

**MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL MEETING**

January 26, 2011
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

# Mayor Thomas Schoaf, Litchfield Park, Chair	# Mayor Yolanda Solarez, Guadalupe
# Mayor Hugh Hallman, Tempe, Vice Chair	* Supervisor Mary Rose Wilcox, Maricopa Co.
* Councilwoman Robin Barker, Apache Junction	# Mayor Scott Smith, Mesa
# Mayor Marie Lopez Rogers, Avondale	# Mayor Scott LeMarr, Paradise Valley
# Mayor Jackie Meck, Buckeye	# Mayor Bob Barrett, Peoria
# Mayor David Schwan, Carefree	# Councilwoman Peggy Neely, Phoenix
* Councilman Dick Esser, Cave Creek	# Mayor Gail Barney, Queen Creek
# Mayor Jay Tibshraeny, Chandler	* President Diane Enos, Salt River
# Mayor Lana Mook, El Mirage	Pima-Maricopa Indian Community
* President Clinton Pattea, Fort McDowell	* Mayor Jim Lane, Scottsdale
Yavapai Nation	# Councilwoman Sharon Wolcott, Surprise
# Mayor Jay Schlum, Fountain Hills	* Mayor Adolfo Gamez, Tolleson
* Mayor Ron Henry, Gila Bend	* Mayor Kelly Blunt, Wickenburg
* Governor William Rhodes, Gila River Indian	# Mayor Michael LeVault, Youngtown
Community	* Felipe Zubia, State Transportation Board
# Mayor John Lewis, Gilbert	* Victor Flores, State Transportation Board
# Mayor Elaine Scruggs, Glendale	# Roc Arnett, Citizens Transportation Oversight
# Vice Mayor Joe Pizzillo, Goodyear	Committee

* Those members neither present nor represented by proxy.

Attended by telephone conference call.

+ Attended by videoconference call.

1. Call to Order

The meeting of the MAG Regional Council was called to order by Chair Thomas Schoaf at 5:03 p.m.

A roll call attendance was taken.

Chair Schoaf welcomed new members to the Regional Council: Mayor Jay Tibshraeny from Chandler, Mayor Lana Mook from El Mirage, and Vice Mayor Joe Pizzillo from Goodyear. Chair Schoaf noted that they would be presented with their Regional Council membership certificates at next month's meeting.

2. Call to the Audience

Chair Schoaf noted that public comment cards were available to members of the audience who wish to speak on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Citizens are requested to not exceed a three minute time period for their comments. A total of 15 minutes is provided for the Call to the Audience agenda item, unless the Regional Council requests an exception to this limit. Those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard. Chair Schoaf noted that no public comment cards had been received.

3. Executive Director's Report

Dennis Smith, MAG Executive Director, stated that he would forego a report.

4. Approval of Consent Agenda

Chair Schoaf noted that agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, #5H, and #5I were on the Consent Agenda. He noted that no public comment cards had been received. Chair Schoaf asked members if they had questions or requests to hear an item individually. No requests were noted.

Vice Chair Hallman moved to approve the Consent Agenda. Mayor Barrett seconded, and the motion passed unanimously.

4A. Approval of the December 8, 2010, Meeting Minutes

The Regional Council, by consent, approved the December 8, 2010, meeting minutes.

4B. Loop 303/Northern Parkway Interim Connection

The Regional Council, by consent, approved that the Northern Parkway/L303 interim connection be included in the L303 construction budget at a cost of \$2.5 million. The Northern Parkway project is part of the Proposition 400 Arterial Life Cycle Program and is a joint project with Maricopa County, Glendale, Peoria, and El Mirage. The connection of Northern Parkway with Loop 303 (L303) is important to provide a seamless connection between the two facilities. The common practice is that the costs of the connection are included in the budget for the facility that is connecting to the mainline of the freeway facility. Due to the lack of adequate funding for the ultimate design for the Northern Parkway/L303 interchange, an interim design has been developed that provides a reasonable, seamless connection between the two facilities. The estimated cost to construct the interim connection is \$2.5 million. In order to construct the connection in a cost effective way, the project will be included in the construction package for L303 that will be advertised in 2011. Due to the recent favorable construction bid experience, the Northern Parkway team has asked that the cost of the interim connection be covered under the L303 budget as long as the construction bids are lower than the program estimates. On January 12, 2011, the MAG Management Committee recommended that the Northern Parkway/L303 interim connection be included in the L303 construction budget at a cost of \$2.5 million.

4C. Ratification of Geographic Representative for the Transportation Policy Committee

The Regional Council, by consent, ratified the appointment of Vice Mayor Joe Pizzillo, City of Goodyear, to fill the unexpired portion of the geographic balance seat, two-year term (June 2012), on the Transportation Policy Committee. The composition of the Transportation Policy Committee (TPC), established by the Regional Council on April 24, 2002, includes three members selected from areas that need to be represented to achieve geographic balance, with the members selected from and by the under represented geographic area and ratified by the Regional Council. Interstate 17 is used as a boundary in determining geographic balance. The mayoral term of office of Mayor James Cavanaugh of Goodyear, one of the geographic balance members, ended in November 2010. To fill the unexpired portion of the two-year term (June 2012), a letter of support for Vice Mayor Joe Pizzillo, City of Goodyear, was received.

