



**MISSOURI HIGHWAYS AND TRANSPORTATION
COMMISSION**

Official Minutes

TABLE OF CONTENTS

April 1, 2015

VOTE TO CLOSE MEETING..... 5

COMMISSION/DIRECTOR ITEMS

Michael T. Waters, Jr. Qualified as a Member of the Missouri Highways
and Transportation Commission 6

Approval of Minutes 6

Consent Agenda 6

Commission Committees and Commission Related Boards 7

Director’s Report 8

Director Dave Nichols’ Retirement 9

Interim Director – Roberta Broeker Appointed 10

PUBLIC PRESENTATIONS

I-70 Smart Pavement P3 10

North Missouri Rural Roads 13

MoDOT PRESENTATION

The Deteriorating Condition of State Highways 15

RESOLUTION

Resolution Expressing Appreciation to Dave Nichols for Outstanding Service
to the State of Missouri 17

ADMINISTRATIVE RULES/POLICIES

Report and Recommendation Regarding Final Orders of Rulemaking – Oversize
and Overweight Permits..... 18

BUSINESS ISSUES

Fiscal Year 2015 Budget Amendment..... 19

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

Consideration of Bids for Transportation Improvements 20

Request for Approval of Location and/or Design of Highways 23

Ratification and Approval of Plans for Condemnation..... 24

Ratification and Approval of Plans to Reduce Condemnation Area 24

REPORTS

Medical and Life Insurance Plan: Missouri Department of Transportation
and Missouri State Highway Patrol Medical and Life Insurance Plan Report 26

Financial – Budget – Reports

 Year-to-Date Financial Report, Period Ending February 28, 2015 26

Consultant Services Contract Report 26

**MINUTES OF THE REGULARLY SCHEDULED HIGHWAYS AND
TRANSPORTATION COMMISSION MEETING HELD IN JEFFERSON CITY,
MISSOURI, WEDNESDAY APRIL 1, 2015**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Wednesday, April 1, 2015, at the Missouri Department of Transportation Building, 105 West Capitol Avenue, Jefferson City, Missouri. Stephen R. Miller, Chairman, called the meeting to order at 9:30 a.m. The following Commissioners were present: Lloyd J. Carmichael, Gregg C. Smith, Michael B. Pace, and Michael T. Waters, Jr.

Commissioner Scott tendered his letter of resignation to Governor Nixon stating his resignation would be effective on February 1, 2015; at the time of the April 1, 2015 meeting, a replacement had not been appointed.

The meeting was called pursuant to Section 226.120 of the Revised Statutes of Missouri, as amended. The Secretary verified that notice of the meeting was posted in keeping with Section 610.020 of the Revised Statutes of Missouri, as amended.

* * * * *

* * * * *

Dave Nichols, Director of the Missouri Department of Transportation; Rich Tiemeyer, Chief Counsel for the Commission; and Pamela J. Harlan, Secretary to the Commission, were present on Wednesday, April 1, 2015.

* * * * *

*“Department” or “MoDOT” herein refers to Missouri Department of Transportation.
“Commission” or “MHTC” herein refers to Missouri Highways and Transportation Commission.*

-- CLOSED MEETING --

VOTE TO CLOSE MEETING

The agenda of the closed meeting was posted in keeping with Sections 610.020 and 610.022, RSMo, including the following statutory citations allowing the meeting to be closed:

1. Section 610.021(1) – Legal actions and attorney-client privileged communications.
2. Section 610.021(3), (13) – Personnel administration regarding particular employees.
3. Section 610.021(11), (12) – Competitive bidding specs, sealed bids, or negotiated contracts.

Upon motion duly made and seconded to convene in closed session, the Chairman called for a voice vote of the members. The vote was as follows:

Commissioner Miller, Aye
Commissioner Carmichael, Aye
Commissioner Smith, Aye
Commissioner Pace, Aye
Commissioner Waters, Aye

The Commission met in closed session on Tuesday, March 31, 2015 from 1:00 p.m. until 5:00 p.m.

* * * * *

-- OPEN MEETING --

MICHAEL T. WATERS, JR. QUALIFIED AS A MEMBER OF THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION

On March 3, 2015, Governor Jeremiah (Jay) Nixon announced the appointment of Michael T. (Tom) Waters, Jr. of Orrick to the Missouri Highways and Transportation Commission for a term ending March 1, 2021, or until his successor is duly appointed and qualified. Mr. Waters will take the position held by Commissioner Kenneth H. Suelthaus whose term expired. Mr. Waters was confirmed by the Senate on March 19, 2015, and duly sworn on April 1, 2015, at the Missouri Department of Transportation Building in Jefferson City by Supreme Court Chief Justice Mary Russell.

* * * * *

APPROVAL OF MINUTES

Upon motion by Commissioner Carmichael, seconded by Commissioner Smith, the Commission unanimously approved the minutes of the special meeting held March 25, 2015. The Chairman and Secretary to the Commission were authorized and directed to sign and certify said minutes and to file same in the office of the Secretary.

* * * * *

CONSENT AGENDA

Consent Agenda Process

In order to make the most efficient use of Commission meeting time and to ensure Commission members are well informed on issues requiring their action, staff prepares and submits to the Commission members, in advance of their meeting, internal memoranda consisting of advice, opinions, and recommendations related to the items of the Commission meeting agenda. Those items considered by staff to be of a routine or non-controversial nature are placed on a consent agenda. During the meeting, items can be removed from the consent agenda at the request of any one Commission member.

