

MINUTES OF THE  
MAG MANAGEMENT COMMITTEE MEETING  
March 9, 2016  
MAG Office, Saguaro Room  
Phoenix, Arizona

MEMBERS ATTENDING

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| Darryl H. Crossman, Litchfield Park, Chair    | # Gregory Rose, City of Maricopa         |
| Ed Zuercher, Phoenix, Vice Chair              | Christopher Brady, Mesa                  |
| Bryant Powell, Apache Junction                | Kevin Burke, Paradise Valley             |
| David Fitzhugh, Avondale                      | Carl Swenson, Peoria                     |
| # Stephen Cleveland, Buckeye                  | Greg Stanley, Pinal County               |
| * Gary Neiss, Carefree                        | John Kross, Queen Creek                  |
| * Peter Jankowski, Cave Creek                 | * Bryan Meyers, Salt River Pima-Maricopa |
| Marsha Reed, Chandler                         | Indian Community                         |
| Dr. Spencer Isom, El Mirage                   | Brad Lundahl for Brian Biesemeyer,       |
| # Lisa Garcia for Brent Billingsley, Florence | Scottsdale                               |
| Alfonso Rodriguez for Phil Dorchester, Fort   | Rick Buss for Bob Wingenroth, Surprise   |
| McDowell Yavapai Nation                       | Andrew Ching, Tempe                      |
| # David Trimble for Grady Miller,             | * Reyes Medrano, Jr., Tolleson           |
| Fountain Hills                                | Joshua Wright, Wickenburg                |
| * Terry Weter, Gila Bend                      | # Jeanne Blackman, Youngtown             |
| * Tina Notah, Gila River Indian Community     | Eric Gudino for John Halikowski,         |
| Patrick Banger, Gilbert                       | ADOT                                     |
| Kevin Phelps, Glendale                        | Jennifer Toth for Tom Manos,             |
| Brian Dalke, Goodyear                         | Maricopa County                          |
| # Rosemary Arellano, Guadalupe                | Scott Smith, Valley Metro/RPTA           |

\* Those members neither present nor represented by proxy.

# Participated by telephone conference call.      + Participated by videoconference call.

1.     Call to Order

The meeting of the MAG Management Committee was called to order by Chair Darryl H. Crossman, Litchfield Park, at 12:04 p.m.

2.     Pledge of Allegiance

The Pledge of Allegiance was recited.

Ms. Rosemary Arellano, Mr. Brent Billingsley, Ms. Jeanne Blackman, Mr. Stephen Cleveland, Mr. Gregory Rose, and Mr. David Trimble joined the meeting via teleconference.

Chair Crossman introduced two new members of the Management Committee: Mr. Scott Smith, former Mayor of Mesa, who is the Interim CEO for Valley Metro, and Mr. Kevin Phelps, the new Glendale City Manager. Chair Crossman welcomed them to the Management Committee.

Chair Crossman noted that a legislative summary for agenda item #11 was at each place.

Chair Crossman expressed his appreciation to everyone for their prayers, well wishes, cards and emails during these last few months. Chair Crossman stated that the communications sustained him. He also thanked Vice Chair Ed Zuercher for chairing the Management Committee meetings in his absence.

3. Call to the Audience

Chair Crossman recognized public comment from Ms. Laura Medina, who stated that this meeting was taking place on the ancestral territory of the Tohono O'odham tribe. She stated that the Management Committee should pay its respects to these people. Ms. Medina stated that she is an indigenous person, a resident of Phoenix, and a registered voter. She stated that she represents the non-profit Indigenous People's Coalition. Ms. Medina quoted statistics that showed the racism and prejudices faced by indigenous people in this region. She stated that the Indigenous People's Day Coalition is promoting the abolishment of Columbus Day and establishing an Indigenous People's Day in its place. She stated that everyone in the community is invited to the Indigenous People's Day celebration they have planned on October 10, 2016. Chair Crossman thanked Ms. Medina.

4. Executive Director's Report

Mr. Dennis Smith, MAG Executive Director, reported on items of interest to the MAG region. Mr. Smith announced that letters will be mailed to approximately 7,000 households in the region informing them that MAG will be conducting the Household Travel Survey on travel behavior. He noted that recipients of the letters sometimes call their city manager's office to confirm if a survey is legitimate.

