

Montana Transportation Commission

September 26, 2013 Meeting
Helena, Montana

IN ATTENDANCE

Kevin Howlett, Transportation Commissioner, Chairman
Barb Skelton, Transportation Commissioner
Rick Griffith, Transportation Commissioner (by phone)
Carol Lambert, Transportation Commissioner
John Cobb, Transportation Commissioner
Michael Tooley, Director MDT
Dwane Kailey, MDT Engineering
Kevin Christenson, MDT
Lynn Zanto, MDT
Paul Johnson, MDT
Kent Barnes, MDT
Tim Reardon, MDT
Dave Ohler, MDT
Lori Ryan, MDT
Kevin McLaury, FHWA
Bob Seliskar, FHWA
Paul Harker, FHWA
Bob Koch, Montana Civil Contractors
Dave Schmit, Knife River Belgrade
Joe Carbonari, Kalispell
Pam Carbonari, Kalispell
Gary Krueger, Flathead County Commissioner
Tammi Fisher, Kalispell Mayor
Phil Guiffrida, Kalispell
Katie Fries, Kalispell
Margaret Moen, Kalispell
Peggie Morrison, Missoula
Fred Stewart, Missoula
Virginia Sloan, Kalispell
Kirby Campbell Reison, Kalispell
Roger Nasset, Kalispell
Frank Garner, Kalispell
Scott Hagel, Kalispell
CM Clark, Kalispell
Janey Clark, Kalispell
Joe Unterreiner, Kalispell
Pam Holmquist, Kalispell
Cal Scott, Kalispell
Wes Holmquist, Kalispell
Tom Jentz, Kalispell
Reed Gurlkson, Kalispell
Michael Jackson, Kalispell
Loren Sallee, St. Reggis
John Hangengruber, US Forest Service
Ted Luehr, Kalispell
Brien Pek, Kalispell
Senator Bruce Tutveldt, Kalispell

Please note: the complete recorded minutes are available for review on the commission's website at http://www.mdt.mt.gov/pubinvolve/trans_comm/meetings.shtml. You may request a compact disc (containing the audio files, agenda, and minutes) from the transportation secretary Lori Ryan at (406) 444-7200 or lrayn@mt.gov. Alternative accessible formats of this document will be provided upon request. For additional information, please call (406) 444-7200. The TTY number is (406) 444-7696 or 1-800-335-7592.

OPENING – Commissioner Kevin Howlett

Commissioner Howlett called the meeting to order. After the pledge of allegiance, Commissioner Howlett offered the invocation.

Approval of Minutes

The minutes for the Commission Meetings of May 30, 2013, July 25, 2013, August 6, 2013, August 27, 2013, and September 10, 2013 were presented for approval.

Commissioner Lambert moved to approve the minutes for the Commission Meetings of May 30, 2013, July 25, 2013, August 6, 2013, August 27, 2013, and September 10, 2013. Commissioner Skelton seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Designated Time Agenda Items

Liquidated Damages – S. of McLeod Slide Repair Montana Civil Contractors

Dwane Kailey presented background on the project. This project was let November 11, 2011, for a value of \$835,000. It was a slide repair on Secondary 298 south of Big Timber, milepost 24.5. This is one of the many emergency projects that MDT let for contract that year. One thing very important to know in this situation is that this was a calendar date contract which means we don't have working days; we actually have a calendar date when this project had to be completed. The original completion date was June 19th and was extended to June 23, 2012, through Change Order 2. That Change Order is not related to this claim. The Liquidated Damages stem from failed plant mix. A subcontractor to Montana Civil Contractors (MCC) paved the project on June 14 and 15, 2012. On June 16th MDT noticed defects in the plant mix. On June 18th MDT began investigating the reason for the plant mix failure. On June 20th MDT issued a letter to the contractor stating that the plant mix must be removed and replaced. On June 22nd MDT issued another letter notifying the contractor that time would continue to be assessed until the defective plant mix was removed and replaced. Subsequent letters and communications of notice of time assessment were also mailed or conveyed on the following days – June 25th, June 26th, July 2nd, and July 9th. The paving-replacement took place July 18 and 19. On June 25th MDT analyzed the cores and confirmed the plant mix was defective. On June 5th a letter was issued by MDT stating the plant mix was defective and must be removed and replaced at the contractor's expense. On July 6th in a conversation with Bob Koch and MDT, Bob agreed that the plant mix was defective. Paving and replacement took place July 18 and 19. The contractor contended that ground water caused the defective plant mix. Through MDT's investigation we were able to rule out that ground water was not the cause. Water added to the top of it during paving operations may have contributed but again it was not water from the sub-grade.

The second thing that took place was the contractor actually filed a claim. MDT has a process to handle claims to make sure we review the claim appropriately and give the contractor the option to appeal as well. We have established a Contractor Appeals Court which is set up with me, the preconstruction engineer, and one of our legal staff. We are kept out of the claim process so that we are somewhat neutral or independent in the review. In the Board's review of the claim, the Board found that the EPM and the District had operated appropriately and within contract guidelines and denied the request for waiver of the liquidated damages. That does not stop the Commission from taking whatever action you choose; I just want you to be aware of the process that took place. With that I'll turn it over to the contractor to present their information to the Commission.

Bob Koch – Montana Civil Contractors, Inc.

We were the Prime Contractor on this slide repair project. Knife River was also the contractor on the project. All the dates that MDT stated are correct, however, when

water was observed coming up through the asphalt, we were directed by MDT to go out and install a French drain on the project because nobody was aware of where the water was coming from. We knew it was coming up through the asphalt; that was apparent. We drilled some holes in the asphalt and the water kept percolating up through the asphalt. On July 3rd we were directed by MDT to take corrective action so we went out and installed a French drain over the weekend. At that time we weren't completely certain that the asphalt failure was due to the test results which hadn't been brought to our attention at that time. On July 16th, after the French drain was installed, we brought in a milling crew and a paving crew and began to replace that asphalt in the area.

During the time between the installation of the French drain and the asphalt repair, we were under the understanding through correspondence with the state that the contractor time would be turned off. The project was at a place where the traveling public was using the job and traffic control was not being utilized. The actual MDT Transportation Maintenance Division has put stripping on the project and it was being utilized as it was intended.

After the replacement paving had taken place, MDT sent over a fee estimate and that was when we were informed that Liquidated Damages were continuing to be assessed through that entire process. Before that we were just in communication with the project manager on the job and he was telling us they weren't sure what they were going to go as far as contract overage. I'm here to ask for some leniency on the contract time being assessed during the investigative period determining whether or not the asphalt was the problem out there. Dave Schmidt with Knife River is here and he may be able to add something to this.

Dave Schmit, Knife River

This is a most unusual problem. It's not very often that water percolates up through the asphalt and causes failure. It was a failure that had to be fixed and it took us awhile to fix it, once it was determined what the problem was. Things like that take a little while to get right' it took some time. It seemed like we needed some time to get the problem fixed.

Commissioner Howlett asked if there were any additional costs associated with this. Dwane Kailey said there were no additional costs as far as MDT paying the contractor for the additional plant mix. However, one of the main reasons for liquidated damages is the added administrative costs to the Department of Transportation. We have taken that to court and the ruling has supported MDT's stand on that. With the project being extended we did incur additional administrative costs. Commissioner Howlett asked if he had that number calculated. Dwane Kailey did not have that with him.

Dave Schmidt said we were just trying to work out the problem; there was some discrepancy as to what the problem was. We thought it was the water because it was a slide area and the water was coming up through the matt. We paved it and it was at the end of the process that the road failed. It was clear that it had to be fixed; there was no question that it had to be fixed. We ended up bearing the cost of fixing it. We did ask for some compensation because at the time we had dates for the claims to be submitted and processed but we missed the dates, so we ended up fixing it. Today it is a good road.

Commissioner Howlett said it was an unfortunate situation where nobody knew the origin of that water from what I can gather. Was there any conclusive finding as to where it came from? Dwane Kailey said no there was not, however, when the French drain was installed we did do moisture content on the subgrade and base course material and it was found to be within standard range. Commissioner Howlett asked

if it could have been over a spring. Dwane Kailey said they did not find any water when they installed the French drain so we don't believe that it was sub-grade related.

Commissioner Lambert asked what led them to believe that the time to fix it could be extended. Why did you think there would be no cost? Bob Koch said it was through verbal communication with the project manager from the State. He had given us notice that the final inspection was going to occur on Friday June 19th. The project was verbally accepted in the field but we hadn't gone through the formal process of accepting it. Over the weekend it was discovered that water was coming down through the asphalt. That following Monday is when we had an on-site meeting and determined that something had to be done to repair the asphalt. The project wasn't in a state where it was affecting the performance of it – the traveling public was still using it. We had taken down all the traffic control. At that time the project manager who was a new project manager and wasn't sure of the specifications of a working day contract and calendar day contract and he told us that he wasn't sure how it would play out. We were led to believe that we had a problem and collectively with MDT we would figure out how to fix it before going forward. Commissioner Lambert asked if at that point he thought the project was done. Dave Schmidt said that was correct. That was a few days after we got it paved and by the time everybody got back together, the next week is when the water started coming up through the matt. From our standpoint we didn't know what was causing it.

Commissioner Cobb asked Dwane if June 20th was when you said it was defective. Dwane Kailey said we actually noticed it on June 18th and notified the contractor that it was defective and that it needed to be removed and replaced. Commissioner Cobb said if the asphalt was ok'd within the calendar time period and they had until June 23rd to get it done, if on June 20th you found the water and everything else looked okay, you would have stopped the time counting to fix that if everything else was okay wouldn't you? Dwane Kailey said potentially yes. Commissioner Cobb said if the water was found on June 27th I would think you would have allowed them to fix it and not charged liquidated damages at that time. Dwane Kailey said yes if everything was good and the project was complete but unfortunately we determined that the plant mix was defective and the project was not complete. Commissioner Cobb said the determination had nothing to do with the water it was just the asphalt. Dwane Kailey said that was correct. Commissioner Cobb said the water had nothing to do with destroying the asphalt? Dwane Kailey said we believe the water was a contributing factor in what caused the failure of the plant mix but again the main issue is the plant mix itself failing and having to be removed and replaced. Commissioner Cobb said water may have been some of the problem but you don't know. Dwane Kailey said we don't know for sure exactly what caused it.

Commissioner Howlett said he would like to find some middle ground. We incurred some expenses and you fixed it at no additional cost to the department, so I'm going to propose that we waive those damages less the amount the department had to pay for administrative costs to take care of this issue including the additional time. You don't have those figures and we need the exact figures. I'm putting that on the floor for the Commissioner's discussions. There was certainly no intention of doing a defective project; this happened and we still don't know the origin of the water.

Commissioner Griffith asked if timing was an issue on the project other than the water. Regardless of the water would there have been enough time on this project – did they adequately staff the project in the beginning? Dwane Kailey said he did not know how the rest of the project went, so the contractor would have to answer that. The Construction Engineer said he was not out on the ground either. My perception is that we administered the contract accordingly and that the water didn't significantly contribute to the plant mix failure. Dwane Kailey said keep in mind that this was one of our exigency emergency projects so we wanted the contractors out there expeditiously to complete these projects as soon as possible; that was the entire intent of all these projects. Bob Koch said we completed the project and were slated to

have the final walk through on June 19th. With that said, we would have had approximately five calendar days left on the project.

Tim Reardon said the contract includes the liquidated damage schedule that is already established. We have a schedule for these based on contract price and you are asking that we deviate from the schedule and go with actual costs. The schedule itself is actually based on the study of costs over a period of time and is updated annually for what those costs are. They are somewhat arbitrary by project and they have to be – the project manager’s time, the inspector’s time, etc., and you calculate those costs when you establish the schedule and it is put in the contract. Commissioner Howlett said he was not asking to deviate from the established schedule but we should be able to determine how much of that schedule is allocatable to MDT’s oversight. Tim Reardon said we are past the completion date and anything after the scheduled date of completion can be charged as liquidated damages without a time extension. That’s really the problem – if there’s an inclination to provide some level of relief to the contractor, the Commission’s authority is to waive some or all of the damages by day. We’ve got 20 days here. Commissioner Howlett said your comments reflect an inability to sever. Tim Reardon said you can sever those costs by day – I’m saying the department said it cost 20 additional days of department time to complete this project. If you want to provide relief to the contractor you do it in days not in dollars. Commissioner Skelton asked if they could take the \$1,801 and break it down into specific areas. Tim Reardon said you have to do it by project, by contract. That’s what the schedule is for so that the contractor knows when they bid the job what calendar day is the completion day. You can extend those for weather issues or acts of God. Commissioner Skelton asked if they could give them relief of 10 days. Tim Reardon said you can waive a portion of liquidated damages or all of the liquidated damages, that’s within your discretion. If you do nothing then the damage assessment stands.

Commissioner Lambert asked the contractor if he had five extra days when the project was complete. Bob Koch said yes. Commissioner Lambert asked if those five days were taken into consideration. Dwane Kailey said no they were not; the contractor was put on notice that the completion date was not changing and we would continue to track time until they re-paved it. It was their decision to not pave or remove the asphalt until July 18th.

Commissioner Cobb asked how much the administrative cost would be. Could you give me a rough idea? Dwane Kailey said he did not have that figure. We track those by project by days. I can get those numbers but I did not bring them with me. Commissioner Cobb said we can take 5-10 days off and that is how we give relief. Dwane said that was his understanding. Commissioner Griffith moved to waive five days.

Commissioner Griffith moved to waive 5 days of damages for the S. of McLeod Slide Repair/MT 11-1. Commissioner Skelton seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Speed Zone Recommendation MT-83

Dwane Kailey presented this item to the Commission. As you may recall in 2009 MDT was asked to look at an interim speed limit on Hwy 83. We did and we presented it to the Commission. You approved an interim speed limit of 55 mph along the entire length of Hwy 83 exempting out any other special speed zones already in place. We’ve done our speed study review on the corridor and based on the traveling speed and the pace out there, at this time we are recommending that it go back to the statutory limit of 70 mph during the day time. Again the 55 mph is

only at night. There are a fair number of people here that would like to speak on this. You've also received a ton of correspondence. A couple of notes I will make is that it is very evident from the information we looked at that there is a substantial reduction in animal-vehicle collisions, however, I would say that if you look at the speeds of the traveling public, it is around 70 mph. I cannot explain why there has been such a substantial reduction in animal-vehicle collisions. It is very clear there is a substantial reduction. As you well know according to the statutes we are required to do a speed study and we are guided by national standards on how to do that. We conducted that speed study in accordance with that national standard. Therefore we have met our obligation. The Commission's authority is to take that into consideration along with public input and adopt a speed limit they feel is appropriate. Commissioner Howlett asked if there was anyone that would like to speak to this issue.

Jay Kolby, Montana Fish Wildlife Commission

I've been a Wildlife Biologist in the Seeley Swan for at least 20 years. I represent the Montana Fish Wildlife Commission on this issue. Prior to the 2009 reduction in the night-time speed limit, we annually saw at least 1,000 animal-vehicle mortalities along the stretch of road from Clearwater Junction and Swan Lake. Following the reduction we saw an average 34% reduction in those collisions in the following three-year period. At the same time the number of Whitetail Deer numbers actually increased in that area. Unfortunately the way the interim speed limit was adopted, we didn't have an opportunity to assess driver behavior prior to implementation of the night-time speed limit so we don't know how driver behavior was affected by that change. Everything suggests that change is strongly coordinated as a cause-effect of a significant reduction in animal-vehicle collisions in the corridor. So we strongly support the maintenance of that reduced speed limit.

Commissioner Howlett said speed limits are one of those areas that get a little controversial at times. Statutorily it is 70 mph in this state but this Commission has been granted the authority to do speed studies and to increase or reduce speeds. I would first of all like to recognize the science that goes into a speed study, based on national standards, moving vehicles from point A to point B, and those being the 85th percentile with an average speed. It gets a little confusing but how fast can we get from one place to another and still be within the majority of vehicles traveling. That having been said, the other things that come into play and us examining speed limits, are wildlife, pedestrians, the density of the population in the area, the number of pullouts that might be there, the number of homes, the type of area whether it is open range or wooded and shaded – lots of things go into it. We rely very heavily on the input from the elected county officials. In this particular case there are three counties involved – Lake County, Missoula County, and Flathead County. Both Flathead County and Lake County concurred with the recommendations but didn't oppose maintaining the existing. Missoula County initially had that same position but deferred to the residents of the area. We have an overwhelming number of residents from those communities that said leave it where it is. I think one of the major concerns is, if people indeed are traveling 70 mph within a 50 mph zone, there is an enforcement issue – an enforcement issue for the counties, and unincorporated towns. The Highway Patrol is probably short stretched but if they are traveling 70 mph in a 55 mph zone, what would they do if it was 70 mph? Would they be traveling 80 mph or 85 mph? I don't know. It doesn't seem to me to make a lot of sense to tamper with something that works and 55mph at night seems to be acceptable to the people who are there. I've driven that road at night and most people in this room have too. You are really taking a chance if you go beyond 55 mph. It is certainly up to the Commission if you want to accept the recommendation of the department to revert back to the 70mph. Personally I think if it ain't broke, don't fix it.

Commissioner Lambert asked if they had received any correspondence. This organization distributed cards and asked people to sign them, did you receive any

other correspondence besides the printed forms. Lori Ryan said she had received additional letters and hundreds of phone calls from local community members. Commissioner Skelton asked if the phone calls were in support of leaving the speed zone where it is. Lori Ryan said yes. Commissioner Cobb asked Dwane about the speed limit being environmentally sensitive safety benefits – was that in regard to killing wildlife. Dwane Kailey said yes.