The items that are not removed from the consent agenda are approved with a single motion and unanimous vote by a quorum of the members.

Minutes reflecting approval of items on the consent agenda are singly reported herein and intermingled with minutes reflecting action on related subjects that were openly discussed. Reference to “consent agenda” is made in each minute approved via the process described in the paragraph above. Minutes reflecting action on items removed from the consent agenda and openly discussed reflect the open discussion and vote thereon.

Consideration of April 1, 2015, Consent Agenda

Commissioner Smith requested Consent Agenda Item 1 titled “Resolution Expressing Appreciation to Dave Nichols for Outstanding Service to the State of Missouri” be removed from the consent agenda for consideration during the meeting. Upon motion by Commissioner Carmichael seconded by Commissioner Smith, the remaining consent agenda items were unanimously approved by a quorum of Commission members present.

* * * * *

COMMISSION COMMITTEES AND COMMISSION RELATED BOARDS

The Commission has two standing committees: Audit and Legislative. In addition, it elects Commission representatives to two boards: Missouri Transportation Finance Corporation Board of Directors and MoDOT and Patrol Employees’ Retirement System Board of Trustees. The following committee and board reports were made during the April 1, 2015, meeting.

Audit Committee – Commissioner Pace stated there was no report.

Legislative Committee – Commissioner Carmichael stated the number of legislative days is quickly counting down. With the legislature just returning from their annual legislative spring recess, there are now less than 26 days of the session remaining. Commissioner Carmichael noted the Commission’s foremost interest this session is working with the legislature to find a funding solution that would avert any possible threat of not having enough state funds to match federal funds, beginning in fiscal year

2017. Commissioner Carmichael reported one solution being discussed at the Capitol is a six-cent fuel tax, implemented two-cents a year over three years and then implementing an indexing mechanism on the price of the state's fuel tax at the end of the third year. The idea is outlined in Senate Bill 540 sponsored by Senator Doug Libla (R-Poplar Bluff). This legislative concept would generate enough funds in order to match federal funds in fiscal year 2017, eliminate the need for the 325 Plan (Primary and Supplemental route system), and would allow the Commission to consider reinstating MoDOT's popular cost-share program. He noted that Senate Bill 540 was voted out of the Senate Transportation Committee this morning and will move on to the next step in the legislative process. Commissioner Carmichael also reported on other funding options that have been discussed in the Capitol including tolling/privatizing I-70, and earmarking general revenues for transportation purposes in order to match future federal funds. There is a lot going on and a short time frame to accomplish something this session, but there does appear to be a lot of momentum and it is an exciting time.

Missouri Transportation Finance Corporation – Chairman Miller appointed Commissioner Smith as the President of the Board. Commissioner Smith stated there was no report. The next MTFC meeting is scheduled for May 5, 2015.

MoDOT and Patrol Employees' Retirement System – Commissioner Carmichael stated there was no report. The next MPERS meeting is scheduled for April 8, 2015.

* * * * *

DIRECTOR'S REPORT

During the April 1, 2015, Commission meeting, Director Dave Nichols provided the following report:

Certificate of Achievement for Excellence in Financial Reporting – Director Nichols reported for the sixth straight year the Government Finance Officer Association awarded the Missouri Transportation Finance Corporation with the certificate of achievement for excellence in financial reporting. This is the highest form of recognition in the area of governmental accounting and financial reporting. He thanked Roberta Broeker, Chief Financial Officer, and Brenda Morris, Financial Services Director, for their hard work and team effort to earn this honor.

Customer Service – Director Nichols noted although the department may not have all the resources it needs to deliver all of the projects that Missourians want, one thing the department can always provide is outstanding customer service. A priority for the department, customer service numbers were on the rise in February with great results indicating overall satisfaction increased from eighty-six percent to eighty-

eight percent. The politeness of the MoDOT team to its customers increased from ninety-seven percent to ninety-eight percent. Being responsive was measured at ninety-one percent and providing clear and understandable information was measured at eighty-nine percent. This data is collected by our customer service centers who have the callers participate in a brief survey at the end of their call. Director Nichols commended team MoDOT that even during these difficult financial times, the department is able to provide outstanding customer service to the citizens of Missouri and the traveling public.

Performance Management – Director Nichols reported he testified before the U.S. Senate Subcommittee on Surface Transportation and Merchant Marine, Infrastructure, Safety and Security of the Committee on Commerce, Science and Transportation. He shared with this committee the department’s experience with the performance management tool that is called Tracker. The focus of his remarks were about the performance standards to bring down the number of highway fatalities since 2005. Director Nichols described to the committee the department’s system wide approach and how it had worked on the major highways. He also reviewed the need to take the next step and to make similar efforts on Missouri’s minor roads. However, everyone acknowledged the funds are not available to address these safety improvements on the minor road system.

Road and Bridge Tours for Legislators – Director Nichols informed the Commission that while the members of the General Assembly are on spring break, they have been invited by the department to take a tour of local roads and bridges in their legislative districts. He noted these trips will be hosted by the district engineers and area engineers, and will help the department illustrate Missouri’s transportation funding needs.