Mr. Smith encouraged entries for the 2016 Desert Peaks Awards. He noted that the entry deadline is this Friday, March 11.

Mr. Smith stated that MAG Regional Continuum of Care was awarded more than \$21.8 million in homeless assistance funding from a grant from the U.S. Department of Housing and Urban Development. He stated that Coordinated Entry, a prioritization process for those seeking homeless services, was funded in the amount of \$855,158. Mr. Smith acknowledged the invaluable journeyman experience of staff like Ms. Anne Scott, in submitting successful applications. He stated that Ms. Scott came to MAG from the state continuum of care, and this is an example of the importance of portability with the Arizona State Retirement System.

Mr. Smith reported that the exceptional events lawsuit will be heard at the U.S. Court of Appeals the week of June 13-17. He noted that 25 exceptional event days were documented between

2011-2012. Mr. Smith reviewed the timeline. In June 2014, EPA approved the MAG 2012 Five Percent Plan for PM-10 for the Maricopa County Nonattainment Area. On July 29, 2014, the Arizona Center for Law in the Public Interest filed a lawsuit challenging EPA's approval of the Plan. The Court has not decided if MAG is an Intervenor or Friend of the Court. Mr. Smith noted that MAG's legal counsel in Washington, D.C., is working on this issue.

Mr. Smith stated that he recently attended the groundbreaking for the new El Mirage City Hall. He said the City has been active on a new public safety building and a new YMCA and have a partnership with the John F. Long family on the land for this project.

Mr. Smith stated that more than 200 people recently attended the Chamber of Commerce breakfast called Opportunity Arizona: Identifying a Qualified Workforce. Mr. Smith stated that this subject is relevant to Joint Technical Education Districts (JTEDs). He noted that decreased funding to JTEDs negatively impacted the program, but the Governor has restored funding. Mr. Smith reported that automotive and mining industry representatives attended the recent Joint Planning Advisory Council meeting and noted that not having a qualified, technically-trained pool of trade employees is hindering them conducting their business. Mr. Smith added that MAG has produced four videos on JTED programs. The aviation mechanic video was played. Mr. Smith stated that the videos are available for broadcast on members' channel 11s. He added that a fact sheet was also produced and can be emailed. Mr. Smith remarked that this is the type of foundation needed for jobs. Chair Crossman thanked Mr. Smith for the report.

5. Approval of Consent Agenda

Chair Crossman stated that agenda items #5A, #5B, #5C, #5D, #5E, and #5F were on the Consent Agenda. Chair Crossman asked members if they had questions or requests to hear a presentation on any of the Consent Agenda items.

No questions were noted.

Chair Crossman called for a motion to recommend approval of Consent Agenda items #5A, #5B, #5C, #5D, #5E, and #5F.

Mr. Joshua Wright moved, Mr. Carl Swenson seconded, and the motion passed unanimously.

5A. Approval of the February 10, 2016, Meeting Minutes

The MAG Management Committee, by consent, approved the February 10, 2016, meeting minutes.

5B. Amendment to the On-Call Contract for Bottleneck Data Collection, Model Validation and Improvement

The MAG Management Committee, by consent, recommended approval of the amendment to the On-Call Contract for Bottleneck Data Collection, Model Validation and Improvement to include

an addition to the scope of work, to increase the On-Call budget by \$85,000, and to extend the On-Call schedule by six months. The fiscal year (FY) 2016 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2015, includes on-call consulting services for Bottleneck Data Collection, Model Validation and Improvement. In order to use the data collected in this On-Call for the development, calibration and validation of the sub-area corridor micro-simulation model for the I-17 corridor near-term improvement analysis, an amendment to the On-Call scope, budget, and schedule is required. The amendment will include additional tasks designed to develop, calibrate and validate MAG micro-simulation models and perform relevant data analyses. The additional funds needed for these applications of the bottleneck data and completion of the I-17 sub-area corridor micro-simulation model are \$85,000. A six-month schedule extension is required in order to complete the additional scope of work. (from the current contract expiration date of May 1, 2016 to the new contract expiration date of November 1, 2016).

