

MINUTES OF THE
MAG MANAGEMENT COMMITTEE MEETING
June 15, 2005
MAG Office Building - Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

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| Mike Hutchinson, Mesa, Chair | Darryl Crossman, Litchfield Park |
| Dana Tranberg for Ed Beasley, Glendale,
Vice Chair | * Tom Martinsen, Paradise Valley |
| # George Hoffman, Apache Junction | Terry Ellis, Peoria |
| Charlie McClendon, Avondale | Frank Fairbanks, Phoenix |
| Carroll Reynolds, Buckeye | Mark Young for Cynthia Seelhammer,
Queen Creek |
| * Jon Pearson, Carefree | * Bryan Meyers, Salt River |
| * Usama Abujbarah, Cave Creek | Pima-Maricopa Indian Community |
| Mark Pentz, Chandler | Roger Klingler for Jan Dolan, Scottsdale |
| B.J. Cornwall, El Mirage | Kathy Rice for Jim Rumpeltes, Surprise |
| Orlando Moreno, Fort McDowell Yavapai
Nation | Amber Wakeman for Will Manley, Tempe |
| # Tim Pickering, Fountain Hills | * Ralph Velez, Tolleson |
| + Lynn Farmer, Gila Bend | + Shane Dille, Wickenburg |
| * Urban Giff, Gila River Indian Community | Mark Fooks, Youngtown |
| Marc Skocypec for George Pettit, Gilbert | Dale Buskirk and Andy Smith for Victor
Mendez, ADOT |
| Jerene Watson for Stephen Cleveland,
Goodyear | David Smith, Maricopa County |
| Mark Johnson, Guadalupe | David Boggs, 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 was called to order by Chairman Mike Hutchinson at 12:05 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chairman Hutchinson announced that George Hoffman and Tim Pickering were attending the meeting via teleconference and Shane Dille and Lynn Farmer were attending via videoconference.

Chairman Hutchinson stated that transit tickets were available from Valley Metro/RPTA for those using transit to come to the meeting. Parking validation was available from MAG staff for those who parked in the parking garage.

Chairman Hutchinson stated that the addendum to the agenda, item #5H, was at each place.

3. Call to the Audience

Chairman Hutchinson stated that Call to the Audience provides an opportunity to the public to address the Management Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Chairman Hutchinson noted that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard. Public comments have a three minute time limit and there is a timer to help the public with their presentations. Chairman Hutchinson stated that for members of the audience who wish to speak, comment cards were available from the staff.

Chairman Hutchinson recognized public comment from Dianne Barker, who commented that she had just reviewed the draft EIS for Sky Harbor Airport issued by the FAA. She said she thought the data in the EIS differed from MAG data. Ms. Barker stated that in order to make a reliable air quality determination, all figures should be encompassed. Ms. Barker expressed her objection to MAG's conformity. She said she did not think the model was up-to-date because 1988 figures were used. Ms. Barker also expressed concern for the historic ruins in the Sky Harbor area and along Washington Street when light rail is being built. Chairman Hutchinson thanked Ms. Barker for her comments.

Chairman Hutchinson recognized public comment from Blue Crowley, who stated that those from the Capitol area attending the meeting should use the DASH instead of driving in single occupant vehicles. He acknowledged that some members did carpool to the meeting last month. He stated that comments he has made on non-action items do not always appear in the public input section of the agenda materials. Mr. Crowley stated that the following day would be a meeting on conformity. Mr. Crowley urged being multimodal at the beginning of a project. Chairman Hutchinson thanked Mr. Crowley for his comments.

4. Executive Director's Report

Dennis Smith reported on Reauthorization. He said that the current extension expires on June 30, 2005. Mr. Smith stated that number is fluctuating between \$284 billion and \$295 billion and it seems it might land on \$290 billion. He added that it might be resolved before the August recess.

Mr. Smith stated that on June 13, 2005, the Federal Highway Administration and the Federal Transit Administration, in coordination with EPA, determined that the Phoenix urbanized area met the requirements of the EPA Transportation Conformity Rule for the Eight-Hour Ozone Standard.

Mr. Smith stated that a series of meetings will be held in conjunction with updating the MAG Human Services Plan. He said that a schedule of dates and locations of the meetings was at each place.