Commissioner Griffith moved to approve the permanent night time speed limit request of 55 mph from the local government and members of the public for MT – 83. Commissioner Skelton seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Proposed Kalispell Area Functional Classification Revisions, Urban Highway System Designation and Urban Priority, Four Mile Drive

Lynn Zanto presented this item to the Commission. This item was presented to you in July. It has been revised slightly. Federal and state laws require the alignment of functional classification and federal and state highway system designations as a condition for the expenditure of federal highway funds. The Transportation Commission approves changes in functional classifications at the state level with final approval by the Federal Highway Administration (FHWA). System designation changes involving Montana's Primary, Secondary, and Urban Highway Systems are entirely the responsibility of the Transportation Commission [MCA 60-2-126].

The Surface Transportation Program (STP) is a funding category under MAP-21 that may be used to preserve or improve conditions and performance on any Federal-aid highway. STP funds are federally apportioned to Montana and allocated by the Montana Transportation Commission to various programs, including the Surface Transportation Program Urban (STPU) [MCA 60-3-211]. The federal and state funds available under the STPU program are used to finance transportation projects on Montana's Urban Highway System. STPU allocations are based on a per capita distribution and are recalculated each decade following the census. Per MCA 60-2-110, projects for the Urban Highway System are selected by local governments and approved by the Transportation Commission.

Summary: On March 12, 2013, the Kalispell Technical Advisory Committee (TAC) voted unanimously to pursue steps for prioritizing a Four Mile Drive connection from U.S. Highway 93 (N-5) to Stillwater Rd. (L-15-806) as Kalispell's next urban priority (Attachment A). This improvement is recognized as a priority project in the Kalispell Growth Policy and is recommended in the Kalispell Area Transportation Plan (2006 update). This new roadway would provide east-west connectivity; collect and distribute traffic from the Kidsport complex, a major traffic generator; and enhance the Urban Highway System grid network between US-93 and the developing areas of Kalispell. This connection would also provide access from U.S. Highway 93 to the future Kalispell Bypass, but as stated in the 2006 Kalispell Transportation Plan, "The segment should be built regardless of whether the full bypass is developed" (Attachment B).

According to state statute [MCA 60-2-126], routes must be functionally classified as urban arterials or collectors to be eligible for the Urban Highway System. The routes of the Urban Highway System shall be selected by the Transportation Commission in cooperation with the appropriate local officials. Following System Action Policy, when mileage is added to the Urban Highway System, a reasonably equal amount of mileage may be required to be removed from the Urban Highway System. The Kalispell TAC has identified mileage for removal along the 3rd and 4th Avenue East couplet (Attachment C).

The recommended functional classification for Four Mile Drive between U.S. Highway 93 and Stillwater Rd. is an urban collector. The west end of this connection does not currently exist. FHWA requirements for functionally classifying non-existent, or “future” roadways, are that it can only be done if the roadway is intended to go to construction within six years. As of FFY 2013, Kalispell has an STPU balance of approximately \$2.2 million and receives an annual allocation of \$600,055. Project construction is anticipated, upon approval, in 2015 with an approximate project estimate of \$5 million. Per Transportation Commission Policy #06 – Urban Highway Program (Attachment D), Kalispell may borrow up to five years of its current allocation for the benefit of eligible projects. Given Kalispell’s urban funding status and Policy #06 – funding is adequate to initiate construction within six years (Attachment E).

In preparation of pursuing improvements to Four Mile Drive as Kalispell’s next urban priority, the Kalispell TAC is also requesting Transportation Commission approval of the following items:

- The functional classification of Four Mile Drive connecting US-93 to Stillwater Road as an urban collector.
- The addition of Four Mile Drive, as described above, to the Urban Highway System.
- The removal of portions of 3rd and 4th Avenue East from the Urban Highway System, as described above.
- The addition of the Four Mile Drive project to the urban program.

Staff recommends Transportation Commission approval for the following:

1. Functionally classifying Four Mile Drive from U.S. Highway 93 (N-5) to Stillwater Road (L-15-806) as an urban collector. (Attachment F)
2. The addition of Four Mile Drive from U.S. Highway 93 to Stillwater Rd to the Urban Highway System. (Attachment G)
3. The removal of 3rd Avenue East (U-6724) from Center Street (U-6714) to 11th Street East (U-6718) and 4th Avenue East/14th Street East (U-6725) from Center Street (U-6714) to 3rd Avenue East (U-6724) from the Urban Highway System. (Attachment G)
4. The addition of Kalispell’s Four Mile Drive project to the urban program. (Attachment H)

These actions are contingent on final approval of the functional classification change by the Federal Highway Administration (FHWA).

Tom Jentz, Chairman of the Kalispell Technical Advisory Committee

I’ve been in this position for 17 years. I’d like to briefly speak in support of this particular project. I want to tell you who is on this particular committee doing the work of nominating urban projects. It is a 14-member commission that consists of a broad representation of citizens, staff, and MDT and political members. The Kalispell Technical Advisory Committee has a City Manager, Public Works Director, and Planning Director. We have a County Commissioner and the County Public Works Director. We have a Chamber of Commerce representative. We have two citizen members appointed by the City Council. We have two citizen members

appointed by the County Commissioners. We have four MDT staff – Missoula District Administrator, two MDT local staff, Construction Maintenance Supervisor and another person. We have the State Planning. So we have MDT folks, city, county, and citizen advisory people on that board. That board meets on a regular basis.

One of our functions is to determine urban priorities for funding. The city of Kalispell receives about \$600,000 per year for projects. We now have a kitty of about \$2.2 million dollars – that's accumulated to the point where it's time to start looking at another project. If you work in urban planning, you realize how long it takes to pull together a project in a community. In 1983 we completed an urban project. It was 22 years later that we were able to launch our last urban projects and it was completed in 2007. It took 23 years to accumulate the funds to actually complete. We finished paying for that project in 2010. Now we're starting to accumulate money for the next project.

So our TAC Committee came together to look at our next urban project. We wanted a project we could actually do in someone's lifetime. We came up with five needed projects that were identified in our planning documents. Four of them are going to take between 15-28 years to accrue enough money to complete. The fifth one is Four Mile Drive. We figure we have enough money in the next two years plus what's in our kitty now to actually complete this project. So it's an important project for our community and it's a dual project in a community. That's why it came out as our number one priority. The Mayor of Kalispell and the Chairman of the County Commissioners will briefly speak to this project as well. The fact that it can be completed in a short period of time and provide the impact it's going to provide ... I know there is a concern on the Commission that was voiced at the last meeting. If you nominate this project, it has to be completed in six years. That's an important issue because if not, we lose this project all together. We have the funding available now to do the project right away and that's usually the biggest impediment to getting a project launched. We have a 60-foot right-of-way through this entire length right now but we need more right-of-way. There are two property owners that we need to negotiate with. One of them is DNRC – we have contacted them and they are willing with an appraisal to transfer the necessary properties to MDT to complete that section of highway. The second property owner is a subdivision called Bloomstone and in their conditions of approval they are required to grant the needed right-of-way for that road. We have met with them, they support this project and they are in favor of it and are willing and able to do that when asked. So we have funding available and right-of-way available and we have a tremendous community need. If you bring those things together, we feel we have a really good project to complete in a timely fashion.

Commissioner Lambert asked Lynn Zanto to refresh her memory on the Commission policy regarding the Urban Highway System. Lynn said there are no criteria regarding the number of miles that can be on the system but there is only so much money. So if you keep growing the system you're just adding to the system without a real ability to do a whole lot. That particular policy is more important in the Secondary Highway Funding Program because in that program the mileage factors in the solutions to the District. In the Urban Area Program mileage does factor in, distribution is based on population. So it's been the policy that previous Commissions have added for justified reasons without taking off in the urban area not on the Secondary. Commissioner Lambert asked what happens to this Four Mile chunk of highway that we take it off – who maintains it. Lynn Zanto said those roads are being maintained by the city currently. Being on the Urban System made it eligible for urban funding but the city will still be committed to maintaining it. Tim Jentz said they are adding four miles and taking off 3rd and 4th Avenue in the middle of our community. Those are currently local roads maintained by the local community right now. So nothing would change in terms of their maintenance or activity. When we get urban projects every 5-30 years, the potential of anything ever

happening on that segment of the road is so slim because it's in a developed stable part of our community whereas growth is happening on the fringes of our community right now. We didn't see an issue with moving that off the Urban System.

Tammi Fisher, Mayor of Kalispell

I want to thank you for your service to the State of Montana and your service particularly on this Commission. I'm actually here for two reasons: first to applaud this Commission for questioning decisions of the past and the present. I think that's your role as a Commission and it is part of the checks and balance system that we have in the United States of America. So I appreciate the fact that you are calling into question every decision you are making and not just acting as a rubber stamp for the communities. I think it is critically important and I do applaud you for being fiscally responsible; I think it's the right thing to do for the State of Montana.

The second reason I'm here is to help you understand how important this project is to the city of Kalispell and the greater Flathead Valley community. Also I believe it is our obligation to prove to you that these projects are critically important to our valley and prove to you that they deserve to be on this list and that the action proposed should be approved.

Four Mile is an investment that will reap significant rewards both for the State of Montana and the local community. I invite any of you to drive out on this area of road or missing road, on a Saturday about nine months out of the year and you'll see the traffic concerns. It is taxed which has been a wonderful thing because the city of Kalispell has invested in that kid-sports area which was a DNRC piece of property and we purchase a 100-year easement so we could preserve the activities of our children and adults in those sporting activities and promote that in the city of Kalispell. That has been a great boon to our economy and it's brought in a lot of outsiders but it has also created a number of traffic concerns and public safety concerns. My big concern is that not only is it a public safety issue but also because I have a lot of residents say to me that they completely avoid north Kalispell on the days when they think there are activities going at Kids Sports. That hurts Kalispell. Unfortunately due to the layout of our community there is no easy or adequate way to get around using an alternative route to north Kalispell and the activities and shopping available there. I don't want people avoiding any part of Kalispell. Obviously we've been hurt significantly by the economic downturn probably more than a lot of other parts of the State. So this kind of access is critically important to the overall economic development of Kalispell. The safety of our children using the Kids Sports Complex with the Four Mile Drive project would give another way to alleviate traffic from that complex. That would increase safety. I have seen loads of cars going into the complex in a constant stream for hours at a time. This addition will assist with visibility because it will alleviate the congestion in that area.

Our investment in Kids Sports created significant revenue for the State obviously and it's also created significant revenue for us. We have other developers making big investments in the community in building subdivisions adjacent to this Four Mile Project again making it critically important as a thoroughfare. Fiscally I find this the most responsive and responsible thing we can do as a State in this area in particular because of the Bypass and where it's going to go. If this Four Mile Project is completed first, that makes the Bypass completion less expensive. That to me is the most fiscally responsible thing we can do as a State in response to our taxpayers.

So I would encourage you to consider what's been presented to you today. I would encourage you to also approve this project in particular. I thank you for your time and I thank for listening to the needs of the Kalispell community.

Pam Holmquist, Flathead County Commissioner

I have my fellow Commissioners here with me today: Commissioner Cal Scott and Commissioner Gary Krueger. I just want to reiterate what the previous speaker said. The Commission is in full support of the Four Mile Drive Project and we wish to have your support. Thank you.

Ted Luehr, Kalispell

I own a small business in Kalispell and I also serve as the Chairman for the Kalispell Chamber of Commerce Transportation Committee and I also serve on the TAC Committee. We have three types of traffic in Kalispell – the local traffic that live and shop in Kalispell, we have destination traffic, people who driving to Kalispell to vacation and shop there, and then we have we have through traffic. The through traffic is people who are just travelling through from Seattle to Williston or from Missoula to Canada. They only want to stop to get gas and get some food and maybe get a motel. They don't want to stop for any other reason; they just want to get on their way. Most major towns in Montana are served by a Freeway – Glendive, Miles City, Billings, Laurel, Big Timber, Livingston, Bozeman, Deer Lodge, Missoula, Dillon, Great Falls and Helena. Because they are served by a Freeway the traffic that just wants to go through can just scoot on by at highway speeds but in Kalispell that doesn't happen because Hwy 93 and Hwy 2 cross right in the middle of town and there's no other way around.

When we have a parade in Kalispell we have to shut down Hwy 93 for about an hour because Hwy 93 is our Main Street. Now we have the Kalispell Bypass and people can skirt around the southwest side and there are a few secret ways through our residential areas that the locals know about. We really need the interchange at Four Mile Drive. Hwy 93 carries 35,000 cars per day through the stop light at Four Mile Drive making it one of the most heavily travelled highways in Montana. There are two miles between Reserve Drive and Three Mile Drive – Reserve Drive is right next to Glacier High School and Three Mile Drive is right next to our Middle School. Four Mile Drive is right in the middle of that area and that's where we seeing the most growth. Why push even more traffic past these two schools when you have such a great opportunity to finish the Bypass and to put in that interchange at Four Mile Drive. I don't think it's going to get any cheaper if we wait.

Commissioner Howlett said we have a recommendation on the floor. This action deals with the functional classification by adding this to the Urban System. Lynn Zanto said this particular section of road will function with the Bypass. Commissioner Howlett said they would have a discussion about the Bypass but that is a separate issue from the classification of this road. Commissioner Griffith said I concur with going ahead with the department's recommendation but the thing I don't want to happen is the thought that concurring with this recommendation is a sure fire way to get funding for the whole Bypass because there are other priorities, i.e., the bridge east of town included that may need to be stepped up ahead of the rest of the Bypass and they compete for the same funding. For me personally the Bypass is a good solution to the community's problems but in the end the Commission has a fiduciary responsibility to do the right thing at the right time.

Commissioner Howlett said he wanted to assure those from Kalispell that they were committed to finishing the Bypass but it will have to be done within the scope of priorities, safety, resource and planning. We don't take projects on and not intend to finish them. There are multiple projects in this state that are half way done. So we can tell you we are committed to finishing it and we are committed to finishing it within the parameters I just described. It may take a while. If I may editorialize for a moment, I wish we could in this country find a way to deal with our infrastructure because we have lots of projects in this State that absolutely need some federal assistance. There's not a project that comes before us, and we go through a five-year

planning process every year, that is not a worthy project. There are projects that are yet to be completed where people's lives are being taken. There are projects in this State and Commissioner Griffith just pointed out one that we viewed on our recent tour of District One where the concrete is crumbling on the bridge at Hungry Horse on Hwy 2 that has to get addressed. Bear with us, there are only so many pieces of the pie and we will do our very best to address those issues as they come forward. I don't want anyone to think that we've abandoned this because we questioned where the resources would come from for Four Mile. It was our responsibility to do that. We're with you; we want to see it get done but we represent the entire state and there are projects all over this state that are so demanding. I just wanted you to know where this Commission stands in terms of that. We'll continue to work with it. Lynn keeps us very informed. We look at what we can do each year; five years out. What's the status of it, when can it be done, where's it at for safety? All those questions come before us and this Commission works very hard to appropriately allocate the meager resources we get to address the needs in this State. I'm proud of what the department does and proud of the work of this Commission and I hope you understand the predicament that we're in in term of trying to address the complexity of the issues in this State. Having said that – I thank you all for coming down; it's always good to have citizen participation in what we do.

Commissioner Griffith moved to approve the Proposed Kalispell Area Functional Classification Revisions, Urban Highway System Designation and Urban Priority, Four Mile Drive. Commissioner Lambert seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Public Comment

Senator Bruce Tutveldt – Kalispell

I've lived in Kalispell and farmed there my whole life. I sit on the Transportation Committee so I'm fairly familiar with this. When you talk about safety and growth, I went to West Valley School when it was 56 kids and now it's over 540 and growing about 35% per year. It's one of the fastest growing communities in the state. When my friends from Sidney, who I have great empathy for, talk about growth, I tell them my little community is doing that also. We're actually building another 15 classrooms onto the school so that is an area of high growth. There are safety needs there. North of town where that Bypass is in my Senate District is one of the fastest growing areas in the state. It took me an hour to go from south Kalispell to Whitefish; we're in a balled-up mess and it's affecting our commerce. Whatever you can do with this – I know that resources are short. I am one of the Republicans that did vote for expanded infrastructure and I do believe that this State needs more. Thank you.

Mike Kuff, Representative House District 2

Thank you for the opportunity to speak today. I do appreciate the work that you do. As an elected official I have a little bit of understanding of the huge and many times thankless tasks you're faced with. I do appreciate your service to the State of Montana. I also want to thank the Department and Director Tooley. I appreciate what they do.

I am a citizen Legislator representing Montana's northwest corner. I represent House District 2 and I live in Eureka. I speak as Chair of the House Appropriations Subcommittee on Transportation. My understanding was that this project was moving forward. Our Committee was progressing and I appreciate hearing the

Chairman say that it is going to go forward. I have a little worry about delays and I want to encourage that we keep it in a very timely fashion.

I also speak as a representative for 10,000 residents of Lincoln County. I cover the entire rural area of Lincoln County and Eureka specifically which is on the north end of Hwy 93. The Bypass is needed for safety and convenience as well as the economic impact. This infrastructure is a big part of the economy engine of Lincoln County as well as the Flathead and other parts of Montana. We are the gateway from Canada and to Canada.

