

MINUTES OF THE MEETING
OF THE
ARKANSAS STATE HIGHWAY COMMISSION

June 10, 2015

Following is the record of proceedings of the Arkansas State Highway Commission in Little Rock, Arkansas, June 10, 2015. Members present were:

Dick Trammel, Chairman
Thomas B. Schueck, Vice Chairman
Robert S. Moore, Jr., Member
Frank D. Scott, Jr., Member
Alec Farmer, Member

2015-045 IT IS ORDERED that a meeting of the Arkansas State Highway Commission be opened at 9:00 a.m., June 10, 2015.

2015-046 WHEREAS, the Purchasing Committee has awarded purchases on April 23 and 28, 2015, and May 5 and 27, 2015, in the amount of \$247,435.16, \$232,401.00, \$1,341,951.05, and \$1,277,542.40, respectively, totaling \$3,099,329.61, and supply and service contracts, in accordance with authority previously conveyed, all of which have been documented by official minutes which are of record in the files of the Commission and Equipment and Procurement Division.

NOW THEREFORE, IT IS ORDERED that the action of the Purchasing Committee be ratified and confirmed in all particulars.

2015-047 WHEREAS, the Institute of Transportation Engineers (ITE) is an international education and scientific association of transportation professionals who are responsible for transportation mobility and safety; and

WHEREAS, ITE facilitates the application of technology and scientific principles to research, planning, functional design, implementation, operation, policy development and management for multimodal transportation; and

2015-047 - Continued

WHEREAS, ITE promotes professional development of members, supports and encourages education, stimulates research, develops public awareness programs, and serves as a conduit for the exchange of professional information; and

WHEREAS, membership in ITE would provide a good resource for information and research to assist the Department in areas of planning, design, and operations.

NOW THEREFORE, the Director is authorized to pay the annual membership fee to ITE in the amount of \$2,500.

2015-048

WHEREAS, the Great Arkansas Cleanup is an important anti-litter program which contributes to the appearance of the State's highways; and

WHEREAS, the Arkansas Highway and Transportation Department spends approximately \$5 million annually to remove litter from State Highways; and

WHEREAS, the Department's previous contributions to the Keep Arkansas Beautiful Foundation have been helpful in continuing the Great Arkansas Cleanup.

NOW THEREFORE, the Director is authorized to make a contribution of \$25,000 this year to the Keep Arkansas Beautiful Foundation for use in conducting the Great Arkansas Cleanup Campaign.

2015-049

WHEREAS, the Department utilizes automated planning, design, proposal management, letting and bid management, and construction pay estimate management systems to provide technical support in the development of highway projects; and

WHEREAS, the American Association of State Highway and Transportation Officials' (AASHTO) AASHTOWare software products provide the needed systems required by the Department.

2015-049 - Continued

NOW THEREFORE, the Director is authorized to enter into the annual licensing agreement for the AASHTOWare products.

2015-050

WHEREAS, the Department routinely uses aerial imagery for transportation planning and project development; and

WHEREAS, the Arkansas Geographic Information Office is leading a statewide aerial imagery project for the years of 2015-2016; and

WHEREAS, this project will provide one-foot resolution, leaf-off, multispectral aerial imagery for the entire state of Arkansas; and

WHEREAS, the Department would benefit greatly from this statewide aerial image acquisition.

NOW THEREFORE, the Director is authorized to enter into necessary agreements with the Arkansas Geographic Information Office to assist with the financing of the 2015-2016 Arkansas Aerial Imagery Project.

2015-051

WHEREAS, in accordance with the National Environmental Policy Act, the Endangered Species Act of 1973, Section 404 of the Clean Water Act, and other state and federal environmental laws and regulations, the Department is required to provide compensatory mitigation for unavoidable adverse impacts resulting from highway construction, maintenance, and operation activities; and

WHEREAS, approved Mitigation Areas of the appropriate type may not be available to the Department in the requisite region.

NOW THEREFORE, the Director is authorized to proceed with planning, acquisition, and development of Mitigation Areas; with assisting others in the development of Mitigation Areas; or with purchasing credits from Mitigation Areas that have been approved by the appropriate authority; subject to the following conditions:

1. Development of an acceptable mitigation plan for establishing each Mitigation Area.

2015-051 - Continued

2. Development of an acceptable cost per credit unit and purchase agreement prior to the purchase of credits from a Mitigation Area.