New Highway Safety Director – Director Nichols introduced Bill Whitfield as the new Highway Safety Director. Mr. Whitfield has over thirty-two years of experience in highway safety and follows Leanna DePue who led the Highway Safety division previously and has now retired.

* * * * *

DIRECTOR DAVE NICHOLS’ RETIREMENT

In February 2015, Director Dave Nichols announced his retirement effective May 1, 2015. Director Nichols assumed the role of Interim Director in March 2013, after serving 29 years in a variety of leadership roles, including the department’s first director of program delivery prior to becoming chief engineer. He also served as the district engineer for the department’s Northwest District headquartered in St. Joseph and worked in MoDOT’s Kansas City District. On April 2, 2013, the Commission

unanimously appointed Dave Nichols as the MoDOT Director. Director Nichols announced his intentions to retire effective May 1, 2015.

* * * * *

INTERIM DIRECTOR – ROBERTA BROEKER APPOINTED

The Commission appointed Roberta Broeker, Chief Financial Officer, to serve as the Interim MoDOT Director until a new Director is selected later this fall. This appointment is effective May 1, 2015. The Commission thanked Ms. Broeker for her willingness to take on this critical role.

* * * * *

I-70 SMART PAVEMENT P3

Tim Sylvester, President of Integrated Roadways shared with the Commission his concept of rebuilding Interstate 70 using a public private partnership and smart pavement. This would allow the reconstruction of the interstate without any increase in public funding, no taxes, and no tolls. Smart pavement is an interlocking prefabricated pavement system that has embedded sensor networks providing intelligent transit services on a subscription basis. The subscription services are navigation support to enable driverless vehicles and wireless electric vehicle charging. This system would be primarily oriented to commercial fleet operators but also available to the general public. Additionally, it would allow collection and analysis of data on traffic and pavement conditions and environmental conditions for the benefit of the private members and the department of transportation.

The smart pavement project cost for Interstate 70 from Kansas City to St. Louis is estimated at \$3.6 billion which is similar to MoDOT's estimates for reconstruction of Interstate 70. Mr. Sylvester explained the public contribution would be about \$380 million which is about ten percent of the project. The public private partnership would take over the operation of the interstate and MoDOT would need to contribute their existing operating budget for 2016 through 2019 as the majority of MoDOT's

contribution and it is expected the remainder of MoDOT's contribution would come from the scrap value of the existing materials on the interstate.

This concept reduces the public funding obligation to reconstruct Interstate 70 by ninety percent. The public private partnership is structured as a design, build, finance, operate, and maintain system which minimizes MoDOT's risk on the project. Revenue is derived from a combination of availability payment and demand risk. The availability payment covers the debt and the demand risk provides the return on investment for private members. The demand risk is made up of basic free access. Anyone that wants to use the interstate but does not want to subscribe just uses it as they would with no fees, no tolls, no anything extra, and then subscribers access the premium intelligent transportation services. This concept also gives the public private partnership the ability to share profits with MoDOT.

Mr. Sylvester stated the construction expenditures are as typical as they can be for an atypical project like this. The intelligent transportation system expenditures are about one-fourth of the project cost, or \$893 million. The land acquisition estimate of \$427 million is taken directly from MoDOT's own estimates. The two other noteworthy items are intermodal facilities expenditures estimated at \$160 million and operational facilities expenditures to support the intelligent transportation services at \$64 million. The other expenditure estimates he shared included \$1,064 million for pavement, \$724 million for site work, \$229 million for design, and \$38 million for development.

Mr. Sylvester then described the estimated revenue and profit sharing estimates with the department of transportation over a ten year period. He explained the first year of operation they expect the project to generate about \$300 million in revenue which would not result in any profit sharing in the first year; however, by the end of the ten year period it is estimated the project would generate more than \$1 billion of revenue from subscriptions which enable the public private partnership to share more than \$450 million with the department. Considering the impact on public funds the public private partnership

would reduce MoDOT's expense of operation of Interstate 70 by about \$6 million in the first year and increase MoDOT's budget by about \$425 million by the end of the ten year period.

Mr. Sylvester explained that he does need the Commission's help in order to move this concept forward and requested their assistance with conducting a pilot project. He estimated the pilot project would cost approximately \$4 million for a one mile demonstration. He also expects it would take about 12 to 18 months to construct the pilot project which would allow time to advance the public private partnership concept through Missouri's General Assembly. The pilot project will help prove the technology works, prove the system works, demonstrate it to stakeholders, and validate and confirm the expense models for the project. It would also be a test bed for in-vehicle technologies. Currently it is difficult to prove the in-vehicle technologies work if you don't have a smart pavement to pair them with. The pilot project would be used to gain political support by demonstrating it to the commission and MoDOT, to legislators and various other state officials. The test site would be used for public demonstrations of the technology to build public support and also to demonstrate the system to the commercial subscribers so that presubscriptions could be arranged to ensure profitability in the first year of operation.

Mr. Sylvester requested the commission recommend MoDOT move forward with the pilot project so that together they can determine project funding, project schedule, and project location. Beyond Commission support it will be necessary to gain support from the governor's office and from the legislature. There are a number of legislative proposals and other measures that need to be resolved in order to make this large scale public private partnership happen. He requested the Commission recommend to the governor's office consideration of this concept as an alternative toll way and requested the Commission recommend the legislature analyze this concept to determine what legislation and other measures need to be resolved in order to move this concept forward in Missouri.