5C. Project Changes - Amendment and Administrative Modification to the FY 2014-2018 MAG Transportation Improvement Program, Fiscal Year 2016 Arterial Life Cycle Program, and as Appropriate, to the 2035 Regional Transportation Plan

The MAG Management Committee, by consent, recommended approval of amendments and administrative modifications to the FY 2014-2018 MAG Transportation Improvement Program, Fiscal Year 2016 Arterial Life Cycle Program, and as appropriate, to the 2035 Regional Transportation Plan. The Fiscal Year (FY) 2014-2018 Transportation Improvement Program (TIP) and 2035 Regional Transportation Plan were approved by the MAG Regional Council on February 24, 2016. The FY 2016 Arterial Life Cycle Program was last modified on October 28, 2015. Since then, additional project changes and additions have been requested by member agencies. Changes to the Arterial Life Cycle Program (ALCP) within the current TIP window are included in Table A. Changes to the ALCP outside the current TIP window are included in Table B. General highway project changes are included in Table C, and Federal Highway Administration sub-allocated funding for the second request of closeout are included in Table D and are addressed under a separate agenda item. Projects in Table E are contingent on a new finding of conformity in the Pinal County portion of the MAG planning region. A new finding of conformity for these projects is addressed under a separate agenda item. On February 25, 2016, the Transportation Review Committee recommended the project changes for approval.

5D. Federal Fiscal Year 2016 Closeout Programming - Round Two - Amendment and Administrative Modification to the FY 2014-2018 MAG Transportation Improvement Program, and to the 2035 Regional Transportation Plan

The MAG Management Committee, by consent, recommended approval of the priority listing for round two closeout projects and of the necessary amendments and administrative modifications to the FY 2014-2018 MAG Transportation Improvement Program, and as appropriate, to the 2035 Regional Transportation. At the January 28, 2016, MAG Transportation Review Committee (TRC) meeting, FY 2016 Closeout programming was initiated for Federal Highway Administration sub-allocated funding, which includes funds from the Congestion Mitigation and Air Quality Improvement Program (CMAQ), Highway Safety Improvement Program

(HSIP-MAG), Surface Transportation Program (STP-MAG), and Transportation Alternatives Program (TAP-MAG). It was determined that the MAG region is estimated to have federal funding available for the second round of Closeout programming for FY 2016 design work phase priorities for federally funded construction projects that are scheduled in FY 2018. The types of projects include Bicycle/Pedestrian, Intelligent Transportation Systems, Paving of Unpaved Roads, Highway Safety, and Pinal County Arterial projects. The process is guided by the Federal Fund Programming Guidelines and Procedures that were approved by the MAG Regional Council in June 2015. On February 25, 2016, the MAG TRC recommended approval of the priority listing for round two closeout projects and of the necessary amendments and administrative modifications.

5E. New Finding of Conformity for the FY 2014-2018 MAG Transportation Improvement Program and 2035 Regional Transportation Plan, As Amended

The MAG Management Committee, by consent, recommended approval of the new Finding of Conformity for the FY 2014-2018 MAG Transportation Improvement Program and 2035 Regional Transportation Plan, as amended. On January 29, 2014, the MAG Regional Council approved the Fiscal Year 2014-2018 MAG Transportation Improvement Program (TIP) and 2035 Regional Transportation Plan. Since that time, an amendment to the TIP and 2035 Regional Transportation Plan is required for new projects to be implemented in Pinal County. The project modifications impact the modeling assumptions used in the most recent conformity analysis and a new regional emissions analysis for the Pinal County PM-10 and PM-2.5 nonattainment areas was conducted. The results of the regional emissions analysis for the amendment meet the transportation conformity requirements for PM-10 and PM-2.5 for the Pinal County nonattainment areas. On February 5, 2016, a 30-day agency and public review period began on the conformity assessment and amendment. Comments were requested by March 23, 2016.

5F. Conformity Consultation

The Maricopa Association of Governments is conducting consultation on a conformity assessment for an amendment and administrative modification to the FY 2014-2018 MAG Transportation Improvement Program and 2035 Regional Transportation Plan. The amendment and administrative modification involve several projects, including Arterial Life Cycle Program projects. The amendment includes projects that may be categorized as exempt from conformity determinations. The administrative modification includes minor project revisions that do not require a conformity determination. This item was on the agenda for consultation.

