were more than ten percent over the engineers' estimate and were rejected by staff: keys #11138 and #11139 – I-15, Osgood to Roberts Interchange, South Bound Lane, and Sage Junction Interchange to Hamer Interchange, North Bound Lane, Jefferson County, District 6; and key #11145 – FY08 District 6 Districtwide Sealcoats.

4) Professional Services Agreements and Term Agreement Work Task Report. From August 1 through August 29, \$780,910 in new professional service agreements and work tasks were issued. The majority of agreements was issued due to resources not available in house and special expertise was required. Six supplemental agreements to existing agreements were processed in the amount of \$2,225,600 during this period.

5) Speed Minute Entry Changes for December 2006 - July 2008. A summary of speed minute entry changes from December 2006 through July 2008 was presented. Fifteen speed zones were changed by city ordinances and ten speed zones were changed as a result of District speed studies.

6) Program and District Obligation Graphs and Tables, Monthly Status Reports. As of August 31, \$329 million had been obligated for highway projects in the Statewide Transportation Improvement Program, or 87% of the planned amount. The total amount obligated for construction projects was \$299 million, excluding GARVEE projects. Obligation information by program and district and project status reports for 2008 projects were also presented.

7) July 2008 Financial Statement Analysis. Federal aid revenue was \$8.1 million behind the year-to-date projections. Revenue to the Highway Distribution Account was \$918,762 ahead of the forecast. Expenditures for personnel costs were less than budgeted. Total non-construction year-to-date operating expenditures reflected a 13.5% positive variance. In contract construction, the federal program was behind projections by \$2.7 million and the state program was ahead of projections by \$460,910.

Federal aid revenue to the State Aeronautics Fund was \$49,220 below year-to-date projections. Aviation fuel tax revenue was \$27,633 ahead of projections. Miscellaneous revenue was \$7,492

ahead of the forecast. Overall expenditures were more than the allotment.

In the GARVEE Capital Projects Fund, \$122.2 million of the \$213 million, including interest earnings, from Bond Series 2006 and \$11.5 million of the \$179 million from Bond Series 2008 A have been expended. During July, \$33,448,923 was paid to cover debt service payments from the GARVEE Debt Service Fund.

8) Quarterly Report on Legal Actions and Contract Claims. A summary of legal cases resolved by the Legal Section, current legal cases, and contract claims was presented.

Board Items. Chairman Manning said the majority of his activities have been related to Idaho's Transportation Funding Conferences, which concluded late last month. He is involved in meetings with the Governor's Office on revenue proposals.

Director's Report. Director Lowe reported that President Bush signed a bill transferring \$8 billion from the general fund to the Highway Trust Fund. Although this one-time transfer was crucial, she noted that a long-term solution to the Highway Trust Fund is needed.

Director Lowe said ITD employee Eric Elle was reported missing on September 8. The search is continuing. She said staff's thoughts are with Mr. Elle and his family.

Director Lowe distributed the draft Annual GARVEE Report, which is due by the end of this month. She asked the Board to review the report and provide comments soon.

Adopt-A-Highway. Member Miller introduced District 5 Adopt-A-Highway Coordinator Sharon Short. He expressed appreciation for her efforts on this important program.

Ms. Short recognized two groups for their participation in the Adopt-A-Highway Program. Tony and Jeanne Varilone adopted SH-34, milepost 57 to 60, in 2003. The Sheriff's Commissioners Inmate Labor Detail Program of the Bannock County Sheriff's Office officially adopted SH-40, although the group often picks up litter on US-91 and the I-15 Interstate ramps. She expressed appreciation for the valuable service these groups provide.

Additionally, Ms. Short presented a recently published coloring book with a strong anti-litter message. The book, which promotes safety as well, was developed by the Office of Highway Operations and Safety. The Print Shop also provided assistance with the project.

Board Member Lee Gagner, District 6, joined the meeting.

Delegation – Department of Environmental Quality (DEQ) Director Toni Hardesty. DEQ

Director Hardesty summarized the National Ambient Air Quality Standards and the ozone problem in the Treasure Valley. Vehicles are a major source of nitrogen oxide and volatile organic chemicals, which, when combined with strong sunlight produces ozone. Although the Treasure Valley's three-year ozone trend exceeds the national standard, Director Hardesty said there is an opportunity to address the ozone problem and prevent non-attainment designation, as the 2006 data, which recorded the highest ozone level, would not be considered in the 2007-2009 data. She outlined several control measures, including an enhanced vehicle inspection and maintenance program, emissions offsets for a major source, expanded operating permit programs and controls for minor sources of volatile organic chemicals, regulation of vehicle fueling, and implementation of conformity requirements.

In response to Member Gagner's question on the economic impacts of a non-attainment designation, Director Hardesty said that Boise is the only city in the Pacific Northwest that has been identified as not meeting the national standards. Businesses that are considering moving to or expanding in the Treasure Valley would likely consider the air quality designation when making their decision.

Vice Chairman McClure noted that a portion of eastern Oregon is included in the Treasure Valley's air shed. He asked about cooperative efforts with Oregon. Director Hardesty responded that yes, DEQ works with its neighboring states to address air quality issues.

Member Coleman referenced the next agenda item, requesting Congestion Mitigation/Air Quality funds for a Stage 1 Vapor Recovery project. The proposal is for \$500,000 in federal funds and \$500,000 from local businesses. He asked if the business community would be willing to participate. Director Hardesty said gas stations in the Treasure Valley will be required to retrofit their fueling systems if the area is designated non-attainment, so she believes businesses will participate in this effort, particularly if half of the funding is provided from another source.

Chairman Manning thanked Director Hardesty for the presentation.

DEQ Congestion Mitigation/Air Quality (CMAQ) Funding Request. Intermodal Planning Manager (IPM) Pat Raino said DEQ has requested \$500,000 in federal aid for the Stage 1 Vapor Recovery project. This project would retrofit area gasoline storage tanks with vapor recovery technology in order to reduce emissions of volatile organic chemicals (VOC), which create ozone. Staff identified FY06 planning funds that were not fully utilized and no longer have state matching funds available for their use. The funds could be deobligated in FY09 to provide additional obligation authority to fund this project in the CMAQ Program.

IPM Raino said the Stage 1 Vapor Recovery project was submitted to and recommended by the CMAQ Technical Review Committee in April of 2008. VOC emissions from gasoline deliveries

represent 3% of the Treasure Valley's total VOC emissions, so the project is expected to reduce overall emissions of this pollutant by about 3%, possibly staving off a designation by the Environmental Protection Agency of the Treasure Valley as an air shed area that is nonattainment for ozone. Timing is critical if this project is to impact next summer's ozone levels; a possible key to preventing nonattainment designation.

Member Gagner asked what planning project will not be completed if the funds are used for the Vapor Recovery project and what other projects could be funded with the FY06 deobligated funds. IPM Raino said no state funds are available to match the FY06 planning funds, so the money would not be used for planning projects. She added that the obligation authority could be used on other federal programs.

Member Coleman asked if other state funding sources are available, particularly from DEQ. He noted that transportation is not the sole source of the volatile organic chemicals and questioned ITD funding the project. DEQ Director Hardesty stated that transportation is the largest source of the VOC.

Member Miller added that ITD has been focusing on partnerships. He believes the Department of Commerce should be involved due to the economic impacts of a nonattainment designation. He asked if the Vapor Recovery project will address the problem. Director Hardesty responded that other funding options had not been explored due to the need to proceed quickly and the fact that DEQ had already applied for CMAQ funds to address this issue.

Member Coleman believes this is another example of the Transportation Department being asked to address economic issues, but is not the recipient of the economic benefits. Although he will support the proposal, he would like the legislature to help defray the costs because ITD does not benefit from the state's economic growth.

Member Gagner made a motion to approve the resolution authorizing \$500,000 for the Vapor Recovery project. Member Coleman seconded the motion.

Member Coleman proposed amendments to the resolution to state that ITD will provide funds up to \$500,000 and that staff should seek legislative reimbursement for all or a portion of the federal funds in 2009.

Member Miller made a substitute motion to postpone action on this item until next month. The motion died due to a lack of a second.

There were no objections to the amendments to the resolution.

RES. NO. WHEREAS, the Treasure Valley may go into non-attainment status for ozone
ITB08-42 due to high summer ozone levels that exceed federal standards; and

WHEREAS, increased levels of ozone pose health hazards to the Treasure Valley citizens; and

WHEREAS, a non-attainment designation by the Environmental Protection Agency (EPA) will require additional conformity analysis and mitigation activities for approval of transportation infrastructure projects; and

WHEREAS, there is a short window of opportunity to implement a Stage 1 Vapor Recovery program that could reduce ozone levels sufficiently next summer to prevent EPA from designating the Treasure Valley as non-attainment for ozone; and

WHEREAS, the Idaho Transportation Department has been requested by the Idaho Department of Environmental Quality (DEQ) to assist it in establishing a Stage 1 Vapor Recovery program through the addition of a Congestion Mitigation/Air Quality Program project in FY09; and

WHEREAS, the project requests \$500,000 in federal aid with an additional \$500,000 in match provided by gas station owners who retrofit their gas stations with stage 1 vapor recovery systems; and

WHEREAS, implementation of the project needs to begin quickly in federal FY09 to assure that gas stations are equipped with the appropriate technology before the summer monitoring season for ozone; and

WHEREAS, the Division of Transportation Planning has unused FY06 state planning funds that can be deobligated in FY09 to provide obligation authority to fund the project.

NOW THEREFORE BE IT RESOLVED, that to expedite development of a new project, the FY08-09 Statewide Transportation Improvement Program (STIP) be amended to add the Stage 1 Vapor Recovery project for \$1 million (up to \$500,000 in federal aid/\$500,000 in local private match), temporary key #C902 to FY09; and *BE IT FURTHER RESOLVED*, that the Idaho state legislature will be requested in 2009 to reimburse the Idaho Transportation Department for some or all of the \$500,000 for this project from other sources due to the economic impacts of a non-attainment designation and the economic advantage to the State of Idaho to address the Treasure Valley's ozone levels; and

BE IT FURTHER RESOLVED, that the same Stage 1 Vapor Recovery project for \$1 million (up to \$500,000 in federal aid/\$500,000 in local private match), temporary key #C902, be added to the FY09-13 recommended STIP.

The motion passed. Member Miller dissented.

Federal and State Funding Outlook. Administrator, Division of Administration (ADA) Dave Tolman provided an overview on the national economy and its impacts to the transportation industry. Three different transportation funding analyses for Idaho were reviewed. Staff is planning for the most optimistic estimate, as the Department needs to be prepared and have projects ready to go if the funding materializes.

Senior Budget Analyst Joel Drake summarized Idaho's economy, with a recession anticipated in late 2008 to mid 2009. Revenue to the Highway Distribution Account is projected to decline in FY09 and then gradually increase annually after FY09.

Board Member Bruce Sweeney, District 2, joined the meeting via teleconference.

Director Lowe said staff will need Board direction to address the projected \$47 million shortfall in FY10. Manager, Transportation Investments (MTI) Dave Amick said the Board's actions in April to address the anticipated revenue shortfall were not enough, as the adjusted revenue forecast indicates less revenue than previously anticipated. He added that the desire is to keep the construction program whole to ensure Idaho's federal match rate.

ADA Tolman provided an analysis on the GARVEE Program. Assumptions include that state law for the debt service limits will be adhered to, three times coverage for investment bank limitations will be followed, the current market rates for interest (cost and earnings) were used, and each new \$100 million in bonds adds approximately \$8.5 to \$9 million in debt service. The bonding philosophy is to issue bonds based on the ability to meet the 24-month spend-down requirement necessary to retain positive earnings on the bond proceeds, issue the bonds so that the funds are secured in advance of construction contracts issued, and award construction contracts in advance of securing bonds with a risk factor of approximately \$25 million. Staff's recommendations are to continue the highway funding plan at the FY09 levels, request an additional \$125 million in GARVEE bonds, continue to plan and prepare for delivery of projects, and provide timely updates to the Board.