2015-052

WHEREAS, Act 5 of 2008 imposed an increased “severance tax” on natural gas and dedicated a portion of the revenue to the Arkansas State Highway and Transportation Department; and

WHEREAS, by Minute Order 2010-076, the Director was authorized and directed to “temporarily” allocate the resources of the natural gas severance tax to the restoration and maintenance of the highways impacted by the natural gas exploration within the Fayetteville Shale Region, which included Cleburne, Conway, Faulkner, Franklin, Independence, Izard, Jackson, Johnson, Pope, Searcy, Stone, Van Buren, White, and Yell Counties; and

WHEREAS, in the Fayetteville Shale Region, to offset the damage caused by the natural gas exploration activities, over 650 miles of roadway have been improved for a cost of \$117 million; and

WHEREAS, based on the Department’s current funding projections, these funds are needed as general state highway revenue.

NOW THEREFORE, Minute Order 2010-076 is hereby rescinded, and the Director is authorized to designate the natural gas severance tax as general state highway revenue.

2015-053

WHEREAS, Act 1176 of 2013 enacted a 15 percent registration fee increase on certain commercial vehicles registered under the International Registration Plan; and

WHEREAS, the Act provides for the first \$2 million collected under the fee increase each year to be set aside for a Commercial Truck Safety and Education Fund; and

WHEREAS, the purpose of this program is to advance state interests in roadway safety by improving the safety of the commercial truck industry through cooperative public-private programs that focus on increased enforcement, regulatory compliance, industry training, and educational programs to ensure the safe movement of goods on Arkansas' roadways; and

WHEREAS, proposals for eligible projects have been solicited, received, reviewed and evaluated by the Arkansas Commercial Truck Safety and Education Program (ACTSEP) Committee; and

WHEREAS, the ACTSEP Committee has recommended awarding Commercial Truck Safety and Education Funds for the projects as presented on the attached report.

NOW THEREFORE, the Director is authorized to proceed with the award of these funds to the appropriate applicants to implement these projects.

WHEREAS, Act 740 of the 2015 Regular Session of the 90th General Assembly allows the Highway Commission to issue a special permit, under certain conditions, for the operation of a sealed containerized cargo unit when the operation of a unit exceeds the maximum weight limitations imposed by law; and

WHEREAS, the Act allows the Highway Commission to issue a special permit valid for a one-year period upon payment of a permit fee not to exceed five thousand, five hundred dollars (\$5,500) per vehicle.

NOW THEREFORE, upon the effective date of Act 740 of the 2015 Regular Session of the 90th General Assembly, the Director is authorized to establish a one-year special permit fee per vehicle of five thousand dollars (\$5,000) for a five-axle vehicle not exceeding 90,000 pounds and five thousand, five hundred dollars (\$5,500) for a six-axle vehicle not exceeding 95,000 pounds.

2015-055

WHEREAS, the Arkansas State Highway Commission is required to print and distribute rules and regulations necessary to carry out the codes governing State Highways and the use of motor vehicles; and

WHEREAS, the supply of the manual, Arkansas Motor Vehicle and Traffic Laws and State Highway Commission Regulations, 2013 Edition, issued jointly by the Arkansas State Highway Commission and the Department of Finance and Administration, is exhausted; and

WHEREAS, revisions to laws and regulations require this manual to be updated; and

WHEREAS, the Arkansas Code Revision Commission has indicated that a state contract exists with LexisNexis Publishing to compile and print the Arkansas Motor Vehicle and Traffic Laws and State Highway Commission Regulations, 2015 Edition, including an Internet license agreement.

NOW THEREFORE, the Director is authorized to update the Arkansas Motor Vehicle and Traffic Laws and State Highway Commission Regulations, 2013 Edition, and to collaborate with the Department of Finance and Administration to publish 8,400 copies of the Arkansas Motor Vehicle and Traffic Laws and State Highway Commission Regulations, 2015 Edition, including the Internet agreement.

