

Montana Transportation Commission

August 24, 2017 Meeting
Helena, Montana

IN ATTENDANCE

Barb Skelton, Transportation Commission Chair
Greg Jergeson, Transportation Commissioner
Carol Lambert, Transportation Commissioner
Dave Schulz, Transportation Commissioner
Dan Belcourt, Transportation Commissioner
Mike Tooley, Director MDT
Pat Wise, Deputy Director MDT
Dwane Kailey, MDT Engineering
Lori Ryan, Commission Secretary
Dustin Rouse, MDT
Dave Ohler, MDT
Lynn Zanto, MDT
Carol Grell Morris, MDT
Dave Holien, MDT
Paul Johnson, MDT
Brad Burns, MDT
Kevin McLaury, FHWA

Please note: the complete recorded minutes are available for review on the commission's website at http://www.mdt.mt.gov/pubinvolve/trans_comm/meetings.shtml. You may request a compact disc (containing the audio files, agenda, and minutes) from the transportation secretary Lori Ryan at (406) 444-7200 or lrayn@mt.gov. Alternative accessible formats of this document will be provided upon request. For additional information, please call (406) 444-7200. The TTY number is (406) 444-7696 or 1-800-335-7592.

OPENING – Commissioner Barb Skelton

Commissioner Skelton called the meeting to order with the Pledge of Allegiance. After the Pledge of Allegiance, Commissioner Skelton offered the invocation.

Approval of Minutes

The minutes for the Commission Meetings of June 22, 2017, June 27, 2017, July 11, 2017, July 25, 2017 and August 8, 2017 were presented for approval.

Commissioner Lambert moved to approve the minutes for the Commission Meetings of June 22, 2017, June 27, 2017, July 11, 2017, July 25, 2017 and August 8, 2017. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item 1: Local Construction Project on State Highway System – Premier Industries, Deer Lodge County

Lynn Zanto presented the Local Construction Project on State Highway System – Premier Industries, Deer Lodge County to the Commission. Under MCA 60-2-110 “Setting priorities and selecting projects,” the commission shall establish priorities and select and designate segments for construction and reconstruction on the national highway system, the primary highway system, the secondary highway system, the urban highway system, and state highways. This statute exists to ensure the safety of our system, protect transportation investments, and encourage coordination on public and private infrastructure improvement projects that impact MDT routes.

Premier Industries is planning to construct a processing plant for waste material (slag) near the Anaconda Smelter site in Deer Lodge County. To address truck traffic generated by the new facility, the developers are proposing to add a westbound left-turn lane on MT-1 (P-19) at the approach to the Anaconda Smelter slag pile (approximately one mile east of Anaconda).

Anaconda-Deer Lodge County has given preliminary approval for improvements at this location. Additionally, MDT headquarters and Butte District staff have reviewed and concur with the recommended improvements.

Premier Industries will provide 100 percent of project funding and will be required to complete MDT's design review and approval process (to ensure that all work complies with MDT design standards).

Summary: Premier Industries is proposing modifications to the Primary Highway System to address truck traffic generated by their new facility near Anaconda. Specifically, Premier Industries is requesting the addition of a westbound left turn-lane on MT-1 (P-19) at the approach to the Anaconda Smelter slag pile (approximately one mile east of Anaconda).

Staff recommends that the Commission approve this modification to MT-1, pending concurrence of MDT's Chief Engineer.

Commissioner Schulz said Jeff Ebert took us on a tour and looked at the greater area and he explained the intent of this. I think there is high merit for this.

Commissioner Schulz moved to approve the Local Construction Project on State Highway System – Premier Industries, Deer Lodge County. Commissioner Lambert seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item 2: Local Construction Project on State Highway System – CHS Overhead Structure, Laurel

Lynn Zanto presented the Local Construction Project on State Highway System, CHS Overhead Structure, Laurel to the Commission. Under MCA 60-2-110 "Setting priorities and selecting projects," the commission shall establish priorities and select and designate segments for construction and reconstruction on the national highway system, the primary highway system, the secondary highway system, the urban highway system, and state highways. This statute exists to ensure the safety of our system, protect transportation investments, and encourage coordination on public and private infrastructure improvement projects that impact MDT routes.

CHS, Inc. is proposing to construct a new structure over US-212/US-310 (N-4) in Laurel. The proposed overhead structure would provide electrical service (via high voltage power lines) in addition to serving as a walkway for employees (between the CHS refining facilities).