I speak as a resident of Eureka who regularly travels to and through Kalispell for a variety of reasons – medical, business, personal and legislative matters. Yesterday I came to Kalispell into the area we are talking about for a medical appointment. I speak as a friend and observer of many Canadian visitors. The Main Street in Eureka sometimes looks like a Freeway and if you look at the license plates you realize they are all red and white and mostly from Alberta traveling up and down. The Port of Entry actually goes into British Columbia and some of the license plates are blue and white from British Columbia. There is a heavy amount of traffic from Canada and it is increasing. That is a very important part of the economic engine for Eureka, Tobacco Valley, the Flathead and south. The volume of traffic coming through there seems to be growing. That is a commercial Port coming south for truck traffic. Efforts are underway for that to become a commercial Port going north. I think the Truck Bypass in Kalispell plays into these sorts of things.

In closing I want to thank you again for your work. I want to say that we need to have the Bypass completed in a timely fashion. I think we need to realize that this piece of the infrastructure is for safety and certainly for convenience and it is a significant part of the overall economic tool that is needed to move these people to and from. Thank you very much for your time and your service.

Commissioner Cobb: You are on House Appropriations? Correct. One of the problems we are already seeing here is how to pay for a Bypass as the federal government starts to cap spending. Sooner or later Montanan's are going to have to wake up regarding these choices – these are hard choices between bridges and bypasses. As you already see Montana is going to have to find the extra money to build and maintain some of these things. Not just to build something new but we have bridges that are falling apart. The worse thing we could do is build a bypass while a bridge falls down the next day. The Legislature is going to have to come to grips in a couple of years on how you maintain and fix the things we already have because the Feds aren't going to find a bunch more money. I'm just bringing to your attention that this is going to be a bigger issue than it already is.

Mike Kuff said thank you for those comments and as you well know we do wrestle with those kinds of issues in the Legislature and I realize you folks know that. I appreciate the comment. I know it's not always easy and I appreciate you taking a serious look at those because truthfully sooner or later I'm going to be back talking about some things involving safety issues that somehow we have to find the money for. Thank you.

Tammi Fisher, Mayor of Kalispell

I understand the constraints of this Commission. Thank you for confirming the Commission's commitment to the City of Kalispell and the Flathead Valley. Obviously this is an economic issue for us as well as a public safety issue. Our economy is primarily drive by tourism – we've got to get people in and around and the one roadblock to really creating a viable productive downtown has been not being able to get the truck traffic out of the middle of downtown. We need it to be pedestrian friendly. If you remove that roadblock for us I can tell you the city of Kalispell will do the rest. We have a wonderful hard working community and we

need that roadblock removed and the completion of the Bypass is of considerable importance. I also want to echo your concerns about making public safety and infrastructure a priority in this state and nationally of course. We need to address our infrastructure problems and that's why I'm so pleased that Mike Tooley took this appointment. He has been a man who is committed to public service and to public safety. With his leadership we can get something done in the Senate and also on a national scale. So thank you again.

Pam Holmquist, Flathead County Commissioner

I'd like to echo what the previous speakers have said but also when this originally started and the Bypass was done on the south end, it was put on as a Bypass but it truly isn't a Bypass right now, it's an alternate route. If we don't get the northern end accomplished, then it does affect our economy, our safety, and all the needs we have in our community. I speak for my fellow Commissioners in that we support moving forward as soon as funds become available or as soon as we can with this project. Thank you.

Tom Jentz, Chairman of Kalispell Technical Advisory Committee

My role here is truly to portray a little bit of the background of this project. I know it is portrayed as a new project but I want to put it into perspective very briefly. Our TAC recommended unanimously that this project should proceed forward for the overall Bypass or alternative route as we call it. It's been our priority for the last 15 years. This project started in earnest in 1991 when we, as a community, came to the conclusion that we did not want Main Street or Idaho Street to become that major traffic route that carried the bulk of traffic. At that time Main Street was probably carrying 15,000 vehicles per day. We did not want the future of our Main Street to become four or six lanes of traffic. So we embarked on this project. In 1993 we undertook a study and designated the Bypass route. In 1997 we started working with MDT and did acquisition. We've always tried to be ahead of the curve getting this project ready to go. So in 1997 we did passive acquisition. In 2003 we kept moving along but we needed more help. We realize you are doing more and more with less and less; you have an impossible task. We went to our Congressional Delegation and told them we needed help and were able to secure funds to undertake active acquisition to complete a second Environmental Impact Statement and to start getting projects underway for construction. We built the first piece of actual Bypass in 2007 called the Reserve Loop. It goes past Glacier High School and people wondered what that road had to do with the Bypass. Today if you asked our community, we couldn't exist without that piece of road. That was the first segment of the Bypass we construction in 2007. So while it looks like a new project that was 15 years into our planning process. We are working with MDT and they have been great to work with, we've been able to get projects designed, right-of-way acquired, and projects ready to go so that when the Stimulus money came through in 2010, we were able to acquire funding for the entire south half of that route.

As we move forward today we have a small piece occurring at the north end, one half mile from the High School up to West Reserve. That's a \$6.7 million project. It's there because we were ready with projects designed, right-of-way acquired and ready to go. That's really what we've been trying to do with this project all along. We've done a lot of the heavy lifting. If you look at the numbers, about \$74 million of non-core state money has gone into this program already. We've been able to attract 75% - all the construction, all the design, and all of the right of way. We've been working with our Congressional Delegation and other sources and we've been able to go that far on our own. We're just asking for that little extra help. I realize that little extra help in your coffers is a huge number. But we're asking for that help to push this.

Commissioner Howlett said we are committed to getting this done but it will be within that framework I described earlier. Tom Jentz said he appreciated that. I think

we have a window right now that makes this doable and that's why we're here. We know that you support the project but I think we have a window right now. Commissioner Howlett said we have multiple windows we have to look through.

Joe Unterreiner – Kalispell Chamber

The elected officials have stated an excellent case for completing the Bypass and I just wanted to add to the record a letter and briefly speak to why this is an important business issue for Kalispell. We have 150 businesses that have signed onto this letter essentially urging support of completing the Bypass as soon as possible. I appreciate the support for the Bypass and I appreciate the difficult decisions you've got to make. I urge you to complete this for the reasons I've stated but also for the commitments that have been made for new construction in that area for a variety of businesses both retail, office, and commercial development. They are really relying on completion of this Bypass as the earliest possible date. I appreciate your time.

Frank Garner, Kalispell Regional Health Care

Three things – first the Park Regional Medical Center is supporting this and wants to see this project go through. Access to our hospital is very important, it's right on the highway. The second thing is one of my roles is to work with some of our business entities. I think it's important for our businesses planning on going into that area to be able to count on that commitment. There are hundreds of jobs getting ready to go into that area with payrolls in the millions. I think it's important for us to be able to tell them that they can count on the commitment for that infrastructure. It's kind of the gift that keeps on giving. I spent a year in Afghanistan and what I saw there was where the infrastructure went is where the businesses went. The same thing is true here – where that infrastructure goes, businesses are going to go. The income is going to be there to try and help with some of those other projects that the Commissioner mentioned. I came here to make your job easier in terms of trying to decide where those priorities have to go. This is one of those projects that can bring in tax money and help perpetuate some of those other projects. Lastly, as the former Police Chief from Kalispell, we have traffic problems and it is extremely important for public safety that you consider this Bypass and the completion of it in a very timely manner.

Pam Caronari, Kalispell

First of all I would like to speak as a citizen of Flathead County about the importance I see for the alternate truck route. I served as a City Council Member from 1991 through 1998 and then as Mayor of the City of Kalispell from 2002 to 2009. This has been a project that has been something we have long worked on in our community and it really truly remains the number one project for Flathead County for us in the City of Kalispell to complete this alternate truck route. It is imperative that we get it completed.

Today I come to you as the Coordinator for the Business Improvement District in downtown Kalispell and also as the Downtown Kalispell Association representative. I'd like to offer this on behalf of both organizations:

On behalf of the Kalispell Business Improvement District, which is comprised of property owners in downtown Kalispell and also the Kalispell Downtown Association, which is an organization of business owners, we urge that you assist in whatever way possible to insure that the alternative truck route a/k/a the Kalispell Bypass is completed as soon as possible and that you also approve the Four Mile Drive Project. Thank you very much for that.

Starting early in 1992 a combined effort of the Kalispell Technical Advisory Committee, the City of Kalispell, Flathead County, the Regional Planning

Office, and the State of Montana Highway Department started a long and detailed process of developing a comprehensive Transportation Plan for the City of Kalispell. This endeavor of the Transportation Plan was undertaken in 1992. The Bypass route was identified and an Environmental Impact Statement was prepared. The process entailed a great deal of public participation, extensive public outreach, and public meetings. After adoption of the Transportation Plan, MDT began passive acquisition of the needed right-of-way along this route, and slowly design and engineering moved forward. To date, with the assistance of federal funding that we've been able to secure, there has been more than over \$100 million that's been invested into the Kalispell alternative route. We were extremely pleased to see the completion of the south half of this roadway, but it will not function properly until the northern half is completed. This is not the time to stop the progress of the number one traffic priority in Kalispell.

With the addition of significant retail and business of Highway 93 north and at Reserve Drive, it is also imperative that we address connector routes to Kalispell, part of that is the Four Mile Drive piece that we talked about. We appreciate what you've done there.

In conclusion, the alternative truck route segment constructed today are benefiting the community and travelers and we're seeing a reduction in the large trucks and through traffic on Main Street but the reduction of truck traffic and through traffic won't happen until we see the completion. With the completion of that truck bypass we will be able to see and help preserve the historic charm of our downtown, promote a sense of community and environment. We believe that with the completion of the Kalispell alternate route, downtown Kalispell will continue to develop into an attractive location for investors, property owners, business owners, residents, and become a safe destination point for all. Currently it is not. We support the effort to enhance the safety of the traveling public with the construction of this roadway. It's our belief that in order for downtown Kalispell to reach the ultimate goal of promoting and fostering economic growth and stability while preserving the downtown of Kalispell's rich, historic, and cultural identity, it is imperative that an alternative route for truck traffic be completed as quickly as possible.

I want to thank you for your service. I want to thank you for your time today. We have 25 people that have come from the Kalispell area to speak on this issue today. It is important to the Kalispell community. It is our number one traffic priority. We understand that you've got funding issues and that obviously bridges need to be replaced when they are in serious disrepair but this also is a serious safety issue for our community and an economic issue and we hope that this also remains on your funding list and that it remains a strong priority for you as you move through the process. Thank you.

Katie Fries, Flathead Valley Community College

I would like to go on record in support of the completion of the Kalispell Bypass. Completion of the Bypass will improve traffic congestion on Hwy 93 directly west of Flathead Valley Community College. The completion of the Bypass will improve safety for many travelers on our highway as well as for our students and others. Thank you very much for your time and consideration and please make the completion of the Kalispell Bypass your highest consideration.

Fred Stewart, Missoula

I live in the Target Range area of Missoula. My question is whether it is appropriate to make a comment other than Kalispell Bypass. Commissioner Howlett said they would take his comment at a different time; I'd like to stay on topic right now.

Unidentified

I'd like to be on record. My husband and I own the Kalispell Grand Hotel which is at the corner of First and Main Street. We have been proponents of the Bypass as long as we've been in Kalispell which is 22 years. I also sit on the Board of the Kalispell Tourism VIG and also Kalispell BID Downtown. I would just like to echo what everyone else has said especially Pam Carbonari – she speaks for the Board that I sit on.

Roger Nasset, Chief of Kalispell Police Department

Thank you very much for what you do. I know you have some very tough decisions to make. I'm here for public safety. In the last 10 years our department alone has investigated almost 400 additional accidents each year in the City of Kalispell. Obviously that is a concern to me from a safety perspective. Secondly for the Bypass, it gives us an alternate route for our First Responders, for our medical and emergency responders and obviously our law enforcement. We've had several instances in the city limits of Kalispell where the highways intersect that when we've had an incident we almost had gridlock in the city. I know a lot of other communities experience something like that but we seriously have started to plan for the day when traffic is backed up so severely that our emergency responders cannot get through. Thank you very much and I appreciate all that you do.

Phil Guiffida, Kalispell City Council

I'm the Council Representative to the Kalispell City Planning Board and Zoning Commission. I thank you for the job you do and for your continued commitment to the City of Kalispell. I know your time is very important so I'll leave you with that. Have a great day.

Commissioner Howlett said that will conclude our discussion of the Kalispell Bypass and the support the community members have expressed to us. Believe me we take that into consideration; we take it very seriously. We've made a commitment and we will honor that commitment but it will be within the framework or our ability to deliver it. I will entertain other issues at this point. Mr. Stewart wanted to speak about Missoula. This subject is probably ripe for another discussion with the Commission but I'll entertain his comments.

Fred Stewart, Missoula

I live in the Target Range area of Missoula. I spoke to you during the public comment period at your last meeting in Missoula. I was encouraged and impressed with the reception you give to public input so I've come before you to express a concern I have for the Maclay Bridge Project in Missoula. I realize that this project is not currently before you for any decisions. At the Missoula TPCC Meeting last July with funding for NEPA, the Maclay project was approved. A statement was made by Sheila Ludlow of MDT Helena. She stated that NEPA/MEPA analysis would not consider the rehab option of Maclay because the funding source expected for the project could not be used for rehabbing existing structures. Here's my concern: if the full range of feasible alternatives is not considered, then when this project comes before you or MDT or Federal Highways or Missoula County Commissioners you will not have all of the information you need for your decision. For example, a rehab option could be selected that would cost a small fraction of the total cost of the new bridge about 10%. It could be paid for by the County for less than what a new bridge will cost the county even considering federal and state money. Keeping the existing Maclay Bridge is also favored by the local residents affected by this project because of the negative fiscal environmental and social impacts. So I ask that you would pass my concern on to MDT that the NEPA/MEPA Study for Maclay Bridge includes a

full range of alternatives. I sincerely appreciate the time you give and your attention to this matter.

Hi Tech Rock Fall Litigation Issue

(On the Phone) My name is Chris Enburn and I'm the president of Hi Tech Rock Fall Construction. I want to talk about the I-90 West of Drexel Rock Fall Project which is on your Agenda today for potential award. I want to say I was encouraged by the invocation at the beginning of the meeting. I also want to say that the State of Montana has been very open through phone calls and meetings and this meeting today to allow public input and contractor input specifically Mr. Christensen and Mr. Goettel. I'm a licensed contractor in 32 states and the process in Montana for allowing public discussion has been very good and I'm thankful for that.

I want to give a brief history of this I-90 West of Drexel Project – it was a design-build project put out by the State of which you had to submit a Statement of Qualifications early on in the process. It is a specialized rock fall stabilization project so my company began a prequalified rock fall stabilization contractor statement for the project. I believe there are only five prequalified rock fall stabilization contractors within your whole state. Your prequalification process is quite extensive and very thorough and you are to be commended for that also. We sent in our Statement of Qualifications and then it was narrowed down to the top three. My company was ranked the highest at that point on the short list. This began the Technical Proposal stage. There was an RFP sent out at that point. The RFP was very specific on what was to be included in the Technical Proposal and was very clear and concise on the expectation of what was to be sent in. It was a very extensive document up to 100 pages that included resumes of the personnel, corporate structure, design controls and was a good document. The RFP was really clear on what was to be in that document and make it a responsive document. That was submitted by the three short listed firms. Again my firm ranked the highest in the technical proposal.

The last step was the Bid Price Proposal. The section in the RFP which was titled Bid Price Proposal Requirements was very short and basically said to fill in your prices and send the form in. You had three bidders at that time – two of the three bidders were found non-responsive and my firm was one of them. One of the other bidders being an out-of-state bidder, like myself, was not found to be in conformance with what the State of Montana said was required. At that point I filed a Bid Protest and went through your due process of your protest procedure stating my case that the form wasn't required from what I could see in the RFP only to find out that it was in a whole different section of the RFP where it talked about the DBE stuff and said you had to send in this form even though it wasn't stated in the Bid Price Proposal Requirement section. Apparently it is outside the DBE authorization which is what was stated in the RFP. There was a second form called "Proposers List" that was in the attachments that was also supposed to be submitted even though it wasn't asked for in the RFP. So I went through the process of the Bid Protest and Mr. Christensen, Construction Engineer, ruled against my protest and thought that we should have been able to figure that out and file the proper form. So I went to the next step to the Compliance Review Board. I flew into Helena and met in front of the people and stated my case again that makes my bid responsive. Again it wasn't ruled in my favor.

I know before you today you have the potential award and I wanted to point out these things that throughout this whole process there were three short-listed contractors and the whole idea of the process was to come up with the number one best company to do this project, the best design for the project, and the overall technical score based on the qualifications, the design and the pricing. As it stands today, you have one choice because two of us have been found unresponsive. The one choice you have finished last on qualifications, last on technical score, and it was the low bid but when you combine everything the design-bid process is set up they

didn't finish first in overall status to the state of Montana. Along the way every point that I brought up in my Bid Protest, which was either told to me personally in my conversations with Mr. Christensen or Mr. Goettel and in a letter from Mr. Christensen, has opened the eyes of the State of Montana Department of Transportation in the awarding and is going to be changed to make it more fair and concise. They are going to add more information in the Bid Price Proposal section to make it more clear and concise. Today my bid stands nonresponsive. I thank you for that process; I did what I can do and I'm accepting of that. But you have one more thing to do and that's the award process. I think, given what has transpired, the State of Montana is not getting the best contractor, they are not getting the best design, and they are not getting the overall best technical value given that there is somewhat of an admission by changing all this information for the next Letting so they don't fall into the same problem I fell into by making information not real clear and concise which caused my bid to be non-responsive. I think the whole process should be thrown out and started over. Why settle for last when it was not the intent and not what you wanted?