2015-056

WHEREAS, the Commission acquired the property in fee known as Tract No. 7XR from the City of Little Rock, Arkansas, by Warranty Deed, dated and filed for record on April 1, 2015, in the Circuit Clerk's Office of Pulaski County, Arkansas, for Job No. 060395, Union Pacific Railroad Overpass (Arch St.)(LR)(S); and

WHEREAS, the construction of Commission Job No. 060395 will result in the obliteration of access from property owned by Travis G. Moore and Martha A. Moore, husband and wife, to Arkansas State Highway 367 (Arch Street); and

WHEREAS, the owners, Travis G. Moore and Martha A. Moore, of the tract of real property to the North of said Commission property have agreed to accept a nonexclusive permanent easement for ingress and egress access over that portion of the Commission's property in exchange for the obliteration of access to Arkansas State Highway 367 (Arch Street); and

WHEREAS, the District Engineer for District 6 has reviewed the proposed nonexclusive easement and has opined that proposed easement will not unduly inhibit the Commission's use of its property being specifically described as follows:

Access Easement Tract 7XR

Part of Lots 11, 12, 13 and 14, Block 2, Twen Cen Addition to the City of Little Rock, being part of the Northwest Quarter of the Southeast Quarter of Section 15, Township 1 North, Range 12 West, Pulaski County, Arkansas, more particularly described as follows:

Commencing at a point being used as the Northwest Corner of Lot 22, Block 2, Twen Cen Addition, said point also being on the Eastern right of way line of Arkansas State Highway 367 (Arch Street) as established by the plat of Twen Cen Addition recorded in Plat Book 76 Page 474; thence South $02^{\circ}40'45''$ West along said right of way line a distance of 300.11 feet to a point on the Eastern right of way line of Arkansas State Highway 367 (Arch Street) as established by Dedication Deed recorded in Book 96 Page 79892; thence South $86^{\circ}45'20''$ East along said right of way line a distance of 10.00 feet to a point; thence South $02^{\circ}40'45''$ West along said right of way line a distance of 100.00 feet to a point on the North line of Lot 14, Block 2, Twen Cen Addition; thence South $86^{\circ}45'20''$ East along said North line a distance of 81.67 feet to the POINT OF BEGINNING; thence continue South $86^{\circ}45'20''$ East along said North line a distance of 45.34 feet to a point on the Westerly right of way line of a platted alley as established by the plat of Twen Cen Addition recorded in Plat Book 76 Page 474; thence South $02^{\circ}40'45''$ West along said right of way line a distance of 163.09 feet to the Northern right of way line of 34th Street as established by the plat of Twen Cen Addition recorded in Plat Book 76 Page 474; thence South $64^{\circ}46'36''$ West along said right of way line a distance of 49.52 feet to a point; thence North $02^{\circ}11'49''$ East a distance of 186.72 feet to the POINT OF BEGINNING and containing 0.18 acres (7,801 sq. ft.), more or less, as shown on AHTD plans referenced as Job 060395.

RA 2/13/15

NOW THEREFORE, the Commission, in exchange for the mutual benefits inuring hereunder, does hereby grant, deliver, and convey an irrevocable nonexclusive easement for ingress and egress over a portion of its property described above, for the perpetual nonexclusive use and benefit of Travis G. Moore and Martha A. Moore, and their lessees, heirs or assigns, in exchange for the release and relinquishment of the direct access to Arkansas State Highway 367 (Arch Street) that construction of Job No. 060395 will obliterate said access; the Chairman of the Commission is authorized and directed to execute a Permanent Nonexclusive Easement for Ingress and Egress; and this Minute Order shall be recorded in Pulaski County, Arkansas, to Travis G. Moore and Martha A. Moore; a copy of the easement and this Minute Order shall be recorded in Pulaski County, Arkansas; and, if necessary, the right of way shall be remonumented.

2015-057

WHEREAS, IN CRITTENDEN COUNTY on I-40 in West Memphis, an Original Contract dated March 10, 2010, was awarded to Olympus Construction, Inc. for Job No. 110488, FAP No. STME-STPE-ARR1(68), Arkansas Welcome Center (West Memphis) (F), based on a low bid of \$3,784,756.03; and

WHEREAS, the Contractor has completed the project but has not remitted full payment to Subcontractors as required by the Contract; and

WHEREAS, by Certified Mail dated December 19, 2014, the Contractor was given 30 days to make full payment to all Subcontractors or the project would be recommended for default in accordance with Subsection 108.08 of the Standard Specifications; and

WHEREAS, payment to Subcontractors has not been made.