Proposed power bridge/walkway elements would be located outside of MDT right-of-way and outside of the US-212/US-310 clear zone (similar to existing structures at this location). MDT headquarters and Billings District staff have reviewed and concur with the recommended improvements.

CHS, Inc. will provide 100 percent of project funding and will be required to complete MDT's design review and approval process (to ensure that all work complies with MDT design standards).

Summary: CHS, Inc. is proposing modifications to the National Highway System at their facility in Laurel. Specifically, CHS, Inc. is proposing to construct a new structure over US-212/US-310 (N-4) to provide electrical service and an employee walkway between the CHS refining facilities.

Staff recommends that the Commission approve this modification to US-212/US-310, pending concurrence of MDT's Chief Engineer.

Commissioner Lambert asked where it went over the highway. Lynn Zanto (referring to map) said it is out of Laurel, the road that heads to Red Lodge. Commissioner Lambert asked if this was a road that mega loads would go over. Lynn Zanto said most of the mega load traffic has been coming from the north and going to the Billings Refinery or going from Billings north. If you need to bring mega loads into the Refinery, there is another road so there wouldn't be a blockage anywhere. Dwane Kailey said this would be the facility's responsibility, so they could incur the cost of any damage or movement. Commissioner Jergeson asked how high the under carriage of the structure was. Dwane Kailey said this exceeds our existing structures; the design has it at 28 feet above the roadway.

Commissioner Lambert moved to approve the Local Construction Project on State Highway System, CHS Overhead Structure, Laurel. Commissioner Jergeson seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item 3: Local Construction Project on State Highway System – Kalispell North Town Center, Flathead County

Lynn Zanto presented the Construction Project on State Highway System – Kalispell North Town Center, Flathead County to the Commission. Under MCA 60-2-110 "Setting priorities and selecting projects," the commission shall establish priorities and select and designate segments for construction and reconstruction on the national highway system, the primary highway system, the secondary highway system, the urban highway system, and state highways. This statute exists to ensure the safety of our system, protect transportation investments, and encourage coordination on public and private infrastructure improvement projects that impact MDT routes.

Kalispell North Town Center is a development located between US-93 (N-5) and Whitefish Stage Road (S-292), north of Reserve Drive, in Flathead County. The developers for Kalispell North Town Center are proposing improvements to both routes to address traffic generated by their new facility.

Access to the development will be gained via an extension of Rose Crossing from Whitefish Stage Road to US-93. At the intersection of US-93 and Rose Crossing, a new signal system will be installed (with some lane modifications on US-93). Minor upgrades will be needed at the intersection of Whitefish Stage Road and Rose Crossing.

The City of Kalispell has given preliminary approval for improvements at this location. Additionally, MDT headquarters and Missoula District staff have reviewed and concur with the recommended improvements.

The developers for Kalispell North Town Center will provide 100 percent of project funding and will be required to complete MDT's design review and approval process (to ensure that all work complies with MDT design standards).

Summary: The developers for Kalispell North Town Center are proposing improvements to US-93 (N-5) and Whitefish Stage Road (S-292) to address traffic generated by their new facility. Improvements would include a new signal system (with lane modifications) at the intersection of US-93 and Rose Crossing and minor upgrades at the intersection of Whitefish Stage Road and Rose Crossing.

Staff recommends that the Commission approve these modifications to US-93 and Whitefish Stage Road, pending concurrence of MDT's Chief Engineer.

Commissioner Jergeson moved to approve the Local Construction Project on State Highway System – Kalispell North Town Center, Flathead County. Commissioner Lambert seconded the motion. All Commissionees voted aye.

The motion passed unanimously.

Agenda Item 4: Functional Classification/System Designation
Cruiser Lane, Belgrade,
Spooner Road, Belgrade
Jackrabbit Lane, Belgrade
Golden West Drive, Belgrade

Lynn Zanto presented the Functional Classification/System Designation – Cruiser Lane, Belgrade; Spooner Road, Belgrade; Jackrabbit Lane, Belgrade; Golden West Drive, Belgrade to the Commission. The Transportation Commission gives concurrence on functional classification recommendations for public roadways at the state level with final approval by the Federal Highway Administration (FHWA). Functional classification is a method of classifying roads by the service they provide as part of the overall highway system.