There were a couple of others items. One of those protests, there was something in the RFP about the firm having to perform 40% of the work. We brought this up that this is not a prequalified issue. They do have a prequalified rock fall stabilization person on their team. So there was some confusion on the firm because the RFP stated that the firm had to perform 40% of the work. I read that to be the firm would be the lead contractor but then you'd have the subcontractors on your team. Based on my knowledge of the project which is very extensive, if you're a prequalified rock fall stabilization contractor then you're the only one allowed to perform work on the fall and you have other members on your team such as traffic control and other items. It would be very difficult for the lead contractor to perform 40% of the bid value of the work. So I brought this up thinking maybe the challenger's proposal got points for being non responsive because I don't see how they can perform 40% of the work. The ruling came back that the 40% work meant the whole team. That was astonishing to me. I had a conversation with Mr. Christensen the other day about that and he said you had a very extensive qualification process where you had to list everybody on the team and list resumes. I find it astonishing that the intent of the 40% of the firm would mean that 60% of the value of the \$3 million contract could be performed by companies that weren't in the Statement of Qualifications and weren't in the Technical Proposal. You know nothing about the bid team, you know nothing about their history, you know nothing about their people, and you know nothing about their organization or their experience. I know that is not the intent of that specification. There is no way we would have gone through that extensive process and be allowed to have 60% of the value of the work done by somebody that wasn't even involved in that process or looked at by anybody in the State of Montana. So I'm assuming that will be changed too although I haven't heard that specifically yet.

Chairman Howlett said I think it is fine that you bring up those issues but I think it is inappropriate that you suggest policy changes or that we'll change our policy based on what you're presenting. You need to present what you want to present. Mr. Enburm said he appreciated that. The State of Montana is not getting the best contractor. The system, as extensive and concise as it was, was flawed at the end. I would ask that the Commission look at not awarding that project but put it back out and clean it up and give more clear and concise directions on what is involved and re-bid the project. I thank you for your time.

Commissioner Griffith asked about the name of the contractor. Mr. Enburm said he was Hi Tech Rock Fall Construction. Commissioner Griffith asked for clarification on the bid. Dwane Kailey said Hi Tech Rock Fall is out of Oregon and they bid on the West Drexel Project which was a design build project. Commissioner Howlett thanked him for his comments.

**Contract Awards: Bid Letting September 12, 2013
Design Build – West Drexel**

Kevin Christensen presented the Bid Letting Projects to the Commission. We have a total of nine projects for your consideration today.

Project 101. Vaughn's Frontage Road Guardrail Slope Flattening. Our Engineer's Estimate was \$3,487,148.25. We had five bidders. The low bidder was Riverside Contracting out of Missoula. They bid \$3,151,135.00. Their bid was 9.64% under the Engineer's Estimate. There was a 4% DBE goal and 6.32% participation which was Poteet Construction and they will be doing Traffic Control.

Project 102. Junction Highway 56 East and West Tyler South of Libby South. The Engineer's Estimate was \$3,013,774.28. We had six bidders. The low bid was Nelcon Inc., out of Kalispell. They bid \$2,898,000.00. They were 3.84% under the Engineer's Estimate. There was a 1.5% DBE goal and 1.55% participation. L&J Construction will do the bridge deck seal and Pavement Solutions will do pavement grinding.

Project 103. Nevada Lake South. The Engineer's Estimate is \$2,645,338.60. We had six bidders. The low bidder is Jim Gilman Excavating out of Butte. They bid \$2,325,349.94. They were 12.1% under the Engineer's Estimate. There was no DBE goal and no participation.

Project 104. Deep Creek Structures. The Engineer's Estimate was \$3,119,845.50. We had two bidders. The low bid was Dick Andersen Construction out of Great Falls. They bid \$2,748,205.64. They were 11.91% under the Engineer's Estimate. There was no DBE goal and no participation.

Project 105. Main Street 19th Grand at Bozeman. The Engineer's Estimate was \$1,980,099.95. We had one bidder, Knife River Corporation out of Belgrade. They bid \$1,953,087.50. They were 1.36% under the Engineer's Estimate. There was a 2% DBE goal and 11.45% participation by Poteet Construction for Traffic Control.

Project 106. Valentine West. The Engineer's Estimate is \$2,285,017.60. We had two bidders. The low bid was Riverside Contracting out of Missoula. They bid \$1,974,504.88. They were 13.59% under the Engineer's Estimate. There was a 2% DBE goal with 3.68% participation. Ellen Jay Construction will be doing the deck crack; seal and Aero Striping will do the striping and rumble strips.

Project 107. Junction MT 43 North. The Engineer's Estimate is \$1,699,896.70. There were seven bidders. Hollow Contracting was the low bidder. They were 18.26% under the Engineer's Estimate. There was a 1% DBE goal and Hollow Contracting had 0% participation so they didn't meet the DBE goal. We've gone through our analysis to determine a good faith effort. The initial committee determined they did not perform a good faith effort to obtain DBE participation. The process is not yet complete and they still have the opportunity to appeal that decision. So the disposition of this project has not yet been determined. So we don't have a recommendation at this time for the Commission. Commissioner Howlett asked if they were pulling the bid. Dwane Kailey said they were not; we are going through the process for Hollow Contracting to convince us that they made a good faith effort to obtain DBE participation. Once that process is completed we will recommend that Hollow gets the job or we will recommend that this be given to another contractor. Commissioner Howlett said they shouldn't even be discussing this. Dwane Kailey said this is just for information.

Project 108. Jackson Interchange West. The Engineer's Estimate is \$791,739.50. There were three bidders. The low bid was Hollow Contracting out of Butte. They

Bid \$693,252.88. They were 12.44% under the Engineer's Estimate. There was a 0% DBE goal and they had 7.88% participation from Aero Striping who will do the striping.

Project 109. White Sulphur Springs West. The Engineer's Estimate is \$145,363.80. There were four bidders. The low bid was Pavement Maintenance Solutions Inc. out of Columbia Falls. They bid \$147,559.62. They were 1.51% over the Engineer Estimate. There were no DBE goals and no participation.

I-90 West of Drexel Rock Fall Mitigation Project. The last project for your consideration is I-90 West of Drexel Rock Fall Mitigation that as previously discussed. We did go through our Design Build process and short listed three firms. We received three responsive Technical Proposals. As you know there was a bid protest because we did find two of the Bid Price Proposals unresponsive. Mr. Chairman and Commissioners you may recall that because of the Bid Protest the Department did recommend that we go ahead and award the Stipend because we did receive the three responsive proposals and that has been done. What's before you today is the staff recommendation that Schillinger Construction, Tetra Tech, Morrison-Maierle, Rock and Company be awarded the I-90 Rock Fall Mitigation West of Drexel. You have the information in front of you regarding the bid.

Dwane Kailey handed out some pictures of the Drexel project for Commission information. On the panoramic view I circled a rock on the top right. The other picture is that rock that has fallen down which provides a visual for you.

Commissioner Howlett asked if they were considering projects 101, 102, 103, 104, 105, 106, 108, 109, and the Drexel Project. Dwane Kailey said that was correct. Commissioner Cobb asked if the staff recommendation included the Drexel project. Could we vote separately on the Drexel project? The Commission concurred with that.

Commissioner Griffith moved to approve the staff recommendation for the September 12, 2013 – Bid Letting. Commissioner Lambert seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Separate vote for the Drexel project.

Commissioner Skelton moved to approve the Design Build Project, West Drexel. Commissioner Griffith seconded the motion. Four Commissioners voted aye, Commissioner Cobb voted nay.

The motion passed.

Judith Bridger Trestle

For Commission information we had another Design Build Project that was pretty unique to MDT – the Judith Bridger Trestles. The Commission delegated the authority to the Department to award this project. We did go through our process. We received three responsive proposals. The best bid was Copp, Dowel and Hansen and so we awarded the project to them. We did award the Stipend to them as well.

I put together an Executive Summary for the Commission to give you an idea what the project is about. Commissioner Howlett asked if they were in the business of replacing railroad trestles; we don't have enough money to do highway jobs. I will defer this issue to Lynn to explain. Lynn Zanto said the State of Montana did work

on the railroad, Montana Rails. In the 2011 spring flood event that old railroad trestle was damaged by the flood very severely and as a result the grain shipments along that railroad and the Charlie Russell Cho Cho had to alter their surface and have not been operating. So we've been sitting two years with this trestle that is literally falling down. If another flood event comes along it could fall into the river and then we have major environmental issues on our hands as well as the trestle. We did try and pursue FEMA funding but it was not eligible. We are at a point where there is nothing we can do. We do have a small portion of our state rural tax that can be used for this. We estimate that the cost of replacing the current structure or building a new structure is pretty similar. So we thought it was in the best interest of the State to do it now. We have been trying to find a buyer for this railroad but we are ultimately responsible for this. Dwane Kailey said we also received a \$1 million grant from U.S. Department of Commerce, Department of Economic Development for this project.

Tim Reardon said the State of Montana took this railroad when Burlington Northern was going to abandon this entire section of rail back in the 80's. The State of Montana sued to prevent that from happening. This line serves primarily local farmers and ranchers as a hub to deliver their grain. The negotiated settlement from Burlington Northern was to give the railroad to the State of Montana with a certain amount of cash and I believe they threw in an Engine and two cars. They said they would subsidize some of the grain hauling for a period of time. So it actually was transferred to the Department of Commerce way back in the 80's and with the resulting reorganization that function was transferred to the Department of Transportation along with all of the assets and it is now owned by the Department of Transportation. Yes, it's the only railroad we own. The cost estimate was to repair or remove it and removing it was a very unpopular option locally as you might imagine. They made an offer on accommodations to assist those local farmers again because this is their short run and operated as such. The cost to remove it and remove the steel out of the river and remove the concrete out of the river and the permitting costs was essentially a wash to remove it or fix it so the decision was made. In addition the CMR railroad is putting in \$500,000 or more of their money as well. This is not something the Department of Transportation wanted but they got. So we need to fix it or scrap it. Commissioner Lambert said she remembered this same conversation a couple of meetings ago and we gave them permission to pursue this. Tim Reardon said that was correct. Commissioner Cobb said \$1 million is from a grant and \$500,000 is from CMR towards the \$3.2 million cost. Lynn said this has already been approved and we are providing you with the information.

***Agenda Item 1: National Highway System-
Intersection Improvements
Huffine Lane/Love Lane
Turn Lane – MT16 - Crane***

Lynn Zanto presented the National Highway System – Intersection Improvements to the Commission. The National Highway System (NH) Program finances highway projects to rehabilitate, restore, resurface, and reconstruct non-Interstate routes on the National Highway System. MDT Districts are allocated NH funds (by Montana's Transportation Commission) based on system performance. In response to emerging operational and safety needs, the following intersection improvement projects are being advanced in Districts 2 (Butte) and 4 (Glendive), respectively.

Huffine Ln/Love Ln – W Bozeman

The Butte District is proposing upgrades to the traffic signal at the T-shaped intersection of Huffine Lane and Love Lane, west of Bozeman. Huffine Lane/ US-191 (N-50) runs east and west – with Love Lane extending northward off Huffine Lane. The District would like to install a fully actuated traffic signal at this intersection that will detect and respond to traffic on both roadways. Additionally,

the proposed project would align a farm field approach, located south of Huffine Lane, with Love Lane to the north.

The total estimated cost for all phases of this project is approximately \$391,000 – with funding originating from the Butte District’s NH program.

Turn Lane – MT-16 – Crane

The Glendive District is proposing a left-turn lane on MT-16 (N-20) at Marshall Street in Crane, 10 miles south of Sidney. MDT’s Traffic Section has conducted a left-turn bay study and has concluded that a turn lane is warranted at this location. The proposed project is consistent with recommendations advanced in the MT-16/MT-200 Corridor Study as well.

The total estimated cost for all phases of this project is approximately \$484,000 – with funding originating from the Glendive District’s NH program.

Summary: MDT is asking the Commission to approve the addition of the following intersection improvement projects to the NH program: *Huffine Ln/ Love Ln – W Bozeman* in the Butte District and *Turn Lane – MT-16 – Crane* in the Glendive District. The proposed projects are consistent with the goals and objectives identified in the Performance Programming (P3) Process – as well as the policy direction established in TRANPLAN-21. Specifically, roadway system performance, traveler safety, access management, and land use planning will be enhanced with the addition of these projects to the NH program.

The total estimated cost for both projects is approximately \$875,000 – with \$391,000 originating from the Butte District NH program and \$484,000 from the Glendive District NH program. Staff recommends that the Commission approve the addition of these projects to the program.

Commissioner Cobb asked a question about selection and funding safety projects. Lynn Zanto said the way the priorities come about is from the District Administrator and the input they get from the community and the needs. The corridor study for MT16 there is a menu of recommended projects and several of those have been funded. I don’t know specifically if there were others considered at this time. Dwane Kailey said the way the earmarks work is we get about \$25 million per year. We run a priority on our system because our system is tied into the Highway Patrol database so all the crash information is there. Once we identify a crash cluster we then take those out and look at reasonable mitigations to eliminate those accidents in the future and that develops into costs for the construction project. We then look at the accidents that have occurred in that cluster and the cost of those accidents – and that’s the benefit cost ratio to all the projects. Commissioner Cobb asked how they do that. Dwane said it is based on the recommendation from the District and local officials. Commissioner Howlett said these were probably not the only two but they were rated highest because of crashes or other things. Lynn Zanto said there are several things that they consider – pavement condition, crashes, public input, curve of the road, operational condition, and difficulty with the environment. Commissioner Cobb asked if he could get a list of those. Lynn Zanto said it is not an application, each District gets their funding for the system and they meet with the different communities regularly to hear their needs and concerns. They are out there on the roads and see needs and concerns, they look at the management studies for pavement for safety, congestion, and then they advance priorities.

Commissioner Lambert moved to approve the National Highway System-Intersection Improvements, Huffine Lane/Love Lane – W. Bozeman, Turn Lane – MT16-Crane. Commissioner Skelton seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item 2: Highway Safety Improvements

Helena Flats Intersection

Advance Warning Flashers Upgrade – Missoula South

Advance Warning Flashers Upgrade – Missoula MPO

Advance Warning Flashers Upgrade – Pablo Polson

Advance Warning Flashers Upgrade – Missoula North

Roundabout S of Sidney

Lynn Zanto presented the Highway Safety Improvement projects to the Commission. The Highway Safety Improvement (HSIP) Program makes federal funding available to states in order to assist with the implementation of a data-driven and strategic approach to improving highway safety on all public roads. In Montana, the primary focus of the HSIP program involves identifying locations with crash trends (where feasible countermeasures exist) and prioritizing work according to benefit/cost ratios.

MDT is proposing to add six projects to the HSIP program – five in District 1 (Missoula) and one in District 4 (Glendive). The projects on the attached list (Attachment A) meet the criteria set forth for HSIP-funded projects. If approved, it would be MDT's intention to let these projects individually.

The estimated total cost for all projects is approximately \$4,408,000.

Summary: MDT is asking the Commission to approve the addition of six projects to the Highway Safety Improvement (HSIP) Program. The proposed projects are consistent with the goals and objectives identified in the Performance Programming (P3) Process – as well as the policy direction established in TRANPLAN-21. Specifically, roadway system performance, traveler safety, access management, bike/ped features and economic development will be enhanced with the addition of these projects to the HSIP program.

The total estimated cost for all projects is approximately \$4,408,000.

Staff recommends that the Commission approve the addition of these projects to the program.

Commissioner Lambert moved to approve the Highway Safety Improvements, Helena Flats Intersection; Advance Warning Flashers Upgrade-Missoula South; Advance Warning Flashers Upgrade-Missoula MPO; Advance Warning Flashers Upgrade-Pablo Polson; Advance Warning Flashers Upgrade-Missoula North; Roundabout S of Sidney. Commissioner Skelton seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 3: Enhancement Projects on MDT Right of Way

Sidewalks – Richland County

Museum Sidewalks – Wolf Point

K Williams Expansion Trail – Missoula

Bike/Pedestrian Path – Saint Regis

Sidewalks – Choteau

Lynn Zanto presented the Enhancement Projects on MDT Right of Way to the Commission. The Transportation Commission approves Community Transportation Enhancement Program (CTEP) projects that are located on or adjacent to state-designated streets and roads. CTEP projects are funded with the enhancement set-aside of the Surface Transportation Program, which is allocated by population to Montana's local and tribal governments. Communities select projects to fund with

their allocations and provide the required non-federal match. The program is based on an agreement between MDT and Montana local and tribal governments.

MDT is asking the Commission to approve the following CTEP projects:

1. **Sidewalks – Richland County:** Richland County is requesting CTEP funds to construct approximately 8,580 square feet of ADA-compliant concrete sidewalk and 225 lineal feet of curb and gutter (total) in Fairview, Savage, and Lambert. The project also includes signing and minor landscaping.

The only on-system portion of the project is in Fairview on the east side of Ellery Avenue/Montana 200 (P-20) between 1st and 2nd Streets.

The off-system locations are listed below:

- In Savage on the east side of Mesa Avenue between the school sidewalk and the senior center.
- In Lambert on the south side of County Road 123 starting at the intersection with Main Street and extending northeast for about 240 feet.
- In Fairview along the north side of 1st Street between Montana and Ellery Avenues and on the west side of Montana Avenue between 1st Street and the City Park parking lot.

The total estimated project cost is approximately \$284,000. Including this project, Richland County will have obligated all of the \$523,330 made available over the life of the CTEP program.