NOW THEREFORE, IT IS ORDERED that the rights of Olympus Construction, Inc. to proceed on Job No. 110488 are hereby terminated. The Contractor shall not be approved to perform as a Contractor, Subcontractor, or Supplier for a period of 90 days from the date of the declaration of default. The Deputy Director and Chief Engineer is authorized to arrange for fulfillment of the contract obligations in

accordance with the plans and specifications and in compliance with the terms and conditions of the contract and bond. Neither the Contractor nor his partners shall be approved to participate in the completion of this contract, by the Surety.

2015-058

WHEREAS, the United States Geological Survey's (USGS) 3D Elevation Program (3DEP) initiative responds to a growing need for high-quality topographic data and a wide range of other three-dimensional representation of the Nation's natural and constructed features; and

WHEREAS, current and accurate 3D elevation data are essential to help communities cope with natural hazards and disasters such as floods and landslides, support infrastructure, ensure agricultural success, strengthen environmental decision-making and bolster national security; and

WHEREAS, the primary goal of 3DEP is to systematically collect enhanced elevation data in the form of high-quality light detection and ranging (LiDAR) data over the United States; and

WHEREAS, the Northwest Arkansas Regional Planning Commission (NWARPC) applied for and received a grant from the USGS 3DEP in the amount of \$169,175 which requires 50% matching funds; and

WHEREAS, the NWARPC has requested that the Department participate in funding the 2015 Northwest Arkansas LiDAR Project; and

WHEREAS, access to enhanced elevation data for this area of the State will be a helpful supplement to the Department's planning and project development efforts.

NOW THEREFORE, the Director is authorized to enter into necessary agreements with NWARPC to assist with the financing of the 2015 Northwest Arkansas LiDAR Project.

2015-059

WHEREAS, IN PULASKI COUNTY, in the Cities of Little Rock and North Little Rock, Connecting Arkansas Program funding has been committed to widen Interstate 30 from Interstate 530 to Interstate 40; and

WHEREAS, Interstate Rehabilitation Program funding has been committed to rehabilitate Interstate 40 from Interstate 30 to Highway 67; and

WHEREAS, Minute Order 2013-114 authorized the Director to implement the Design-Build method of project delivery for this project; and

WHEREAS, Act 704 of 2015 broadened the Commission's authority to procure qualification based, Design-Build-Finance services that offers the greatest value to the state; and

WHEREAS, the Design-Build-Finance model is beneficial if short-term gap financing provided by the design-builder allows the sponsor to expedite project implementation.

NOW THEREFORE, the Director is authorized to request and evaluate proposals and recommend to the Commission either a Design-Build or a Design-Build-Finance team. Upon Commission approval, the Director may enter into any necessary contracts and agreements to implement widening Interstate 30 and rehabilitating Interstate 40 as described above.

2015-060

WHEREAS, the existing Faulkner County Resident Engineer's Office #84 in Conway on Highway 64 was constructed in 1963; and

WHEREAS, at this existing location, office space and laboratory testing space is deemed to be outdated and inadequate to facilitate necessary work activities; and

WHEREAS, relocation of this Resident Engineer's Office has been a Department priority for the past several years; and

WHEREAS, a suitable site has been selected on existing property already owned by the Department, located adjacent to existing building location on Highway 64.

2015-060 - Continued

NOW THEREFORE, the Director is authorized to construct a Resident Engineer's Office including buildings, appurtenances, fencing and related items as funds become available.

Work is to be accomplished with contract and state forces as a building project.

2015-061

WHEREAS, the Department continues to upgrade or replace mechanical and Heating, Ventilation, and Air Conditioning (HVAC) equipment as they reach or exceed their expected life span; and

WHEREAS, two Central Office Centrifugal Chillers are 30 years old. In addition, three associated cooling towers are over 20 years old. This equipment has become inefficient, and unreliable; and

WHEREAS, replacing the 140 Ton Centrifugal Chiller and the 240 Ton Centrifugal Chiller in conjunction with the replacement of three 250 Ton Cooling Towers should ensure more reliable and efficient cooling service for the Central Office Complex.