The Transportation Commission is also responsible for approving revisions to the Urban Highway System (per MCA 60-2-126). Urban Highways are those routes that have been functionally classified as either urban arterials or collectors, and that have been selected by the commission, in cooperation with local government authorities, to be placed on the Urban Highway System.

At the request of the City of Belgrade and Gallatin County, MDT conducted a functional classification review of several routes in the Belgrade area. The purpose of this review was to determine if the functionality of these routes had changed due to the construction of a connection between Cruiser Lane and Dry Creek Road.

As a result of this review, MDT is now advancing the following functional class recommendation for portions of Cruiser Lane, Spooner Road and Jackrabbit Lane: Major Collector. Additionally, MDT is recommending that Golden West Drive (U-609) be classified as a Local Road.

With this change in functional class, MDT is recommending that portions of Cruiser Lane, Spooner Road and Jackrabbit Lane be placed on the Urban Highway System. Additionally, MDT is recommending that Golden West Drive be removed from the Urban Highway System (since it is no longer eligible to remain on the system). Justification for this change is based primarily on promoting system continuity and maintaining overall system mileage in the Belgrade Urban area.

Summary: MDT is requesting Transportation Commission approval of a functional classification revision – from Local Road to Major Collector - for portions of Cruiser Lane, Spooner Road and Jackrabbit Lane in Belgrade. Additionally, MDT is recommending that Golden West Drive be classified as a Local Road.

Further, MDT is requesting the addition of portions of Cruiser Lane, Spooner Road and Jackrabbit Lane to the Urban Highway System. Lastly, MDT is recommending that Golden West Drive be removed from the Urban Highway System (since it is no longer eligible to remain an Urban route).

Staff recommends that the Commission approve the following items:

1. Functional Classification Revision:

- a. Reclassify Cruiser Lane, between Jackrabbit Lane and Dry Creek Road, from a Local Road to a Major Collector (0.26 miles)
- b. Reclassify Spooner Road, between Golden West Drive and Cruiser Lane, from a Local Road to a Major Collector (0.23 miles)
- c. Reclassify Jackrabbit Lane, between Sunrise Drive and Cruiser Lane, from a Local Road to a Major Collector (0.12 miles)
- d. Reclassify Golden West Drive (U-609), between Jackrabbit Lane and Spooner Road, from a Major Collector to a Local Road (0.22 miles)

These functional classification revisions are subject to FHWA approval.

2. System Actions:

- a. Add Cruiser Lane, between Jackrabbit Lane and Dry Creek Road, to the Urban Highway System (0.26 miles)
- b. Add Spooner Road, between Golden West Drive and Cruiser Lane, to the Urban Highway System (0.23 miles)
- c. Add Jackrabbit Lane, between Golden West Drive and Cruiser Lane, to the Urban Highway System (0.23 miles)
- d. Remove Golden West Drive (U-609), between Jackrabbit Lane and Spooner Road, from the Urban Highway System (0.22 miles)

System actions are contingent on FHWA approval of functional classification revisions. Net mileage gain to the Belgrade Urban Highway System equals 0.5 miles.

Commissioner Skelton asked if there was a cost associated with this. Lynn Zanto said there is no cost. There is no guarantee they will do the urban project because urban areas only have so much money and they have several other primary systems. Commissioner Schulz said this is an area that I viewed with Jeff Ebert and I will say it is much easier to see it on the ground than on these maps. When I was out there everything made sense.

Commissioner Schulz moved to approve the Functional Classification/System Designation – Cruiser Lane, Belgrade; Spooner Road, Belgrade; Jackrabbit Lane, Belgrade; Golden West Drive, Belgrade. Commissioner Lambert seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 5: Pavement Preservation Projects

Lynn Zanto presented the Pavement Preservation Projects to the Commission. The Interstate Maintenance (IM) Program finances highway projects to rehabilitate, restore, resurface, and reconstruct routes on the Interstate System. Montana’s Transportation Commission allocates IM funds to MDT Districts based on system performance

The National Highway System (NH) Program finances highway projects to rehabilitate, restore, resurface, and reconstruct non-Interstate routes on the National Highway System. Montana’s Transportation Commission allocates NH funds to MDT districts based on system performance.

The Surface Transportation Program – Primary (STPP) finances highway projects to rehabilitate, restore, resurface, and reconstruct routes on the state’s Primary Highway System. Montana’s Transportation Commission allocates STPP funds to MDT districts based on system performance.