4D. Status of Remaining MAG Approved PM-10 Certified Street Sweeper Projects That Have Not Requested Reimbursement

A status report was provided on the remaining PM-10 certified street sweeper projects that have received approval, but have not requested reimbursement. To assist MAG in reducing the amount of obligated federal funds carried forward in the MAG Unified Planning Work Program and Annual Budget, MAG is requesting that street sweepers be purchased and reimbursement be requested by the agency within one year plus ten calendar days from the date of the MAG authorization letter.

4E. Recommendation of Prioritized List of Proposed PM-10 Certified Street Sweeper Projects for FY 2011 CMAQ Funding

The Regional Council, by consent, approved a prioritized list of proposed PM-10 Certified Street Sweeper Projects for FY 2011 Congestion Mitigation and Air Quality Improvement (CMAQ) funding. The FY 2011 MAG Unified Planning Work Program and Annual Budget and the FY 2011-2015 MAG Transportation Improvement Program contain \$900,000 in FY 2011 CMAQ funding to encourage the purchase and utilization of PM-10 Certified Street Sweepers. An additional \$367,855 in CMAQ is available from sweeper projects that have been requested to be deleted and from savings on sweepers that have cost less than anticipated, for a total amount of \$1,267,855. All of the seven sweeper projects for FY 2011 may be funded with the \$1,267,855 in available CMAQ. On November 30, 2010, the MAG Air Quality Technical Advisory Committee (AQTAC) recommended a prioritized list of proposed PM-10 Certified Street Sweeper Projects for FY 2011 CMAQ funding. Prior to the AQTAC recommendation, the MAG Street Committee reviewed the proposed street sweeper applications on October 12, 2010, in accordance with the MAG Federal Fund Programming Principles. On January 12, 2011, the MAG Management Committee recommended approval of the prioritized list.

4F. Status Update on the June 30, 2010 Single Audit and Management Letter Comments, MAG's Comprehensive Annual Financial Report and OMB Circular A-133 Reports (i.e., "Single Audit") for the Fiscal Year Ended June 30, 2010

The Regional Council, by consent, accepted the audit opinion issued on the MAG Comprehensive Annual Financial Report and Single Audit Report for the year ended June 30, 2010. The accounting firm of LarsonAllen, LLP completed the audit of MAG's Comprehensive Annual Financial Report (CAFR) and Single Audit for the fiscal year ended June 30, 2010. An unqualified audit opinion was issued on November 22, 2010 on the financial statements of governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information. The independent auditors' report on compliance with the requirements applicable to major federal award programs, expressed an unqualified opinion on the Single Audit. The Single Audit report indicated there were no reportable conditions in MAG's internal control over financial reporting considered to be material weaknesses, no instances of noncompliance considered to be material and no questioned costs. The Single Audit report had no new or repeat findings. The CAFR financial statements and related footnotes were prepared in accordance with the Government Finance Officers Association's (GFOA) standards for the Certificate of Achievement for Excellence in Financial Reporting awards program. Management intends to submit the June 30, 2010 CAFR to the GFOA awards program for review. If awarded the certificate for the June 30, 2010 CAFR, this would be MAG's 13th consecutive award. The audit opinion was recommended for acceptance by the MAG Management Committee on January 12, 2011, and by the Executive Committee on January 18, 2011.

4G. Sun Corridor Consortium Update

In August 2010, MAG submitted an application for the Sustainable Communities Regional Planning Grant Program on behalf of the Sun Corridor Consortium. The purpose of the program is to better coordinate planning for transportation, housing, and economic development. In September 2010, an update was provided about the projects proposed in the application. In October 2010, the U.S. Department of Housing and Urban Development (HUD) released the list of awardees, which did not include the Sun Corridor Consortium. In November 2010, HUD provided feedback on the Consortium's application. A stakeholders group will review the feedback and plan next steps to enhance the sustainability of the region. The update material was provided to the Management Committee on January 12, 2011, and the Executive Committee on January 19, 2011.

4H. Ratification of the Annual Performance Review and Compensation Benefits of the MAG Executive Director

The Regional Council, by consent, ratified the action of the Executive Committee to continue the current compensation/benefits of the MAG Executive Director and conduct another evaluation in six months. In January 2003, the Regional Council approved an agreement to hire the current Executive Director. As part of this agreement, it was provided that the Executive Director would receive an annual performance review conducted by the Executive Committee. On November 19, 2010, an evaluation survey was sent to members of the Regional Council to receive their input on the review. A survey was also sent to the members of the Executive Committee. On January 18, 2011, the Executive Committee

reviewed the comments from the Regional Council, discussed the performance of the Executive Director, and took action to continue the current compensation/benefits of the Executive Director and conduct another evaluation in six months. The action of the Executive Committee was presented to the Regional Council for ratification.