Mr. Smith stated that on Saturday, June 11, 2005, MAG staffed a booth at the Surfin' on the Santan freeway opening. It was estimated that there were 15,000 people who attended the event.

Mr. Smith noted that the next freeway opening will be Rockin' on the Red Mountain on Saturday, June 25, 2005, when the section from Higley to Power Road will open.

Chairman Hutchinson thanked Mr. Smith for his report. No questions from the Committee were noted.

Chairman Hutchinson recognized Norris Nordvold, Intergovernmental Programs Director for the City of Phoenix, for his service to the region upon occasion of his retirement. Chairman Hutchinson stated that Mr. Nordvold has been Director since 1987 and was a great example for intergovernmental staff to follow. He stated that Mr. Nordvold worked for the City of Phoenix but kept other cities in mind during his activities. Chairman Hutchinson expressed his appreciation and good wishes to Mr. Nordvold. Dennis Smith stated that one of Mr. Nordvold's first jobs was at a fire lookout station in Libby, Montana. He said that the lookout job was much like the jobs that intergovernmental representatives perform. Mr. Smith stated that on many complex issues, Mr. Nordvold did the heavy lifting. He stated that Mr. Nordvold had done an outstanding job and would be missed.

5. Approval of Consent Agenda

Chairman Hutchinson stated that public comment would be heard before action was taken on the consent items. Each speaker is provided with a total of three minutes to comment on the consent agenda. After hearing public comments, any member of the Committee can request that an item be removed from the consent agenda and considered individually. Chairman Hutchinson stated that agenda items #5A through #5H were on the consent agenda.

Chairman Hutchinson asked members if there was discussion on any of the consent agenda items.

Mr. Buskirk requested that agenda item #5E be removed from the consent agenda. Mr. Johnson requested that agenda item #5B be removed. Mr. Johnson stated that he was requesting that the item be considered by the Management Committee because Guadalupe had an important project that was not recommended for the interim closeout.

Chairman Hutchinson recognized public comment on agenda item #5B from Chris Coover, Maricopa County Parks and Recreation, who stated that the Maricopa County Trail project connects paths and trails throughout the Valley. He said that the Town had solved major interstate crossings except for the one at I-10 and Guadalupe Bridge by South Mountain Park. Mr. Coover stated that the County and the Town have an intergovernmental agreement. In addition, Guadalupe has a grant with ADOT that is at risk because not all portions of funding have been solidified. Mr. Coover stated that on the west side of the freeway an alignment connects to South Mountain Park. On the east side at Tempe is a connection at Highline canal. He said that Guadalupe needs the matching funds to move forward on this project. Mr. Coover mentioned that the trail will provide an opportunity for healthy and safe hiking. He said that many do not have a way to connect to South Mountain Park except for this trail. Mr. Coover stated that four years of work have gone into this project. Chairman Hutchinson thanked Mr. Coover for his comments.

Chairman Hutchinson recognized public comment from Mr. Crowley on agenda item #5B. He stated that he had a problem with using CMAQ funds for CCTV projects at Glendale sports facilities and at ADOT. Mr Crowley noted that the Scottsdale and ASU passenger facility was lowest priority. Mr. Crowley commented on the bridge at 19th Avenue and the Grand Canal. He added that the agenda material reflects no public comment; however, he has asked in the past where the bridge will be. Mr. Crowley also asked the status of the tunnel he has requested. Mr. Crowley stated that he wanted to be counted in the Census Survey. Chairman Hutchinson thanked Mr. Crowley for his comments.

Mr. Boggs moved to recommend approval of consent agenda items #5A, #5C, #5D, #5F, #5G, and #5H. Mr. Fairbanks seconded, and the motion carried unanimously.

5A. Approval of May 11, 2005 Meeting Minutes

The Management Committee, by consent, approved the May 11, 2005 meeting minutes.