The Surface Transportation Program – Secondary (STPS) finances highway projects on the state-designated Secondary Highway System. Secondary Roads are those routes that have been selected by the Montana Transportation Commission to be placed on the Secondary Highway System.

Secondary Roads Program funding is distributed by formula and is utilized to resurface, rehabilitate and reconstruct roadways and bridges on the Secondary System. Capital construction priorities are established by the Counties and pavement preservation projects are selected by MDT (per the guidance in MCA 60-3-206).

The Urban Pavement Preservation (UPP) Program provides funding for pavement preservation work on Urban routes throughout the state. MDT Districts work with local governments to advance nominations that align with system needs (as identified by local pavement management systems).

In response to emerging pavement preservation needs, MDT Districts are proposing to advance 63 new pavement preservation projects on the Interstate, NHS, Primary, Secondary, and Urban Highway Systems. Project locations and amounts are shown on Attachment A. The estimated total cost for all projects (all phases) is approximately \$177,627,000.

Summary: MDT Districts are requesting approval to add 63 new pavement preservation projects to the highway program. The total estimated cost for all projects is approximately \$177,627,000.

The amounts originating in specific programs are listed below:

Interstate Program (IM)	\$ 88,996,000
National Highway System Program (NH)	\$ 45,625,000
Primary System Program (STPP)	\$ 30,552,000
Secondary Program (STPS)	\$ 5,179,000
Urban Pavement Preservation Program (UPP)	<u>\$ 7,275,000</u>
	\$ 177,627,000

The proposed projects are consistent with the goals and objectives identified in the Performance Programming (P3) Process – as well as the policy direction established in TranPlanMT. Specifically, roadway system performance and traveler safety will be enhanced with the addition of these projects to the program.

Staff recommends that the Commission approve the addition of these Pavement Preservation projects to the program.

We have a new consideration as of this last Legislative Session. As of July 1, 2017, SB182 states any new projects the Commission approves need to be considered in terms of whether they are substantial projects or not and if they are, they must have enhanced public involvement. As we have been working on the implementation of this bill, we've come up with some initial criteria to evaluate these projects. Projects that hit the substantial project list are projects with scopes of work that are reconstruction, new signals, intersection improvements such as signals or roundabouts, considerable local Tribe Government involvements and/or agreements that need to be negotiated with the community. If there is a known controversy before we move forward, we will identify that as a substantial project. If there is significant traffic disruption, that would be a substantial project. If a project has right-of-way related impacts in terms of condemnation or relocations or if we know of a stakeholder group or a group that is highly interested, that would be a substantial project. Pavement preservation projects do not usually involve purchasing any right-of-way or traffic disruption, so we don't see those projects as being a substantial project. The way we are proposing to do the process is when we evaluate and bring it forward to the Commission, we will note in the agenda item itself that it hits the substantial project list. The law states the Commission or the Department can identify substantial projects.

Commissioner Lambert said we have to have public involvement and that will add a lot of cost to each project. Lynn Zanto said you are right. Every project has some level of public involvement. That law says if it hits the substantial project list, the project needs more regular updates, notice on the web, and some informational meetings, so there will be some costs added. These particular projects will be status quo and won't have added costs.

Commissioner Jergeson said my District only has one pavement improvement on this list. When I look at the P3 Analysis, I see the pavement condition summary that District Three is usually near the bottom. I'm wondering what happened in the planning process which shows the pavement condition is near the bottom why there isn't more than one project in the district. Lynn Zanto said just because there is only one listed doesn't mean we don't already have some in the program. This is looking at the timing of pavement preservation projects because we don't look five or seven years out, we are looking at two or three. Great Falls basically has adequate pavement preservation projects in the works. The District looked at it and felt they were very firm and on track with all the projects they needed for now. It was the district's choice. Quite honestly, I think they've done an excellent job of being on track and keeping delivery going in a smooth fashion and meeting all the pavement preservation needs. When you get to the TCP you'll see the totality of the number of projects; this is just the things we've added recently.