2. **Museum Sidewalks – Wolf Point:** Roosevelt County is requesting approval for a project to construct a 30 ft. x 30 ft. concrete ADA-compliant parking pad at the Wolf Point Area Historical Society Museum and to install approximately 513 ft. of sidewalk along the north and west side of the museum building and along the southeast side of US-2/Sunset Drive (N-1), adjacent to the museum grounds.

The total estimated cost of this project is approximately \$55,000. Including this project, Roosevelt County will have obligated \$631,883 of the \$695,606 made available over the life of the CTEP program.

3. **K Williams Expansion Trail - Missoula:** The city of Missoula is requesting approval for a project to design and build a 1,320 ft. long hard-surfaced bicycle and pedestrian path east of Missoula along the south bank of the Clark Fork River. The trail will pass under the Clark Fork River bridges on I-90 at RP 108.33 and will connect the Kim Williams Trail and the Canyon River Trail.

The total estimated project cost is approximately \$410,000. Including this project, the city of Missoula will have obligated \$5,509,951 of the \$5,947,838 made available over the life of the CTEP program.

4. **Bike Ped Path – St. Regis:** Mineral County is seeking CTEP funding to design and build an 8 ft. wide, hard-surfaced shared-use path in St. Regis along the east side of Montana Highway 135 (P-35). The path will begin at the intersection with Old Highway 10 E and will extend northeast along MT-135 for approximately 1,700 ft.

The total estimated project cost is approximately \$93,000. Including this project, Mineral County will have obligated \$404,220 of the \$413,200 made available over the life of the CTEP program.

- 5. Sidewalks – Choteau:** The city of Choteau is requesting approval for a CTEP project to design and build ADA-compliant concrete sidewalks. The two on-system locations are W Division Street (P-9) from 2nd Avenue SW to 3rd Avenue SW and 7th Avenue SW (P-9) between W Division Street and 2nd Street SW.

The off-system sites are listed below:

- 7th Avenue NW between Division Street and 1st Avenue NW
- 1st Street NW between 2nd Avenue NW and 3rd Avenue NW
- 4th Avenue NE between 2nd Street NE and 3rd Street NE
- 1st Street NW between 7th Avenue SW and 9th Avenue SW

The total estimated project cost is approximately \$184,000. Including this project, the city of Choteau will have obligated \$213,007 of the \$214,572 made available over the life of the CTEP program.

Summary: MDT is requesting Commission approval for five CTEP projects with an estimated total cost of \$1,026,000. Portions of these projects are on or adjacent to state-designated streets and roads. The state will perform a final review of all projects to ensure substantial compliance with project plans, specifications, and estimates.

The proposed projects have been prioritized through the respective local government processes and are consistent with the policy direction established in TRANPLAN-21. Specifically, roadway system performance, traveler safety, access management, land use planning, bike/ped features, and economic development will be enhanced with the addition of these projects to the CTEP program.

Staff recommends that the Commission approve the addition of these projects to the program.

Commissioner Howlett asked if the K Williams Trail expansion was on our land. Lynn Zanto said there is a piece of it on our land. We do have maps attached that show where that is. It is on our right of way. Paul Johnson said it was his understanding it is along the Interstate. I believe that accesses a bridge and in this case it's very minimal. There is a small amount on MDT property. Commissioner Howlett said if there is any part of it on our right of way, it will qualify. Paul Johnson said essentially the portion that we're improving has to do with anything that affects the on-system area and in this case it's the Interstate System. If it affects the right of way or the roadway it has to be brought before the Commission. So even if it's a small portion of the project we still bring it forward. Commissioner Howlett asked how much trail improvement would be done for \$410,000. Paul Johnson said that would be the entire length of the trail. Lynn Zanto said there was 1,320 feet of trail and it goes under the Interstate. We are responsible for the overall length that's why it's being brought forward.

Commissioner Lambert moved to approve the Enhancement Projects on MDT Right of way: Sidewalks – Richland County; Museum Sidewalks – Wolf Point; K Williams Expansion Trail – Missoula; Bike/Pedestrian Path – Saint Regis; Sidewalks – Choteau. Commissioner Griffith seconded the Motion. All Commissioners voted aye.

The motion passed unanimous.

Agenda Item No. 4: Speed Limit Recommendation I-15 Helena Urban Area

Dwane Kailey presented the Speed Limit Recommendation for I-15 Helena Urban Area to the Commission. MDT is bringing this to you because we have noticed a fair amount of illegal movements taking place as well as traveling speeds. What's happening is with the addition of the Custer Interchange as well as adjustments to the Capitol Interchange we're seeing a fair amount of illegal movements and conflicts between cars out here. So we've conducted a speed study and you'll see that the pace is about 65 mph. Under the statutes if Helena had 50,000 population or greater, it would be reduced to 65 mph anyway. We're not there yet however we're recommending that at this point in time we reduce the speed limit to 65 mph between milepost 191.7 continuing north to 194.5 an approximate distance of 2.8 miles. That would incorporate Capitol, Cedar, and Custer Interchanges. We have presented this to the city of Helena and letter of concurrence is attached.

Commissioner Cob moved to approve the Speed Limit Recommendation for I-15 Urban Area. Commissioner Griffith seconded the motion. All Commissioners voted aye.

The motion passed unanimous.

Agenda Item 5: Speed Limit Recommendation MT 200 – Sanders County

Dwane Kailey presented the Speed Limit Recommendation for MT 200 – Sanders County to the Commission. Before we begin I want to ask if Sanders County Commissioner Cox is on the phone. Commissioner Cox said he was and asked to participate in this discussion. Dwane Kailey said recommendation is nothing new; it has been presented to you in the past. We received a request by the Sanders County Commissioners to look at a speed reduction on Hwy 200 from milepost 56 to 59 and then from milepost 64 to 65. When presented, MDT recommendation no change; stay with the statutory. However, in reviewing this, the Commission adopted a speed limit of 55 mph from milepost 56 to 65. The Sanders County Commissioners have received a fair number of complaints and comments from their constituents and are recommending that this Commission re-look at this. They are asking that the speed limit be adopted from milepost 56 to 59 and milepost 64 to 65. The Department is concerned with having a gap in the speed limit and a reduced speed back to statutory and then reduced speed again. The Commission has the authority to adopt as they see fit. We would again caution towards any kind of a gap. We did not recommend a change based on our speed study. We've included the original recommendation as well as all the crash data and animal collision data for your review as well. I think Mr. Cox wishes to make a statement.

Mr. Cox, Sanders County Commissioner

Actually that speed zone currently runs from milepost 56 to 69. The last four miles were never even in the discussion but somehow it ended up there. We basically would go back to our original request for just a total of four miles from milepost 56 to 59 and milepost 64 to 65 versus a total of 13 miles. The other nine miles that are included are stretches that have been totally reconstructed. They are wide with good visibility. I would also note that in the information provided to you from Montana Fish Wildlife and Park's Biologist, the majority of Sheep Hill is more than 50% in this four mile stretch and we've documented more than 403 Big Horn Sheep on Hwy 200 since 1985 which is a significant amount. So basically we just ask that the speed limit be enforced in the section of road that has not been reconstructed in order to try and reduce the kill of Big Horn Sheep and at the same time allow the motoring public to

travel at 70 mph in the places that are capable of that. We have received a lot of criticism from the public about the size of the zone.

Commissioner Howlett asked Mr. Cox asked about the ability to enforce this because we're concerned about the mortality of wildlife as well. What's the county's position on enforcement? Mr. Cox said the Sheriff Rummel just walked into the room and I'll let him answer that.

The Sheriff Rummel said they've been very willing to enforce the speed zone and as far as mortality I haven't witnessed any on the road in quite some time. We are very willing to enforce. We have people traveling on the east side from Plains down to the beginning of it on roads that are fairly winding and narrow and they get into the 55 mph zones and then end up on this nice wide straight road traveling 70 mph. When we pull them over they wonder why. It's not that we won't because we will enforce it but it's very hard to justify to the public why it's a 55mph speed zone. Commissioner Howlett said in our deliberations it was 55 mph and we reasoned because it goes clear up to the end of a 65 mph. There is certainly a willingness to consider your request but again when we contemplate any of these speed zones, it's really up to the enforcement. We don't want to continue to see sheep killed there because we have a statutory 70 mph speed limit. Mr. Cox said in the current 13-mile area there are places where you never see sheep; traditionally they've never been there. With the local knowledge and also with the Biologists and targeting the areas where the sheep like to frequent and where they are getting killed which is in the four-mile area. Commissioner Howlett asked if it was milepost 56-59 or milepost 64-65. Mr. Cox said milepost 62-65. Commissioner Howlett said the Commission drove that area and there are places in there where it is too slow. The road is improved and if there is a willingness on the part of the County to enforce it in these high mortality areas then we ought to raise it.

Commissioner Cobb asked about reducing the speed limit at which mileposts – how many minutes will people be saving? What's the point of raising it from 55 mph to 70 mph for a distance of only five miles? How much time are you actually saving in just few minutes? Dwane Kailey said it was less than a minute. Commissioner Cobb said why can't the Commission have it the same from milepost 56 to milepost 65? Commissioner Howlett said that's what we have now. Duane Kailey said part of the confusion is we actually adopted up to milepost 69 and the reason was the animal/vehicle collisions happening at milepost 68. That's why the Commission adopted up to milepost 69. If we go with what Commissioner Cobb is suggesting, it would reduce it by 4 mph in that respect. I would agree with Commissioner Cobb because I am a little concerned when you reduce their speed, speed them back up, and then reduce their speed again, especially with a one mile segment at the end of that I think you're going to have some very big challenges with compliance. People are not willing to comply when they can see the next speed limit sign not very far down the road and they know it's a short distance. Again it's the Commission's decision on how you want to handle this.

Commissioner Howlett asked if there as anything from Fish, Wildlife and Parks on this issue. Dwane Kailey said he had raw data from them. Commissioner Howlett said in reading this it represents 67% of the total mortality from milepost 58 to 59 and 64 to 65. Mr. Cox made a comment to how much time someone is going to save or whether people will adjust to this – that isn't our issue. Our issue is to provide safety to the sheep which is basically the same thing a school zone does for children. If somebody is a couple minutes late so be it, if we can reduce injury and mortality to sheep. We also had a motor vehicle fatality between milepost 64-65 last year when a motorcycle was trying to avoid a sheep that jumped over the guardrail and was hit by an oncoming vehicle. Director Tooley said regarding the question as to how much longer it would take to transit that five miles, it would take 69 seconds longer at 55 mph than at 70 mph. Commissioner Griffith asked about FWP, is there something else that can be done there. Commissioner Howlett said it was supposed to tie up

with the reconstruct project down there. Dwane Kailey said yes it is. Commissioner Skelton asked if the reconstruct project includes a game crossing for the sheep like we have in other areas of that District. Dwane Kailey said it does not. Commissioner Skelton said then it isn't an option. Commissioner Howlett asked if it should be considered. Mr. Walther said that area is very steep and we have a railroad crossing right down below the highway, so I'm not sure if there is an ability to do that. Commissioner Griffith said we got community leaders, Fish and Game and FWP and got all the parties together in Anaconda when we had a similar problem. Mr. Cox said we've met with the folks from MDT who came up here and brought information and what we gathered is that the time they do a total reconstruct on these segments they are planning on putting in some things to help wildlife but until then we're trying to come up with a combination of things whether it be a de-icer that the sheep don't like, reducing the speed limit, or some different things until that point in time. When the road is reconstructed we would be agreeable to entertain going back to 70 mph. We are trying to do something in the interim to help the sheep. Commissioner Howlett said it has obviously helped the sheep having this speed limit in place. There are portions where it may seem like overkill but I don't have any doubts that it has reduced the mortality having it in place. Mr. Cox said they don't have the result yet and to be honest there aren't very many sheep out there these days; you don't see them like you used to.

Commissioner Cobb said if we reduced the speed to 55 mph from milepost 58 to 65 that shortens it and gives people six more miles to go 70 mph. We can keep it consistent all the way through the mortality area. Dwane Kailey said we would find a fair amount more compliance if we were to establish something along that line. Commissioner Howlett said that was reasonable. Commissioner Cobb asked Sanders County officials if they could live with that. Mr. Cox said that is better than what it is but milepost 56-58 is an old chunk of road that has poor visibility, it's narrow with sheep on the road – mile marker 56 is right where Thompson River goes under the highway. To me it doesn't make sense to leave out a poor section of road and include a nice section of road. Commissioner Griffith said they brought it down to 45 mph from 70 mph in the area where the sheep were on the road. Mr. Cox said with the 55 mph zone the way it is right now there is not enough signage and people aren't sure what the speed limit is and where it starts. Basically once a day I have to turn my lights on when people come over the hill at milepost 59 and they see that long stretch of road in front of them. We need a lot more signs if it's going to be kept at 55 mph so people can understand what the speed limit is. There's a lot of frustration here with law enforcement and with the public because of these things. Commissioner Howlett said you originally asked for this and we extended it beyond what you asked for but we also took into consideration the spots where the mortality was occurring and the accordion-like speed zone is very difficult and probably more confusing to the public. We certainly can provide directions to the Department to get more signs up; that's not a barrier as far as this Commission is concerned.

Commissioner Cobb moved to amend the distance of the MT 200 speed limit reduction to 55 mph at MP 56-65. Commissioner Griffith seconded the Motion. All Commissioners voted aye.

The motion passed unanimous.

Agenda Item 6: Speed Limit Recommendation Primary 68 - Cascade

Dwane Kailey presented the Speed Study Recommendation for Primary 68 - Cascade to Fairview to the Commission. This is the follow-up investigation to a decision to align the 35 mph to 25 mph speed limit transition with Cascade's urban district boundary. This decision was initiated by a request from the City of Cascade and based on both internal and external discussions of the proposal and the actual

outcome. After studying the history of this area, we are recommending a 45 mph speed limit beginning at station 2016+00, project I 15-5(13) (South I-15 off ramp) and continuing north to station 577+00, project FAP 172(B), an approximate distance of 1,000 feet. A 35 mph speed limit beginning at station 577+00, project FAP 172(B) (1,000' south of 4th Ave. S.) and continuing north to station 587+00, an approximate distance of 1,000 feet. We have presented this to the town of Cascade and they are in concurrence.

Commissioner Cobb moved to approve the Speed Limit Recommendation for Primary 68 – Cascade. Commissioner Skelton seconded the Motion. All Commissioners voted aye.

The motion passed unanimous.

Agenda Item 7: Interim Speed Limit Recommendation Secondary 543 – Jordan to Hell Creek State Park

Dwane Kailey presented the Interim Speed Limit Recommendation for Secondary 543 – Jordan to Hell Creek State Park to the Commission. The Glendive District office in cooperation with Garfield County officials has requested Montana Transportation Commission approval to implement a 45 mph interim speed limit on Secondary 543. Secondary 543 is an unpaved rural highway. It begins at an intersection with MT 200 north of Jordan, and continues north 25 miles to Hell Creek State Park – Recreation area.

The Glendive District office and the Garfield County road supervisor conducted a windshield survey-evaluation of the corridor in July 2013. From that survey both the District office and Garfield County arrived at a consensus to recommend a 45 mph speed limit on an interim basis until such time the Department completes a more in depth speed limit investigation, preferably during the summer months of 2014.

Therefore we are recommending an interim speed limit of 45 mph beginning at reference post 0.0 and continuing north to the end of the secondary route designation at reference post 24. Garfield County is in concurrence with this recommendation.

Commissioner Lambert moved to approve the Speed Limit Recommendation for Secondary 543 – Jordan to Hell Creek State Park. Commissioner Cobb seconded the Motion. All Commissioners voted aye.

The motion passed unanimous.

Agenda Item 8: Speed Limit Recommendation Wolf Creek – Recreation Frontage Road X-891003

Dwane Kailey presented the Speed Limit Recommendation for Wolf Creek – Recreation Frontage Road X-891003 to the Commission. This investigation was prompted by local concerns that the Montana River Outfitters business is located just beyond the 40 mph to 60 mph speed limit transition, and that the 60 mph Recreation Road speed limit may not be appropriate for traffic operation in this area. Local officials would like to extend Wolf Creek's special speed limit configuration outward.

We did not find supportive documentation validating the existing speed limits through Wolf Creek, prompting our investigation to encompass the entire community and beyond. The Recreation Road is an off-system X-route consisting of two 11-foot travel lanes with minimal or no surfaced shoulder area. In the last three years there were no crashes reported within the study area.

With some modification the existing speed limit configuration is appropriate in its relationship to both the adjacent side culture and the travel speeds within each zone. It is our evaluation that the Montana River Outfitters business, even though slightly separated from the main body of the community, is still an extension of Wolf Creek and is better suited within the 40 mph speed zone. In addition to extending the 40 mph speed zone south to encompass the Montana River Outfitters we also recommend introducing a new 50 mph special speed zones on either end of Wolf Creek.

The following recommendation was presented to Lewis and Clark County officials for review and comment. They have indicated their concurrence and desire to forward the recommendation to the Montana Transportation Commission for action.

A 50 mph speed limit beginning at station 65+00 (milepost 7.2) and continuing north to station 73+00, an approximate distance of 800 feet. Transitioning to a 40 mph speed limit beginning at station 73+00 (milepost 7.4) and continuing north to station 88+00, an approximate distance of 1,500 feet. Transitioning to a 30 mph speed limit beginning at station 88+00 (350' south of the I-15 access rd.) and continuing north to station 108+00, an approximate distance of 2,000 feet. Then transitioning to a 40 mph speed limit beginning at station 108+00 (milepost 8.0) and continuing north to station 117+00, an approximate distance of 900 feet. Finally transitioning to a 50 mph speed limit beginning at station 117+00 (milepost 8.17) and continuing north to station 128+00, an approximate distance of 1,100 feet.