Mr. Sylvester stated his belief that rebuilding Interstate 70 using a public private partnership and smart pavement makes perfect sense for everyone involved. It provides the state the benefit of a brand new interstate that is prepared for the next generation in vehicle technologies. The use of subscriptions, instead of taxes or tolls, resolves obstacles to public and political support. If someone does not want, cannot afford, or is not compatible with the subscription services, they simply use the interstate as they do now. This concept allows the state to turn an unfunded liability that desperately needs attention into a revenue generating asset through leveraging private financing without additional public funding and without the public resistance to tolling.

Commissioner Carmichael requested clarification about how the subscription service would operate. Mr. Sylvester explained the subscriber would be able to charge their electric vehicle or enable the navigation features on their vehicles and explained he anticipates as technology evolves new subscription services could be offered as well. Commissioner Waters inquired if there were other pilot projects using this technology. Mr. Sylvester described other projects that are in place or under consideration in Florida, Michigan, California, Texas, and overseas in the Netherlands. Chairman Miller inquired further into the financing of this concept.

After further inquiry and discussion, Commissioner Miller thanked Mr. Sylvester for his presentation.

* * * * *

NORTH MISSOURI RURAL ROADS

Andy Jackson, an Adair County farmer, shared with the Commission how the condition of Missouri's roads and bridges impacts her rural community in northeast Missouri. She asked you to join her as she sits at the intersection of county road Mercury Avenue and Route 156 as she painted the picture of the activities on a fall harvest day. She described a local farmer using his semi tractor-trailer to transport soybeans from his farm near LaPlata to the grain elevator at Novelty. Then how those beans

go from the grain elevator to Quincy, Illinois where they are loaded on a barge and transported down the Mississippi River. She explained that farmer travels supplemental Route 156 for approximately 200 trips to harvest his crops of corn and soybeans.

She goes on to describe a large truck hauling rock from the area quarry. This truck will make 8 to 10 trips a day hauling rock to be spread on the county gravel roads. She described MFA feed trucks heading east from LaPlata to deliver supplies to a local swine operation. Then a goose neck trailer that is loaded with cattle and pulled by a $\frac{3}{4}$ ton heavy duty pickup travels by on its way to the sale barn in Macon. There are cars passing by intermittently on their way to town to go to work.

Next there is a load of dairy calves on their way to an out of state feed lot followed by an Amish horse and buggy on its way to the grocery store and lumber yard. Then there is a semi-load of corn being transported to the ethanol plant in Macon. Later there is a combine tractor followed by a pickup truck pulling a trailer hauling its bean head. This combine is moving from farm to farm during harvest.

She explained that in rural Missouri you frequently see tractors and tillage machinery and grain buggies and other agricultural equipment traveling the supplementary roads moving from farm to farm to produce the row crops that are so vital to the economy of the community. In the spring she noted you would see seasonal fertilizer trucks and the tank wagons that transport anhydrous ammonia and travel from supply depots to the fields. There are also school buses delivering students to and from home and area schools, along with teenage drivers returning home after ball practice. In addition, there are also some bicyclists who enjoy the rural scenic routes on the supplemental system. She shared this information with the Commission to help with the understanding that these roads play an important role in the agricultural industry and in the lives of the people who live in rural Missouri.

Commissioner Waters thanked Mrs. Jackson for her presentation. Commissioner Miller requested Mrs. Jackson continue to share her message with the legislature, about how roads and bridges impact the economy and safety of Missourians, just as she did with the Commission today.

* * * * *

THE DETERIORATING CONDITION OF STATE HIGHWAYS

On behalf of the Director, Tonya Lohman, Northwest District Area Engineer, and Brian Reagan, Transportation Systems Analysis Engineer, reported on the deteriorating condition of state highways. Mrs. Lohman explained that as an area engineer she has the opportunity to work with farmers, parents, and community members and the condition of Missouri's transportation system impacts their way of life. She noted that everyone she has worked with will be impacted as the supplementary routes continue to decline at an ever increasing rate. Mrs. Lohman explained that the department no longer has the resources available to address what needs to be done to take care of the condition of the supplemental roadways. She described how the department historically used a one inch overlay program to maintain the supplemental routes, but under the 325 plan that option is no longer available. She expressed concern as maintenance on the supplemental roads is deferred the condition of those roads will deteriorate.

Mr. Reagan noted it is important to have a quality transportation system to move people and goods. MoDOT has approximately 34,000 miles of road to maintain, this includes 8,000 miles on the primary system and 26,000 miles on the supplemental system. Under the 325 plan MoDOT has committed to keeping the primary system in the condition that it is in today, but noted that the department will only be able to do limited routine maintenance on the supplementary system.

Historically, MoDOT invested approximately \$160 million per year in contract work on the supplementary system, this resulted in being able to have seventy-four percent of supplementary roads in good condition and only 26 percent in poor condition today. However, without sustainable funding these roads will begin to deteriorate. Within five years Missourians will begin to notice the difference when traveling on the supplementary system roads that were traditionally maintained by contract work will now simply be getting patching and potholes filled. It will begin to result in a rougher ride and the

cost to maintain these routes will increase. He explained that within ten years it is estimated that 73 percent of the supplementary system will be in poor condition and only 27 percent in good condition, in that short period of time the ratio of good pavements to poor pavements will be reversed.