5C. Consultant Selection for the MAG Regional Bikeway Master Plan

The Management Committee, by consent, recommended approval to select Sprinkle Consulting, Inc. as the consultant to develop the MAG Regional Bikeway Master Plan for \$150,000. The FY 2005 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council, includes \$150,000 of Congestion Mitigation and Air Quality (CMAQ) funding for the development of the MAG Regional Bikeway Master Plan. A multi-jurisdictional review team evaluated the five proposals received and recommended to the MAG Regional Bicycle Task Force that Sprinkle Consulting, Inc. be selected to develop the MAG Regional Bikeway Master Plan for \$150,000. On May 17, 2005, the MAG Regional Bicycle Task Force recommended that Sprinkle Consulting, Inc. be awarded the \$150,000 contract to develop the MAG Regional Bikeway Master Plan.

5D. Amendment to the FY 2004-2007 MAG Transportation Improvement Program to Add a Phoenix Federally Funded Bridge Replacement and Rehabilitation Project and a Glendale Hazard Elimination Safety (STP-HES) Project for FY 2005

The Management Committee, by consent, recommended approval of an amendment to the FY 2004-2007 MAG Transportation Improvement Program to add a bridge replacement and rehabilitation funded project at 19th Avenue at the Grand Canal in Phoenix and a safety improvement project to the intersection of 51st and Northern Avenues in Glendale to FY 2005. Following approval of the FY 2004-2007 MAG TIP on November 25, 2003, some projects have been identified that need to be added to the TIP to allow them to proceed during the current fiscal year. A bridge over the Grand Canal at 19th Avenue in the City of Phoenix has been awarded Bridge Replacement and Rehabilitation (BR) funds, and the City of Glendale has received STP-HES funds for making improvements to the intersection of 51st and Northern Avenues. A TIP Amendment is needed to allow these projects to proceed, but both projects would be regarded as exempt for which an air quality conformity analysis is not required. The Transportation Review Committee recommended approval of a TIP Amendment to add the BR funded project in Phoenix and the Safety funded project in Glendale.

5F. Conformity Consultation

The Maricopa Association of Governments is conducting consultation on a conformity assessment for an amendment to the FY 2004-2007 MAG Transportation Improvement Program. The amendment includes a City of Phoenix request for a Bridge Replacement and Rehabilitation project over the Grand Canal at 19th Avenue for FY 2005 and a City of Glendale request for a federally-funded safety improvement project at 51st and Northern Avenues for FY 2005. In addition, as part of the Federal FY 2005 Interim Year End Closeout, the proposed amendment includes new projects and changes to existing projects in the FY 2004-2007 MAG TIP. The amendment includes projects that may be categorized as exempt from conformity determinations and minor project revisions that do not require a conformity determination. Comments on the conformity assessment are requested by June 24, 2005. This item was on the agenda for consultation.

5G. Preparations for Conducting the 2005 Census Survey

At the May 2005 Management Committee meeting, an update on preparations for the 2005 Census Survey was provided. Since that time a number of events have transpired. Address lists have been forwarded to the Census Bureau to reduce the amount of block canvassing field work and help control census costs. The proposed list of outdoor locations was transmitted to member agencies for comment and revised as necessary. A print test of the census questionnaire was conducted, mail materials reviewed and input provided by member agencies. Additionally, MAG has updated the Census Survey 2005 Web site to include downloads for the regional brochure and frequently asked questions. This item was on the agenda for information.

5H. Consultant Selection for the MAG Biogenics Study

The Management Committee, by consent, recommended that Environ International Corporation be selected for the MAG Biogenics Study for an amount not to exceed \$99,625. The Fiscal Year 2005 MAG Unified Planning Work Program includes a MAG Biogenics Study to assess the emissions of precursors from plants in the modeling area on the formation of ozone and PM-10. A request for proposals was advertised on April 13, 2005 to improve the MAG biogenic emission estimates for the ozone and PM-10 nonattainment areas. Three proposals were received by the May 12, 2005 deadline. They were submitted by Sonoma Technology, Inc., Environ International Corporation, and MACTEC Federal Programs, Inc. On May 19, 2005 the evaluation team recommended to MAG that Environ International Corporation be selected for an amount not to exceed \$99,625.

5B. Federal Fiscal Year 2005 MAG Federal Funds Interim Closeout and Amendment/Adjustments to the FY 2004-2007 MAG Transportation Improvement Program and FY 2005 and FY 2006 Unified Planning Work Programs and Annual Budgets

This item was removed from the consent agenda.