NOW THEREFORE, the Director is authorized to proceed with the purchase and installation of this equipment located at the Central Office Boiler Room, including the associated mechanical and control equipment, as funds become available.

Work is to be accomplished with contract and state forces as a building project.

2015-062

WHEREAS, the roofs on both the Equipment and Procurement and Paint and Body Buildings have exceeded their serviceable life and are in poor condition; and

WHEREAS, it has been determined that the most feasible means of replacing the existing interlocking metal roof is to install an insulation board covered with a 50 mil polyvinyl chloride membrane roof system.

2015-062 - Continued

NOW THEREFORE, the Director is authorized to replace the roof on both the Equipment and Procurement Building and the Paint and Body Building as funds become available.

Work is to be accomplished by contract as a Building Project.

2015-063 WHEREAS, the Arkansas State Highway Commission received bids on the following projects at the June 9, 2015 letting;

JOB NO.	DISTRICT	COUNTY	JOB NAME	ROUTE	APHN
BB0303	03	MILLER & HEMPSTEAD	RED RIVER-EAST & WEST (F)	30	Y
CA0401	04	WASHINGTON	HWY. 71B-HWY. 412 (WIDENING) (S)	49	Y
C02004	02	ASHLEY	MONTROSE OVERLAY (SEL. SECS.) (S)	---	
C04004	09	BENTON	LOWELL OVERLAY (SEL. SECS.) (S)	---	-
C08004	09	CARROLL	BERRYVILLE OVERLAY (SEL. SECS.) (S)	---	
C16004	10	CRAIGHEAD	JONESBORO CARAWAY RD. OVERLAY (SEL. SEC.) (S)	---	
C25003	05	FULTON	HARDY WOODLAND HILLS/SLAYTON RDS. SURFACING (SEL. SEC.) (S)	---	
C28001	10	GREENE	OAK GROVE HEIGHTS OVERLAY & SURF. (SEL. SECS.) (S)	---	
C32003	05	INDEPENDENCE	OIL TROUGH & SULPHUR ROCK OVERLAY (SEL. SECS.) (S)	---	
C34004	05	JACKSON	NEWPORT MCLAIN ST. OVERLAY (S)	---	
C38003	10	LAWRENCE	COLLEGE CITY FULBRIGHT AVE. REHAB. (SEL. SECS.) (S)	---	
C38005	10	LAWRENCE	ALICIA & MINTURN OVERLAY & SURFACING (SEL. SECS.) (S)	---	
C47002	10	MISSISSIPPI	ETOWAH BRACKETT RD. SURFACING (SEL. SEC.) (S)	---	
C56003	10	POINSETT	TRUMANN OVERLAY (SEL. SECS.) (S)	---	
C59005	06	PRAIRIE	HAZEN OVERLAY (SEL. SECS.) (S)	---	
C60004	06	PULASKI	SHERWOOD OVERLAY (SEL. SECS.) (S)	---	