6. MAG Freight Plan and FAST Act Freight Program Update

Mr. Tim Strow, MAG staff, updated members on the MAG Freight Plan and federal transportation funding legislation, Fixing America's Surface Transportation Act (FAST Act). Mr. Strow stated that previous federal transportation funding legislation, MAP-21, provided funding for a freight program. The FAST Act specifies funding for two freight programs: the Nationally Significant Freight and Highway Projects Program (FASTLANE GRANTS) and the National Highway Freight Program.

Mr. Strow stated that the FAST Act includes \$6.3 billion in funding over five years for the National Highway Freight Program. He explained that the fund distribution is based on the percentage of miles a state has on the primary highway freight network. Mr. Strow noted that Interstates 10, 17, 19, and 40 in Arizona were identified in the program.

Mr. Strow stated that based on its total number of freight miles, Arizona is eligible to designate 103 miles of critical urban corridors statewide. He stated that a critical urban corridor could be an arterial or a highway, just as long as the corridor connects to an identified freight corridor. Mr. Strow stated that MAG, as the local metropolitan planning organization (MPO), coordinating with the Arizona Department of Transportation (ADOT), has the responsibility for the urban freight corridors. He added that ADOT with other MPOs and local agencies will identify the rural freight corridors.

Mr. Strow stated that the State kicked off its statewide freight plan last year. He indicated that the effort is anticipated to wrap up in December 2016 or January 2017. Mr. Strow stated that the MAG Freight Plan was initiated in December 2015 and will feed into the state plan in order to have a unified vision. Mr. Strow stated that stakeholder outreach has just begun for the MAG freight plan, which will identify the critical urban freight corridors.

Mr. Strow displayed a map of the transportation, distribution, and manufacturing employers in the MAG region. He said that a focus in the identification of the critical urban freight corridors will be these locations, or clusters. Mr. Strow stated that they also will be identifying future clusters and the growth of these clusters. He indicated that staff is also working with local agencies and GPEC on this effort. Mr. Strow stated that goals of the MAG Freight Plan include understanding the businesses and supply chains in the region and creating a product the cities can use in economic development efforts. He added that MAG staff is currently creating a freight viewer to identify businesses and supply chains along with freight.

Mr. Strow displayed a map developed from American Trucking Research Institute data of the Loop 101 and Interstate 10 area. He explained how every five minutes GPS pings trucks stopped in the designated area, and this is important in identifying the critical freight corridors throughout the region and the Sun Corridor. They then can sit down with cities and discuss land use.

Chair Crossman thanked Mr. Strow for his report. No questions from the Committee were noted.

#### 8. City of Phoenix Funding Agreement

This agenda item was taken out of order.

Mr. Dennis Smith stated that MAG has been working on the South Mountain Freeway for a long time. He reported that this 22-mile corridor is the largest public works project in Arizona's history. Mr. Smith stated that the South Mountain Freeway was originally scheduled for a 2023 completion, however, implementing it as a design/build/maintain project will allow the project to be completed in 2019.

Mr. Smith stated that there is unfamiliarity with this large of a project -- the construction amount itself is almost \$1 billion -- and it will require an extraordinary amount of coordination with the City of Phoenix. He stated that assistance to the City of Phoenix is needed in order to be successful with meeting the aggressive timeline. To accommodate this, the City needs some temporary assistance. Mr. Smith stated that the funding would not exceed \$350,000 per year for a period of two years, with an option to extend the agreement for two additional one-year periods if necessary.

Mr. Smith stated that the positions would coordinate with the consultants and assist with maintenance and control of traffic, utility relocation, wells, waterlines, pedestrian crossings, the shared use path on Pecos Road, etc. He reported that the funding would come from the South Mountain Freeway project fund. The funds would go to MAG, who would issue a contract with the City of Phoenix. Mr. Smith stated that MAG staff is recommending approval of this agreement in order to keep the project moving forward.

Chair Crossman thanked Mr. Smith for his report and asked if there were questions.

Vice Chair Ed Zuercher expressed his appreciation to Mr. Dennis Smith, Mr. Eric Anderson, and MAG staff for working with the City of Phoenix on this effort. He remarked that this type of project is new ground and he appreciated MAG working with the City to keep the project on track.

Mr. Chris Brady moved to recommend approval that MAG enter into a funding agreement to provide for two positions in Phoenix to coordinate activities related to the South Mountain Freeway for an amount not to exceed \$350,000 per year for a period of two years, with an option to extend the agreement for two additional one-year periods if necessary. Mr. Rick Buss seconded, and the motion passed unanimously.