Paul Ward reviewed the process for the FY 2005 interim closeout. He said that in this phase of the closeout process, approximately \$18.5 million is available for the interim closeout, plus a possible \$1.5 million in redistributed Obligation Authority. Mr. Ward advised that approximately \$58 million in project requests have been received for the funds available. He

said that the closeout priorities were previously approved by the Regional Council. Mr. Ward reviewed the approved priorities: Priority 1 - Advancing current MAG federally funded programmed projects that are ready to be obligated. Priority 2 - Increase the federal share of projects being obligated in the first year of the program. Mr. Ward stated that a project can get additional funding to the federal aid maximum of the project when it was originally programmed. Mr. Ward added that guidelines officially do not include Priority 3, but by MAG practice Priority 3 includes new or additional funding requests.

Mr. Ward stated that projects must be sufficiently developed so that the funds can be obligated by the end of FFY 2005. He stated that following action by the Regional Council on June 29, 2005, jurisdictions must submit the final details to ADOT by August 1, 2005. Fund transfers from FHWA to FTA need to occur by August 23, 2005. He advised that any agreement documents need to flow from ADOT to FHWA by September 14, 2005; if not, the projects will not move forward this fiscal year. Mr. Ward stated that obligation occurs by September 30, 2005.

Mr. Ward referred to the project tables included in the agenda packet. He stated that \$325,000 in Priority 1A requests (advancing from FY 2006) and \$6.3 million in Priority 1B requests (advancing from later years of the TIP) have been received. Mr. Ward stated that \$1.18 million in Priority 2A requests for additional funds that meet existing requirements and \$1.83 million in Priority 2B requests that exceed the guidelines have been received. Mr. Ward stated that \$48.43 million in Priority 3 requests were received.

Mr. Ward noted that the Transportation Review Committee (TRC) recommended all of the eligible Priority 1A and 1B projects for funding. Mr. Ward said that the recommendations, including Priority 2 and Priority 3 total \$20 million. Mr. Ward stated that additional TRC recommendations, if further funding becomes available, include the Surprise Grand Avenue study in the amount of \$500,000, the purchase of two Valley Metro buses for \$340,000 each, Valley Metro Rail Central Phoenix/East Valley LRT program for \$4.12 million, and a Scottsdale Trolley vehicle in the amount of \$300,000, for a total of \$5.6 million. Mr. Ward commented that it is possible to have \$5.6 million defer between now and the end of the federal fiscal year.

Mr. Ward noted that recently two further requests were received to defer projects, totaling \$2.2 million. He said that would mean that the first two projects on the final list could be funded. Mr. Ward advised that in December 2004, the Regional Council approved \$1.9 million for street sweepers and that the remaining sweepers would be funded with closeout funds. He said that \$4 million in requests for street sweepers were received. Mr. Ward then went on to explain an additional \$2.1 million in funding for street sweepers is included on the priority list, per Regional Council action. He stated that one sweeper each will be funded through the closeout process in Fountain Hills, Surprise, Buckeye, Apache Junction, Queen Creek, Tempe, and Guadalupe, and three each in Chandler and Mesa.

Mr. Fairbanks stated that it is important for MAG to ensure that the CMAQ-funded projects clearly relate to air quality. He stated that the MAG region has an air quality issue and although progress has been made, there is still more to be done. Mr. Fairbanks stated that it is crucial that the connection to air quality is clear. He added that judgment on that connection is somewhat subjective. Mr. Fairbanks stated that he was intrigued by the analysis of projects that break the

guidelines. He commented that he put his faith in the TRC recommendations because he felt that these projects had been judged fairly regarding the air quality benefits by the TRC and staff. He said that he would be prepared to make a motion to recommend approval of the TRC recommendations.

Mr. McClendon stated his agreement with Mr. Fairbanks. He said that all jurisdictions have been on the short end at some point. Mr. McClendon stated that through the years, a defensible process has developed where technical information is reviewed at the appropriate levels. By the time it gets to the Management Committee, there has been a great amount of input. Mr. McClendon stated that he felt it was appropriate to recommend approval of the recommendations of technical committees.