GARVEE Program Update. Ed Randol, Deputy Program Manager, Connecting Idaho Partners, summarized the current GARVEE Program. To date, total authorizations by the Board and legislature are \$597 million, including interest, with actual cash payouts of \$179 million. There

are 55 individual consulting firms working on the Connecting Idaho Program, including 81 consultant agreements and 21 construction contracts. Projects that have been completed or are nearly complete include US-30, Topaz to Lava Hot Springs; US-95, Worley North; I-84, Eagle Off-ramp; I-84, Broadway to Eisenman; I-84, Garrity to Meridian – mill and widening; I-84, Ten Mile Creek Crossing; and I-84, Garrity Interchange to Ten Mile Interchange Median. A number of other projects are underway, including eight construction projects worth approximately \$133 million that have started since March 2008. Mr. Randol also highlighted the practical design and value engineering efforts that have been undertaken on the GARVEE corridors.

GARVEE Program Engineer (GPE) Amy Schroeder outlined the innovation and acceleration techniques being applied to the GARVEE projects. Some techniques are modifying federal and ITD procedures and policies; keeping projects at reasonable and biddable sizes; combining contracts for similar services; pre-purchasing materials; alternative bidding for pavement; and accelerated bridge construction.

In response to Member Gagner's question on a cost/benefit analysis to determine the savings realized through these techniques, GPE Schroeder responded that staff is collecting that data, but does not have it available at this time. Member Gagner asked if the Districts will be able to utilize these innovations. GPE Schroeder believes the Districts will be able to use most of the innovation and acceleration techniques that are being used on GARVEE projects.

GARVEE Program Manager (GPM) Jason Brinkman summarized the criteria used to determine the projects to be funded in the next bonding authorization: projects that have minimal environmental risk, have the design and right-of-way in progress, and have coordination and agreements with outside agencies resolved. Staff's recommendation follows fiscal responsibility. A conservative funding outlook was applied, along with an ability to meet the bonding commitments and compliance with debt service requirements. Based on these factors, staff recommends requesting \$125 million in GARVEE bond authorization from the legislature in 2009. The proposal includes \$105 million for I-84, Orchard to Isaacs Canyon; \$11 million for I-84, Caldwell to Meridian; \$4 million for SH-16, I-84 to South Emmett; and \$5 million for program management services. He added that there is \$37 million in prior authorization for the Garwood to Sagle corridor that will be applied to continuing design of the corridor, acquiring right-of-way, and constructing improvements along the existing highway in the Sagle area.

GPM Brinkman noted that the FY10 request includes an emergency clause that would make the appropriation effective upon signing, rather than on July 1st. This would allow proceeding with FY10 authorization projects up to three months earlier. He also emphasized that staff will continue to monitor emerging developments in federal-aid funding and economic conditions, will continue to bond on as-needed basis when market conditions are favorable, and will keep the Board apprised of the status and progress of the Program.

Member Sweeney said he has to leave the teleconference at this time; however, he expressed support for the \$125 million proposal.

Member Coleman made a motion, seconded by Member Gagner, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board is charged with determining the
ITB08-43 timeframe and scope of improvements for the State Transportation System; and

WHEREAS, Idaho Code 40-315 authorizes federal-aid debt financing through the issuance of Grant Anticipation Revenue Vehicle (GARVEE) bonds by the Idaho Housing and Finance Association for highway transportation projects; and

WHEREAS, the maximum level of estimated bond proceeds within the bond financing and legal assumptions is \$998 million; and

WHEREAS, legislative appropriations enacted in 2006, 2007, and 2008 authorized the issuance of GARVEE bonds to finance a total of \$597 million in projects; and

WHEREAS, the Board is granted the statutory authority to adjust GARVEE bond proceeds allocated among legislatively authorized projects, including the following:

US-95, Garwood to Sagle

US-95, Worley North

SH-16 Junction I-84 to Emmett

I-84, Caldwell to Meridian

I-84, Orchard to Isaacs Canyon

US-30, McCammon to Lava Hot Springs; and

WHEREAS, additional funding will be required to complete the projects listed above, except US-95, Worley North and US-30, McCammon to Lava Hot Springs; and

WHEREAS, constructing 12th Street to Crystal Springs Road within the US-30, McCammon to Lava Hot Springs project is advantageous for the timely expenditure of bond funds and necessary for completion of the original scope of the project; and

WHEREAS, prior authorization funds are available to fund the cost increase on 12th Street to Crystal Springs Road within the US-30, McCammon to Lava Hot Springs project with savings from the Orchard Interchange in the I-84, Orchard to Isaacs Canyon project; and

WHEREAS, the Draft FY10 Working Plan includes project funding levels that deviate from the target values in the FY07 appropriation bill and the ranges in the FY08 appropriation bill, which is within the authority of the Board to implement in accordance with Idaho Code 40-315, 2007 Session Law H0336 Section 8, and 2006 Session Law H0854 Section 4.

NOW THEREFORE BE IT RESOLVED, that the Board approves the Draft FY10 Working Plan, which is on file in the GARVEE Program Office, including the cost increase on 12th Street to Crystal Springs Road within the US-30, McCammon to Lava Hot Springs project, and with the deviations from targets and ranges in prior appropriations bills as per the Board's statutory authority; and

BE IT FURTHER RESOLVED, that the Board requests legislative bonding authority for FY10 in the principle amount of \$125 million, which shall be submitted as a separate item in the annual budget request from the Idaho Transportation Department for consideration during the 2009 legislative session.

Because no funding is being included for the US-95, Garwood to Sagle project due to environmental delays, Member Coleman questioned northern Idaho legislators' support for the GARVEE request. Director Lowe emphasized the delivery concerns with the US-95 project. The Environmental Impact Statement (EIS) is complicated, but staff is actively pursuing the project and proceeding with the design. Member Gagner believes if northern Idaho legislators do not support this proposal, the probability of the Garwood to Sagle project being completed in the future decreases. He suggested providing a comprehensive report to the legislators, including a summary of the EIS process and status of the Garwood to Sagle project. Chairman Manning asked staff to monitor closely changes on the federal level and come back to the Board with a revised plan if the federal funding picture changes significantly.

The motion passed unanimously.

Chairman Manning read a statement from Member Gary Blick, District 4, stating that until additional revenue is provided to the Transportation Department, he will not support the GARVEE Program.

Executive Session on Legal and Personnel Issues, Section 67-2345(b), (d), and (f), Idaho Code. Member Gagner made a motion to meet in executive session at 11:50 AM to discuss legal and personnel issues. Member Coleman seconded the motion and it passed 4-0 by individual roll call vote.

A discussion was held on legal and personnel matters related to a missing employee, review of a contract proposal for opinion surveying, and the transfer of an employee within the Department.

A discussion was held concerning legal matters relating to right-of-way acquisition and recording property interests.

The Board came out of executive session at 1:00 PM. No decisions were made.

Recommended FY09-13 Capital Investment Program. MTI Amick summarized the recommended FY09-13 Capital Investment Program, including the federal and state highway Development Program and the Public Transportation and Aeronautics Programs. Changes made to the Program since the June workshop include advance and delay of projects as a result of delivery during the state and FY08 end-of-year review, the result of a statewide balancing meeting last month to accommodate the advances and delays, and reduction of the Feasibility and Early Environmental Program set-aside by \$12 million. MTI Amick added that Idaho received \$7.9 million in additional obligation authority.

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

RES. NO. WHEREAS, it is in the public's interest for the Idaho Transportation Department ITB08-44 to publish and accomplish a current, realistic, and fiscally constrained Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal, state, local, and private capital investment funding; and

WHEREAS, the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU) requires that a priority list of projects covering a four-year period be provided in a Statewide Transportation Improvement Program (STIP); and

WHEREAS, the Divisions of Highways, Public Transportation, and Aeronautics have recommended new projects and updated the costs and schedules for projects in the FY09-13 Capital Investment Program; and

WHEREAS, the recommended FY09-13 Capital Investment Program was developed in accordance with all applicable federal requirements, including adequate opportunity for public involvement and comment; and

WHEREAS, the recommended FY09-13 Capital Investment Program incorporated public involvement and comment whenever appropriate while maintaining a fiscally constrained Program; and

WHEREAS, it is understood that continued development and construction of improvements are entirely dependent upon the availability of future federal and state capital investment funding in comparison to scope and costs of needed improvements.

NOW THEREFORE BE IT RESOLVED, that the Board approves the recommended FY09-13 Capital Investment Program, which is on file in the Office of Transportation Investments; and

BE IT FURTHER RESOLVED, that staff is authorized to include approved projects in the FY09-13 STIP in accordance with the provisions of SAFETEA-LU.

FY09-13 STIP. Senior Transportation Planner (STP) Sonna Lynn Fernandez summarized the federal requirements for the STIP and ITD's process to update the document, which includes opportunities for public involvement throughout the year. There were 80 comments submitted during the comment period from July 3 through August 4, with the majority asking the Board to reinstate funding for the CMAQ and Enhancement Programs. In summary, STP Fernandez said the FY09-13 STIP is stable (there were very few projects removed), new projects are mostly pavement preservation or rehabilitation, and there are very few expansion projects planned.

Member Coleman acknowledged the public support to fund the Enhancement and CMAQ Programs. Director Lowe said the recommendation is to focus on preservation and rehabilitation. Although the Board can revisit the funding priorities, she does not recommend shifting funding from pavement to the Enhancement and CMAQ Programs.

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

RES. NO. WHEREAS, the Idaho Transportation Department is required by 23 U.S.C. 134, ITB08-45 23 CFR, Part 450 and 49 CFR, Part 613 and the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) to develop a Statewide Transportation Improvement Program (STIP); and

WHEREAS, the Program contains a list of priority transportation projects to be carried out for the first four years of the STIP and is in conformance with the first four years of each Metropolitan Planning Organization's Transportation Improvement Program; and

WHEREAS, the STIP is consistent with "*Idaho's Transportation Future: getting there together*," the Department's long-range vision/planning document adopted by the Idaho Transportation Board in July 2004; and

WHEREAS, the STIP, in nonattainment and maintenance areas, contains only transportation projects found to conform, or from programs that conform, to the requirements contained in 40 CFR Parts 51 and 93, and the Idaho Administrative Procedures Act, specifically the “Rules of the Department of Environmental Quality” found in Idaho Code 39-6701; and

WHEREAS, the STIP is financially constrained by year and includes sufficient financial information to demonstrate which projects are to be implemented using current revenues and which projects are to be implemented using proposed revenue sources while the transportation system as a whole is being adequately operated and maintained; and

WHEREAS, the STIP contains all capital and non-capital transportation projects proposed for funding under the Federal Transit Act; and

WHEREAS, the STIP contains all regionally significant projects requiring an action by the Federal Highway Administration (FHWA) or Federal Transit Administration (FTA); and

WHEREAS, the STIP, in the first year, includes only those projects that have been selected in accordance with federal project selection requirements for non-metropolitan areas; and

WHEREAS, the STIP contains modal projects in aeronautics, bicycle/pedestrian, highways, public transportation, and rail as well as highway safety; and

WHEREAS, the STIP was developed in accordance with all applicable federal requirements, including adequate opportunity for public involvement and comment.

NOW THEREFORE BE IT RESOLVED, that the Board approves the FY09-13 STIP with any changes approved at the September 17-18, 2008 Board meeting to be included in the recommended STIP, which is on file in the Intermodal Planning Office; and

BE IT FURTHER RESOLVED, that the Board approves the transmittal of the recommended FY09-13 STIP to FHWA and FTA for their review and approval.