Commissioner Jergeson said he was trying to understand the timeframe these projects are added to the list of existing projects that are already on the five-year schedule. Are these the preliminary engineering projects that have been approved in STIP that haven't yet had a date assigned for construction? Lynn Zanto said these are not in the STIP approved at the last Commission meeting. As we bring projects forward through the year based on the district's knowledge and the overall program, if the Commission approves these projects and adds them to the program, our next step is to go to Federal Highways with a STIP amendment and get them into the STIP when we are ready to advance PE. We are coming up on the end of the federal fiscal year, and there is a period of time when the federal system shuts down to finish up the year. Not all the projects will be advanced at the same time to the STIP, so when we come to the TCP you may see a few of them but we will see them start to line up next year. That allows the staff to start planning the schedules, looking at the projects, getting the federal approval, so that 2019 TCP will have them. These are

nominations and ideas brought forth for potential nomination of potential projects. The first step is Commission approval to add them to the program, the next step is to take them to FHWA. After we get both of those approvals, we will request programming for PE and that begins the first stages of project development. This is very early on – they haven't had any field work yet, these are the needs that move forward based on the gaps in the program. Great Falls didn't have many gaps.

Commissioner Lambert moved to approve the Pavement Preservation Projects. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 6: Transportation Alternatives (TA) Projects

Lynn Zanto presented the Transportation Alternatives (TA) Projects to the Commission. The Transportation Alternatives (TA) Program provides assistance to local governments, tribal entities, transit providers, resource agencies and/or school districts for community improvements deemed eligible to receive TA funding. MDT solicits proposals (from eligible entities) for construction projects, ranks each proposal, and then advances the highest priorities (without exceeding available TA funding).

Federal guidance mandates that MDT select TA projects via a competitive process. Further, federal guidance states that metropolitan planning organizations (MPO's) and state agencies (such as MDT) are not eligible to submit applications for TA projects.

The most recent round of project evaluations is now complete and 14 new proposals have been selected for advancement as Transportation Alternatives projects. These projects are shown on Attachment A. If approved, it would be MDT's intention to let these projects individually. This program has about \$8.3 million that we are proposing you approve. We solicit the local governments through application. We focus the program on safety, ADA, and connectivity. The projects that get funded are the kinds of projects that are eligible, i.e., making sidewalks ADA compliant or sidewalks, paths. Internally we have a committee that is made up of Engineering, Maintenance, Planning and ADA Coordinator. They evaluate the application based on criteria that we publish on our web in advance of the proposals. Based on the ratings we are proposing 14 new projects to be added to the program. The 14 projects nominated are the highest-ranking projects. The way we advanced these was on how the locals proposed the matching cover. These are dependent on state money being available. Some local governments stepped up and said they would match new projects, but a few did not. We are going to continue to match based on how they proposed it in their application.

The other part of the federal law is that we need some balance throughout the state. We aren't allowed to proposed projects in just one part of the state. There are some thresholds we must meet in terms of how much of the money is going to rural areas versus urban areas.

Summary: MDT has completed the selection process for new Transportation Alternatives (TA) projects and is requesting that the Commission approve the addition of 14 new projects (listed on Attachment A) to the TA program. The estimated total cost for these projects is \$8,341,000 – to be funded via the Transportation Alternatives (TA) Program.

The projects are consistent with the goals and objectives identified in the Performance Programming Process (P3) as well as the policy direction established in TranPlanMT. Specifically, traveler safety and bicycle/pedestrian features will be enhanced with the addition of these projects to the program.

Staff recommends that the Commission approve the addition of these Transportation Alternatives (TA) projects to the program.

Commissioner Lambert said a transportation alternative would be staying home. What do you consider a transportation alternative? Lynn Zanto said there is a lengthy list of eligibilities in federal law. This time we tried to encourage Federal Highways toward maintenance and preservation of shared-use paths. We have authority to build them but maintaining them hasn't always worked well. We have limitations with funding and maintenance, so we've tried to enter agreements for the locals to maintain this new infrastructure. We work with Federal Highways through an asset management based approach, so they can use this money for preservation treatments on shared-use paths in their area. Unfortunately, we only received one application.

Commissioner Schulz asked if this has some similarity to the old CTEP Program. Lynn Zanto said yes. Prior to MAP21, from 1991 on, the federal government had the Community Transportation Enhancement Program (CTEP). In Montana we chose to allocate that funding to each of the cities and counties that wanted to do projects in the program. They administered the projects and the program. Map21 came along and federal law transitioned to the Transportation Alternative Program and they restricted eligibilities. We had projects like the Historic Train Depot that got a face lift. Under the Transportation Alternatives, Congress wanted to focus it more toward transportation-type activities and the eligibilities got a little bit more constrained. Commissioner Schulz said the old CTEP Program was a lot more on the ground, local decision making, and had an opportunity to benefit the rural communities. Even \$5,000 to do sidewalk work helped and made more sense.