Mr. Johnson offered his apologies for bringing the issue to the level of the Management Committee. He stated that Guadalupe has had recent staffing changes and he felt the technical committees had not received a proper presentation on the project. Mr. Johnson expressed that the Town feels it has an important project. He indicated that it is time sensitive and funding could potentially be lost. Mr. Johnson stated that the Town would like to be considered as the #3 project on Table 3 so that if additional funds become available, the project could be funded. Mr. Ward stated that at the current time, the additional \$2.2 million carryforward means that the first two projects on the list would be funded. He added that project #3 on Table 3 most likely would be funded if further funds became available.

Mr. Moreno commented that along the lines of air quality, he was surprised that the Fort McDowell paving project was ranked high by the Air Quality TAC, but not recommended by the TRC. He said Fort McDowell was anxious to move forward with this project, which would help improve the air quality in the region. Mr. Moreno requested consideration of their request by the Management Committee. Mr. Ward noted that the Fort McDowell project is not programmed in the TIP, so it automatically was placed on Table 3 as a new project. However, among Priority 3 projects, it ranks as #1.

Mr. Klingler asked the amount of the Guadalupe project. Mr. Johnson replied that the amount was approximately \$377,000. Mr. Klingler asked if there were other projects the TRC reviewed that were not recommended for contingency because of funding limitations. Mr. Ward replied that there is no limit to Table 3, but the likelihood of being funded is another matter. Mr. Klingler asked what would be the justification for the Guadalupe project being next in line. Mr. Ward stated that there are two types of projects 1) Design projects, which have to go through a one- to two-month ADOT/FHWA process. 2) Transit projects, which involve the transfer of funds between FHWA and FTA. He stated that the transfer of funds can be accomplished easily with a letter following Regional Council approval. Mr. Ward noted that design projects need to be done within two to three weeks of Regional Council action. He commented that with the Guadalupe project being at the end of Table 3, it may be too late to get the project done; whereas, there may be time to get other projects done.

Mr. Fairbanks asked for clarification if their project, would be #1 on Priority 3, in a de facto way it has already been funded. Mr. Ward replied that their project was the highest priority of the requested Priority 3 projects but was not recommended for funding by the TRC. Dennis Smith noted that twice as many project requests were received as there were available funds. He

explained that the Air Quality TAC ranks the projects and submits them to TRC. Mr. Smith stated that the Air Quality TAC ranked it high, but at TRC, congestion management criteria are also considered in addition to air quality. Mr. Smith noted that the Regional Council approved funding for street sweepers due to the region's PM-10 problem, so all street sweepers were funded. He said there were many good projects that were not recommended due to funding limitations.

Mr. Johnson moved to recommend approving the interim closeout of Federal FY 2005, as shown in the attached Tables and recommend amending/adjusting the FY 2004-2007 MAG TIP and the FY 2005 and FY 2006 Unified Planning Work Programs and Annual Budgets to allow the projects to proceed, with the change that the Maricopa County/Guadalupe project be moved to Project #3 on Table 3. David Smith seconded. Chairman Hutchinson called for discussion on the motion.

Mr. Klingler stated that this project went through the TRC and they considered which projects qualified for CMAQ funds. He suggested a compromise as project #6, rather than displacing those projects already recommended. Mr. Klingler commented that there was the possibility of another \$5 million, in addition to the \$2.2 million already deferred. He added that if there is a sense of immediacy because funding might be lost, it might be better to put the project on the list behind the others that were recommended through the process. Mr. Johnson stated that being #6 could create some delay and they need to move fairly quickly.

Mr. Fairbanks asked for clarification if the motion precluded the Fort McDowell project from this list for funding. Mr. Ward replied that the motion did not include design funds for the Fort McDowell design project.

Chairman Hutchinson asked the amount of the Fort McDowell project. Mr. Ward replied that Fort McDowell is requesting the federal share of approximately \$500,000. He added that he understood that the project was for the design phase of approximately 12 miles of dirt roads. Mr. Ward remarked that upon discussion with member agency staff, it might be appropriate to request a lesser amount of money.

Mr. McClendon expressed concern with changing the order and recommendations of the TRC at this level. He added that the projects have already undergone review and discussion by the technical committees and he was uncomfortable with changing the recommendations not knowing what criteria had gone into the decision.

Mr. Moreno commented that based on the methodology, smaller communities do not have the density as larger communities, so they are penalized when it comes to congestion criteria.