Draft Legislation for 2009. At its July 2008 meeting, the Board approved 12 legislative idea forms for the 2009 session. Governmental Affairs Program Manager Mollie McCarty reported that the Governor’s Office has approved eight ideas to date: implementing commercial drivers’

license provisions in accordance with SAFETEA-LU; seat belt violation fine increase; collection of personal identification for titles and registration; transportation access plan; eminent domain – opinions of value; eminent domain – interest; eminent domain – project influence; and eminent domain – offers to settle. Draft legislation for the approved proposals was presented.

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

RES. NO. WHEREAS, the Idaho Governor's Office has requested that state agencies submit ITB08-46 proposed 2009 legislation to the Division of Financial Management for review and approval; and

WHEREAS, the Idaho Transportation Board at the July 9-10, 2008 meeting reviewed and approved legislative ideas for submission to the Division of Financial Management; and

WHEREAS, the Board at the July 9-10, 2008 meeting also authorized Idaho Transportation Department staff to develop draft legislation for review and approval, prior to submission to the Division of Financial Management; and

WHEREAS, the Division of Financial Management approved eight legislative ideas for submittal as legislative proposals.

NOW THEREFORE BE IT RESOLVED, that the Board approves submittal of the proposed draft legislation for the concepts, as shown as Exhibit 365, which is made a part hereof with like effect, to the Division of Financial Management.

Old/New Business. Member Gagner asked if the development agreement in the Boise area that staff was finalizing had been completed. Director Lowe responded that staff is still working on that agreement, but is planning a Board presentation soon.

Member Coleman said he met with District 1 legislators to review the value engineering and practical design efforts on the US-95, Garwood to Sagle project. He indicated they expressed support for reviewing projects to determine if efficient, cost-saving measures could be implemented. He added that he did not have specific information on what changes were made and how much money is being saved due to value engineering and practical design. Director Lowe said staff is still in the process of reviewing projects and considering additional changes. She said a summary can be compiled on all of the cost-saving measures.

Chairman Manning asked staff to submit letters to legislators summarizing the construction season: a status of projects in each legislators' district.

WHEREUPON the meeting recessed at 1:50 PM.

September 18, 2008

The Board reconvened at 8:00 AM on Thursday, September 18, 2008, in Pocatello, Idaho. Chairman Manning and Members Coleman, Gagner, and Miller were present. Senator Diane Bilyeu and Representative Ken Andrus also participated in the tour.

District 5 Tour. The group traveled south on I-15, east on SH-40, and south on US-91. The tour continued east on SH-34. After a brief stop at the Cleveland Bridge construction project, the group continued east on SH-34 and east on US-30. Aeronautics Advisory Board Chairman Rodger Sorensen provided historical data on the Soda Springs Airport as the Board viewed the facility. He also mentioned some of the current needs at the facility.

The Board traveled US-30 west to Lava Hot Springs. It participated in the dedication ceremony of the recently-completed US-30, Topaz to Lava project and dedication of the upcoming Portneuf River Bridges project. Both projects are being funded with GARVEE bonds.

The Board returned to Pocatello via US-30 west and I-15 north.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting and tour of District 5 officially adjourned at 1:30 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
October 15, 2008
Boise, Idaho

REGULAR MEETING AND DISTRICT THREE TOUR
OF THE IDAHO TRANSPORTATION BOARD

October 14-15, 2008

The Idaho Transportation Board met at 9:00 AM, on Tuesday, October 14, 2008, in Boise, Idaho.

The following principals were present:

Darrell V Manning, Chairman

Monte C. McClure, Vice Chairman, District 3

Jim Coleman, Member – District 1

Gary Blick, Member – District 4

Neil Miller, Member – District 5

Lee Gagner, Member – District 6

Pamela Lowe, Director

Scott Stokes, Deputy Director

Karl Vogt, Deputy Attorney General

Sue S. Higgins, Secretary

Representative Phylis King was also present.

District 3 Tour. The Board visited the Valley Regional Transit (VRT) fueling station. Local officials joined the Board as VRT General Manager Bobby Schneider elaborated on its fuel source, compressed natural gas, and showed the group the fueling facility.

The Board traveled I-84 east to the Broadway Interchange in Boise, west to the Franklin Interchange in Nampa, and east to the Orchard Interchange in Boise. Staff elaborated on the various projects under construction or planned in the near future, funded via GARVEE bonds.

The Board visited the Bureau of Homeland Security (BHS). Adjutant General Larry Lafrenz welcomed the Board to BHS. He provided a brief overview on the Bureau and emphasized the good working relationship it has established with the Transportation Department. BHS Director Colonel Bill Shawver expanded on the Bureau's responsibilities, including public safety communications, emergency management, and hazardous materials and recovery. He also expressed appreciation for the assistance ITD provides, such as traffic control and signage during wild land fires and filling sandbags and snow removal during severe winter weather. BHS employee Steve Steiner summarized the statewide communications infrastructure and elaborated on the partnership BHS has established with ITD and Idaho State Police.

The Board thanked the gentlemen for their time and their service to the state.

A number of local officials from Ada and Canyon Counties joined the Board as it drove the Kuna-Mora Road and other local roads. Local representatives reported on the various studies underway and issues related to the development of a south Boise alternate route.

The group returned to Boise via local roads and I-84.

WHEREUPON the meeting recessed at 4:00 PM.

October 15, 2008

The Board reconvened at 8:30 AM on Wednesday, October 15, 2008, in Boise, Idaho. In addition to the members present on October 14, Bruce Sweeney, Member, District 2, was also present. Representative King was also present for the majority of the meeting.

Board Minutes. Member Coleman made a motion to approve the minutes of the regular Board meeting held on September 17-18, 2008 as submitted. Member Blick seconded the motion and it passed unanimously.

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

November 19-20, 2008 – Boise

December 10-11, 2008 – Boise

January 21-22, 2009 – Boise

Consent Calendar. Member Blick made a motion, seconded by Member Miller, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board ITB08-47 approves the revisions to Board Policy B-23-03, Workplace Violence and the annual report on speed zone changes by city ordinance; and has received and reviewed the Highway Safety Performance Plan federal FY09 document; contract award information; the professional services agreements and term agreement work task report; the program and district obligation graphs and tables, monthly status report; and the July through August 2008 financial statement analysis.

1) Revisions to Board Policy B-23-03, Workplace Violence. Revisions were made to B-23-03, Workplace Violence to reflect clearer wording. The Human Resources Manager works closely with the Legal Section on investigations and any complaint of workplace violence so that the information is protected on a need-to-know basis.

2) Annual Report on Speed Zone Changes by City Ordinance. Throughout the state, there are 59 locations in 30 cities where cities have imposed speed limit changes that have gone against the recommendations of the Department since legislation was enacted in 1997 allowing incorporated cities to establish speed limits within their jurisdiction on sections of the State Highway System. Authority to establish speed limits within highway sections with access control Types 4 and 5 is retained by ITD. The results from studies done since implementation of city-imposed speed limits through 2008 suggest drivers are more inclined to disobey city-imposed speed reductions. The data shows better conformance to speed limits established by standard engineering practices. No definite conclusions can be made on collisions due to limited information available. Upon approval, the report will be distributed to all municipalities referenced in the report, the Association of Idaho Cities, and all state legislators.

3) Highway Safety Performance Plan Federal FY09 Document. The Office of Highway Operations and Safety presented the Highway Safety Performance Plan for federal FY09 at the August Board meeting. The plan was adopted by the Board; however, because the entire document was not provided at that time, staff submitted the FY09 Plan in its entirety to the Board. The document is on file in the Office of Highway Operations and Safety.

4) Contract Awards. Key #9866 – SH-25, Milepost 18 to Junction 1-84, District 4. Low bidder: Kloepfer, Inc. - \$1,387,579.

Key #9432 – 15th Avenue Pedestrian/Bike Facility, Post Falls, District 1. Low bidder: Interstate Concrete & Asphalt Company - \$587,794.

Key #9753 – SH-41 and SH-53 Pedestrian Pathways, Rathdrum, District 1. Low bidder: Super Grade, Inc. - \$208,542.

Key #9519 – Star Road, Ada County, District 3. Low bidder: WF Construction & Sales LLC - \$111,330.

The low bid on keys #11517 and #11487 – FY09 Districtwide Pavement Maintenance and Milepost 89 to Goose Heaven Road, District 1, was more than ten percent over the engineer's estimate, requiring justification. The major differences between the engineer's estimate and the low bid were in the Plant Mix Scrub Coat Incl. Asphalt and Additives and the Superpave HMA Pav. Incl. Asphalt and Add CL SP-3 items. The engineer's estimate was based on the Average Unit Price Report and additional reviews of recent bids on similar projects. Staff believes the most significant differences between the bid prices and the engineer's estimate are due to short supply and high demand for asphalt based products and the additional cost for late period bidding and contractor anticipated late season paving. Staff does not believe rebidding the project would

be beneficial and would like to award the pavement maintenance work this year. Low bidder: Hap Taylor & Sons, Inc. dba Knife River - \$2,737,664.

The low bid on key #9174 – SH-8, Veatch Street to White Place, Moscow, District 2, was more than ten percent over the engineer's estimate, requiring justification. The source of the engineer's estimate was the Bid History Price Report within the Estimator program and the Average Unit Price Report for similar jobs within the District. The S405-25A Superpave HMA Pav Incl Asphalt & Add item accounted for the majority of the difference between the engineer's estimate and the low bid. Staff does not believe readvertising the project would result in better bids and recommends awarding the contract. Low bidder: Motley-Motley Inc. - \$1,595,348.

Key #11062 – US-95, Snake River Bridge, Homedale, District 3. Low bidder: Braun-Jensen, Inc. - \$638,815.

5) Professional Services Agreements and Term Agreement Work Task Report. From September 1 through September 29, \$5,615,814 in new professional services agreements and work tasks were issued. The majority of agreements was issued due to resources not available in house and special expertise was required. Five supplemental agreements to existing agreements were processed in the amount of \$1,363,216 during this period.

6) Program and District Obligation Graphs and Tables, Monthly Status Reports. As of September 30, \$361.6 million had been obligated for highway projects in the Statewide Transportation Improvement Program, or 95.5%. The total amount obligated for construction projects was \$300 million, excluding GARVEE projects. Obligation information by program and district and project status reports for 2008 projects were also presented.

7) July through August 2008 Financial Statement Analysis. Federal aid revenue was \$18 million behind year-to-date projections. Revenue to the Highway Distribution Account was \$457,347 behind the forecast. Expenditures for personnel costs were less than budgeted. Total non-construction year-to-date operating expenditures reflected a 9.2% positive variance. In contract construction, the federal program was behind projections by \$18 million and the state program was ahead of projections by \$408,115.

Federal aid revenue to the State Aeronautics Fund was \$66,400 below year-to-date projections. Aviation fuel tax revenue was \$83,800 ahead of projections. Miscellaneous revenue was \$2,600 ahead of the forecast. Overall expenditures were more than the allotment.

In the GARVEE Capital Projects Fund, \$142.3 million of the \$213 million, including interest earnings, from Bond Series 2006 and \$11.5 million of the \$179 million from Bond Series 2008 A have been expended. During August, \$207,806 was transferred to the GARVEE Debt Service

Fund for the monthly state share.

Vice Chairman McClure commented that motorists are more inclined to disobey speed limits established via city ordinance than by engineering and traffic studies. Chairman Manning concurred and indicated it is better to establish speed limits based on the 85th percentile speed.

Member Coleman questioned the federal aid revenue, which is below the year-to-date projections. Administrator, Division of Administration (ADA), Dave Tolman responded that the federal government reimburses the Department after work is completed. He is not as concerned with the federal revenue as the state revenue. Member Gagner asked about the Department's expenditures in the State Highway Fund. ADA Tolman said the Department has carryover authority from the prior fiscal year. The carryover amount has been declining in recent years.

The motion passed unanimously.

Board Items. Chairman Manning said the majority of his activities continue to be related to funding the state's transportation system. He also met with an auditor involved in the legislative-authorized review of the Department. Chairman Manning distributed suggested topics for the Board workshop. Discussion followed on plans for the workshop. The consensus of the Board was to change the date from November 19 to December 10 to accommodate conflicts.