7. USDOT TIGER (Round 8) and FASTLANE Grants - FFY 2016

Ms. Audra Koester Thomas, MAG staff, reported on Transportation Investment Generating Economic Recovery (TIGER) and Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) grants.

Ms. Thomas stated that TIGER grants are extremely competitive and sought after. She said that approximately six percent of applications receive funding; since 2009, 381 TIGER grants have been awarded in the U.S., seven in Arizona. Ms. Thomas indicated that successful projects have been “transformative” projects with a strong local funding match, are regionally supported and many of them are multimodal.

Ms. Thomas stated that on February 23, 2016, the U.S. Department of Transportation issued a Notice of Funding Opportunity (NOFO) for the eighth round of TIGER grant funding. A total of \$500 million is available this year through a multimodal, merit-based, competitive grant program. Ms. Thomas stated that eligible applicants include any governmental entity (city, county, state, tribe, MPO, etc.). Eligible projects include highways, bridges, transit, bicycle/pedestrian, freight rail, passenger rail, intermodal facilities, and ports. Ms. Thomas stated that urban grants range

from a minimum of \$5 million to \$100 million with a 20 percent local match requirement. Rural grants range from a minimum of \$1 million to \$100 million with no local match requirement.

Ms. Thomas addressed TIGER criteria. She stated that primary criteria important to a successful application include safety, state of good repair, economic competitiveness, quality of life, and environmental sustainability. Secondary criteria include innovation and strong partnerships, both public and private. Ms. Thomas stated that projects that promote Ladders of Opportunity, an initiative to connect education and economic development opportunities for the economically disadvantaged populations, play very well for TIGER grants.

Ms. Thomas stated that important considerations for TIGER grants include project readiness (technical feasibility, financial feasibility, a schedule that can obligate funds by June 30, 2019, and environmental approvals and permits achieved). She advised that an extensive benefit-cost analysis is required for both FASTLANE and TIGER grant applications. Ms. Thomas added that an economic impact analysis is optional and regionally-supported projects are valued, particularly for TIGER grants.

Ms. Thomas reviewed last year's TIGER VII regional project application process, which began with MAG issuing a call for non-transit project ideas and Valley Metro issuing a call for transit project ideas. She noted that all projects were evaluated by the MAG Transportation Review Committee, and approved by the MAG Regional Council. Ms. Thomas stated that the I-10/I-17 Spine Corridor Improvements regionally supported urban project requested a \$25 million TIGER grant but was not awarded. The SR-347 Grade Separation regionally supported rural project received a \$15 million TIGER grant. The Grand Canal Bicycle and Pedestrian Improvements project submitted by the City of Phoenix received a \$10.3 million TIGER award.

Ms. Thomas stated that FASTLANE focuses on freight and the total funding allocated is \$800 million. She stated that these grants are for very large projects -- a \$25 million grant minimum and a 60 percent grant share. Ms. Thomas stated that construction will need to begin in 18 months of obligation, so projects need to be shovel ready. She noted that the deadline for project submissions is April 14, 2016.

Ms. Thomas stated that the goal for the TIGER VIII grants is to have one regionally supported urban project and one regionally supported rural project. She noted that Valley Metro will be discussing transit project ideas at the March 16 Regional Transit Advisory Group meeting. Ms. Thomas stated that MAG could issue a call for project ideas as early as that day, March 9. She noted that the sponsoring jurisdiction will be responsible for preparing and submitting the application.

Chair Crossman thanked Ms. Thomas for her report. He asked if there were questions.

Mr. Dennis Smith noted that there is a pool for urban projects and a pool for rural projects. He stated that MAG has been requested by the Pima Association of Governments to lend support to the SR-189 project, which is an essential international freight corridor.

9. Ozone Boundary Designations

Ms. Lindy Bauer, MAG staff, reported that on October 26, 2015, the Environmental Protection Agency (EPA) published a final rule to strengthen the federal eight-hour ozone standard from 0.075 to 0.070 parts per million. She stated that by October 1, 2016, states are required to submit designation recommendations for nonattainment/attainment to EPA. Ms. Bauer indicated that on February 23, 2016, the Arizona Department of Environmental Quality conducted two stakeholder meetings on the Ozone Boundary Designations and the preliminary data collected to date.