Roads in poor condition impact the ability of people to move around Missouri, the efficiency with which we can move goods and provide services, and the ability to arrive on time. The deterioration of these roads is state wide and will affect all Missourians both rural and urban. Highways in good condition are easier to drive, they are pothole free have clear pavement markings and reliable travel times. Roads that are in good condition are also easier and more efficient to maintain. On good condition roads, the department is able to do low cost treatments that extend the pavement life and provide a new driving surface.

As highways begin to deteriorate they are not as easy to drive. The ride gets rougher; the pavement markings may become unclear. The cost to maintain them begins to increase. Eventually the highway deteriorates to the point to where it takes significant resources to repair it or it has to be replaced completely. Roads in complete disrepair become unsafe to travel.

He explained that there is a cost to delay work on the supplementary system. He described the difference between an annual investment of \$160 million per year and deferring that work over a ten year period. After year three, the deferred cost has more than doubled, and the total cost of the deferred work reaches over \$2 billion in ten years. He concluded that if Missouri is unable to obtain a sustainable funding source, within ten years seventy-three percent of Missouri's supplementary system will be in poor condition and it will cost a total of \$2.8 billion to return it to the condition that it is in today.

Commissioner Miller thanked Mrs. Lohman and Mr. Reagan for their presentation. He noted how striking the cost of deferred maintenance is, and noted that it is not a straight line decline it is at an exponential growth rate with real escalating consequences.

* * * * *

RESOLUTION EXPRESSING APPRECIATION TO DAVE NICHOLS FOR OUTSTANDING SERVICE TO THE STATE OF MISSOURI

At the request of Commissioner Smith, this item was removed from the consent agenda for discussion. The Commission thanked Director Nichols for his 29 years of service to the department. Upon motion by Commissioner Smith, and seconded by Commissioner Carmichael, the Commission unanimously approved the following resolution.

WHEREAS, Dave Nichols began his distinguished career with the Missouri Department of Transportation on May 1, 1984, and will be retiring on May 1, 2015, after 31 years of service to the State of Missouri; and

WHEREAS, Dave Nichols served in a variety of capacities beginning as a Construction Inspector in the former District One, moving through increasingly responsible assignments of resident engineer and Assistant to the District Construction Engineer in the former District Four, then as Assistant District Engineer and District Engineer in the former District One, then in the Central office as Director of Project Development, the Director of Program Delivery, and the Chief Engineer, culminating in his promotion as Director; and

WHEREAS, his inspiring leadership and engineering knowledge brought him much success with the implementation of the design build process and completion of many significant transportation projects. The first three major design-build projects in Missouri included reconstruction of a ten-mile segment of Interstate 64 through the heart of St. Louis and was completed in December 2009; the kcICON project reconstructed and rehabilitated four-miles of Interstate 29/35 into downtown Kansas City and constructed a new iconic cable-stayed river bridge that was completed in December 2010; and the Safe and Sound Bridge Improvement Program that repaired or replaced 802 of the state's poorest condition bridges in October 2012; and

WHEREAS, in his service to the Missouri Department of Transportation, Dave Nichols was a passionate safety advocate. His intense focus on safety of highway workers is evidenced by his unyielding leadership in promotion of being safe at work by using the proper safety equipment and procedures so that employees can go home safe every day. His compassion for the traveling public is evidenced through his consistent promotion of safety belt use and implementation of engineering solutions including the use of median guard cable, rumble stripes, bigger and brighter pavement markings and signs which have made the roadways in Missouri safer so the traveling public may return home safe every day. During his tenure MoDOT has seen a dramatic reduction in lost work days and recordable incidents and the fatality rate from accidents on Missouri's roadways are at a historic low; and

WHEREAS, throughout his career, Dave Nichols served admirably, diligently, tirelessly, and collaboratively on behalf of the Department of Transportation and the State of Missouri, as evidenced by his ability to establish and maintain excellent relations with organizations in Missouri for the betterment of Missouri's transportation system. Mr. Nichols recognizes the importance of creating an environment that invites participation, encourages mutual respect and sensitivity for everyone and his efforts to be

more inclusive and improve diversity within the department's workforce, the construction contracting community, and the department's procurement practices has resulted in an increase of minorities in the workforce and disadvantaged business enterprise participation; and

WHEREAS, Dave Nichols believed in the use of innovation to build projects and conduct work more efficiently and for less cost. Through his support of the Innovations Challenge, department employees shared solutions to improve tools and equipment, projects, and productivity. Through this program, the employee earns recognition for their solution and savings and efficiency for the department. The Innovations Challenge program has been recognized as a model for other departments of transportation and the Federal Highway Administration. Over the past 5 years, the program has identified nearly 100 best practices that have made department work better, faster, cheaper, and safer. Additionally, he supports the use of innovations in the construction industry. Through the use of practical design, value engineering, performance specifications, alternate technical concepts and innovative contracting, the department has realized billions of dollars in savings; and

WHEREAS, his work ethic, integrity, expertise, and caring for others have earned him the respect, admiration, and friendship of department employees and the public he served; and

WHEREAS, Dave Nichols recognized the importance of balancing family and career and is a loving husband to Leslie; and devoted father of his daughter, Ashley, while performing his job duties with compassion, dedication, and pride;

NOW, THEREFORE, BE IT RESOLVED that the Missouri Highways and Transportation Commission does hereby publicly express its appreciation and gratitude to Dave Nichols for his service to the citizens of Missouri.