2015-063 - Continued

JOB NO.	DISTRICT	COUNTY	JOB NAME	ROUTE	APHN
C61002	10	RANDOLPH	REYNO SURFACING (SEL. SECS.) (S)	---	-
C62001	06	SALINE	BRYANT SPRINGHILL RD. OVERLAY (SEL. SEC.) (S)	---	-
C62003	06	SALINE	BENTON & BAUXITE OVERLAY (SEL. SECS.) (S)	---	-
C70003	07	UNION	FELSENTHAL & STRONG OVERLAY & SURFACING (SEL. SECS.) (S)	---	-
C76020	08	POPE & YELL	DARDANELLE, POTTSVILLE & RUSSELLVILLE OVERLAY (SEL. SECS.) (S)	---	-
C76021	05 & 10	JACKSON & POINSETT	GRUBBS & WEINER OVERLAY (SEL. SECS.) (S)	---	-
C76024	04 & 09	WASHINGTON & BENTON	ELM SPRINGS, GENTRY & HIGHFILL SURF. (SEL. SECS.) (S)	---	-
SA0356	09	BAXTER	BAXTER COUNTY RESEAL NO. 11 (S)	---	-
SA0440	09	BENTON	HWY. 16-HWY. 412 (BASE & SURFACING) (S)	---	-
SA0555	09	BOONE	HWY. 65-NORTH RESEAL (S)	---	-
SA0758	07	CALHOUN	HWY. 160-NORTH (SURFACING) (S)	---	-
SA0850	09	CARROLL	HWY. 62-NORTH (OVERLAY) (SEL. SECS.) (S)	---	-
SA0851	09	CARROLL	CARROLL CO. LEVEL & RESEAL NO. 2 (SEL. SEC.) (S)	---	-
SA0939	02	CHICOT	HWY. 160-NORTH (RECONSTRUCTION) (S)	---	-
SA1058	07	CLARK	CLARK COUNTY OVERLAY NO. 6 (SEL. SECS.) (S)	---	-
SA1145	10	CLAY	HWY. 328 NORTH AND EAST (OVERLAY) (S)	---	-
SA1443	07	COLUMBIA	COLUMBIA CO. LEVEL & RESEAL (SEL. SECS.) (S)	---	-
SA1444	07	COLUMBIA	COLUMBIA CO. OVERLAY (SEL. SECS.) (S)	---	-
SA2130	02	DESHA	DESHA COUNTY RESEAL (SEL. SECS.) (S)	---	-
SA2367	08	FAULKNER	HWY. 65-HOLLAND C.L. (ACKLIN GAP RD.) (OVERLAY) (S)	---	-
SA2744	02	GRANT	PRATTSVILLE-NORTH (SLURRY SEAL) (S)	---	-
SA2861	10	GREENE	CO. ROAD 32 OVERLAY (SEL. SECS.) (S)	---	-

2015-063 - Continued

JOB NO.	DISTRICT	COUNTY	JOB NAME	ROUTE	APHN
SA2942	03	HEMPSTEAD	HWY. 278-NORTH (OVERLAY) (S)	---	-
SA3342	05	IZARD	HWY. 58-EAST (OVERLAY) (SEL. SECS.) (S)	---	-
SA3343	05	IZARD	CO. RD. 36 (BASE & SURFACING) (SEL. SECS.) (S)	---	-
SA3455	05	JACKSON	SWIFTON CITY LIMITS-EAST (OVERLAY) (S)	---	-
SA3647	08	JOHNSON	JOHNSON CO. SURFACING & RESEAL NO. 3 (SEL. SECS.) (S)	---	-
SA3936	01	LEE	HWY. 261-EAST NO. 2 (OVERLAY) (S)	---	-
SA4041	02	LINCOLN	LINCOLN COUNTY SURFACING (SEL. SECS.) (S)	---	-
SA4135	03	LITTLE RIVER	HWY. 108-NORTH SURFACING (S)	---	-
SA4433	09	MADISON	MADISON COUNTY RESEAL (SEL. SECS.) (S)	---	-
SA4743	10	MISSISSIPPI	HWY. 18-SOUTH (SURFACING) (S)	---	-
SA4934	08	MONTGOMERY	CO. RD. 26 SURFACING (SEL. SECS.) (S)	---	-
SA5024	03	NEVADA	COLUMBIA CO. LINE-NORTH (LEVEL & RESEAL) (S)	---	-
SA5133	09	NEWTON	HWY. 123-WEST (LEVEL & RESEAL) (S)	---	-
SA5445	01	PHILLIPS	HWY. 1-EAST (BASE & SURFACING) (S)	---	-
SA5946	06	PRAIRIE	PRAIRIE COUNTY RESEAL NO. 4 (SEL. SECS.) (S)	---	-
SA6138	10	RANDOLPH	HWY. 166-HWY. 62 (OVERLAY) (S)	---	-
SA6641	03	SEVIER	SEVIER CO. PAVEMENT MARKINGS NO. 3 (SEL. SECS.) (S)	---	-
SA7292	04	WASHINGTON	ELKINS CITY LIMITS-SOUTHWEST (OVERLAY) (S)	---	-
SA7293	04	WASHINGTON	HWY. 59-EAST (OVERLAY) (SEL. SEC.) (S)	---	-
SA7388	05	WHITE	HWY. 385-HWY. 323 BASE (S)	---	-

and

WHEREAS, a thorough bid review and analysis is undertaken by the Department to ensure that only those projects are awarded which are judged to be in the best interests of the State; and

WHEREAS, the right is retained to reject any or all proposals, to waive technicalities, or to advertise for new proposals, also as judged to be in the best public interests of the State; and

WHEREAS, the Commission desires to expedite work on these important projects; and

WHEREAS, in accordance with Arkansas Constitution, Amendment 42, Section 6, as well as other laws of this State, the Commission has the authority to delegate certain of its powers to the Director of Highways and Transportation.