Commissioner Howlett asked if this was slowing down going into town and speeding up going out of town. Dwane Kailey said that was correct.

Commissioner Cobb moved to approve Speed Limit Recommendation request for Wolf Creek – recreation Frontage Road X-891003. Commissioner Skelton seconded the Motion. All Commissioners voted aye.

The motion passed unanimous.

Agenda Item 9: Speed Limit Recommendation Old Highway 91-X-07603

Dwane Kailey presented the Speed Limit Recommendation for Old Highway 91-X-07603 to the Commission. Cascade City officials reported a safety concern that the speed limit increases to 70 mph less than ¼-mile from the town of Cascade in an area with nearby residences. We have conducted a speed study and at this time we're recommending a 45 mph speed limit beginning at the intersection with 1st Street in Cascade and continuing north to station 27+00, an approximate distance of 2,700 feet. This has been presented and the city of Cascade concurs.

Commissioner Howlett said this report states there is an unapproved speed limit of 35 mph posted, who did that? Dwane Kailey said we don't know.

Commissioner Lambert moved to approve the Speed Limit Reduction request for Old Highway 91-X-07603. Commissioner Skelton seconded the Motion. All Commissioners voted aye.

The motion passed unanimous.

Agenda Item 10: Speed Limit Recommendation North Frontage Road (X-25295) - Helena

Dwane Kailey presented the Speed Limit Recommendation for North Frontage Road (X-25295) in Helena to the Commission. We've been asked by Lewis and Clark County to investigate the speeds on this route. For your information this is the road

that extends from Town Pump off Custer and goes out to the Masonic Home. The County has recently adopted a 55 mph on the upper end of this earlier this year. In our investigation we are recommending:

a 40 mph speed limit beginning at the intersection with Custer Avenue and continuing north through the roundabout to station 22+00, an approximate distance of 2,200 feet. A 50 mph speed limit beginning at station 22+00 and continuing north to station 40+00, an approximate distance of 1,800 feet. A 60 mph speed limit beginning at station 40+00 and continuing north to the intersection with Masonic Home Road, an approximate distance of 4.5 miles. It then transitions to county maintenance at 55 mph.

We have concurrence from Lewis and Clark County with our recommendation.

Commissioner Cobb moved to approve the Speed Limit Recommendation for North Frontage Road (X-25295) in Helena. Commissioner Lambert seconded the Motion. All Commissioners voted aye.

The motion passed unanimous.

Agenda Item 11: Letting Lists & 2014 Letting Dates

Dwane Kailey presented the Letting Lists and 2014 Letting Dates to the Commission. The Letting List for September and October includes 2013 projects. November to January are essentially are going to be in 2013 and are subject to the Red Book meeting. At this time we are asking that you approve this. We will be advertising for the November Letting prior to the Red Book meeting. These are also projects that you've already approved and passed through the Red Book process. We've got the Letting schedule in here as well and you will notice we have Lettings twice a month for February, March, April and May and then we transition back into single monthly Lettings in June, July, August, September, October, November, December and January. These are presented for your review and approval.

Commissioner Howlett asked about Three Mile Drive Reconstruction, you've added capacity. Isn't that a dangerous situation as we heard this morning? Lynn Zanto said that is correct. There is funding and we're looking at Red Book and this doesn't push anybody out of the way.

Commissioner Lambert moved to approve the Letting Lists & 2014 Letting Dates. Commissioner Skelton seconded the Motion. All Commissioners voted aye.

The motion passed unanimous.

Agenda Item 12: Certificates of Completion June & July, 2013

Dwane Kailey presented the Certificates of Completion for June and July, 2013 to the Commission. These are presented for your review and approval. As requested we have included the DBE goals as Let. Commissioner Cobb asked about Riverside Contracting, there is an extra million dollars here. Dwane Kailey said I don't know the specific reason but my guess is it was a change order of some type on the project.

Commissioner Lambert moved to approve the Certificates of Completion for June & July 2013. Commissioner Griffith seconded the Motion. All Commissioners voted aye.

The motion passed unanimous.

Agenda Item 13: Project Change Orders June & July, 2013

Duane Kailey presented the Project Change Orders for June and July, 2013 to the Commission for their approval. Commissioner Cobb asked about the acronyms. Dwane Kailey said he would get him a copy of the guide. Commissioner Lambert also requested one.

Commissioner Lambert moved to approve the Project Change Order for June & July, 2013. Commissioner Skelton seconded the motion. All Commissioners voted aye.

The motion passed unanimous.

Agenda Item 14: Liquidated Damages

Duane Kailey presented Liquidated Damages for BR 9055(10) Smith Creek – 47 KM N Wibaux. The project is called Smith Creek – 47 KM N of Wibaux. The Contractor was DCA Inc. They are not disputing the Liquidated Damages of two days for a total cost of \$3,602.00. Liquidated Damages stand.

No action needed.

P3 Presentation

Lynn Zanto said this is the time of year when we come to you and present our P3 funding and that sets the stage for us to be able to prepare for the upcoming TCP meeting. Most all the program sheets are in your packet. Our intent is not to go through the whole thing, it is more informational. The first part will be presented by Paul Johnson. If you want us to go through details we will but otherwise we will move to the discussion. In the end we are hoping that you will have the information you need to concur in the funding plan. Let me introduce my staff: Paul Johnson is from our Project Analysis Section and has been our expert and lead for the Performance Program Process, Chris Stavenero works for Paul and is the second man in keeping the process moving, and Jim Skinner is the Bureau Chief.

Paul Johnson

We have a presentation that will go from section-to-section and as always questions are welcome. We're trying to address some of the topics that have come up recently. We have four main sections: project organization section, US 93, high dollar construction projects as requested, and P3 analysis.

Project Organization

With regard to project organization, we've had some discussion recently about roles and responsibilities. First of all we're going to discuss the role of Commission authority, prioritization of new projects, prioritization of lettings and awards, prioritization versus scheduling, and our time with Commission approval.

Commission Authority

If we go back to state statute, the majority of the Commission's authority is defined in MCA 60-2-110 which speaks to setting priorities and selecting projects. It says "except as provided in 60-2-133 the Commission shall establish priorities and select and designate segments for construction and reconstruction on the National Highway System, the Primary Highway System, the Secondary Highway System, the Urban Highway System, and State Highways." That's the primary authority that the Commission has. Now what's our role in the process? That's also discussed in 60-2-

110: “The Commission shall use information gathered or discovered by end documents prepared by the department and department officials, and employees shall provide assistance and advice. In carrying out the requirements of this section, the department shall make recommendations to the Commission and establish the requirements of procedures for administrating this section.” You see a lot of this in action today. You’ve seen us present information, make recommendations, and then you approve.

Selecting Projects for the Highway Construction Program

MDT advances new projects for consideration at regularly scheduled Commission meetings as per MCA 60-2-110. The Commission approves addition of new projects by majority vote. All projects that are on our system are approved by the Commission. Now they can be approved in three different ways: as part of the Statewide Improvement Program or the STEP; as part of a group of projects such as Safety or Bridge; or as individual projects. Today we have a couple of those instances. We have a grouping of projects that were safety projects and a couple that were NH projects.

Prioritize Letting and Award of Construction Projects

MDT advances a proposed Letting List at regularly scheduled meetings. That happened today and you approved those in a majority vote. MDT advances project award recommendations to the Commission and again that happened today and you approved by majority vote. Those are the priority approvals that the Commission makes.

Prioritization versus Scheduling

We have to make a distinction, though, between prioritization and scheduling. The prioritization process is not equivalent to the scheduling process. We have more factors to consider when we’re delivering projects. The project delivery/scheduling process must account for numerous design considerations and resource constraints. Each design consideration has a time element and a cost element associated with it. Some examples of design considerations include all of the zones you see before you.

We are here today to say that established project scheduling processes are in place. At MDT the process is to consider our resource constraints. Time constraints are justified in PMOPX2 which is MDT’s scheduling system. Completion times for various activities are updated continually based on the input from MDT personnel at project status design coordinating team meetings. In your handouts you have an example of a project schedule. We gave that to you to give you some indication as to all the factors that can influence project scheduling. Duane Kailey and Mr. Walther live in this environment so if you have any questions about project delivery you can ask them. The short version is very complex – right-of-way and all the other issues that come into play. There are always considerations that come into project delivery. Regardless of where it’s prioritized, it is the project delivery mechanism that must be adhered to for delivery process.

Now we also have constraints that are fiscal and those are identified in the Tentative Construction Plan which is updated annually each fall.

Project Delivery Schedule is set at the TCP meetings. That’s where we’re headed; that’s where all this is going. Our project scheduling document is the Tentative Construction Plan (TCP). There are a couple of things we need to think about when going into that meeting. One is that ready projects must be aligned with annual funding. There are numerous categories to consider – the Bridge Program, the Safety Program, Districts, and CTEP – all that considers fiscal constraint. When we do the TCP, we have to balance those out and make sure that the cost estimates do not

exceed available funding to a reasonable amount. That's the first thing we have to consider.

The second factor is that we don't include projects unless they have a schedule. You can't reasonably advance a project in the Tentative Construction Program if we haven't set a schedule. We can't say I think we can do it in 2014; we really need to know a little bit about that project before we can set that date. So we don't include those in the given year.

We don't want to advance projects that have a ready year. That just sets us up for disaster because then we over promise and say we think we can do that in 2014 but in reality the project schedule says it is 2014-2015. All of these factors have to be considered in the TCP. There are rules in the TCP for program managers and for districts that they have to follow.

This gives you an idea of some of the approvals that the Commission has. For instance, the addition of projects to the program, individually you can do that at any meeting or as a group you can do that at any meeting. The STIP for new projects only is usually in the spring of the year; this year it was May 30th. Today we are going to talk about funding distribution, reserves, and other funding issues and then we will move into the Tentative Construction Plan. This is where we develop our schedules. Now there are other approvals that you've done today as well – the Lettings List and the Award approvals are done at any meeting. We advance those lists and you approve them.

That's our brief overview of the approvals and the process. If you have any questions, feel free to ask. Commissioner Cobb asked how it is decided which projects to do. Once you get into the system we have performance measures all the way through. How do they determine at the local level that those projects are more important than other projects? In the old days the Commissions picked the projects they wanted and how to fund them. How do I know that is still not going on here at the local level? Paul Johnson said because when Kalispell wants something they work through this way or that way – once you get it into the system it goes all the way through and in eight-to-ten years from now you'll get your project. Commissioner Cobb asked how do I know that for instances in District 3, the most important projects, the ones most in need, are being taken care of versus one town pushing for this thing to the project manager. Paul Johnson said in the approval process, it depends on the program often there are different requirements for different programs. For instance CTEP, the locals know the area and assign different projects for different areas, Urban picks their priorities. Now with regard to Districts they look at the management systems, they look at their needs, look at the public input, look at where maintenance is and develop a list of priorities and then bring those to the Commission and the Commission chooses and has the final say. Commissioner Cobb said we see the ones you recommend but what about the ones you don't recommend? Paul Johnson said when they are formulating a list of nominations we get public involvement, we have everybody weigh in on what the public thinks is important and we weigh that versus the management system and as a result there is a list of nominations that come up from the District. Especially when we're doing municipal projects each District Commissioner works with their individual DA on that list. Commissioner Cobb said does it have to go before the Red Book to find out what is not going to make the list? The Red Book is not at that time period.

Dwane Kailey explained that in his Districts they had one or two meetings a year with design folks, maintenance folks, and even construction folks. We would get together in a room and actually build maps of every single road in the District and we would go mile-by-mile and look at the various management systems. Management system refers to pavement management which tracks the condition of the pavement and potential fixes on it, we have congestion management system, and we have safety management system. We also have input from the County Commissioners, the city

Mayor, city public works, etc. We sit down and go mile-by-mile and talk about what fixes we can and cannot do, what we can afford, what maintenance is going to do, and what engineering is going to do. At the end of the day we try to prioritize things like safety, pavement maintenance, the right fix at the right time, and what congestion fixes we can provide. Dwane suggested he sit down with Dave Hand because they are doing the same thing. I'm sure he'd be happy to let you sit in on that discussion.

Lynn Zanto said in Planning we are working with technology advancement and using GIS to put a tool together on line where you can click on a section of road and it will tell us the pavement condition, what our threshold is to meet the measure that could save that particular road if it is below the measure. We're trying to bring in all the relevant factors that align with our policy plan.

Paul Johnson said, regarding scheduling, typically the Red Book is the scheduling document that projects that already exist get placed. They will identify holes like pavement preservation projects, reconstruction projects, bridge projects, or CTEP. Then after that process is over we are into January and they are starting to develop their list of new nominations which are usually included in the STIP document. So a vast majority of those projects will go into the STIP which, again, the Commission approves. The TCP is the year-end activity or a reshuffling of the schedule and then after that we see the holes in the nominations and that is where new projects will typically go. Commissioner Howlett said this goes to the comment I made in Missoula regarding the Commissioners sitting down with their District Administrator and actually going out on the ground and looking at these projects. You may have different ideas about what's out there based on what people have told you. I can't emphasize enough the importance of sitting down with them and looking at maps and going out and looking at the ground and see what's out there.

High Dollar Construction Projects

We have always had high dollar construction projects and we have a variety of mechanisms we use to advance those. Commissioner Howlett said we had a pretty lengthy discussion a couple of meetings ago about looking at how we get some of these high dollar construction projects done. I would like to talk a little bit about that. Paul Johnson said essentially the problem the District and Program Managers have is to fund within the constraints of their particular area. Sometimes that brings difficulty in delivering construction projects that exceed their annual allocation for a specific funding category in a given federal fiscal year. A number of solutions exist to address this problem; however, some options are more preferable than others.

Splitting Large Projects into Smaller Projects

One of the preferred options we have is splitting a project. That's basically when you convert a larger project into several smaller projects. One thing you'll notice is that now-a-days we probably wouldn't tackle large corridors like we've done in the past; we usually take smaller bites. Projects aren't going to be as large as they've been historically. But where we have these large projects, splitting them is an option and delivering them in chunks. Kalispell Bypass has numerous chunks.

Multiple Funding Sources

When we have a large project we can use multiple funding sources. Missoula District might use NH funds, Safety funds, and Bridge funds for a project. We draw from multiple sources to do these projects.

Funding Reserves

Funding reserves is a less desirable option. Essentially we set aside CORE funds to address strategic statewide issues. In some cases it's a necessity like with failing steel bridges we set aside money for that. This is slightly less desirable but is still an option in our tool bag.

Multiple Year Funding

Another less desirable option is multiple year funding. That is when we split a project funding between two federal fiscal years in one category. Essentially you've got one large project and you only have a certain amount of funding in those categories so you have to split between two years. The reason it's undesirable is because it doesn't set for sure which year it goes in. It doesn't say this year or that year, it kind of straddles the years. Slightly worse is when you have one of those projects that has local funding sources. We did this with Custer for a couple of years and it led to a lot of confusion about when we were going to actually to deliver this project. So that's not quite as desirable.

Partnering and External Funding

A good example of this is East Belgrade. We had a lot of things that we glued on that. It's nice but there are a lot of strings with that like reporting requirements and other complications.

Bonding

We have used it and that is a tool. We do that but you have to give it a lot of consideration because there are a lot of long-term consequences to bonding.

Examples of High Dollar Projects

The state and federal dollars for the upcoming dollars TCP is roughly what we'll see for some of the larger projects. I can't say that all these projects are funded and we do have mechanisms for all of them but this gives you an idea of about what a high dollar project is. Typically they are over \$20 million. Our largest one is the Capitol Interchanges – in that case we have three funding mechanisms that are going to be used to address that issue - NH Funds from Great Falls District, Bridge Funds, and we are also using Interstate FASTE Funds. So it is fully funded. Right now all of these have solutions that are available to us as far as TCP years go. I did include the Hungry Horse Bridge for \$15 million for your reference. The funding sources for that are Bridge Funds, NH Funds from Missoula District, and Federal Land Access Program. Right now it is about \$3.5 million but it can be flexible based on what the final cost will be. These funds need to be spent by a certain point in time. We are concerned about this bridge and we actually have some requirements that will push it out the door because there are also some other funding requirements. It is in the schedule. Commissioner Lambert asked for the timeline on that project. Paul Johnson said 2016-2017.

We have fundable methods for all of these existing projects. We don't need additional TCP categories or any program modifications because we have preferred options for the all-in-one project which is Cabinet Gorge and depending on the cost estimate it might go between two parts of the Off-System Bridge Program. The bottom line right now, we currently have the tools at our disposal to address any major high dollars projects identified in the upcoming Tentative Construction Plan.

Kevin McLeary, FHWA, said Paul did not touch on any of the federal options that are available that we currently don't take advantage of. Lynn Zanto said there are two levels that a lot of states are using called Innovative Financing Mechanisms but they are very similar to our bonding. You have to have a revenue source to pay back.

That's the problem and the reason we haven't taken advantage of any of those sorts of programs. You have to have a revenue source to back it and you will be committing to long-term payments from your program similar to what we experienced on US 93 with the Garvee Bonds. So our message at the national level is that's great and include them at the national level and allow states to use those as tools but they are an additive not a replacement for the revenue that's needed.