Member Miller reported that the I-86, American Falls overpass has been hit again. ITD recently completed repairs from damage done in June. He said that staff will request funding the additional repairs later in the meeting. Discussion followed on the process to collect from motorists' insurance carriers when drivers hit and damage ITD structures. The Board asked staff to review the current procedures and determine if improvements could be made to that process.

Member Miller also commented on several issues related to tribes. ITD is in the process of improving a portion of US-95 near Worley and will relinquish the route to a tribe upon completion of the US-95, Worley North project. A tribe in eastern Idaho is proposing a new interchange on I-15 to access a proposed casino and gas station. He questioned the Department's policy when working with tribes. Director Lowe responded that staff will provide an overview on the various agreements between ITD and tribes at a future meeting.

Director's Report. Director Lowe reported that several staff members will be attending the annual American Association of State Highway and Transportation Officials conference, which starts this week. A summary on the conference will be presented to the board next month.

Director Lowe recently issued an executive memorandum instructing divisions to identify actions for each of the focus areas that it will perform to contribute to the Department's mission and

vision. She will present those to the Board at a future meeting.

Director Lowe provided an update on the American Society of Civil Engineers' peer review. Teams will be visiting each District and Headquarters in the next several weeks. A preliminary report is expected by the end of November or early December.

Director Lowe distributed a draft report on ITD's needs for maintenance management and pavement management software tools. Estimated costs for these systems are between \$3 and \$5 million. Member Gagner commented on District 6's current pavement management system and questioned the costs for a new software system. Research Program Manager (RPM) Ned Parrish said the costs are not strictly for pavement management software, but include other components. The proposed system would integrate with the Department's financial system and also with the Geographical Information System. He believes this is a better system and that District 6's program may not be the best system for the entire state. However, the report is still under review and Member Gagner's comments will be taken into account. The final report will be presented at a future Board meeting.

Member Coleman requested an estimate on the return on investment for this system. Member Miller expressed support for pavement management, but believes the Department's staff is knowledgeable and should be the subject matter experts rather than a consultant from another state.

Adopt-A-Highway. Chairman Manning recognized Tammy Streeter for her participation in the Adopt-A-Highway Program. Ms. Streeter has adopted milepost 66 to 67 on SH-55, mileposts 14 to 18 on US-20, and mileposts 77 and 78 on SH-21. She adopted the highway miles in memory of family members. Chairman Manning thanked her for her valuable service.

Delegation – City of Marsing. Marsing Mayor Keith Green thanked the Board members for their time. He expressed concern with pedestrian traffic in downtown Marsing. He has contacted the District staff and discussed a pedestrian-activated light; however, there is no funding for the proposed project. He said drainage on SH-55 is a concern, as a crown has developed due to the highway being resurfaced over the years. Lastly, Mayor Green proposed partnering with ITD on a rest area. Marsing has an established park along the river that he believes would be an ideal location for a rest area. Mayor Green noted that the site is near the intersection of US-95 and SH-55 and along a scenic byway. The city has sewer and water capability and is willing to maintain the facility.

In response to Chairman Manning's question on whether Mayor Green has discussed the rest area proposal with ITD staff, Mayor Green responded no. Some discussion followed on the City of Marsing's speed limits and the importance of enforcement.

Vice Chairman McClure expressed support for partnering on a rest area. Although the Board had to reduce funding to the Rest Area Program due to revenue shortfalls, he believes this proposal has merit and needs to be explored. The consensus of the Board was to have staff work with the City of Marsing on the proposed rest area partnership.

Chairman Manning thanked Mayor Green for his remarks.

Avalanche Forecasting and Mitigation. Region 2 Engineer (RE) Tom Points summarized efforts to mitigate avalanches on SH-21 near Canyon Creek. This area is recognized and documented across the country as a very high hazard location due to 54 avalanche chutes between mileposts 96 and 105. An avalanche mitigation program was approved in 2005. He emphasized that safety is a high priority and elaborated on the safety measures.

RE Points said the United States Department of Agriculture Forest Service issued a permit last year to allow ITD to trigger avalanches in a controlled manner. He summarized the use of explosives during the 2007-2008 winter season to initiate avalanches to reduce road closures and improve highway safety. A combination of forecasting and control work in the canyon resulted in the highway being closed 30 ½ days, which is nearly half of the yearly average and which is the goal of the avalanche program. This is especially significant due to the above-average snowfall in 2007-2008, which was responsible for more than 50 avalanches in the Canyon Creek area. RE Points also noted with the decrease of road closures last season, the amount of traffic increased on the highway by an average of 12.4%. The avalanche program personnel and equipment were also utilized across the state to help mitigate avalanche hazards in northern and eastern Idaho. He added that the program goals are to secure a snow cat, establish better access to slide paths, and construct a tram line for delivering explosives.

In response to Member Blick's question on the average daily traffic count, RE Points said he did not have those figures with him, but he believes it is around 400 in summer and lower in winter, possibly around 50. Member Blick insinuated that the avalanche mitigation program is expensive on a per vehicle basis. RE Points said the District is monitoring costs and wants to operate the program efficiently.

Vice Chairman McClure expressed support for ITD to control slides. He asked if the Department is saving money on snow removal. RE Points believes it is more cost-efficient to remove snow during controlled avalanches. He also mentioned that the road remains open more, the program is more efficient for the District, and it provides a more stable situation.

Chairman Manning thanked RE Points for the update on this program.

I-86, East American Falls Interchange (Hit #2) to FY09 State Board Unallocated Program. Chief Engineer (CE) Tom Cole said the I-86, East American Falls Interchange was struck by an over-height vehicle in June. Repairs were made to the structure in August. Last month, another over-height vehicle hit the overpass, causing extensive damage to the same outside girder. The truck had been issued an over-height permit requiring use of the on/off ramps at this interchange, but the driver failed to do so.

CE Cole said staff analyzed the damage and determined that the beam and its tributary area needs to be replaced at an estimated cost of \$185,000. Traffic is presently restricted to a single lane due to the extent of the damage. CE Cole requested Board Unallocated funds to repair the structure, with the intent to reimburse the fund from the driver's insurance carrier.

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

RES. NO. WHEREAS, it is in the public's interest for the Idaho Transportation Department ITB08-48 to publish and accomplish a current, realistic, and fiscally constrained Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal and state highway funding; and

WHEREAS, the I-86, East American Falls Interchange was struck by an over-height truck on September 25, 2008; and

WHEREAS, the District Design and Headquarters Bridge Sections have developed plans to repair the bridge at an estimated total cost of \$185,000; and

WHEREAS, the District has fully programmed all of its capital investment funds in FY09; and

WHEREAS, \$2,000,000 is set aside annually for use by the Board for such unforeseen events in the State Board Unallocated Program; and

WHEREAS, \$485,000 of funds in the FY09 Board Unallocated Program are available; and

WHEREAS, the Department anticipates reimbursement by the insurance carrier of the motorist who caused the damage to this structure.

NOW THEREFORE BE IT RESOLVED, that the Board authorizes the use of FY09

State Board Unallocated funds in the amount of \$185,000 to repair the I-86, East American Falls Interchange.

Unfunded Projects Ready for Construction during 2009 Construction Season. As statewide discussions continue on the need for additional funding for transportation, the question has come up as to what projects could be under construction during the summer of 2009 to utilize additional revenue that may result from the next legislative session. CE Cole said ITD is committed to placing as much money as possible on the road. Staff conducted an in-depth review of all project development activities sufficiently underway to potentially advance projects to the point of construction by the beginning of the summer 2009 construction season.

CE Cole presented a list of unfunded projects that the Districts will have ready for construction next summer. The list includes approximately \$50 million in restoration, \$20 million in preservation, \$1.6 million in safety, and \$137.5 million in expansion projects.

In response to Member Gagner's question on the priority, CE Cole responded that preservation projects will be a higher priority than expansion projects.

Chairman Manning thanked CE Cole for the report and for his efforts on this.

Surrounding State Transportation Revenue Comparison. Economics Research Manager (ERM) Doug Benzon provided a comparison of the percentage of highway revenues received by the surrounding states and Idaho by revenue type. Some of the funding sources for surrounding states include general funds, lottery proceeds, royalties, and mineral leases. The Board requested additional information, including a breakout of local funding sources and whether mass transit funding was included in the data.

Chairman Manning thanked ERM Benzon for the informative presentation.

Transportation Development Agreements – Update. Senior Transportation Planner (STP) Sonna Lynn Fernandez said one of the most pressing issues facing many government agencies in Idaho today is how to fund and build infrastructure and related services posed by new development. Every land-use decision has an effect on transportation. Access to and from any development can increase congestion, reduce safety, and diminish traffic flow.

STP Fernandez said ITD has taken steps to establish voluntary, informal partnerships with local governments. To solidify these partnerships and better coordinate land-use and transportation planning, ITD has instituted a formal discussion process with local land-use agencies and developers through negotiated Transportation Development Agreements (TDA). This process was created from sections of Idaho Code. The purpose is to encourage intergovernmental

coordination, to mitigate traffic-related impacts caused by development, and to provide an additional finance tool for transportation improvement projects. The components to the process are land-use agency cooperative agreements, transportation development agreements, and developer financial agreements.

Pam Golden, District 3 Development and Access Management Engineer (DAME), summarized efforts on a pilot project in District 3, focusing on Avimor's development along SH-55. Tier 1 of the transportation studies process, which reviews the needs and their constraints, identified an additional \$300 million in improvements in the area. In response to Member Gagner's question on identifying the proportionate share, DAME Golden responded that determining which party is responsible for which costs is part of Tier 2: Planning Level Alternative Analysis. She acknowledged the difficulty of identifying those responsibilities. In response to Member Blick's comment on ITD's responsibility to make highway improvements now while the developer's costs will incur incrementally as the development occurs, DAME Golden said that not all of the highway projects are needed at this time. As development occurs, road improvements will be needed. She acknowledged the concern with timing, but added that there are a number of options being explored.

Avimor President and General Manager Dan Richter expressed appreciation for the good working relationship he has established with ITD. He estimates full build out of the planned community along SH-55 will take thirty years or more, with a total of 6,600 homes plus commercial developments. He said Avimor wants to pay its fair share for infrastructure improvements, but acknowledged the difficulty with determining each party's proportional responsibility. Mr. Richter also said the company is committed to assisting ITD with identifying funding sources for the state's infrastructure responsibilities.

Member Blick thanked Mr. Richter for his comments and commended Avimor's commitment to partnering with the state to address the infrastructure needs. Member Miller also expressed appreciation for Avimor's partnership and the TDA process. He added that small communities also need assistance with growth and development issues, not just the larger cities. STP Fernandez concurred and said one of the goals is to assist all local agencies with development. The TDA was developed as a model. It will be tailored to address each community's specific needs and circumstances.

Chairman Manning thanked staff for the presentation on TDAs and Mr. Richter for his comments.

Annual Report on ITD's Research Program. RPM Parrish summarized the Department's Research Program. The Research Advisory Council selected research projects in FY08 that address the Department's strategic goals and initiatives. Some of the activities conducted in FY08 included finalizing master cooperative research agreements with Idaho's three universities;

meeting with staff at each university to review program procedures; strengthening the program budget and financial management; responding to requests for research information for funding options; researching the effective use of passing lanes on two-lane roads; and researching the relationship between vehicle speed and road damage.

The FY09 budget is \$1.4 million, according to RPM Parrish. Some of the projects to be completed in FY09 include the study on costs/benefits of pavement marking methods; review methods to improve the concrete pavement mix design and mitigate alkali-silica reaction; examine methods to improve chip seal treatments; and develop testing tools for traffic signal controllers. The goals for FY09 are to finalize program procedures, plan a peer exchange, develop an online library for ITD research reports, provide additional search tools to help staff find research information from other states, conduct a research conference to gain consensus on priorities, begin publishing a semi-annual electronic newsletter, and facilitate the transfer of the T2 Center to the Local Highway Technical Assistance Council.