Commissioner Lambert moved to approve the Highway Safety Improvement Program. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 7: Secondary Highway System Revision Secondary 413 – Wibaux County

Lynn Zanto presented the Secondary Highway System Revision, Secondary 413 – Wibaux County to the Commission. The Transportation Commission is responsible for approving revisions to the Secondary Highway System (per MCA 60-2-126). Secondary Highways are those routes that have been functionally classified by the department as either minor arterials or major collectors and that have been selected by the commission, in cooperation with the boards of county commissioners, to be placed on the Secondary Highway System.

At the request of Wibaux County, MDT is advancing a proposed modification to the Secondary Highway System:

- Remove the northern portion of Secondary 413 (S-413), between MT-7 (P-27) and Secondary 336 (S-336), from the Secondary Highway System.

If approved, this action would serve to reduce Secondary System mileage in Wibaux County by 17.72 miles. It should be noted that all maintenance responsibilities will remain with Wibaux County. Thus, MDT will not incur additional liability or maintenance costs as a result of this proposed system modification.

On behalf of Wibaux County, as required by MCA 60-2-126, staff requests that the Transportation Commission approve the proposed Secondary System modification (listed above).

Summary: Wibaux County is requesting Transportation Commission approval to remove a portion of Secondary 413 (S-413) from the Secondary Highway System. If approved, this action would serve to reduce Secondary System mileage in Wibaux County by 17.72 miles.

Staff recommends that the Commission approve the modification to the Secondary Highway System:

- Remove the northern portion of Secondary 413 (S-413), between MT-7 (P-27) and Secondary 336 (S-336), from the Secondary Highway System.

Net mileage reduction to the Secondary Highway System equals 17.72 miles.

Commissioner Belcourt said this says MDT will not incur any liability maintenance as the result of the proposed system modification. The attachment says easement and maintenance for 17.7 miles. Is that noted in the easement? How does that work? Duane Kailey said if you approve this MDT will look at whose name the easement is in and we will make the transfer if necessary. A lot of these secondary roadways were an easement in the name of the county until we reconstruct them then we buy fee title for that right-of-way. I'm confident most of this is in the county's name already but we will research that and make sure it is transferred to the county's name. If we don't then we still have liability for that roadway, so we need to clean that up.

Commissioner Lambert moved to approve the Secondary Highway System Revision, Secondary 413 – Wibaux County. Commissioner Belcourt seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 8: OAC Administrative Rule Adoption Bus/Shelter Advertising

Carol Grell Morris presented the OAC Administrative Rule Adoption, Bus/Shelter Advertising to the Commission. I'm the staff attorney at MDT. We met in June in Missoula and talked about Outdoor Advertising Control, Bus Shelter and Bus Bench Advertising. At that time the Commission approved proposing a rule that would allow advertising on bus shelters and bus benches. Advertising is not allowed in our right-of-way, and this rule is an exception to that. The FHWA standard is "for the public good." The Commission voted to go ahead and propose the rule, so the Rule Notice was filed with the Secretary of State. They published it and sent it out for a 28-day public comment period. The public comment period ended on August 4th and we received written comment during that time. We also held a public hearing on August 4th. That was held here in Helena and we had one person attend to speak about the proposed rules. Today we are concluding that rule-making process.

The final step in that process is the Commission needs to look at each of the comments and come up with a response to those comments and then make any changes to the proposed rule that may have resulted from some of the comments. That's been put in summary form and included in your materials. We summarized the comments because several of them were the same so there was no need to list them all separately. Once we did the summary, we ended up with seven total comments. The department has prepared a proposed response to each of them. For example, one comment was received stating that the transit systems need a financial break. The response notes that the rules have been prepared in that manner because instead of doing an inspection fee individually for each shelter which would be costly, the applicant, the city or the county or the transit agency, can combine those. For example, only one inspection fee would be charged for the city of Missoula

application. That is the response of the department and no change to the rule was necessary as a result of that comment.