Mr. Klingler asked if Fort McDowell had received a street sweeper during the closeout process. Mr. Ward replied that Fort McDowell had received a street sweeper during last year's closeout process.

With no further discussion, Chairman Hutchinson called for a vote on the motion, which failed.

Mr. Fairbanks moved to recommend approval of the interim closeout of Federal FY 2005, as recommended by the Transportation Review Committee and add the Fort McDowell project and

the Maricopa County/Guadalupe project, to the end of Table 3 and recommend amending/adjusting the FY 2004-2007 MAG TIP and the FY 2005 and FY 2006 Unified Planning Work Programs and Annual Budgets to allow the projects to proceed. Mr. Fairbanks commented that he would not name the priority order for the two projects. In addition, Mr. Fairbanks offered that Fort McDowell might agree to subdivide its project. Mr. Cornwall seconded the motion, and the motion carried unanimously.

5E. Proposed New Federal Functional Classification for Old Litchfield Road, From Indian School Road to Bird Lane

The City of Litchfield Park has requested to raise the functional classification for Old Litchfield Road, Indian School Road to Bird Lane from the current classification of Local Street to Urban Collector. The roadway is regarded as being eligible for reclassification and staff are recommending that MAG concurrence with the City's request should be forwarded to the Arizona Department of Transportation. The Transportation Review Committee unanimously recommended concurrence of this functional classification change.

Chairman Hutchinson moved on to agenda item #5E that was removed from the consent agenda at the request of Mr. Buskirk. Andy Smith had replaced Mr. Buskirk at the table. Andy Smith stated that ADOT would be abstaining from the vote due to a conflict of interest because the document comes to their office for review. Hearing no further discussion, Chairman Hutchinson called for a motion.

Mr. Crossman moved to recommend MAG concurrence with Federally classifying Old Litchfield Road from Indian School Road to Bird Lane, as an Urban Collector. Mr. Boggs seconded, and the motion carried, with Andy Smith abstaining.

6. Requested Change for the MAG Regional Freeway Program

Roger Herzog addressed the Committee on a request from the Arizona Department of Transportation for a cost increase of about \$17.6 million for the Red Mountain Freeway segment between Power Road and University Drive. He said that the increase is due to additional noise mitigation requirements, water runoff requirements, canal access maintenance requirements, increased noise wall and excavation quantities, and price increases in steel and concrete. Mr. Herzog stated that this has been a challenging project with many engineering issues. He advised that an analysis of the cash flow forecasts for the Regional Freeway Program has found that adequate cash balances are available to accommodate this increase. Mr. Herzog also noted that state statute requires that MAG approve any change in priorities, new projects, or requests that materially increase the cost of a project. Chairman Hutchinson thanked Mr. Herzog for his presentation. No questions from the committee were noted.

Mr. McClendon moved to recommend approval of the cost increase for the Red Mountain Freeway from Power Road to University Drive. Mr. Fairbanks seconded, and the motion carried unanimously.

7. Draft of the Arterial Life Cycle Program Policies and Procedures

Dennis Smith updated the Committee on recent discussion and action on the Arterial Life Cycle Program (ALCP) Policies and Procedures. Mr. Smith stated that the ALCP Policies and Procedures were established to keep costs and revenues in balance and to deliver all of the Proposition 400 arterial street projects in an efficient and cost-effective manner. He said that four policies were approved in May and action on the entire document by the Transportation Policy Committee and Regional Council was anticipated in June. Mr. Smith then reviewed the four policies approved in May.

1. Reimbursement amount for advanced projects. Local jurisdictions may elect to pay necessary costs to advance an arterial project. Reimbursement to the jurisdiction will occur in the fiscal year the project was originally scheduled to receive funds. The TPC determined that the reimbursement would include an inflation allowance.

2. Program adjustments for revenue shortfalls. This policy guides program adjustments in the event that revenues fall short of projections. Revenue shortfalls would result in a delay of implementing programmed projects in the order in which they are listed in the adopted lifecycle. Due to the cyclical nature of revenues, all projects would remain in the program.

3. Program adjustments for surplus Program funds. This policy sets guidelines for handling surplus funds in the event that revenues are higher than expected. Existing projects would be advanced in order, with new projects added to the end of the program after completion of all projects approved as part of Proposition 400.