NOW THEREFORE, upon the Contractors furnishing the necessary performance and payment bonds and submitting all additional information required for the above mentioned projects, the Director is hereby authorized to enter into contracts and supplemental agreements for any projects deemed to be in the best interests of the State. Further, the Director is authorized to reject any or all proposals, to waive technicalities, and/or to advertise for new proposals whenever deemed to be in the best interests of the State.

Commission Chairman Dick Trammel congratulated Vice Chairman Thomas B. Schueck on the article in Arkansas Business. Vice Chairman Schueck was recognized for receiving the 2014 William F. Rector Memorial Award for Distinguished Civic Achievement from Fifty for the Future, a civic organization of Pulaski County business leaders recognizing people who have exhibited outstanding community leadership and have made significant contributions to Little Rock's growth and development.

Commission Chairman Dick Trammel brought up the previous Commission Minutes of April 22, 2015. The Minutes were approved without discussion.

MOTION

Vice Chairman Thomas B. Schueck moved, Commissioner Alec Farmer seconded and the motion passed to approve the 2015-2016 AHTD Operating Budget as presented by Department Staff, which was presented to the Commission at the May 29, 2015 meeting.

- Maintenance Budgets (Districts): +5.0% (\$3.5M)
- Inclement Weather Reserve: +\$2 million
- Salaries, Overtime, Additives: +0.6% (\$1.3M)
Includes COLA, merit bonuses, service recognition
- All other operating budgets: -1.0%
- Reserve for building construction/renovation: \$5.1M
- Total budget: -0.4% (\$1.3M)

MOTION

The Commission approved Minute Order 2004-114 on August 18, 2004 authorizing the Department to advertise for consultant ecological services. Commissioner Alec Farmer moved, Vice Chairman Thomas B. Schueck seconded, and the motion passed to accept the Staff's recommendation to enter into negotiations with the firm of Dinkins Biological Consulting, LLC of Powell, Tennessee to provide consultant services for Freshwater Mussel Survey for Job 110540, White River Structures Demolition and Removal (Clarendon).

MOTION

The Commission approved Minute Order 2015-017 on March 11, 2015 authorizing the Department to advertise for consultant environmental services. Commissioner Robert S. Moore, Jr. moved, Commissioner Alec Farmer seconded and the motion passed to accept the Staff's recommendation to enter into negotiations with the following firms:

Bat Call Identification, Inc. – Kansas City, MO
Civil & Environmental Consultants, Inc. – Franklin, TN
Copperhead Environmental Consulting, Inc. – Paint Lick, KY
Garver, LLC – North Little Rock, AR
HDR Environmental, Operations and Construction, Inc. –
Little Rock, AR
Jackson Group – Richmond, KY
Mitigation Surveying Services, LLC – Benton, AR

MOTION

Commissioner Alec Farmer moved, Commissioner Frank D. Scott, Jr. seconded and the motion passed to enter into Executive Session at 11:10 a.m. to discuss the Director's performance evaluation.

MOTION

Commissioner Alec Farmer moved, Commissioner Frank D. Scott, Jr. seconded and the motion passed to reconvene at 11:55 a.m. Chairman Trammel said they had an excellent review of Director Bennett's performance and thanked the Director for his receptiveness to the Commissioners' suggestions.

OTHER DISCUSSION ITEMS

Robert Phelps, Executive Director of the Keep Arkansas Beautiful Commission, made a presentation on the 2014 Keep Arkansas Beautiful programs and the significant results the partnership between Keep Arkansas Beautiful and the Arkansas Highway and Transportation Department continues to produce in educating and engaging our state's citizens about litter prevention and remediation. The Commission adopted a Minute Order authorizing a contribution of \$25,000 to the Keep Arkansas Beautiful Foundation for use in conducting the Great Arkansas Cleanup Campaign.