Member Miller asked if an audit system has been established to ensure accountability on research projects. RPM Parrish said that a master agreement is developed for each project and an ITD project manager oversees each project to ensure it is on track. In response to Member Miller's question on the ability to terminate research projects if they are not being completed, RPM Parrish responded yes, ITD can terminate for non-performance.

Chairman Manning thanked RPM Parrish for the update on the Research Program.

Executive Session on Legal Issues, Section 67-2345, (d), and (f), Idaho Code. Member Blick made a motion to meet in executive session at 12:05 PM to discuss legal and personnel issues. Member Miller seconded the motion and it passed 6-0 by individual roll call vote.

A discussion was held on legal matters related to the issuance of GARVEE bonds, the termination of a contract for convenience, and a transportation development agreement.

The Board came out of executive session at 1:25 PM. No decisions were made.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting and tour of District 3 officially adjourned at 1:25 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
November 20, 2008
Boise, Idaho

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

November 20, 2008

The Idaho Transportation Board met at 8:30 AM, on Thursday, November 20, 2008, in Boise, Idaho. The following principals were present:

Darrell V Manning, Chairman

Monte C. McClure, Vice Chairman – District 3

Jim Coleman, Member – District 1

Gary Blick, Member – District 4

Neil Miller, Member – District 5

Pamela Lowe, Director

Scott Stokes, Deputy Director

Karl Vogt, Deputy Attorney General

Sue S. Higgins, Secretary

Member Bruce Sweeney, District 2, participated in the following three items via teleconference.

Board Minutes. Vice Chairman McClure made a motion to approve the minutes of the regular Board meeting held on October 14-15, 2008 as submitted. Member Blick seconded the motion and it passed unanimously.

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

December 10-11, 2008 – Boise

January 21-22, 2009 – Boise

February 18-19, 2009 – Boise

Peer Review. Assistant Chief Engineer – Development Loren Thomas said the American Society of Civil Engineers (ASCE) was asked to conduct a peer review to help ITD provide better service and become more efficient. The focus was on the Division of Highways, including a review of management, the engineering program, operating procedures, and policies.

Gary Erickson, Chairman of the ASCE Peer Review Team, elaborated on the peer review process, which included evaluating written questionnaires, interviewing ITD employees, and reviewing various documents. The Team visited each District and Headquarters. Positive findings included the dedicated, professional staff; the mission, vision and goals; the new management team; the engineering standards; the public image; the implementation of Practical Design; and communication amongst teams. Improvements could be made in the following areas: team building, communication, decentralization of authority and responsibility, staff resources, professional development, management information systems, and the Practical Design initiative.

Additionally, maintenance could be a higher priority, the strategic plan needs to be followed and utilized, and innovations should be encouraged.

Mr. Erickson said a final report should be available next week. He thanked the Department for the opportunity to conduct the review and expressed appreciation for the assistance the Team received with coordinating and organizing the review.

Chairman Manning thanked Mr. Erickson for the report and the Peer Review Team for its effort on the review.

Employee Service Awards. The Board participated in the semi-annual employee service awards. Member Coleman provided remarks on behalf of the Board.

Consent Calendar. Member Coleman made a motion, seconded by Vice Chairman McClure, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board ITB08-49 approves the revisions to Board Policy B-18-02, Personnel Actions, and the certification of receipts and disbursements, and has received and reviewed the July through September 2008 financial statement analysis; the program and district obligation graphs and tables, monthly status report; the contract award information; and the professional services agreements and term agreement work task report.

1) Revisions to Board Policy B-18-02, Personnel Actions. B-18-02, signed in 1999, was reviewed to determine if it is still applicable and current. Minor revisions were made to update the content, including removing the reference to a former Board policy that no longer exists.

2) Certification of Receipts and Disbursements. The certification of receipts and disbursements cash basis, as shown as Exhibit #366, which is made a part hereof with like effect, was submitted for Board approval in conformance with the requirements of Section 40-708, Idaho Code. The Department's cash balance as of June 30, 2008 was \$84,600,639.

3) July through September 2008 Financial Statement Analysis. Federal aid revenue was \$28 million behind year-to-date projections. Revenue to the Highway Distribution Account was \$418,720 behind the forecast. Expenditures for personnel costs were less than budgeted. Total non-construction year-to-date operating expenditures reflected an 11.7% positive variance. In contract construction, the federal and state programs were behind projections by \$11 million and \$64,069, respectively.

Federal aid revenue to the State Aeronautics Fund was \$39,000 below year-to-date projections. Aviation fuel tax revenue was \$27,600 ahead of projections. Miscellaneous revenue was \$23,900

ahead of the forecast. Overall expenditures were more than the allotment.

In the GARVEE Capital Projects Fund, \$156.7 million of the \$213 million, including interest earnings, from Bond Series 2006 and \$11.5 million of the \$179 million from Bond Series 2008 A have been expended. During September, \$207,806 was transferred to the GARVEE Debt Service Fund for the monthly state share.

4) Program and District Obligation Graphs and Tables, Monthly Status Reports. As of October 31, \$55.3 million had been obligated for highway projects in the Statewide Transportation Improvement Program, or 16%. The total amount obligated for construction projects was \$25 million, excluding GARVEE projects. Obligation information by program and district and project status reports for 2008 projects were presented.

5) Contract Awards. Key #10591 – US-20, Milepost 253 to Junction US-20/US-26 West, District 6. Low bidder: H-K Contractors, Inc. - \$5,623,733.

Key #9027 – Hanley Avenue, Dalton Gardens, District 1. Low bidder: Super Grade, Inc. - \$496,316.

Key #9757 – Merrill Park Boise River Bridge, Eagle, District 3. Low bidder: King Excavation - \$417,968.

Key #7625 – Ashton to Tetonia Rail Trail, District 6. Low bidder: TMC Contractors, Inc. - \$1,036,877.

Keys #9215 and #9216 – I-84, A Canal Bridge, Minidoka County and S Side Canal Overpass, Cassia County, District 4. Low bidder: Cannon Builders, Inc. - \$451,965.

Key #11129 – FY08 District 5 Durable Pavement Markings. Low bidder: 3M Company - \$302,666.

Key #9368 – US-91, Yellowstone Avenue, Flandro to Hurley, Pocatello, District 5. Low bidder: Braun-Jensen, Inc. - \$524,000.

Key #9756 – Pedestrian Path; Sweet Avenue to Blaine Street, Moscow, District 2. Low bidder: Crea Construction, Inc. - \$193,551.

Key #5158 – SH-200, Lightning Creek Bridge, Clark Fork, District 1. Low bidder: Sletten Construction Company - \$6,374,149.

Keys #8075 and #9991 – Chicago to Franklin, Caldwell and Intersection Franklin and 21st Avenue, Caldwell, District 3. Low bidder: Central Paving Company, Inc. - \$2,597,084.

Key #9758 – Eagle Road Underpass Pathway, Eagle, District 3. Low bidder: McAlvain Excavation, Inc. - \$184,022.

The low bid on key #8112 – East Fork Road, Blaine County, District 4, was more than ten percent over the engineer's estimate, requiring justification. The major differences between the engineer's estimate and the low bid were in the Emulsified Asphalt for Tack Coat and Plant Mix Pavement including Asphalt and Additives Class II. It appears the contractors and asphalt suppliers are concerned about the price and availability of asphalt for 2009 in Blaine County. Staff does not believe re-advertising the project would result in lower bids. The Local Highway Technical Assistance Council and project sponsor, Blaine County, will cover the additional costs. Low bidder: Staker & Parson Companies dba Idaho Sand & Gravel - \$1,353,968.

Key #9485 – SH-51, Junction SH-67, Mountain Home, District 3. Low bidder: Staker & Parson Companies dba Idaho Sand & Gravel - \$514,026.

The low bid on key #11082 – SH-75, FY08 District 4 Durable Pavement Markings, was more than ten percent over the engineer's estimate. Staff rejected the bids.

6) Professional Services Agreements and Term Agreement Work Task Report. From September 30 through October 30, \$1,359,900 in new professional services agreements and work tasks were issued. The majority of agreements was issued because they were for local agency projects and special expertise was required. Eight supplemental agreements to existing agreements were processed in the amount of \$1,144,325 during this period.

Board Items. Chairman Manning said he participated on a panel focusing on energy and transportation at the College of Idaho's Governor's Day. He participated in the US-95, Sand Creek Byway ground-breaking ceremony. He was interviewed by the ASCE Peer Review Team and attended the close-out session on the Peer Review. Chairman Manning also met with Senator John McGee and representatives from the Governor's Office and spoke at the Idaho Association of Highway District's annual conference.

Member Blick recently traveled I-84 and I-86 in eastern Idaho. He noticed four sand sheds in an approximately 60-mile span. He questioned the efficiency of several smaller facilities versus fewer, larger sand sheds. He suggested staff review the criteria for sand shed locations. He also asked staff for a cost estimate to install a weigh-in-motion system at the Sage Junction Port of Entry. He believes the current Port configuration is inefficient and inconvenient, as truckers need to leave I-15 and travel briefly on SH-33 to access the existing facility.

Vice Chairman McClure said he recently traveled US-95. He questioned the timing of the temporary traffic signal by the landslide between Riggins and White Bird. He sat through three cycles southbound while very little traffic proceeded northbound. He suggested reviewing the timing and making adjustments if appropriate.

When the Board only needs to meet one day in Boise, Member Miller suggested meeting the afternoon of one day followed by the morning of the next day. That would allow sufficient time for out-of-town members to travel to Boise, only have lodging expenses for one night, and have enough time to travel home in day light after the meeting. He also commented that the commercial airline schedule is more conducive to this schedule. Chairman Manning added that Secretary to the Board Higgins did a cost analysis. Although there are variables, the two half-day schedule appears to be slightly more cost effective. The consensus of the Board was to try this schedule in January if the agenda allows.

Director's Report. Director Lowe was pleased to recognize Mike Allen of the District 2 Bovill maintenance facility and Pete McGuire from the District 4 Fairfield facility. They competed in the 2008 Western Snow and Ice Conference in Colorado. They represented ITD well by placing admirably in a number of contests related to maintenance equipment. Bridge Engineer Matt Farrar has been named chairman of the American Association of State Highway and Transportation Officials (AASHTO) subcommittee on bridges, the T-18 Technical Committee for Bridge Management, Evaluation and Rehabilitation. Also, ITD was recognized by the Secretary of State's Office for its assistance with the November 4 election.

Director Lowe said a public hearing will be held on December 4 on the environmental assessment for the I-84, Karcher Interchange to Five Mile corridor.

Director Lowe highlighted some of the discussions at the recent AASHTO conference, including additional outreach efforts to increase seatbelt usage. Revenue to the National Highway Trust Fund continues to be a concern, as it is below projections. She provided projections on the FY09 funding from the Highway Trust Fund and mentioned that the federal aviation bill has not been approved yet.

After last month's Board meeting and presentation from Marsing Mayor Keith Green, District 3 Engineer Dave Jones pursued the City's various concerns. Director Lowe reported that the City of Marsing is not interested in partnering on a safety rest area at its existing city park at this time. The City did not fully understand the requirements for a rest area and is concerned with truck traffic and parking. Mayor Green, however, expressed interest in making improvements to the city park and pursuing Enhancement Program funds in the future.

Director Lowe distributed copies of the employee survey. Employees have been asked to complete the confidential survey by December 3. The intent is to assess the strengths of the work environment and identify areas where improvements could be made. This survey will be used as a bench mark.

Director Lowe also distributed copies of the draft 2008 Efficiency Report.

Chairman Manning welcomed Representative Phylis King to the meeting.

Surrounding State Transportation Revenue Comparison. Economics and Research Manager (ERM) Doug Benzon provided additional information on surrounding states' transportation revenue. He confirmed that Oregon's car registration fee is \$27 per year. Four-year registrations in the amount of \$108 are required for new cars. The two-year registration fee is \$54. Currently, there are no local entities charging an additional registration fee, although Oregon's statute allows for local fees.