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to Dave Nichols so he will know of the high esteem and affection in which he is held by the members of the Missouri Highways and Transportation Commission and the Missouri Department of Transportation staff.

* * * * *

**REPORT AND RECOMMENDATION REGARDING FINAL ORDERS OF RULEMAKING –
OVERSIZE AND OVERWEIGHT PERMITS**

On behalf of the Director, Scott Marion, Motor Carrier Services Director, presented the final orders of rulemaking, 7 CSR 10-25.020, Oversize and Overweight Permits, which provides a uniform system to issue permits to authorize vehicles to use the state highway system with cargo loads that exceed the statutory limits on length, width, height and weight established in Chapter 304, RSMo. He explained the administrative rules needed to be updated to reflect current federal guidelines.

On December 4, 2014, the Commission approved and authorized staff to file proposed amended

rules in regard to issuing emergency utility response permits to transport certain utility materials and equipment following a civil or natural disaster. The changes would add that the department shall also issue emergency utility response permits for the transport of utility wires or cables, poles, and equipment needed for repair work immediately following a disaster where utility service has been disrupted; excluding super heavy and large load movements. After Commission approval, staff filed these rules with the Joint Committee on Administrative Rules and the Office of Secretary of State, who published the proposed rules in the *Missouri Register* for public comment, during which the public could submit comments in support of or in opposition to the notice of proposed amended rulemaking. No comments were received through this comment period.

The department supports this final order of rulemaking to reflect issuance of emergency utility response permits as required by law to reflect its current business practices. After consideration, the Commission, via approval of the consent agenda, unanimously approved the final orders to complete the rulemaking, authorized the Secretary to the Commission to file the final orders of rulemaking with the Joint Committee on Administrative Rules and the Office of the Secretary of State for publication in the *Missouri Register*, and authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute documents to finalize the rulemaking process.

* * * * *

FISCAL YEAR 2015 BUDGET AMENDMENT

On behalf of the Director, Brenda Morris, Financial Services Director, recommended increasing disbursements \$1.1 million for the fiscal year 2015 budget. Ms. Morris also recommended transfers between operating budget categories to address changing priorities and provide greater flexibility to districts and divisions in funding program priorities.

Via approval of the consent agenda, the Commission unanimously approved the fiscal year 2015 budget amendment described above.

* * * * *

CONSIDERATION OF BIDS FOR TRANSPORTATION IMPROVEMENTS

On behalf of the Director, Eric Schroeter, State Design Engineer, presented the following recommendations pertaining to bids received on federal-aid and state highway and bridge projects during the past month. He noted Calls C07, F06, H05, and H14 have local funding, as noted in Table I below, and the department received all of the necessary concurrences.

Mr. Schroeter recommended (1) Award of contracts to the lowest responsive bidders for bids received at the March 20, 2015, letting, as recommended and noted in Table I below. (2) Rejection of bids received on Calls C02, D07, and H08 as noted in Table II below, due to the bids being excessive per Section 102.15 of the Missouri Standard Specifications for Highway Construction. Chairman Miller requested Call C02 be tabled and brought up for further consideration at a later date, as noted in Table III below.

**Table I
Award of Contracts
March 20, 2015, Bid Opening**

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
A01	I-35	Caldwell, DeKalb, Clinton, Clay, Daviess	J0I3001C	\$269,027.60	\$0.00	Herzog Contracting Corp.	JOC - Asphalt Repair
B01	70	Montgomery, Warren	J0I3001H	\$620,300.00	\$0.00	N.B. West Contracting Company	JOC - Asphalt Repair
B02	H	Lincoln	J2L1500M	\$59,590.00	\$0.00	Truesdell Corporation Midwest	High Friction Surface Treatment
B03	U	Lincoln	J2S3001	\$1,756,214.06	\$0.00	Mid-River Asphalt, Inc.	Grading, Pavement, Add Shoulders and Resurface
B04	19	Montgomery	J3P2198	\$5,658,547.78	\$0.00	Lehman Construction, LLC	Grading, Drainage, Pavement and Bridge
B05	70	Warren	J2S3006E	\$862,000.00	\$0.00	Pace Construction Company	Resurface