Mike Boyd, Chief Fiscal Officer, provided the April 2015 update on state highway revenue. Mr. Boyd noted that state highway revenues to the Department from most traditional sources are up a total of \$8.2 million in the first ten months of State Fiscal Year (SFY) 2015 compared to the same period for SFY 2014. With the revenue from the Natural Gas Severance Tax coming in higher for the first ten months of this year compared to last year, total revenues available are \$11.8 million higher for this year. Actual state revenue received is \$13.1 million higher compared to projected (budgeted) revenue for this year.

In closing, Mr. Boyd stated that April revenue from the 0.5% General Sales Tax for the Connecting Arkansas Program was 1.4% higher, (\$192,000) than projected by the Department of Finance and Administration (DF&A). This revenue source has come in under DF&A's projections for thirteen of the twenty-one months since the tax went into effect, and is cumulatively 0.39%, or \$1.1 million, under DF&A's projections to date.

Director Bennett provided the latest information on the Federal highway and transit funding issues. Director Bennett noted that on May 29, 2015, President Obama signed into law the Highway and Transportation Funding Act of 2015. This legislation extends MAP-21 from May 31, 2015 until July 31, 2015. It extends the authority to expend funds from the Highway Trust Fund and the authorization to obligate funds for programs administered by the Federal-Aid Highway Administration, the Federal Transit Administration, the National Highway Traffic Safety Administration, and the Federal Motor Carrier Safety Administration.

This is the 33rd stopgap surface transportation measure passed by Congress in the last decade.

The extension is intended to last until the projected balance of the Highway Trust Fund reaches a critical level at the end of July. At that point, Congress will need to transfer money from the general fund, increase revenue, or some combination of these to prevent the Federal Highway Administration from implementing cash management procedures and reducing reimbursements to the states.

Director Bennett gave an update on the status of the 2011 Interstate Rehabilitation Program (IRP), Connecting Arkansas Program (CAP), and State Aid City Street Program. The 2011 Interstate Rehabilitation Program was approved by Arkansas voters in November 2011. Under this program, the Commission has the authority to issue up to \$575 million in GARVEE bonds for Interstate rehabilitation. Three series of bonds have been issued. The first was sold in September 2012 at a par value of \$197 million (true interest cost of 1.6%) with a premium of \$33 million (total of \$230 million available for construction). The second was sold in October 2013 at a par value of \$172 million (true interest cost of 2.2%) with a premium of \$29 million (total of \$201 million available for construction). The third was sold in November 2014 at a par value of \$206 million (true interest cost of 2.1%) with a premium of \$37 million (total of \$243 million available for construction).

The Connecting Arkansas Program was approved by Arkansas voters in November 2012. Under this program, the Commission has the authority to issue up to \$1.3 billion in revenue bonds for four-lane highway construction. The first series of bonds was sold in September 2013 at a par value of \$469 million (true interest cost of 3.1%) with a

Discussion Item - Continued

premium of \$25 million (total of \$494 million available for construction). No other bond sales under this program are expected.

With the approval of the 0.5% Sales Tax for the Connecting Arkansas Program, 1 cent in motor fuel tax revenue (approximately \$20 million annually) is being set aside for a State Aid City Street Program. Projects are selected by the State Aid City Street Committee and are designed, let to contract, and inspected by the Department.


The Department is now holding the Bid Letting the day before the Commission Meeting. Director Bennett presented a summary of the apparent low bids and bidders from the June 9, 2015 Bid Letting.

Director Bennett recognized Sandy Otto, Division Administrator, Federal Highway Administration, for all her service with the Department and presented her with a Proclamation. She will be transferring to the Western Federal Lands Highway Division in Vancouver, Washington in late June.

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IT IS ORDERED that a meeting of the Arkansas State Highway Commission be closed at 11:55 a.m., June 10, 2015.

I hereby certify that the above and foregoing is a true record of the proceedings taken by the Arkansas Highway Commission at its meeting on June 10, 2015.


Lindy H. Williams
Commission Secretary