ERM Benzon said the information he provided previously did not include mass transit funding. He explained the State of Utah's sales and use tax. It deposits 8.3% of the revenues collected from the approximately 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and vehicle-related products into the Centennial Highway Fund Restricted. He also provided data on state registration fees only, excluding local taxes.

Chairman Manning thanked ERM Benzon for the clarification on the surrounding state's transportation revenue and for the additional information.

Add Local Asset Management to the Surface Transportation Program – Local Rural Program. Local Highway Technical Assistance Council (LHTAC) Administrator Lance Holmstrom said \$550,000 had previously been approved for LHTAC to develop a pavement management system for the local highway jurisdictions. Significant progress has been made in advancing scientific pavement management methods for local jurisdictions; however, the initial scope of the project was not funded sufficiently. Administrator Holmstrom requested an additional \$469,000 in federal aid plus \$37,000 match to complete this project. He said the FY09 increase will be offset through deobligation of savings on the FY05 Prairie Avenue, Huetter Road to Ramsey Road project in Kootenai County and the funds in FY10 will be provided from unprogrammed balances within the three federal programs administered by LHTAC.

Some members expressed concern with compatibility issues and ITD's intent with its pavement management system. Director Lowe responded that the report on ITD's pavement management system should be available soon and that the systems should be compatible. Staff can work with LHTAC to ensure conformity.

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

RES. NO. WHEREAS, it is in the public's interest for the Idaho Transportation Department ITB08-50 to publish and accomplish a current, realistic, and fiscally constrained Capital Investment Program; and

WHEREAS, it is the intent of the Idaho Transportation Board to effectively utilize all available federal and state highway funding; and

WHEREAS, the Local Highway Technical Assistance Council (LHTAC) and the Technology Transfer Center partnered with the Department in FY04 to develop a Local Asset Management system; and

WHEREAS, the \$550,000 of funds committed to this project are insufficient to complete the development of this system; and

WHEREAS, LHTAC has made significant progress in advancing scientific pavement management methods for local highway jurisdictions in Idaho under the auspices of this project; and

WHEREAS, 8,500 miles of pavement information on local roads has been collected to date with these funds; and

WHEREAS, this data has been collected very economically in comparison with other organizations collecting such information; and

WHEREAS, LHTAC estimates that the system inventory can be completed with an additional \$506,000.

NOW THEREFORE BE IT RESOLVED, that the Board authorizes the continuation of funding for development of the Local Asset Management system, key #9267, in the amount of \$506,000, through FY12 of the Statewide Transportation Improvement Program.

GARVEE Financing Authorization. Administrator, Division of Administration (ADA) Dave Tolman said the Board approved authorizing the financing of \$250 million in bonds approved by the 2007 legislature in December 2007. In April 2008, \$173.1 million in bonds were issued. At the August 2008 Board meeting, the Board authorized the financing of \$134 million in bonds approved by the 2008 legislature. The Bond Counsel asked for clarification on the Board's

approval to issue bonds in a principal amount not to exceed \$210.9 million made up of the balance of the \$250 million approved in 2007 of \$76.9 million and the \$134 million approved by the 2008 legislature.

In response to Vice Chairman McClure's question on the status of the bond market, ADA Tolman replied that it has improved, partly due to the fact that a number of bonds are coming due soon. Director Lowe added that the Department intends to sell additional bonds in January.

Vice Chairman McClure made a motion, seconded by Member Coleman, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Department (ITD) strives to make available ITB08-51 to the citizens of Idaho the finest transportation system via new construction projects and management of statewide assets and has authorized the use of a Grant Anticipation Revenue Vehicle (GARVEE) bonded program; and

WHEREAS, the use of future federal funds today will save the state money in the future; and

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

WHEREAS, the ITD, the ITB, and the IHFA have entered into a Master Financing Agreement with respect to the bonds; and

WHEREAS, issuing such bonds promotes the purposes of the GARVEE Program; is in the public interest; serves a public purpose; increases commerce; promotes the health, welfare and safety of the people of the State of Idaho; and constitutes a proper exercise of the authority particularly set forth in the Act; and

WHEREAS, the 2007 Idaho legislature has passed and the Governor has signed House Bill 336 authorizing ITD's 2007 request for bonding authority under Idaho Code Section 40-315(4) up to \$250,000,000 of bonding authority of which \$173,035,000 has been issued by IHFA leaving \$76,965,000 not issued to date, and the 2008 Idaho Legislature has passed and the Governor signed House Bill 657 GARVEE Bonding Authorization authorizing ITB's request for bonding authority under Idaho Code Section 40-315(4) up to \$134,000,000 (collectively, the "House

Bills”) and IHFA intends to issue certain tax exempt bonds, Federal Highway Trust Fund Series, during state fiscal year 2009 in an amount not to exceed \$210,965,000, comprising the \$76,965,000 remaining from the authorization under House Bill 336 and \$134,000,000 from the authorization under House Bill 657 (the “Bonds”), in order to provide funds to finance the GARVEE Program for those projects (the “Projects”) referenced in the House Bills and other related legislation and this resolution shall serve as evidence of the Board’s intention to proceed with issue of the Bonds up to the amount stated and to reimburse its expenditures for the Projects from the proceeds of the Bonds; and

WHEREAS, there has been prepared a Preliminary Official Statement relating to each series of the bonds and the distribution thereof to potential bond purchasers and the distribution to all actual purchasers of the bonds of a final Official Statement will thereafter be carried out; and

WHEREAS, other bonding documents will also be needed to be executed setting forth the applicable series of bonds.

NOW THEREFORE BE IT RESOLVED, by the Board as follows:

1. Pursuant to the Act, the Board approves the Projects and recommends to IHFA the financing thereof through the issuance of the Bonds in an aggregate principal amount not to exceed \$210,965,000, \$76,965,000 from the bonding authority approved by House Bill 336 and \$134,000,000 from the bonding authority approved by House Bill 657; provided that: (a) the ITD and the ITB have entered into a supplement to the Master Financial Agreement relating to the Bonds and previously executed; and (b) the ITD has provided to the IHFA all of the certificates, documents and information required under Idaho Code Section 67-6210(k).
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.

Final Official Statement
Supplemental to Master Financial Agreement

Master Trust Indenture

Series Trust Indenture

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

The motion passed 3-1 with Member Blick dissenting.

Fire Response Plan. Assistant Chief Engineer – Operations Greg Laragan commended Emergency Program Coordinator (EPC) Louie Albright for developing an innovative partnership to address the issue of roadway closures and damage associated with vehicle fires. The fire response plan, whereby agreements are established with appropriate fire districts to respond to vehicular fires along highways that are outside of their respective jurisdiction, reduces congestion and delays to the traveling public and has the potential to greatly reduce damage to ITD's infrastructure as well as non-ITD property.

As a follow-up to the June presentation, EPC Albright reported that Idaho Statute does not allow the Idaho Hazardous Materials/Weapons of Mass Destruction plan to cover the costs associated with routine firefighting procedures. EPC Albright also explained that currently, grass fires within ITD's right-of-way are not covered by the agreements that ITD has established for vehicular fires. Generally, the Bureau of Land Management or Department of Lands voluntarily responds to these fires to lessen the risk of fire to their adjacent jurisdictional land. Agreements could be established with entities to respond to grass fires that are within the ITD right-of-way but outside the entities' jurisdiction, but ITD would be responsible to reimburse the entity for costs incurred.

Member Blick questioned ITD's liability with fires within its right-of-way and believes pursuing agreements for fire coverage may be of value.

Chairman Manning thanked EPC Albright for the additional information and for his efforts to

address these concerns.

Executive Session on Legal Issues, Section 67-2345(f), Idaho Code. Member Miller made a motion to meet in executive session at 12:05 PM to discuss legal issues. Member Blick seconded the motion and it passed 4-0 by individual roll call vote.

A discussion was held on legal matters related to the US-95, Sand Creek Byway project; the I-84, Orchard Interchange project; the I-84, Robinson Road project; compliance with the Americans with Disabilities Act; and non-compliance with vehicle registration requirements and the illegal use of dyed fuel.

The Board came out of executive session at 1:20 PM. No decisions were made.

September 2008 Idaho Highway Users Survey Findings. Scott Ellsworth, Chairman of the Idaho Highway Users, Inc., said a telephone survey was conducted by the Idaho Highway Users in September. The intent was to assess the impressions of licensed drivers in Idaho as to the condition of the state's highways, roads and bridges. In summary, over 90% of respondents believe roads and bridges are important to the economy and lifestyle and gave the overall system a grade of C +. Seven in ten said that road and bridge funding should be among the legislature's top priorities, with six in ten expressing support for additional transportation funding. The favored funding sources are impact fees, local option taxes, and registration fees.

Chairman Manning thanked Mr. Ellsworth for the informative report.

Update on the I-84, Robinson Road Bridge Collapse, District 3. District 3 Resident Engineer (RE) Shawna King said when Graham Construction & Management Inc. was pouring the first of four slabs to form the deck for the I-84, Robinson Road underpass on October 27, the bridge span collapsed. Fortunately, none of the construction workers was seriously injured. She said the investigation into determining the cause of the collapse is continuing. ITD hired two outside firms to investigate the incident in addition to the contractor's and the Occupational Safety and Hazard Association's investigations. Work on the deck has been suspended, however, other related work in the area has continued. RE King added that there was no impact to traffic on I-84.

Chairman Manning thanked RE King for the update on this project.

Safe Routes to School (SR2S) Program. SR2S Advisory Committee Member Elaine Clegg summarized the intent of the SR2S Program: to encourage children to walk and bicycle to school and to make that option safer. It also reduces congestion and improves air quality. The Department's SR2S policy uses a guideline of 70-90% of the available funding for infrastructure-related projects and 10-30% of available funding for non-infrastructure-related projects. Projects

for FY09 and FY10 were solicited. The available funding for FY09 is \$590,000 and \$616,000 in FY10. The SR2S Advisory Committee reviewed the proposed projects and recommends funding \$420,045 for infrastructure projects and \$166,970 for non-infrastructure projects in FY09. It is recommending \$465,500 for infrastructure projects in FY10. The Committee will identify the FY10 non-infrastructure projects at its next meeting.

Member Sweeney joined the meeting via teleconference at this time.

SR2S Advisory Committee Member Meg Ryan elaborated on efforts undertaken by the Treasure Valley YMCA and Shadow Hills Elementary School in Boise. Both groups are emphasizing education. She noted that Ada County Highway District residents recently passed an initiative to increase vehicle registration fees. A portion of that funding, estimated at \$4 million annually, will be dedicated to safe routes to school projects.

Member Coleman commented that he has encouraged cities in northern Idaho to apply for SR2S Program funding, but they are concerned with the excessive paperwork. Advisory Committee Member Clegg concurred with the cumbersome application process. Part of that is due to the Title 23 requirements. She added that efforts are underway to reduce the application requirements and make the process easier.

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

RES. NO. WHEREAS, the Idaho Transportation Department adopted Board Policy B-11-07 ITB08-52 to establish a Safe Routes to School (SR2S) program for the State of Idaho under Section 404 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), P.L.(109-59); and

WHEREAS, the purpose of the SR2S program is to 1) enable and encourage children in grades K-8, including those with disabilities, to walk and bicycle to school, 2) make bicycling and walking to school a safer and more appealing transportation alternative, thereby encouraging a healthy and active lifestyle from an early age, and 3) facilitate the planning, development and implementation of projects and activities that will improve safety and reduce traffic, fuel consumption, and air pollution in the vicinity of schools; and

WHEREAS, SR2S funding supports two project categories: 1) infrastructure and 2) non-infrastructure improvements to directly support increased safety and convenience for children to walk and bike to school; and

WHEREAS, Board Policy B-11-07 required establishment of a SR2S Advisory

Committee comprised of volunteer representatives from state agencies and private organizations with expertise and knowledge in the fields of education, transportation, law enforcement, and healthcare; and

WHEREAS, the SR2S Advisory Committee adopted the SR2S program guidelines and project criteria under the Secretary of Transportation issued program guidance of January 2006; and

WHEREAS, the Department advertised and accepted applications eligible for SR2S funding for infrastructure and non-infrastructure projects through a competitive statewide process; and

WHEREAS, the SR2S Advisory Committee has reviewed and prioritized the list of projects deemed eligible for SR2S federal-aid funding.