Dwane Kailey asked if a fair number of those are toll roads. Kevin McLeary said not necessarily. The thought behind bonding is you buy it today at a much lower cost because things are going up. So in essence you're getting a service today that if you were going to put it off for 15-20 years would be much more expensive. Toll is just one revenue source that you can use. Lynn Zanto said the one they consider in their financing is design build. Paul Johnson said they were also taking advantage of John Burger Contracting as well. So there is some innovative financing in there. On a larger scale we haven't delved into those as tools yet.

Nine Pipes Project

Commissioner Howlett said when we were on our tour we looked at the Nine Pipes section and we talked about what could be done knowing that it is a high dollar cost. I left there with the sense that the Department was going to make contact with Federal Highways and the Tribes and see if they could come together and look at what might be viable options. I don't know if that's occurred. We look at that in terms of what might be possible and the discussion was \$15 million for a rehab versus \$50 million for a reconstruct. So you look at going down that road or you look at \$50 million to reconstruct it and you begin thinking about that process down the road and when we will have paid off those bonds on the other portion and could begin to realistically think about a total reconstruct. We need to come together on which way we're going to go on that project. I really want to see that project get done. It took a good 20 years to come to an agreement and we've been 10 years on it now – so it's been a 30-year project. At some point we will have paid off the bonds which severely crippled District One in being able to do projects. We didn't put the same kind of restraints on other Districts for high cost projects. I don't know that wasn't the best way to go but it was a quick way to go.

In my discussion with the District staff about a week ago, they were talking about splitting the Ronan project a year or two later than originally discussed and I have a real problem with that. That is not what we told the people we were going to do; it's not what we said publically about when it was going to be done. I know that Ed Toavs is aware that I'm not very pleased but we'll do what we need to do. I guess it points to the necessity of staying on top of what is going on in your District particularly with these complicated high cost projects. I need to be kept in the loop; I need to know what's going on and why. Ultimately I've got to make the decision whether I support it or not. Director Tooley said on that project you are aware of the complications that have arisen, over half a dozen have arrived on Ronan Urban. At the same time we're trying to address those, the costs of the project continue to go up. It would have been nice to have that done years ago. Commissioner Howlett said when we look at that particular corridor, MDT nominated Post Creek Hill and it's nowhere in the plans. We look at safety issues, bottleneck issues and other things – the road to Post Creek is done. But you hit the section of the road where it's narrow and that's a bad section of road that is probably a higher priority than Ronan Urban in terms of safety and keeping traffic moving. You expect to slow down in Ronan but you don't expect to slow down when you come off that improved section from St. Ignatius. I don't know how they are going to ferret it out but I do have some concerns. When we nominate these projects we look at them in the order of the safety issues and the bottleneck issues. We have about 35,000 cars per day on Reserve Street in Kalispell, and 65,000 cars per day on Reserve Street in Missoula, but I don't know how many there are on US 93 particularly in the summertime, but I'm telling you I sometimes wait more than five minutes for an opening to get on a road

where I live. So the volume is tremendous. It used to be after Labor Day that it was kind of a sleepy place but not anymore.

2014 Funding

Paul Johnson said I'm going to lay the groundwork for the rest of the presentation. We talked about the time line; right now we're talking about funding distribution in the Tentative Construction Plan. Essentially there is relatively flat funding. It goes through 2014 and extended the Highway Trust Fund collections through 2016. There are some issues out in the distance. For us what does that mean? It doesn't change our TCP funding categories very much. We have flexibility that allows us to keep our existing programs and especially the programs that are defined in state statute. Even though the funding was relatively flat, we got really good obligation authority especially last year which has allowed us to continue on pretty much as is.

Beyond 2014

What do we know beyond 2014? Not a lot. Future funding beyond 2014 is a little uncertain. I have seen some program extensions similar to MAP21 program structure. We don't have a fix for the Transit Trust Fund that is looming and we have some risks because we're going to lose Senator Baucus. Essentially we do have to make some assumptions about the program moving forward and we're going to assume that the federal program will remain intact with a similar structure to MAP21, and that it will continue to grow very consistent with inflation. We need to keep the program loaded. We can always ratchet down the program and slow down project but we can't jump start the program. We can't assume half the program and then crank it up; that just doesn't work. All the projects in the spreadsheets will tell you that we can't do that.

Adding into the TCP

What are we looking at? Pretty much there are no major program changes, no major project changes, and we have the ability to deliver our high dollar projects but if dramatic federal cuts arise at some point then we'll have to take a time out and re-evaluate project priorities, probably preservation first might be one of the categories that come out, with minimal additions of new projects to the program. But for now, the message is stay the course.

MAP21

We have some compliance issues that we have to address regarding MAP21. One is we have to develop a Transportation Asset Management Plan. That is currently being developed in conformance with federal regulations. We have some performance metrics that have been identified. We have some additional measures that may come down the pike but we have not seen them in the guidance yet. We are meeting and exceeding the current metrics, so no problems there. We anticipate additional impacts to our processes and systems but we don't know precisely what those will be at this point in time. So right now we have compliance with MAP21 and we're on track to develop our Asset Management Plan.

ARRA

We're done with ARRA. We have a requirement to spend all the ARRA money by a certain date. We've done that. Other states have not. There is a redistribution of ARRA funds that might occur. We did a real good job with regard to ARRA. The Commission approved projects, we distributed as equitably as we could at the time. The projects had to be ready so there was that concern. With regard to Transit, it was the same story. Good job for everybody with ARRA funds.

Rest Area Program

There was some question as to why we have the Rest Area Program in the funding reserve and where we're at with the Rest Area Program. It was mentioned earlier that we had a performance audit in 2002. Prior to 2002 the assessment by the residents of Montana was that our rest areas were far below disgusting and embarrassing. I've read all the letters and they are not very flattering. Essentially there was little effort to maintain and upgrade the facilities. So there was an effort to improve them and in 2004 we were still not compliant and not much had changed in two years. The rest areas were still not a priority. We had a review on rest areas in 2004, we promised to do one project per year. Some of those projects were Lima, Harlowton, Deerborn, and Fairmont. What happened is the rest areas were competing with higher projects for funding and would lose every time. So we didn't have any project improvement until roughly 2009 when we initiated our Rest Area Program changes.

We developed an asset management approach in 2009, we developed a funding reserve for reconstruction and rehabilitation work, we had a Prioritization Committee established that looked at project priorities and advanced those recommendations to the Commission. There were some really good results and we addressed a lot of those concerns with regard to that audit. There was a prioritization of activities and a consideration of the costs associated with the alternatives. Then there was the advancement of these preferred alternatives to the Commission for approval. All the projects got approved by the Commission, each and every one. There was also improved accountability to the traveling public.

The results have been 11 major rest area projects – Lima, Harlowton, Conrad; three reconstruction projects – Deerborn, Graycliff, Bearmouth; five rehabilitation projects – Teton River, Lost Trail, Inverness, Rosebud Pass, and Homestake Pass. There was also a savings of tens of millions of dollars because of no duplication of services because we didn't put identical services right next to each other and we didn't put services where there were existing services that might be near a town with a similar type of facility. Proper sizing of facilities was established; we don't have gigantic facilities, they are properly sized facilities. Enhanced design efficiencies – we have state of the art facilities and we are on the cutting edge as far as efficiencies. Elimination of unnecessary facilities – we had one facility in the program that nobody wanted. We went to the public and they said they didn't support it so it came off the books.

Moving forward, we have an updated Rest Area Plan to take all this knowledge that we've compiled in the last few years and we will have that completed in 2014. We track customer satisfaction; customer input is critical. We want to make sure the traveling public is happy. We received the Governor's Excellence Award. Don't forget those horror stories from the state's that cut services. All you have to do is close a rest area or cut services and people show up in my office immediately. They are very important.

Statewide Flooding Disaster

First of all we wanted to show you the magnitude of the flooding. The short version is we've completed our repairs as far as the initial repairs. We've got a few projects that are still remaining. Most of those were awarded in fiscal year 2012. We had a few projects awarded this year. When we get into calendar year 2014, I don't believe we have any of the truly ER projects remaining. That is good. The total cost for the disaster was approximately \$60 million. We'd like to thank our federal partners for helping us with the majority of the funding. We've been reimbursed to the tune of \$50+ million.

Now one little small point is that moving forward we typically have some small events that happen each year and one thing we'd like to do is prepare for that. We

are going to give you that as an option today to reserve \$1.5 million which is not very much compared to the previous years when we asked for \$25 million. But we have these small things that pop up like Shady Lane Bridge for example. We want to reserve an amount for that annually so we can deal with these small issues that come up. In the past we've been able to adjust our obligations to account for these. Now in years where we have lots of dollars or costs come in under, it's not a problem but there will come a day when we have problems with inflation, or construction costs have gone up, and if we don't reserve the money we might get stung. We'll advance that option to you.

Question: Can you tell me what that \$1.5 million includes? Paul Johnson said typically we have three small disasters per year. Typically they are things like bridge issues, filter bridges, mountain slides. The combination of all those events adds up to \$1.5 million.

Budgetary Assumptions

These are the assumptions that we used for our analysis. Essentially nothing changes. Our inflation is 2.8%. The Core Program for Interstate, NHS, and Primaries is about 70% of the program. No real major changes on our budgetary assumptions. So for this year the funding reserve is the Annual Emergency Exigency Program at \$1.5 million annually, that's proposed and you can say yes or no on that. The Rest Area Program is \$5 million annually and has no change. In the future we'll probably reduce that amount when we start meeting more of our higher end needs. Wetland Mitigation and Vegetation is a requirement so I would strongly recommend the continuation of that. Interstate Reserve Capacity Expansion Projects from 2005 approval. Those are the issues regarding funding reserves.

System Performance

These two slides tell why we do things the way we do. The short version is that we utilize a method that attempts to optimize our performance by looking at prioritized needs versus other needs. Lynn Zanto said optimized performance given the funding that we have. It doesn't mean there are more needs; it means we don't have the money for everything. Paul Johnson said the key to this is to know we have more needs than we have dollars. So given our limited funding, what are the optimal things that we would do for pavements, for bridges, and to address congestion? That's what we're looking at. We've tried other methods and they weren't sufficient. The reason it is efficient, to base this on prioritizing needs, is that you're addressing needs directly. We're not doing something indirectly. Then we're not sending more money to the eastern part of the state and not addressing Missoula and their needs. Suffice to say we've tried some things that were less efficient and we've looked at other states and this is the most optimal method.

Where are we at now?

Given our funding, the good news is we are able to meet our performance goal of being in the desirable to superior range with less than 3% of core payments. This assumes that funding will continue like it has in the past. If we get lower funding than in the past, that's going to be a problem.

One other thing we do is to try to have equivalent pavement between the Districts. We don't want to have one District fall under grade and others above grade. So when we allocate funds we do put on a constraint that tries to make those conditions equivalent. That's why you see those lines very closely matched. We're trying to have equivalent pavement conditions. When we go to the NHS System – slightly lower systems; slightly lower performance. Again we're steady and priorities are well arranged. That's good news. There is no significant difference between the Districts in NHS. When we get to the Primary, again it is slightly lower. One thing I want to

point out in regard to MAP21, the emphasis is on the Interstate and the non-Interstate NHS. That's where our performance requirements are going to be. The Primary is lower on the System where we decided what the performance standards should be but still in the desirable range. Commissioner Cobb asked about the difference in years. Paul Johnson said pavement was part of the projects. Commissioner Cobb said but you don't know what the projects are. Paul Johnson said in the first five years we do know, that's the TCP.

Bridge Program

There has been some concern with the Bridge Program since this is no longer a stand-alone funding category. The good news is that didn't affect us much because we typically allocated much more money to our bridges than what was required in the former BR&BH Program. Essentially right now we allocate about two times the level of BR&BH Program. The short version is that even though in MAP21 it is no longer a stand-alone category, we still give full attention to bridges.

We have three new TCP categories that relate to bridges on system and off system as far as STPP. If you need specific information, just ask. It is fully funded and the funding changes at the federal level did not affect our funding levels.

Commissioner Griffith asked if it was fully funded for the bridges that are nominated. Paul Johnson said basically when we establish levels we're analyzing bridges. Commissioner Griffith said but it is not fully funded for the projects that out there and are beyond our capacity. Paul Johnson said that was a good point. That goes back to the fact that we have more needs than we can address with available funding. Lynn Zanto said when they illuminated the category at the federal level through MAP21 you'll hear a lot of rhetoric from different groups that Congress eliminated the Bridge Program and the bridges are all going to collapse and fall apart now because we don't have dedicated funding. Really with MAP21 we do have that funding with more flexibility. Commissioner Griffith said his point was that just because we move the money from one corner to another doesn't change our needs. Lynn Zanto said that's correct. Paul Johnson said it takes a bigger bite out of those needs but, as we all know, we can't address all needs therefore we have to prioritize those needs and that's up to the Bridge Program folks. Commissioner Cobb asked if bridge money has a separate budget or is it divided by District. Paul Johnson said it was a separate program statewide. Commissioner Cobb asked if they did the most critical ones first. Paul Johnson said we do the highest priority bridges first. There are different treatments you can do – replacement, rehabilitation, and surfacing treatments. Dwane Kailey said Jim Walther, Preconstruction Engineer, and Kent Barnes, Bridge Engineer, are here to answer question.

Kent Barnes said I'm very happy to talk about the Bridge Program. One question Commissioner Cobb asked about the worst bridges in the state. I prepared a list for you and listed bridges that are structurally deficient on the sufficiency rating. Sufficiency rating is very complex – it is difficult to compute a sufficiency rating. It takes into account a lot of things including the bridge condition, some of the bridge geometrics, some of the roadway geometrics, the detour length if you had to close the bridge, and a whole bunch of different things. It looks at functional and physical characteristics and rates it from zero to one hundred. It used to be used for federal funding eligibility but under MAP21 it no longer is. Paul Johnson said that was good because under the old federal rules, there were a lot of restrictions where we couldn't actually couldn't do treatments we wanted to do because of the restrictions of the old BR&BH Program. MAP21 has much broader eligibilities. We now have more options for geometric and safety issues.

Commissioner Howlett asked why they were fixing Montana Rail Link bridges. Paul Johnson said it is owned by the State of Montana. What is showing on your sheet is the cost. In that case if we look at this specifically it is a P6 bridge going over the

Montana Rail Link Railroad. We own those bridges. In other cases the features would be bridges crossing rivers, creeks, ravines, roads.

Commissioner Howlett said going back two meetings ago you were going to provide this Commission with a description of the bridges in District One – Russell Street, Maclay, and Higgins. Dwane Kailey said he thought that had been sent to them. Commissioner Howlett said he had not seen it. Dwane said he would double check. Commissioner Howlett said he was looking for a report on the condition of those bridges. Missoula is one of those communities that can't get together on anything but they are all talking about Maclay Bridge. The Madison Street Bridge is listed. It is one of the lowest sufficiency ratings at 35.5 due to its deck condition, its superstructure condition. The biggest problem we're seeing rust is the girders; we're seeing pack rust in the girders. Pack rust is when you have elements that are riveted together and rust starts to form between those and starts to pry them apart. It is packed in there. We are seeing some pack rust in it.

Commissioner Griffith asked how it worked when you have the community involved in discussions about Russell Street extension and a new bridge when we've got one here that is in worse shape than Russell Street. How do we wrestle with that and what do we do? Kent Barnes said he would like to compare and contrast Russell Street and Madison Street. Russell Street I compare to the old Cedar Street Bridge in Helena because it's very narrow, it's a two-lane structure with almost no sidewalks on it and it has a tremendous amount of traffic and we have some condition issues on it. Madison Street is a four-lane structure with sidewalks and an undercarriage on it. So it's a bridge that has four lanes and is really able to carry the traffic that's there now. What is it going to do in the future? That's a different issue as traffic changes in that city. Russell Street, however, has a two-lane bridge and is definitely overwhelmed with the capacity on it right now. Russell Street is also a bridge that you can't practically widen, so the only real solution is a replacement with the demands that are there. The demands call for four lanes with multi-use paths on the side. To try and take Russell Street as it sits and expand it out to that, you really can't do it. On Madison Street you've got four lanes and sidewalks and it is meeting 85% of the needs right now. What it really needs is maintenance at a minimum to meet the transportation needs of the city. It needs deck work and some maintenance work on the girders themselves to stop the rusting and some minor fix up. I can maintain Madison Street on a fairly inexpensive budget. We can't do anything with Russell Street but replace it.

Commissioner Griffith said I understand the Bridge Department does the best it can with the dollars they work with. While the Department has funds for the Custer Avenue Bridge, when they got before the Commission, they were a surprise and they were \$30+ million dollar jobs. So what I don't want is another surprise. That is my frustration. I appreciate the good work you do and yet I don't want to make the picture of bridges look like we are well and good with no needs. Commissioner Howlett asked how we know which bridges are worse and do the dollars go to those – which ones are safe and which ones are not? Commissioner Lambert asked if the state maintains all bridges in Montana or do some of the counties take care of their bridges. Dwane Kailey said the owner maintains the bridge - so bridges owned by the state are maintained by the State, bridges owned by the cities and counties are maintained by the cities and the counties. We do have some individual cases but typically cities that own bridges maintain those bridges and counties that own bridges maintain them.