Ms. Bauer stated that by October 1, 2017, EPA anticipates finalizing the designations, classifications, and attainment dates based upon the 2014-2016 ozone monitoring data. After this, the MAG region will be given an attainment date between the years 2020 to 2037.

Ms. Bauer stated that ozone occurs from a chemical reaction of volatile organic compounds and nitrogen oxides in the presence of sunlight. She said that approximately 58 percent of volatile organic compounds is formed from biogenic material. Other sources of emissions are cars and trucks, solvents, fuel storage and transport, wildfires, landfills, lawn and garden equipment, mining and construction equipment, etc. Ms. Bauer stated that the largest contributor to nitrogen oxide emissions is onroad sources at almost 61 percent, with biogenic sources at 1.2 percent.

Ms. Bauer stated that the Arizona Department of Environmental Quality (ADEQ) has been analyzing the nonattainment areas and boundary designations. She said that nonattainment areas include areas that are violating the standard or are contributing to the nonattainment of other nearby areas. Ms. Bauer stated that ADEQ is evaluating five factors: air quality data, emissions and emissions related data, meteorology, geography/topography, and jurisdictional boundaries.

Ms. Bauer displayed a map of MAG's current eight-hour ozone nonattainment area, which encompasses 5,017 square miles. She noted that there are 20 air quality monitors within the current boundary, and she added that of those 20, 13 do not meet the new ozone standard.

Ms. Bauer pointed out on the map MAG's MPO planning boundary for transportation. She noted that per state law, if a nonattainment area includes an MPO, that agency prepares the air quality plan.

Ms. Bauer addressed two monitors located just outside the MAG nonattainment area boundary. One of the monitors is the Tonto National Monument monitor that is located in the Tonto National Forest. Ms. Bauer indicated that biogenics contribute to the formation of ozone and this monitor is at 0.071, only slightly over the standard, and the tightened standard is .070.

Ms. Bauer stated that the second monitor is the Queen Valley monitor in Pinal County. She indicated the monitor is located in a retirement area and is on the border of the Tonto National Forest. Ms. Bauer indicated that this monitor is at 0.071, only slightly over the standard.

Ms. Bauer stated that the state is examining whether the current nonattainment area should be expanded to include those two monitors. She pointed out a graph of the ozone monitoring trend

at the Queen Valley and Tonto National Monument monitors, and she noted a downward trend in concentrations and that they are almost in attainment.

Ms. Bauer stated that background ozone is an emerging issue in the U.S. She noted that the EPA conducted two workshops in this region on February 24 and 25. Ms. Bauer explained that background ozone comes from natural sources: plants, trees, wildfires, and stratospheric ozone intrusion, in which a major storm can pull down ozone from the stratosphere to lower levels. She stated that background ozone can also come from transport from other states and countries.

Ms. Bauer reported that EPA estimates that in 2017, background ozone will be 50 percent of the concentration in the Maricopa nonattainment area, 70 percent of the concentration at the Queen Valley monitor and 71 percent of the concentration at the Tonto National Monument monitor. Ms. Bauer stated that at the EPA workshop, Colorado representatives noted that there are emissions near one of its monitors that are uncontrollable.

Ms. Bauer stated that background ozone has become a bigger portion of the concentrations in the nonattainment areas and this creates a big problem nationwide because background ozone cannot be controlled. She said that states and local agencies focus on manmade emissions instead.

Ms. Bauer displayed a map of the EPA estimate of background ozone concentrations in the U.S., and she noted that the highest level occurs in the Intermountain West, due to higher elevations, higher levels of international transport, existence of rural locations, and stratospheric ozone intrusions caused by storms, which weaken as they head east.

Ms. Bauer stated that boundary issues include background ozone -- a bigger percentage of an area's ozone concentration with the lower 2015 ozone standard; tighter controls on business and industry inside the nonattainment area; transportation conformity requirements that will apply to nonattainment areas; and the MPO develops the air quality plan, which determines the motor vehicle emissions budget for transportation conformity.