NOW THEREFORE BE IT RESOLVED, that the Board approves SR2S federal-aid funding for the list of prioritized projects, as shown as Exhibit 367, which is made a part hereof with like effect, in the amount of \$587,015 for FY09 and \$465,500 for FY10, as recommended by the SR2S Advisory Committee; and

BE IT FURTHER RESOLVED, that staff is authorized to include the approved projects in the Statewide Transportation Improvement Program in accordance with the provisions of SAFETEA-LU.

Chairman Manning thanked the SR2S Committee members for the presentation and for their efforts on this important Program.

Chairman Manning welcomed former Board Chairman Chuck Winder to the meeting.

Practical Design for Safety Rest Areas. Highway Operations and Safety Engineer (HOSE) Brent Jennings said the Practical Design concept has been applied to the Safety Rest Area Program. Staff reviewed projects to determine what changes could be made to reduce the project scope and cost without compromising the overall intent of the project or jeopardizing safety. The process focused on the essential elements of purpose and need and utilizing simple design standards that are appropriate to the context of the rest area's surroundings.

The five rest area projects in the current Program, totaling over \$21 million, were reviewed. Almost \$8 million in savings were identified. Some of the savings come from reducing the landscape features at the Timmerman Rest Area, performing the majority of design work on the Hagerman Rest Area within ITD, reducing the size of the Dubois Rest Area, and delaying

improvements to the Juniper Rest Area because the facility will function several more years at an acceptable level. The recommendation is to apply the identified savings to the Pavement Preservation Program. HOSE Jennings added that staff will continue to apply the Practical Design concept to this Program.

Vice Chairman McClure expressed support for the Practical Design concept. He understands the necessity to fund the Pavement Preservation Program; however, he believes savings identified in the Rest Area Program should remain in the Rest Area Program. Due to insufficient funding, the Board had to reduce funding for the Rest Area Program earlier.

Member Sweeney provided an example of District 2 identifying savings in its projects. He supports directing savings from Rest Area projects to the Pavement Preservation Program and specifically allowing the District that identifies the savings to retain the funding.

Vice Chairman McClure concurred with providing incentives to Districts to save money by allowing it to retain savings, but he also reiterated that the Board established a statewide Safety Rest Area Program because those projects were generally the first ones to be cut when Districts needed additional funding. He emphasized the importance of the Safety Rest Area Program and would like it to be a higher priority. Member Blick concurred.

Member Miller made a motion, seconded by Member Sweeney, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board recognizes the need for
Safety Rest
ITB08-53 Areas to provide convenient and safe rest and relief from the fatigue of
travel; and

WHEREAS, each Safety Rest Area facility shall be constructed and maintained to provide a viable, reliable service to the traveling public, as well as to make a favorable impression about the State of Idaho and the Idaho Transportation Department; and

WHEREAS, the Safety Rest Area must provide safe ingress and egress for all classes of vehicles; and

WHEREAS, the Board recognizes the need for Safety Rest Areas to be refurbished or reconstructed to extend service life and improve safety; and

WHEREAS, it is critical to maximize operational efficiency in order to maximize benefit and maintain the basic service functions; and

WHEREAS, in order to achieve this maximum benefit while reducing costs, the incorporation of practical design principals is necessary.

NOW THEREFORE BE IT RESOLVED, that the Board approves the staff recommendation to implement the principals of practical design and directs staff to redistribute resultant savings into the Pavement Preservation Program; and

BE IT FURTHER RESOLVED, that the Board instructs staff to, as first priority, give the District originating the savings first opportunity to utilize said savings, and as second priority, direct resultant savings into the statewide Pavement Preservation Program.

Vice Chairman McClure made a substitute motion to amend the resolution to direct savings into the Safety Rest Area Program, with the District originating the savings having the first opportunity to utilize those savings on its facilities. Member Blick seconded the motion. The motion failed 2-3 with Members Coleman, Miller, and Sweeney dissenting.

The original motion passed 3-2 with Vice Chairman McClure and Member Blick opposing.

Member Sweeney expressed appreciation for the opportunity to participate in portions of the meeting via teleconference. He also commended DDIR Stokes for his participation in the recent North Idaho Legislative Tour. Member Sweeney ceased participation in the meeting at this time.

New Business. Video footage on the recent ground-breaking ceremony for the US-95, Sand Creek Byway project was shown.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting adjourned at 2:45 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
December 11, 2008
Boise, Idaho

WORKSHOP AND REGULAR MEETING OF THE
IDAHO TRANSPORTATION BOARD

December 10-11, 2008

The Idaho Transportation Board met at 8:30 AM, on Wednesday, December 10, 2008, in Boise, Idaho. The following principals were present:

Darrell V Manning, Chairman

Monte C. McClure, Vice Chairman – District 3

Jim Coleman, Member – District 1

Bruce Sweeney, Member – District 2

Gary Blick, Member – District 4

Neil Miller, Member – District 5

Lee Gagner, Member – District 6

Pamela Lowe, Director

Scott Stokes, Deputy Director

Karl Vogt, Deputy Attorney General

Sue S. Higgins, Secretary

Strategic Plan. Transportation Planning Administrator Matt Moore provided an update on the Strategic Plan. Values for the Department have been identified. All divisions have established action items for each of the focus areas: Leading through Agency Performance, Improving Our Customer Service, Expanding and Enhancing Partnerships, and Investing in Our People. Applicable findings from the Peer Review and Office of Performance Evaluation audit will be incorporated into the Plan.

Dave Tolman, Administrator, Division of Administration (ADA) and Managing through Performance Sponsor, said that work is continuing on establishing performance measures. Details will be provided later.

Motor Vehicle Administrator and Improving Our Customer Service Team Sponsor Alan Frew said two goals were identified that detail the approach ITD will use to improve customer service value and refine the customer service culture: ensure public trust and confidence and be viewed as credible and satisfaction-oriented. A council will be established as an on-going effort to address and improve the customer service culture. The Board emphasized the need to listen to customers and consider the feedback that is provided. Some discussion followed on the importance of good customer service at the county level and on the importance of an adequate system to provide the motor vehicle services required. There was acknowledgement that system upgrades are needed, particularly because the back-up system is inadequate. Increasing fees to pay for upgrading the system was discussed.

Tom Cole, Chief Engineer and Sponsor of the Expanding and Enhancing Partnerships Team, said efforts are underway to establish partnerships as part of ITD's culture. The Team's goals are to enhance existing partnerships to improve efficiency and customer service, demonstrate industry leadership through partnerships, expand use of partnerships to broaden cooperation with other agencies and stakeholders, and make effective use of partnerships to leverage limited resources to meet Idaho's transportation needs.

Investing in our People Team Sponsor Mary Harker, Human Resources Manager, summarized the Team's goals: establish, implement and sustain a set of organizational and cultural values that define ITD; be an employer of choice; and create and maintain a positive work environment where people thrive. Vice Chairman McClure expressed concern with compensation issues and frustration with the inability to provide adequate funding for salaries. Member Sweeney believes ITD needs more flexibility to address employee issues.

Public Transportation. Public Transportation Administrator Randy Kyrias provided an update on Idaho's Mobility Access Pathway. The project focuses on users instead of providers and defines mobility and how to manage it. Extensive outreach has been occurring throughout the state. Seventeen mobility areas have been identified and a consultant has been hired to develop management plans for each area. The state's total funding, including fares, local, state, and federal sources, was \$25.6 million in FY08. Total ridership was almost 6.4 million.

Performance Measures. Dave Amick, Manager, Transportation Investments (MTI), reported on the Leading through Agency Performance Team's efforts to identify 10 proposed performance measures, after reviewing in excess of 600 measures. The process focused on mobility, customer experience, management effectiveness, and return on investment.

Board members emphasized the need to be proactive, listen to stakeholders, ensure this is an ongoing process, and for effective communication. Support was expressed to establish focus groups to assist with identifying performance measures and to meet with these groups on a regular basis.

Long-Range Capital Improvement Plan. MTI Amick summarized Horizons in the Long-Range Capital Improvement Plan. Near Horizons includes projects that can be ready for construction in 6-10 years. Mid Horizons are 11-15 years out and include mega projects and corridor preservation. Far Horizons, including corridor plans and major modal expansion, is for years 16-20. He outlined four options to identify projects for Near Horizons: statewide Board selection, district number one priorities, ready projects only, and no plans for expansion until future funding is known. Director Lowe stated that the Department should not overpromise projects, however, it needs to have projects ready to construct in the future. Some discussion followed on projections

for future funding and the proposed federal stimulus package, which may provide ITD with additional funds for transportation projects that are ready for construction.

The consensus of the Board was to utilize a combination of a statewide Board selection and District priorities process to establish projects in Near Horizons.

Sharing Technology with Other Agencies. ADA Tolman provided an overview on other agencies' use of ITD's network. Although a minimal fee is charged for utilizing the bandwidth, the increased usage is having an impact on the Department's resources, including personnel. He will continue to monitor the costs and usage, but wanted the Board to be aware of the technology services being provided to other entities and their effects on ITD.

The consensus of the Board was to make sure ITD's needs are addressed and that its responsibilities are being met. There was some support to ensure the fees charged are sufficient to cover ITD's costs to provide these services. There was also recognition of the importance of ITD being a good partner and continuing to provide other agencies with this service if possible.

Information Provided to the Board. The reports that are provided to the Board on a regular basis were reviewed. Overall, the Board members believe they are beneficial and provide informative updates on activities. They expressed a desire to continue meeting with various advisory boards and committees, as these groups provide a valuable service. They would be receptive to meeting with other states' boards and commissions as appropriate.

Legislative Session. Members Gagner and Coleman expressed a desire to be more involved with the legislative session.

Peer Review Report. Member Coleman suggested several ways to address the Peer Review findings. He believes a stronger emphasis needs to be made throughout the Department on value engineering, or value analysis, and life cycle cost analysis. After construction projects are completed, a review on the entire project should be conducted with all parties involved. Focus groups should be established soon and an increased effort should be made to work closer with the industry. Member Coleman believes it is imperative to establish an asset management system. He also relayed some legislators' interest in allowing ITD to use the design-build method for constructing projects.

In response to Member Sweeney's question on whether the Connecting Idaho Partners are providing innovations to the Department, Director Lowe responded yes. Staff will be able to use some of the initiatives, such as early right-of-way acquisition and alternative bidding.

WHEREUPON, the Board workshop recessed at 4:25 PM.

December 11, 2008

The Board reconvened at 8:30 AM on Thursday, December 11, 2008, in Boise, Idaho. All members were present.

Board Minutes. Member Miller made a motion to approve the minutes of the regular Board meeting held on November 20, 2008 as submitted. Member Blick seconded the motion and it passed unanimously.

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

January 21-22, 2009 – Boise
February 18-19, 2009 – Boise
March 18-19, 2009 – Boise

Consent Calendar. Member Blick made a motion, seconded by Vice Chairman McClure, to approve the following resolution:

RES. NO. *NOW THEREFORE BE IT RESOLVED*, that the Idaho Transportation Board ITB08-54 approves the revisions to Board Policy B-03-06, State-Owned Dwellings, and Local Urban Program Adjustments; and has received and reviewed the July through October 2008 financial statement analysis; the program and district obligation graphs and tables, monthly status reports; the contract award information; the professional services agreements and term agreement work task report; the annual report of outdoor advertising sign status; and the quarterly report on legal actions and contract claims.