4I. Discussion of the Development of the FY 2012 MAG Unified Planning Work Program and Annual Budget

Each year, the Unified Planning Work Program and Annual Budget is developed in conjunction with member agency and public input. The Work Program is reviewed each year by the federal agencies in the spring and approved by the Regional Council in May. This overview of MAG's draft Dues and Assessments and the proposed budget production timeline provides an opportunity for early input into the development of the Work Program and Budget. This item was on the agendas of the January 12, 2011, Management Committee and the January 18, 2011, Executive Committee for information and input.

5. Air Quality Report

Lindy Bauer, MAG Environmental Director, provided a report on recent activities related to the MAG 2007 Five Percent Plan for PM-10. She first reviewed what she had previously reported. Ms. Bauer stated that on September 9, 2010, the Environmental Protection Agency (EPA) published a notice to propose partial approval and disapproval of the MAG 2007 Five Percent Plan for PM-10. She advised that this is in accordance with the timetable of the lawsuit filed by Center for Law in the Public Interest. Ms. Bauer stated that if EPA finalizes the partial disapproval on January 28, 2011, a conformity freeze would occur in approximately 30 days, which means that only projects in the first four years of the MAG Transportation Improvement Program (TIP) and Regional Transportation Plan could proceed. Ms. Bauer explained that if the problem is not corrected within 18 months, tighter controls on major industries would be imposed, and if the problem is still not corrected within 24 months of the disapproval, the MAG region could face the loss of federal highway funds of \$1.7 billion, and imposition of a federal implementation plan.

Ms. Bauer announced that on January 25, 2011, the Arizona Department of Environmental Quality, in coordination with Maricopa County and MAG, sent a letter to EPA withdrawing the MAG Five Percent Plan, rather than have EPA disapprove the plan. She then explained how the withdrawal option is a better option than having a disapproval. Ms. Bauer stated that with a disapproval, the EPA would make a finding of failure to submit a plan, which would trigger the sanctions clocks, and stopping the sanctions clocks requires the submission of a plan that EPA finds complete. She said that to stop the federal implementation plan, the EPA would have to take approval action on a new plan. Ms. Bauer reported that under a disapproval, in order to stop the sanctions clocks, a plan would have to be submitted, found to be complete, and approved by EPA in the same timeframe.

Ms. Bauer pointed out that EPA has come out with new information called the AP-42 emissions factor for paved road dust, which is more accurate than what EPA used in the past that overestimated paved road dust. Ms. Bauer stated that MAG will not only use the new information in the preparation of the

new Five Percent Plan for PM-10, but also in the conformity process. She noted that it will enable the time period of a conformity freeze to be shortened. She stated that staff has begun work in house on a new conformity analysis based on the new information provided by EPA.

Ms. Bauer stated that MAG was designated as the lead air quality planning agency by the Governor in 1978 in accordance with Section 174 of the Clean Air Act, and was recertified in 1992 in state statute by the State Legislature. Ms. Bauer stated that the process at MAG includes the MAG Air Quality Technical Advisory Committee, which includes members from the public and private sectors: cities and towns, Maricopa County, the Arizona Department of Environmental Quality, Rock Products Association, Associated General Contractors, the Phoenix Chamber of Commerce, the homebuilders, and the trucking industry. Ms. Bauer noted that the Committee will play an important role in the preparation of the plan and members will have a vote as the committee makes recommendations. She stated that MAG runs a transparent process and complies with the open meeting law.

Ms. Bauer advised that while developing the new plan, it is important to not lose sight of the exceptional events issue with the flawed EPA Exceptional Events Rule. She said that MAG will be pursuing a more rational EPA exceptional events policy, otherwise the problem with high winds will continue to occur. Ms. Bauer commented that we cannot control high winds.

Ms. Bauer extended her appreciation to the Regional Council Executive Committee for working closely and intensively with staff over the past six months, and also to the Congressional Delegation for their assistance. She expressed that she looked forward to a new PM-10 plan that will be approvable to EPA.

Ms. Bauer explained that PM-10 is a localized pollutant and the control measures used to reduce PM-10 are mostly under the authority of local governments and the county. She noted that it is critical that the planning process be guided through MAG not only because the plan will rely on control measures by local governments, but also it has implications for conformity. Ms. Bauer advised that the region has had no violations of the PM-10 standard in calendar year 2010. She announced that EPA will be in town next week to discuss plan issues with MAG.

Mr. Smith also expressed his appreciation to the Executive Committee, and to the MAG air quality staff led by Ms. Bauer, who did an exceptional job on a difficult issue in order that transportation projects can proceed.

Chair Schoaf expressed his gratitude on behalf of the Regional Council to MAG staff, and especially Ms. Bauer, on this difficult issue. He expressed appreciation for all of the efforts to get the region to a better place than it would have been otherwise. No questions from the Council were noted.

6. Request for Future Agenda Items

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

No requests were noted.

7. Comments from the Council

An opportunity was provided for Regional Council members to present a brief summary of current events. The Regional Council 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.

No comments from the Council were noted.

Adjournment

Vice Chair Hallman moved and Mayor Barrett seconded to adjourn the meeting at 5:20 p.m.

Chair

Secretary