4. Use of surplus Project funds. Surplus project funds result when a jurisdiction constructs a project for less than the amount budgeted in the RTP. A jurisdiction could use surplus project funds to augment another RTP project within the jurisdiction, up to 70 percent of the costs. If there are no other arterial projects within the jurisdiction, the community could use the surplus funds to add a new project at the end of the program, once all RTP projects are funded.

Mr. Smith stated that Eileen O'Connell, the MAG staff who worked on the development of the ALCP Policies and Procedures, was also present at the meeting to answer questions. He stated that the ALCP Policies and Procedures could be modified through the process if changes become warranted. Chairman Hutchinson thanked Mr. Smith for his update. No comments from the Committee were noted.

8. Update on Critical Issues with the Maricopa County Air Programs

Lindy Bauer stated that at the May 25, 2005 meeting, the Regional Council was provided a report on two air quality issues that could have negative impacts in the MAG region. She said that on May 18, the EPA issued a Notice of Deficiency for the Maricopa County Title V Air Permit Program for Industry. Ms. Bauer indicated that the permits are issued by the County and indicate to industry the emissions limits. She advised that if the deficiencies are not corrected, it could jeopardize \$2 billion worth of projects in the FY 2006-2010 MAG TIP. Ms. Bauer stated that a Work Plan from the County on how the deficiencies will be corrected is due to EPA in 90 days, or sanctions and a federal program to take over the County permit program may be

imposed. Ms. Bauer stated that, in addition, deficiencies must be corrected within 18 months or EPA will impose sanctions along with a federal program in 24 months.

Ms. Bauer explained that sanctions include restrictions on industry of two-to-one offsets, which means, for example, that for every pound of pollution put into the air, industry would have to reduce pollution by two pounds. She advised that sanctions also include the loss of about \$200 million in federal highway funds in the new TIP. Ms. Bauer stated that on the day the highway sanctions are imposed, conformity lapses and affects major road projects regardless of funding source.

Ms. Bauer addressed the second critical air quality issue facing the region. She said that in June 2004, EPA requested that Maricopa County hire an additional 25-30 dust inspectors to enforce the Fugitive Dust Control Rules. She explained that the Fugitive Dust Control Rules are key measures in the MAG Serious Area Particulate Plan. Ms. Bauer noted that there have been several enforcement issues since 1991. Ms. Bauer advised that failure to enforce the dust control rules could jeopardize attainment and lead to a requirement for a five percent reduction in emissions per year until attainment is achieved. She advised that this could be extremely difficult. Ms. Bauer said that in July 2004, the Regional Council urged Maricopa County to immediately hire additional inspectors. In August 2004, the County Board of Supervisors provided \$1 million to hire 19 full time employees as contract employees. In November 2004, the County established the Air Quality Department. In May 2005, only seven employees out of the 19 were on staff. Ms. Bauer stated that County staff indicated that the inspectors were hired as contract employees. She noted that fee rule revisions approved by the Board of Supervisors in May 2005 will enable a permanent funding source for the inspectors and employees.

Ms. Bauer stated that attainment of the PM-10 standards is at risk and clean data is needed at the monitors for 2004, 2005, and 2006. She advised that if attainment is not met, a Five Percent Plan would be due December 31, 2007. Ms. Bauer indicated that the MAG Serious Area Particulate Plan includes some of the most stringent measures in the country and it is hard to imagine what additional measures could be implemented. She went on to explain that in 2004, one monitor exceeded the 24-hour standard and two exceeded the annual standard; so far in 2005, one monitor exceeded the 24-hour standard. Ms. Bauer stated that the region still has a chance to make attainment if the levels at the monitors are reduced. She then explained how the numbers are averaged over a three-year period by EPA.

Ms. Bauer stated that the Regional Council requested that Maricopa County provide monthly updates to the MAG Management Committee and Regional Council on the progress being made regarding these issues.