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
B06	79	Marion	J2S3006B	\$1,540,156.78	\$0.00	Chester Bross Construction Company/C.B. Equipment, Inc.	Pavement and ADA Improvements
C01	M	Pettis	J3P3026	\$2,040,126.10	\$0.00	Chester Bross Construction Company/C.B. Equipment, Inc.	Add Shoulders
		Pettis, Morgan	J3S3045				Resurfacing
C04	Various	Clay	J4I3021	\$2,934,750.38	\$0.00	Phillips Hardy, Inc.	Bridge Deck Replacement and 5 Bridge Rehabilitations
C05	71	Jackson	J4M0207C	\$226,938.00	\$0.00	U.S. Lawns of Kansas City	Mowing, Landscaping and Litter Removal
C06	70	Jackson	J4M0223D	\$83,383.65	\$0.00	Millgoal Enterprises II, LLC	Mowing, Landscaping and Litter Removal
C07 *	50	Jackson	J4P2233	\$13,066,231.50	\$0.00	Chester Bross Construction Company/C.B. Equipment, Inc.	Grading, Pavement and Bridge
C08	69	Clay	J4P3005	\$2,412,171.80	\$0.00	L. G. Barcus and Sons, Inc.	Bridge Replacement
C09	Various	Various	J4P3008	\$347,075.40	\$0.00	Freeman Concrete Construction, LLC	JOC - Concrete Repair
D01	70	Cooper, Callaway, Boone	J0I3001G	\$232,745.00	\$0.00	APAC-Missouri, Inc.	JOC - Asphalt Repair
D04	Y	Morgan, Miller	J5L1500C	\$1,748,294.34	\$0.00	APAC-Missouri, Inc.	Resurface and Add Shoulders
D05	Various	Various	J5P3003	\$361,511.32	\$0.00	Superior Rail System, LLC	JOC - Guardrail and Guard Cable
D08	Various	Morgan, Howard, Moniteau	J5P3032	\$830,626.58	\$0.00	Collins & Hermann, Inc.	Signing and Guardrail Replacement
D09	A	Camden	J5S2200	\$323,284.65	\$0.00	Don Schnieders Excavating Company, Inc.	Bridge Deck Replacement
D10	P	Miller	J5S3007B	\$2,910,238.25	\$0.00	APAC-Missouri, Inc.	Resurface
	87	Miller, Moniteau	J5S3088				Resurface and Add Shoulder
D11	179	Cooper, Moniteau	J5S3007E	\$1,112,003.05	\$0.00	APAC-Missouri, Inc.	Resurface and Pipe Replacement
F01	364	St. Louis	J6P3002	\$1,703,722.65	\$0.00	R. V. Wagner, Inc.	Bridge Rehabilitation
F05 & F06 **	340	St. Louis	J6S1872	\$3,360,000.00	\$0.00	Pace Construction Company	Resurface and ADA Improvements
			J6S1872B	\$500,000.00			Landscape Improvements

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
F08	180	St. Louis	J6S3009	\$189,915.20	\$0.00	R. V. Wagner, Inc.	ADA Improvements
F09	Various	Franklin, Jefferson	J6S3052	\$558,420.00	\$0.00	Collins & Hermann, Inc.	JOC - Guardrail Repair
F10	Various	St. Charles	J6S3058	\$359,160.00	\$0.00	Collins & Hermann, Inc.	JOC - Guardrail Repair
G02	60	Greene	J8P0683D	\$8,402,106.47	\$0.00	Emery Sapp & Sons, Inc.	Grading, Pavement and Bridge
H01	55	Various	J0I3001Q	\$107,808.00	\$0.00	Fronabarger Concreters, Inc.	JOC - Concrete Repair
H02	55	Various	J0I3001R	\$128,869.60	\$0.00	Chester Bross Construction Company/C.B. Equipment, Inc.	JOC - Asphalt Repair
H03	55	Pemiscot, New Madrid	J0I3001S	\$107,808.00	\$0.00	Fronabarger Concreters, Inc.	JOC - Concrete Repair
H04	55	Various	J0I3001T	\$136,566.16	\$0.00	Chester Bross Construction Company/C.B. Equipment, Inc.	JOC - Asphalt Repair
H05 ***	Bus. 67	Butler	J0P2274	\$1,137,643.45	\$0.00	Lappe Cement Finishing, Inc.	Grading, Pavement and ADA Improvements
H07	5	Ozark, Douglas	J8P2454	\$2,068,000.00	\$0.00	Pace Construction Company	Resurface
H09	67	Butler	J9P3003	\$2,038,289.65	\$0.00	Apex Paving Co.	Resurface
			J9P3083				Grading and Pavement
H11	Various	Various	J9P3073	\$237,580.20	\$0.00	James H. Drew Corporation	JOC - Guardrail and Guard Cable Repair
H14 ****	K	Scott	J9S3094	\$379,829.06	\$0.00	Chester Bross Construction Company/C.B. Equipment, Inc.	Grading and Pavement
H16	Z	Wayne	J9S3013	\$599,754.65	\$0.00	Boone Construction Co.	Bridge Replacement
H17	34	Wayne, Bollinger	J0P2295	\$5,761,103.08	\$0.00	Apex Paving Co.	Resurface and Add Shoulder
			TOTAL:	\$67,171,792.41	\$0.00		

* Call C07 – Funding by the City of Lee’s Summit– \$6,852,196.20

** Calls F05 & F06 – Funding by Olive Blvd Transportation Development District – \$500,000.00

*** Call H05 – Funding by City of Poplar Bluff – \$568,821.72

**** Call H14 – Funding by City of Scott City – \$379,829.06

**Table II
Rejection of Bids
March 20, 2015, Bid Opening**

Call No.	Route	County	Job No.	Description
D07*	50	Osage	J5P3005	Resurface and ADA Improvements
H08	63	Texas	J9P2203	Grading and Pavement

* Call D07 – Funding by the City of Linn – \$83,259.33

**Table III
Tabled Bids
March 20, 2015, Bid Opening**

Call No.	Route	County	Job No.	Description
C02*	131	Lafayette	J3S3040	Resurface and ADA Improvements

* Call C02 – Funding by City of Odessa – \$1,021,523.75

Commission Consideration and Action

After consideration, and upon motion by Commissioner Smith, seconded by Commissioner Waters, the Commission took the following action with the abstentions noted below:

1. Awarded contracts to the lowest responsive bidders for bids received on the March 20, 2015, bid opening, as recommended and noted in Table I above. Non-contractual costs for these projects are shown on the above tabulation.
2. Rejected the bids received on Calls D07 and H08, as noted in Table II above, because they were considered excessive.
3. Tabled Call C02 for further consideration at a later date, as noted in Table III above.
4. Authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute the contracts awarded above.