1) Revisions to Board Policy B-03-06, State-Owned Dwellings. B-03-06 was last signed in 1999. The policy is still current and relevant. It was updated to reflect the current Board Chairman's signature.

2) Local Urban Program Adjustments from November Urban Committee meeting. The Urban Committee met last month to adjust its program to accommodate \$3.3 million of savings realized at the end of FY08 and \$840,000 in post-award releases. The Committee is comprised of the directors of Idaho's five metropolitan planning organizations and the Local Highway Technical Assistance Council who represents urban areas between 5,000 and 50,000 in population. The Committee requests the following changes to the STP-Local Urban Program:

Advance key #9515, N. Middleton Road; Junction SH-44 to Mill Slough from FY10 to FY09, \$830,000;

Advance key #11233, Intersection Franklin and 21st Avenue, Caldwell, Stage 2, from FY10 to FY09, \$1,520,000;

Re-scope and finalize key #9990, Airport Road; Kings to Happy Valley, Nampa as an FY09 study, \$244,000;

Advance key #9918, TRPTA Bus Purchase 1 from FY10 to FY09, \$80,000;

Advance key #9919, TRPTA Bus Purchase 2 from FY10 to FY09, \$80,000;

Add Hanley Avenue Stage 2; Davenport to 15th to FY09, \$695,000; and

Add Hanley Avenue Stage 3; Government Way to 4th to FY09, \$90,000.

3) July through October 2008 Financial Statement Analysis. Federal aid reimbursement was \$24 million behind year-to-date projections. Revenue to the Highway Distribution Account was \$1 million behind the forecast. Expenditures for personnel costs were less than budgeted. Total non-construction year-to-date operating expenditures reflected a 6.1% negative variance. In contract construction, the federal and state programs were behind projections by \$12 million and \$2.7 million, respectively.

Federal aid revenue to the State Aeronautics Fund was \$348,000 below year-to-date projections. Aviation fuel tax revenue was \$183,600 below projections. Miscellaneous revenue was \$16,000 behind the forecast. Year-to-date expenditures were \$760,381 against an annual appropriation of \$2,215,400.

In the GARVEE Capital Projects Fund, \$173 million of the \$213 million, including interest earnings, from Bond Series 2006 and \$29.4 million of the \$179 million from Bond Series 2008 A have been expended. During October, \$207,806 was transferred to the GARVEE Debt Service Fund for the monthly state share.

4) Program and District Obligation Graphs and Tables, Monthly Status Reports. As of November 24, \$55.7 million had been obligated for highway projects in the Statewide Transportation Improvement Program, or 16%. The total amount obligated for construction projects was \$44 million, excluding GARVEE projects. Obligation information by program and district and project status reports for 2008 projects were presented.

5) Contract Awards. Keys #7829 and #8472 – I-86, Chubbuck Interchange to Pocatello Creek Interchange and Hiline Road, Flandro to Chubbuck Road, District 5. Low bidder: Hap Taylor & Sons, Inc. dba Knife River - \$11,254,811.

Key #9031 – Superior Street, Mill Road, Cambridge, District 3. Low bidder: Hap Taylor & Sons, Inc. dba Knife River - \$922,499.

Key #9471 – US-95, White Bird Creek Bridge, Idaho County, District 2. Low bidder: Westway

Construction, Inc. - \$1,026,829.

Key #11492 – US-93, Shoshone West City Limits to Marley Road, Lincoln County, District 4. Low bidder: Western Construction, Inc. - \$1,717,000.

Key #11028 – US-95, Top of Lewiston Hill to Thorncreek Road, District 2. Low bidder: Poe Asphalt Paving Inc. - \$949,245.

Key #9184 – I-84, Milepost 90 to Milepost 114 ASR Surface Treatment, District 3. Low bidder: American Civil Constructors WC, Inc. - \$2,435,554.

The low bid on key #9751 – SH-5, Fairgrounds to 20th Street, St. Maries, District 1, was more than ten percent over the engineer's estimate. Staff rejected the bids.

6) Professional Services Agreements and Term Agreement Work Task Report. From October 31 through November 28, \$1,493,500 in new professional services agreements and work tasks were issued. The agreements were issued because resources were not available in-house and special expertise was required. Five supplemental agreements to existing agreements were processed in the amount of \$387,000 during this period.

7) Outdoor Advertising Sign Status Report. At the close of federal FY08, 47 illegal and 167 non-conforming signs remained throughout the state. Illegal signs do not comply with state and federal law and are to be removed. Non-conforming signs are those that at one time complied with law but due to a change in conditions or rules, have lost their conforming status. Non-conforming signs are allowed to remain in place but cannot be improved.

8) Quarterly Report on Legal Actions and Contract Claims. A summary of legal cases resolved by the Legal Section, a status of current legal cases, and a report on contract claims was presented.

Board Items. Chairman Manning provided a brief summary of the Governor's transportation revenue plans. It includes incrementally increasing the fuel tax and registration fees and a rental car tax. The proposal also includes establishing a task force to study the validity of the truck registration system.

Chairman Manning said he participated in the first two legislative outreach meetings earlier this week and plans on attending the other four next week.

Director's Report. Director Lowe reported that ADA Tolman and GARVEE Program Manager Jason Brinkman were in New York recently to make a presentation on Idaho's GARVEE bonding program as part of the process to sell additional bonds. Staff is continuing to look at options and

the appropriate timing for future bond sales.

Director Lowe introduced Sue Sullivan as the new Environmental Manager. Ms. Sullivan was the Senior Transportation Planner in District 3 prior to this promotion.

Director Lowe distributed copies of the draft House and Senate Transportation Committee presentation, which focuses on efficiencies. The joint germane committee presentation is tentatively scheduled for January 22.

Director Lowe recognized Driver Services Manager Ed Pemble and Driver's License Program Supervisor Lynn Rhodes for their efforts to promote organ donations. The employees were recently recognized by the Yes Idaho Donate Life Coalition for their efforts to make donating easier through the driver's license and identification card application processes.

Presentation: Local Needs Study. Stuart Davis, Executive Director, Association of Idaho Highway Districts, reported on the recent needs study conducted on the local highway system. The 1995 Highway Needs Assessment Study determined that user fees should pay for 70% of local highway costs and 30% should come from non-user fees. Today, almost half of the funding for local projects is from non-user fees. Since 1996, local highway miles have increased by 4,116 miles or approximately 14%. Data indicates vehicle miles traveled on the local system is increasing at a greater rate than on state facilities, partly because congestion on state highways diverts traffic to local routes.

Executive Director Davis said that 39% of the local roads are gravel. There are 18,435 miles of paved highways. Of these roads, a little over 33% are in poor or fair condition. There are 2,329 bridges with 162 functionally obsolete and 244 structurally deficient. The local system's total budget needs for 20 years with 4% annual inflation are between \$5.1 and \$5.5 billion. This does not include new roads or additional capacity. He commented on the escalating costs to take care of the system and believes additional revenue is needed over time, not all at once. He added that without a funding increase, local agencies may be unable to accept new roads and accommodate growth.

Some discussion followed on funding, such as the locals' ability to use property tax revenue for its transportation system, revenue from development, and federal aid. Local Highway Technical Assistance Council (LHTAC) Administrator Lance Holmstrom said approximately 6,000 miles on the local system are eligible for federal aid. Some support was also expressed to consolidate highway districts.

Executive Director Davis thanked the Board for its time. He also expressed appreciation for the good working relationship he has established with Director Lowe and ITD staff.

Chairman Manning thanked Executive Director Davis for the report. Chairman Manning also commended him for the excellent annual convention the Association of Highway Districts sponsored last month.

Annual Report on the Local Rural Highway Investment Program. LHTAC Administrator Holmstrom thanked the Board for the Local Rural Highway Investment Program. It continues to be a popular program, with more requests for funding than funding available. Asset Manager Jim Zier reported on the 2008 program. Three basic types of projects are funded in this program: construction, signs, and transportation plans. There were 98 project applications, but only 31 were funded, plus two emergency projects. He summarized a number of projects that were completed and projects planned in 2009. Mr. Zier expressed appreciation for the Board's support of the program.

Chairman Manning thanked Messrs. Holmstrom and Zier for the report and for their efforts on this program. Vice Chairman McClure also expressed appreciation for the improvements made to the Exchange Program since 1995.

Annual Report from the Dealer Advisory Board (DAB). DAB Chairman Grant Petersen reported on the activities of the DAB during FY08. It concurred with the Department's recommendation for revocation of a dealer license in Post Falls. It worked with staff on legislation relating to principal place of business, but the Senate Transportation Committee suggested that a more appropriate route may be to increase the dealer bond amount. In pursuing this recommendation, it found that Idaho has a lower dealer bond amount than any of the surrounding states. Dealers who had been in business less than two years accounted for 43% of the total bond claims filed. New orientation and training procedures were created to address this segment of the dealer population. This procedure will ensure more time is spent with newly licensed dealers, with frequent reviews to try and resolve problems early on. The DAB has deferred raising the dealer bond amount until these new procedures have been fully implemented and can be evaluated to determine their effect.

DAB Chairman Petersen also reported on the state of the industry. A number of dealers are expected to go out of business nationwide due to the poor economic conditions. It is an extremely challenging market now. He expressed appreciation to the Board for its efforts, as a good transportation system is so important.

Chairman Manning thanked DAB Chairman Petersen for the informative report and for his efforts on these important issues. He also expressed appreciation to the other DAB members for their service to the state.

Tribal Information. DAG Vogt provided information on ITD's working relationship with the state's Tribes. Agreements have been established for the motor fuels tax, construction monitoring, road closure and maintenance, and service. There is also an acknowledgement of ITD's maintenance responsibility with the Coeur d'Alene Tribe and a memorandum of understanding with the Nez Perce Tribe for transportation projects/resource management issues. DAG Vogt also mentioned FHWA's Tribal Consultation Baseline Assessment, which measures the consultation and cooperation between ITD and the Tribes.

Tour – Materials Lab. The Board visited the Materials Lab, where it met with employees, toured the facilities, and heard about the efficiency efforts recently implemented and being considered. The Board members thanked Materials Engineer Jeff Miles and staff for the tour and their important service.

Executive Session on Legal Issues, Section 67-2345(d),(f), Idaho Code. Vice Chairman McClure made a motion to meet in executive session at 12:20 PM to discuss legal issues. Member Blick seconded the motion and it passed unanimously.

A discussion was held on legal matters related to the investigation of alleged miss-use of funds; the US-95, Sand Creek Byway project; the operation of the state highway system; the I-84, Robinson Road project; and other matters exempt from disclosure related to contract negotiations.

The Board came out of executive session at 1:15 PM. No decisions were made.

New Business. Vice Chairman McClure revisited last month's decision to move savings from rest area projects to the Pavement Preservation Program. Earlier, the Board's decision was to fund the Statewide Safety Rest Area Program at \$5 million annually. He is not sure that \$5 million is the appropriate amount. Establishing performance measures for the program may provide guidance on the funding level. He emphasized the importance of these facilities and believes it is imperative to adequately fund the Program.

Member Coleman supported a statewide Rest Area Program and also believes sufficient funding should be dedicated to ensure the facilities are functional, even if that means a funding level greater than \$5 million annually. Member Blick also voiced support for a statewide program with adequate funding. Rest areas provide a valuable service to the traveling public.

In response to various questions, Highway Operations and Safety Engineer Brent Jennings said a statewide master plan has been established for the rest areas and ITD seeks partnerships for the facilities. Although the design of the facilities has been standardized, HOSE Jennings said that other factors have to be considered at each facility. The team that oversees the Program will be meeting next month to update the rest area plan.

Member McClure asked the team to report the results of its meeting to the Board.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting adjourned at 1:35 PM.

signed

DARRELL V MANNING, Chairman
Idaho Transportation Board

Read and Approved
January 22, 2009
Boise, Idaho