Jo Crumbaker, Planning and Analysis Manager of the Maricopa County Air Quality Department, gave an update on the Title V Program. She said that the County hired a Department Director, Bob Kard, in March 2005. Ms. Crumbaker stated that Mr. Kard has named a new Permits Manager and a new Enforcement Supervisor. Ms. Crumbaker stated that three more Title V permits have been issued, with four remaining to be issued. She noted that the consistency of the issued permits has improved, so there will be no economic advantage of one industry over another. Ms. Crumbaker advised that the Department is working on additional policies and procedures to address EPA's concerns. She added that these may be completed in time to

include in the audit response. Ms. Crumbaker noted that the Department is 30 days into the 90 day period.

Ms. Crumbaker stated that cross-training the engineers is underway. She advised that the Department is enforcing existing rules regarding nonpayment of fees to minimize delays in issuing permits. She stated that the adopted fee rule is a critical piece because it demonstrates the workload the EPA requested regarding Title V fees. Ms. Crumbaker said that the additional resources will fund Title V engineers and source testing staff.

Ms. Crumbaker then moved on to update the Committee on the Dust Control Program. She stated that in August 2004, the Board of Supervisors approved \$1 million in funding for 19 dust control permit program staff. Ms. Crumbaker stated that in February 2005, the Board approved an additional 10 vacant lot staff, the funding for whom is included in the FY 2006 budget. She then displayed a table of the Air Quality Department positions, dates of hire, and status to-date. Ms. Crumbaker noted that two of the Department's four supervisors had resigned to take positions elsewhere. She noted that four potential candidates for the positions were being interviewed the following day.

Chairman Hutchinson thanked Ms. Bauer and Ms. Crumbaker for their updates. He asked the compensation amount for the inspector positions. Ms. Crumbaker replied that the positions paid in the upper end of \$16.00 per hour, or about \$35,000 per year. Chairman Hutchinson asked if compensation was the issue in hiring the inspectors. Ms. Crumbaker replied that the issue seemed to be that the inspector positions were contract positions, and candidates wanted permanent positions.

Bob Kard, Director of the Maricopa County Air Quality Department, addressed the Committee. He stated that Title V is a big issue and he has been making significant changes since starting his position. Mr. Kard stated that industry appreciates knowing the rules and the Department was working on turning the permits around as fast as possible. He remarked that the permits will be defensible and legal. Mr. Kard stated that the Department is being reorganized to ensure that the dust control inspectors will have appropriate supervision and training. Mr. Kard stated that he changed the management because some staff were discontented. He offered his assurance that the program will work.

Dennis Smith asked Ms. Crumbaker for clarification that 18 of the 40 authorized positions had been filled. Ms. Crumbaker replied that was correct, and there were 22 vacancies to date. Mr. Smith noted that after the July meetings, MAG committee meetings would resume in September. He asked Ms. Crumbaker what she thought the hiring status would be at that time. Ms. Crumbaker replied that the Department is somewhat constrained because they have to match up new staff with experienced staff. She added that the 10 vacant lot staff could be brought on at once. Ms. Crumbaker stated that the applicant base might increase once it is known that the positions are permanent.

Mr. Fooks asked if the qualifications were restrictive. Ms. Crumbaker replied that she thought they were not particularly restrictive. She said the Department is looking for applicants with a college degree with some science background or related experience. Ms. Crumbaker added that trainee positions will also be available. She commented that she thought the difficulties in hiring might have been due to the temporary nature and the base salary. Ms. Crumbaker stated that the

Department has market study money available in the fee package. Mr. Kard stated that a human resources staff member would be on board June 20th to focus on the Air Quality Department. He said that he anticipated all personnel would be hired as soon as possible, and it was a matter of advertising and interview process.

Chairman Hutchinson noted that another update on air quality issues would be provided in July.

9. Election of Officers

Terry Ellis, past Chair of the Management Committee, stated that each June, the positions of Chair and Vice Chair are elected by the Management Committee. He stated that the past practice is for the Chair and Vice Chair to serve two one-year terms, of which the current Chair and Vice Chair have served one year. Mr. Ellis moved to elect Mike Hutchinson as Chair and Ed Beasley as Vice Chair of the MAG Management Committee for FY 2006. Mr. Fooks seconded, and the motion carried unanimously.

10. Comments from the Committee

An opportunity is 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.

No comments from the Committee were noted.

There being no further business, the meeting adjourned at 1:30 p.m.

Chairman

Secretary