Commissioner Miller abstained from voting on Calls A01, D05, F09, F10, and G02.

* * * * *

REQUEST FOR APPROVAL OF LOCATION AND/OR DESIGN OF HIGHWAYS

**Route 39 and Route K, Lawrence County
Job No. J7T0043
Public Hearing Held January 27, 2015**

The proposed improvement provides construction of a new railroad bridge on Route 39 in Lawrence County, relocation of Carnation Drive and upgrade of Route K and County Road 1210 railroad crossings to quiet zone crossings. This improvement also provides for closures of the Morgan Avenue and McNatt Avenue railroad crossings. The project will have normal access right of way. Route 39 will remain open during the construction of the new overpass structure, except for short duration closures to construct the tie-ins. Construction on Route K and County Road 1210 will be performed under traffic with temporary lane closures. The project is 0.5 miles in length.

On behalf of the Director, Becky Baltz, Southwest District Engineer, recommended approval of the design as presented at the public hearing.

After full consideration of the favorable and adverse economic, social and environmental effects of the recommended designs, the Commission via approval of the consent agenda unanimously found and determined the recommended designs would best serve the interest of the public and approved the recommendation.

* * * * *

RATIFICATION AND APPROVAL OF PLANS FOR CONDEMNATION

On behalf of the Director, Eric Schroeter, State Design Engineer, recommended the Commission ratify and approve the following detailed project plans, approved by the Chief Engineer, which have been filed for condemnation.

<u>County</u>	<u>Route</u>	<u>Job Number</u>
Greene / Webster	60	J8P0683

In accordance with Section 227.050 RSMo, the Commission via approval of the consent agenda, approved the detailed project plans for the above noted projects and directed they be filed as necessary for the condemnation of right of way.

* * * * *

RATIFICATION AND APPROVAL OF PLANS TO REDUCE CONDEMNATION AREA

On behalf of the Director, Eric Schroeter, State Design Engineer, recommended the Commission ratify and approve detailed right of way plans in order to facilitate the reduction in a condemnation action that was ordered on January 15, 2015.

<u>County</u>	<u>Route</u>	<u>Job Number</u>
Butler	PP	J0S0919

In accordance with Section 227.050 RSMo, the Commission via approval of the consent agenda, approved the detailed project plans for the above noted projects and directed they be filed as necessary for the condemnation of right of way.

* * * * *

-- REPORTS --

The Commission received the following written reports.

MEDICAL AND LIFE INSURANCE PLAN: MISSOURI DEPARTMENT OF TRANSPORTATION AND MISSOURI STATE HIGHWAY PATROL MEDICAL AND LIFE INSURANCE PLAN REPORT

Jeff Padgett, Risk and Benefits Management Director, provided financial and claims data reports for the period July 2014 through December 2014, and for the most recent five calendar years, to update the Commission on the cost and utilization of the Medical and Life Insurance Plan. The total enrollment in the plan increased 1 percent overall. The largest enrollment increase, 2.9 percent, was within the Medicare group, while the pre-65 retiree group had a 2.2 percent decrease in enrollment. Medical and prescription claims have increased 12.4 percent compared to the same time frame in 2013. The rise in pharmacy trend is attributable to the specialty drug category; or drugs used to treat chronic or difficult health conditions, like multiple sclerosis or rheumatoid arthritis. The drugs with the most significant impact to the Plan were drugs used to treat Hepatitis C. The Plan does not have many members with new diagnoses of Hepatitis C therefore; once our affected population is treated the utilization of this drug class is anticipated to drop off significantly. The total operating revenues increased 3 percent, which can be attributed to the increase in medical premiums.

* * * * *

**FINANCIAL – BUDGET – REPORTS
YEAR-TO-DATE FINANCIAL REPORT, PERIOD ENDING FEBRUARY 28, 2015**

Brenda Morris, Financial Services Director, submitted a written financial report for fiscal year-to-date ended February 28, 2015, with budget and prior year comparisons.

* * * * *

CONSULTANT SERVICES CONTRACT REPORT

Eric Schroeter, State Design Engineer, submitted a written report of consultant contracts executed in the month of February 2015, for both engineering and non-engineering related projects. The

department utilizes consultants to efficiently manage workload and provide specialized expertise to supplement and support department staff. Expenditures for consultant services are funded from the Commission approved Statewide Transportation Improvement Program and MoDOT Operating Budget. There were 136 active contracts held by individual engineering consultant firms prior to February 1, 2015. One engineering consultant services contract was executed in February 2015, for a total cost of \$33,518. There were three non-engineering consultant contracts executed in February 2015, for a total cost of \$425,824.

* * * * *

* * * * *

By unanimous consensus of all members present, the meeting of the Commission adjourned.

* * * * *

* * * * *

The Mission of the Missouri Highways and Transportation Commission is to:

- Represent the citizens of Missouri pursuant to the Constitution by providing independent and nonpartisan governance of the Missouri Department of Transportation; and
- Establish policies, exercise oversight, and ensure accountability in developing and maintaining a world class transportation system in Missouri which fosters safety and economic development.

* * * * *