Commissioner Cobb asked question about the timeframe of expected replacement of the Missoula bridges. Kent Barnes said it is a very difficult item. I want to go back to Madison Street and Higgins Street. Those are tough individual bridges; they are both very big bridges, Madison is structurally deficient, it's also fractured critical. We are trying to work with the city on a study to determine both what their needs are and what their wants are for those bridges. We think that will be a very productive

process. Madison Street and Higgins Street both need at least a preservation effort – deck work and some rehabilitation of the super structure and possibly substructure. We want to align our long-term goals with the wants and needs of the community. So out of that study, we hope to get an idea of the needs and projected growth and traffic projections. There is also what the city thinks is the need and what the people want. The engineering may show that the need is six lanes, three lanes each way, plus a bike/ped path.

Commissioner Howlett said we had our Commission meeting in Missoula and we had this impassioned presentation by the Orchard Homes people on Maclay Bridge. I never heard the other side but I know there is another side. Why are we going to replace that bridge and use allocatable dollars for a bridge when half the people there don't want it and we've got bridges that are falling down and or ready to fall down? There's only so much money, so how do we come to grips with that. The gentleman that spoke this morning on Maclay Bridge said rehab would be a whole lot less than the cost of replacing it. We could take that money and put it into Madison or Higgins but we have to do this replacement on Maclay. I'm totally confused on how come we can't move these things where the priorities are. Lynn Zanto said Maclay Bridge is an off-system bridge so it is really under the jurisdiction of the local government. Commissioner Howlett said we still get the dollars for the off-system bridges. Lynn Zanto said we do but we coordinate with the county. I will tell you there is an equal amount of support for that replacement. We did the corridor planning study and there were two very organized groups – those that wanted the bridge rehabilitation in place and those that that wanted it rebuilt. So it's really the county and local communities' decision on how they want to advance that. Rehabilitation in place is not eligible for federal funding because it would not provide the state convention because it's a one-lane bridge. That's fine if the community decided they wanted to rehab it in place but they could not use federal funding.

Commissioner Howlett asked if CTEP was local money. Lynn Zanto said it is federal money but again those decisions advance to you from what they approve at the local level. Commissioner Howlett asked who wouldn't want to take federal money versus spending your own. Lynn Zanto said you wanted to know this bridge versus another bridge – Russell is a prime example. That project was prioritized back in the late 90's for the Urban Highways for the route to Kalispell. Technically dollars at the time were short but we had supplements in Bridge funding and coupled with that came along dollars on earmarks. Sometimes prioritization comes from a level higher than us. That's some of the complications that we are always juggling and why we go do this numbering system setting number one, two, and three but if Congress comes and gives money to number twenty-nine, we will be extremely criticized when the public sees we're funding number 29 and not number one.

Kent Barnes talked a little bit about the federal part in eligibility. Under MAP21 eligibility has changed. From an on-system standpoint it puts us as the decision makers. When I read the bill, it is unclear to me how that affected STPP money for off-system and whether some of those old rules still apply. I don't know with certainty if they do or don't. I think that it's really our decision whether or not we can fund the rehabilitation on Maclay Bridge. The way I view it is one of the primary objectives of the Bridge Program is safety and when I have a single-lane bridge that has over 2,000 vehicles per day on it and to address the true safety issues, it should be a two-way bridge. If we are going to apply MDT money to it we should address the safety issue and the clear safety issue is more than 2,000 vehicles per day, two-way traffic on a one-lane bridge and the issues that creates. Rehabilitation can't address that. The stance I have taken is that we should not fund it for rehabilitation that does not address what I perceive to be the basic safety issue. Commissioner Howlett said he accepted his explanation; I don't particularly agree with it.

Dwane Kailey said two things I'd like to add to that conversation – one is we've always tried to be a part of internal agency projects and Maclay is a part of that. The

bridge we have is eligible for replacement and we could make the decision because there is enough controversy and enough issues for us to make that funding choice. We are going to have to shuffle that money over to some other bridge. In the past we haven't gone that route; we've tried to be more of a partner. Commissioner Howlett said you're not interpreting my words right. I'm not saying take the money away from Maclay; I'm saying why build a new bridge when we could fix this one and save 90% of the cost of a new bridge. Dwane Kailey said again we are trying to be a partner with the local government and they've taken a stance that they want to build a new bridge. Commissioner Howlett said what we have to be able to do is to say you're not going to get Russell Street for a long time because this is what you've decided to do. The reality is there is only so much money! I don't care what you call it, on-system or off system, there's only so much money in that bill. Am I wrong?

Dwane Kailey said the other thing that is partially confusing is a lot of these projects like Russell Street actually came about with system improvement. Hungry Horse is another example. We did an environmental document for Columbia Heights Hungry Horse that covered that entire section of roadway. The bridge wasn't the primary issue it was the roadway itself and congestion safety. That was the issue. We ran into a hiccup at Bad Rock Canyon which delayed that project substantially. As it delayed it, unfortunately the Hungry Horse Bridge continued to deteriorate and got to a point where we've got to go in and fix the bridge; there's no option anymore, we've got to fix it. I think what's confusing you is there are projects that are selected solely for bridge rehab which Kent is in charge of and then there are other projects put forward by the Districts because of road-related issues but there's a bridge in the middle of the project. Russell Street is another prime example. We nominated Russell Street back in the 90's but because of struggles with the environmental document, we didn't get it done until late 2000. That's been a huge hurdle and in the meantime the Russell Street Bridge has continued to deteriorate because we can't get a consensus from the public and the local government as to what we're going to do out there.

Commissioner Cobb said in the past we rebuilt these bridges to secure the whole system. Then we have to make sure the system is structurally correct first. We can't do what we did in the past, we have to make sure the system is viable and that may mean some of the locals making the decisions Kalispell expands, Missoula expands, and we don't want to do the expansions at the expense of the entire state. I'm trying to figure out how you make these decisions and will that change over the next couple of years. Dwane Kailey said with the renewed flexibility with MAP21, Ken put together a prioritization plan for bridges. It is a vast improvement and the flexibility of MAP21 allows us to really assess our bridges and program the most appropriate bridges into the future. Commissioner Cobb asked when we'd see that. Kent Barnes said he wanted to thank the Commission for approving several projects that we advanced to you over the last year using this plan. Commissioner Lambert said if we fix the bridge rather than rebuild the bridge, because of the funding, can we take that money and put it toward a different bridge on that list. Kent said the Bridge Program money is flexible – we put it where we feel the needs are and if the needs change we can move it from one place to another.

I'd like speak to the rehab estimate of Maclay Bridge. I've seen the rehab estimate and it's very optimistic and has a lot of cost risk to it. I would expect that if they go that route there will be a significant cost growth. Still it would probably be cheaper. Commissioner Howlett said it is a decision the locals are going to have to make but if they make that decision there are consequences down the road because we don't have the money to do it all. Director Tooley said he had been to meetings where each one of the groups has shown up but they never show up at the same time.

Paul Johnson said over the past year you're starting to see some of the new projects for the Bridge Program. There were a lot of constraints on the program; we had really limited options as far as the old BR&BH program. Over the last year we've seen a lot of rehabilitation projects. As you recall we had large stretches of roadway

where we were doing rehabilitation projects. We wouldn't have had that opportunity under the old program. As far as implementation goes, it's already underway.

Congestion

Paul Johnson said congestion is one of those things we look at in our analysis. While we report on a statewide and district-wide level, typically we identify segments where we have congested areas. There was a project earlier today in eastern Montana that was an example of how we can curb congestion. We looked at the roadway and identified the needed repair. Typically these things are implemented on small segments of roadways. We look at the areas individually and assess where we need projects. If there's a study that's necessary, we'll do a study. If a project needs to be formed, we can do a project. If an existing project is in place, then we add capacity if necessary. This slide shows the level of service descriptions we have in place (referring to slide). Here's a slide showing the overall conditions we see statewide.

When we're looking at the Interstates, it's intuitive that we don't have a lot of congestion issues on the Interstate although there are a few spot locations. When we look at the NHS System typically we find in District One and District Two that we have some congestion issues. That shouldn't be a surprise, for instances, Gallatin Canyon is one of the areas in District Two. In the Missoula District we see some issues and we're addressing those issues as we move along on a case-by-case basis. On the Primary System there is less congestion. One thing about this analysis, it is likely to change based on MAP21 direction. We're not sure entirely what that will be; that is yet to be determined. Overall we are meeting our congestion goals as they currently exist and moving forward we should be able to address any issues.

Distribution of Funds

Paul Johnson said our goal over the analysis period is to provide quality of pavement conditions that is roughly equivalent to each district. We did our analysis through 2022. You don't see a significant difference between the districts. Our distribution of funds to achieve optimal performance is as follows:

Commissioner Cobb asked a question on pavement performance Paul Johnson said I'll have to go back to the graph. Kent Barnes said as you see we obviously do not distribute funds under any of the other methods we previously discussed. But this gives you fewer performance goals. We are shooting for equality of pavement conditions for the distribution we see with regard to how that will translate to allocations. We're assuming roughly \$250 million will go to the Interstate and NHS Systems.

P3 Process Method

One thing we always do is talk about our P3 methodology and our success story. This has been around for about a decade and one thing we have done is an indirect pledge for superior performance over time. We've been ranked consistently superior which is a report that measures overall highway performance and efficiency and we're consistently in the top five nationally. Good job to the Commission and MDT for a great job over time.

Director Tooley

Director Tooley said you've seen the information and the funding distribution. You've seen where the money will go for fiscal year 2018. I'm going to ask you not only to concur in the distribution but the reserves for \$1.5 million the Rest Area Reserve and Wetland Mitigation and all those different items. We need your concurrence before we move forward and start the program report.

Question: On estimated district obligation you have estimated allocations for 2018 – does that change every year? Director Tooley said it changes every year. If you look at last year it didn't change much because of a relatively flat program but over time it will grow. The estimate will be wrong and it's just a matter of which side we're on. Probably this year we may be underestimating a hair and last year we overestimated a hair.

Commissioner Skelton asked if we make a motion, do we take out the annual emergency proposed. Commissioner Howlett said they would set those reserves up in the motion. Those reserves would be continued annually. We've approved up through 2017 in a previous action so this would be for 2018 forward. Commissioner Lambert asked if we approve these, what happens next year when something changes, can we go back and change it. Director Tooley said that was correct. You are talking about anticipated funding right now and that simply allows us to begin programming. What you get into fiscal 2018, nobody knows at this point.

Commissioner Howlett thanked Paul Johnson and the people in the Department that put the presentation together. It's a learning curve for all of us. After 12 years, I learn something new at every meeting.

Commissioner Lambert moved to approve the P3 percentages proposed by the Department – distribution and reserves. Commissioner Skelton seconded the Motion. All Commissioners voted aye.

The motion passed unanimous.

Director Discussion & Commission Updates

Director Tooley said we just talked about funding and I have some more funding to talk about. Basically I wanted to give you an update on where we're at with that. We've been watching federal appropriations very closely. Right now we expect Congress to have a Continuing Resolution by midnight Monday or the federal government shuts down. Where does that leave MDT? Basically we're expecting to see a Continuing Resolution through November 15th. It's all tied to defunding Obama Care and other things so it's pretty darn confusing and concerning to us. We are still going to continue with project lettings in November. We anticipate the money will be there but even if it isn't, project lettings in that month are small enough to where we can advance construct. Jim Walther has been pretty confident in that fact. If the federal government shuts down we can still continue to do some amount of business at MDT and get the money out the door and get some work done. Why this is important and why we had the long discussion about funding is if you look at other states such as my counterpart in Rhode Island who is tied up to a level of 40% of his budget on Garvee Bonds and TIFYA, he has to make those payments so he won't be doing any new work in fiscal year 2014. That's not going to happen in Montana but we do need to talk about what can happen after the expiration of MAP21 is at the end of fiscal year 2014 to start fiscal year 2015.

We've all seen what's gone on with the Federal Highway Trust Fund. There's been more money taken out of it than has been going into it to the tune of about \$15 billion per year for a pretty serious amount of time. The fund is insolvent. Congress has to do something about it. Their choices so far have been to supplement that with General Fund transfers. With last year's fiscal cliff, that's going to make it even more difficult for them to do that this year so the Highway Trust Fund faces its own fiscal cliff in 2015. We're passing around a chart that will explain that. If you look at the level of funding and if Congress chooses to do nothing and allows the fiscal cliff to occur in 2015, you're going to see expenditures of \$40 billion on the federal side turn into \$200 million in fiscal 2015. At that point that would make next year's P3 discussion very short because we would probably see little if any funding and

anything we do would be state funded. That is something to keep in mind. Commissioner Howlett said if we get to that point in our Democracy it's absolutely insane. Director Tooley said I'm in agreement with you. Actually many members of Congress are and I've heard from Chairman Schuster a Republican on the House side who is saying the exact same thing as Chairman Boxer a Democrat on the Senate side. They are saying the exact same thing. They know that highway infrastructure is very important to the American economy.

Where do we see this going? Under this scenario, our funding would decrease by 99.5%. That's just unacceptable! We'd see probably \$2 million from our friends at Federal Highways. Commissioner Howlett said that wouldn't support their staff let alone any projects. Director Tooley said exactly. We might have to pick them up to bring them to Highway Commission meetings.

What's being talked about to fix this? I think in the near term we're going to see another attempt at a General Fund transfer; that's always a short-term fix but it's the easiest thing for the federal government to do. At the same time we have people like Max Baucus working on federal tax reform, closing some of the loop-holes, changing how some of the tax structures are formed. He's pretty confident that by doing that, revenue will come into the federal government that will allow for more investment in infrastructure. The Senator has made it one of his three priorities before he leaves office to make sure there is sustainable funding for transportation through either tax reform or a long-term highway funding bill. Today looks pretty grim; however, in the future if the two houses can get together we could be in pretty good shape. Today it's very uncertain. MDT isn't stopping what they are doing in the meantime.

At the same time you have a lot of groups advocating for such things as General Fund transfers from the State General Fund into construction programs. Commissioner Howlett said that was the point Commissioner Cobb made – they all want projects so they're going to have to pony up some resources to get there. Director Tooley said exactly. It takes some hard calls on the part of people with political power and it's difficult for them to do that. We are looking at fuel tax increases on the federal level probably not stateside because 80% of the people are still against it and would vote against it. Other taxes such as vehicle miles traveled or some kind of index against gas tax that matches inflation. Now there are a number of potential funding possibilities out there but right now they're all just being talked about. I anticipate General Fund transfers in the meantime. Commissioner Lambert said fuel tax increase would be exactly the same thing as a miles traveled tax. Commissioner Cobb said we come up with other ways to do it because we don't want to do a gas tax increase. Director Tooley said you lay out the need and let the people who appropriate money figure out how to pay for it. At some point, there will be no alternatives left and you have to choose one. They are smart people and will realize at that point what's important. Commissioner Howlett said think of where we would be in terms of the projects that have been completed if we had not had the Stimulus – we'd be in a world of hurt with projects that had to get done. If we hadn't received that Stimulus they wouldn't have gotten done and we'd still be talking about them. Dwane Kailey said your performance grade would be drastically different.

Route Designation Policy

The Route Designation Policy has been brought to me by staff. It's on our radar and it will be forthcoming. So we'll advance that at a future meeting.

We have already talked about Maclay Bridge.

Announcements

The Annual Tribal Safety Summit is October 15th at the Gateway Center here in Helena. You're all welcome to attend. It's usually a very good discussion about what's going on in Indian country regarding traffic safety.

The very next day is our Comprehensive Highway Safety Plan Meeting. Again any of you are welcome to attend and participate in any one of the concentration areas such as seat belts, DUI, or motorcycle safety. That is a very important planning aspect of highway safety in Montana.

The 100th Anniversary Celebration is continuing. We just had one in Billings and it was very well attended. It was good for the employees. I'm prodding the other Districts to have something and we'll make sure you're invited.

Naming Infrastructure and Memorializing Veterans

The Commission asked me to contact the American Legion or the VFW. I am having meetings with them in the next couple of weeks and I'm going down to their fall meeting at the end of October and will be available for questions. General Quinn and I have been in contact about a vetting process and I'll eventually come back to the Commission with some suggestions and see if you want to remain involved. Basically I've told the Veteran's organizations that it appears the Commission views them as almost the same as a local government, so if a recommendation comes from a group like that it would be highly considered. So we're going to push that back to those organizations.

Hungry Horse Bridge

Commissioner Howlett asked Director Tooley to provide them the Status Report on the Hungry Horse Bridge. I have not seen it and I understand it's been completed. I can tell you a little bit about it and Dwane can tell you about it also. That is on an accelerated schedule. It isn't mature enough to be bumped up much past 2016. In the meantime they are doing some of the work to address some of the concerns you saw specifically on the bridge abutment. They are going to fortify that and take care of some of the rebar that's hanging down and give it some treatments that will make it not only more visually pleasing but improve safety for those who might be underneath it. So there is work going on. That bridge will be replaced and it's on schedule and I don't see anything in its way for new construction. If you are wondering if anything has been done, it has been accelerated after your visit. Commissioner Howlett said it was a great concern to the Commission when we were there. The people in Kalispell talked about an economic issue but if the bridge failed it would be an economic disaster. There was a slide up on Hwy 2 near Glacier Park years ago and it was very difficult for people for a couple of weeks. If the bridge failed, it would be down for more than a couple of weeks. Director Tooley said the bridge engineers looked at it and they are not concerned. I have faith in people like Kent Barnes so I think we are on target.

Next Commission Meeting

The next Conference Calls were scheduled for October 8, October 22, 2013. The next Commission Meeting was scheduled for October 31, 2013.

Adjourned

Meeting Adjourned

Commissioner Howlett, Chairman
Montana Transportation Commission

Mike Tooley, Director
Montana Department of Transportation

Lori K. Ryan, Secretary
Montana Transportation Commission