Ms. Bauer stated that based on the downward trend of the two monitors and the fact that they are slightly over the standard, and EPA will be looking at 2016 ozone data, MAG staff indicated to the state that it does not appear that the boundary should be expanded at this time. She indicated staff has encouraged the state to qualify the data and show the trend data. Ms. Bauer stated that once enlarged, it is very difficult to decrease the boundary of a nonattainment area. She noted that the 2016 ozone season has not yet occurred and the EPA may be looking at 2017 data also.

Ms. Bauer noted the upcoming schedule. She said that ADEQ will prepare a draft designation document and then publish the notice of availability in mid-May 2016. Ms. Bauer stated that ADEQ will be conducting a public hearing in June 2016. The designations document will be submitted to the Governor in September 2016 and the Governor submits it to EPA by October 1, 2016.

Chair Crossman thanked Ms. Bauer for her report and asked if there were questions.

Mr. Dennis Smith stated that the region does not want a larger boundary, and wants to control its air quality planning to set the vehicle emissions budget, which controls transportation. He indicated he was not sure if we could get any farther below the ozone standard on background ozone -- a source we cannot control. Mr. Smith referenced the effort by this region to get the Tesla battery plant to locate here. He asked Ms. Bauer to explain about credits.

Ms. Bauer explained that in a nonattainment area for ozone, any major source that emits 100 tons or more per year must meet offset requirements -- for every pound of pollution you put in the air, you must reduce by more. She remarked that it is difficult for a facility like Tesla because it will cost them money to reduce more than they emit. Ms. Bauer explained that they look for an emissions bank where they can buy emissions credits from other organizations, such as a company that has left and wants to sell its emissions credits. She noted that there is an emissions bank in Arizona, but there are not any emission credits available to be bought and it is an economic development deterrent. Ms. Bauer stated that Maricopa County is trying to figure out how to add to the emissions bank.

Mr. Smith noted that the major source emissions limit is 100 tons -- Tesla was at 103 tons. Tesla then chose Reno, which does not experience this type of problem due to its elevation. Mr. Smith remarked that this will affect this region in the future and we need common sense EPA regulation.

Mr. Greg Stanley stated that one very important point is the state not going overboard in its recommendations. He remarked that we need to watch what ADEQ submits for the map.

10. Development of the FY 2017 MAG Unified Planning Work Program and Annual Budget

Ms. Becky Kimbrough, MAG staff, stated that MAG's draft FY 2017 budget has been updated for March and is about 60 percent complete. She noted that the draft dues and assessments were presented in January and proposed new projects were presented in February. Ms. Kimbrough stated that this month the work program narratives for each project and division, along with estimated funding needs by division and project are presented. Also included for this month is the draft Programs in Brief document which is a summary of the 2017 Work Program.

Ms. Kimbrough stated that the other information included in the draft budget are the draft budgeted estimates for each project and program; these amounts include the carryforward estimates on current year projects. She added that there have been no new projects added since the February presentation.

Ms. Kimbrough reported that the FY 2017 proposed budget, including carryforward, is estimated at approximately \$28.9 million, which is approximately \$1.8 million under the FY 2016 budgeted amount. She announced that the Intermodal Planning Group will conduct a budget review of the Work Program on March 11. Ms. Kimbrough stated that the review is conducted by the Federal Highway Administration and the Federal Transit Administration and also is attended by representatives from MAG's partner agencies, such as the Arizona Department of Transportation, the City of Phoenix, and Valley Metro. Ms. Kimbrough noted that any comments from this meeting will be presented to the Management Committee next month.

Chair Crossman thanked Ms. Kimbrough for her report. No questions from the Committee were noted.

11. Legislative Update

No verbal report was provided. A legislative summary report was distributed.

12. Request for Future Agenda Items

Topics or issues of interest that the Management Committee would like to have considered for discussion at a future meeting were requested.

No requests were noted.

13. Comments from the Committee

An opportunity was provided for Management Committee members to present a brief summary of current events. The Management Committee is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

Mr. Patrick Banger remembered Mr. Fritz Behring, former Scottsdale City Manager. He indicated that he was deeply saddened that Mr. Behring would not be returning to his position and he wished him well. Mr. Banger asked everyone to keep Mr. Behring in their thoughts.

Mr. Alfonso Rodriguez stated that next week will be the National Indian Gaming Association Trade Show, which will be visited by Native Americans across the country.

Adjournment

There being no further business, the meeting was adjourned at 1:00 p.m.

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Chair

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Secretary