Comment No. 2 talked about location of advertising on the shelter itself. The department's response is that is the standard placement and allows a bus driver to see as he/she approaches the bus shelter whether there is an occupant. We don't want to have advertising that would block that. In addition, we need the driver to be able to see clearly as well.

Comment No. 3 was regarding 500 feet. This is one I would definitely emphasize. We received three comments stating that our proposal to allow advertising permits on shelters only 500 feet apart was not going to work as many shelters are in city locations and the length of the blocks vary and the length of the need for this shelter might vary. The Eagle Transit comment from Kalispell stated they have a situation where there is a home for assisted living and it is not necessarily going to work for those residents to access the shelter and if there is advertising on that shelter, would that be too close to a shelter that is not necessarily serving that facility but just the general public. In response, Right of Way's recommendation is that we amend our proposal and say that 500 feet for the advertising permits is the standard, but the applicant can certainly justify if a lesser distance would be appropriate. That allows MDT, during its inspection, to go out and verify that lesser distances might be needed for these advertising permits if the shelters are closer together for a particular need in that area. That was written in as a proposed change to the original rule language. That was the only comment that engendered a change in the rule language.

Comment No. 4 talked about investing in future transit shelters and what independent companies can do. The department's response is that it is up to the locals. We want to leave local control. So, the city of Missoula can do something different than the city of Billings. It's up to the local control over who will be tasked with or contracted with to provide the advertising. That is what is written into the rules and that was the department's response to that comment.

Comment No. 5 talked about whether or not maintenance can continue to provide oversight. The department's response is maintenance will still be involved because they must issue the encroachment permit. That evaluates the safety of the shelter, i.e., is it properly constructed so it has break-away devices, etc. Again, these are located in the right of way, so they have to have a safety evaluation. That is maintenance's part but the advertising part of it is Right of Way's responsibility and they have to say whether or not advertising can appear on the shelter.

Comment No. 6 talked about ownership of the shelters. The response is the same as the previous one – that MDT's advertising rules are not addressing ownership of the shelters; that is a local decision on who puts up the shelters and the cost of those.

Comment No. 7 is the final comment. If you recall in June we talked about the rule proposes to have the transit agency or the local government apply for the permit. There was a comment saying they did not agree with that process. The department's response is that when we did our working group, FHWA requested that that would show the public use and public good for having advertising on those shelters in the right of way because the public transit agency, whether it is the city or transit agency who is the applicant. Showing the public good was the connection – allowing this advertising in the right of way. So, change to the rule was needed.

At the end of the document you can see the proposed wording of the amendment regarding the 500 feet spacing for these advertising permits. There would be an exception allowed, a lesser distance, if a justification is found to be in place.

Again, all the comments received, and the department's suggested responses moves us to the final step in the process – the Commission should vote on whether or not

to adopt the rule as proposed with the comments and responses and the one change that we're seeing here today. So, we need a vote from the Commission on whether or not to adopt the rule with the comments and responses as presented.

Commissioner Lambert asked if the department will respond to these people. Carol Grell Morris said this is part of the rule-making process which is a very formal process that all state agencies undergo. We are at the final step, the Adoption Notice. If the Commission votes today to adopt the rule, the Adoption Notice is filed with the Secretary of State, published by the Secretary of State, put on line on the website, and the commenters can see the response to each of their comments. That is put into an Adoption Notice so that all can see the comments and responses.

Commissioner Jergeson said I want to make sure I'm clear. So, there is a hand and glove approach here – you can have a transit facility without any advertising because maintenance gives the permits for the transit facility. Carol Grell Morris said absolutely correct. Commissioner Jergeson said that is one piece. The glove of the hand is the advertising which the Commission is contemplating. So, it is then the local decision whether or not they want to have advertising, so there should be no cost incurred by the locals because they could pass any of those fees on to the advertising applicant even though they are holding that request. Is that right? Carol Grell Morris said absolutely. The process was set up to have both an encroachment permit and advertising permit. If the local city or transit agency would choose to do the encroachment permit and put the shelter up by itself, stand alone, that would be allowed. Only if they want advertising would they need an advertising permit and at that time they can decide on the cost of it, what they charge for it, and how they use the revenue for it. All that is decided by the local agency, but they can certainly decide not to put advertising on a shelter.

Commissioner Lambert moved to approve the OAC Administrative Rule Adoption – Bus/Shelter Advertising. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 9: Certificates of Completion May & June 2017

Dwane Kailey presented the Certificates of Completion for May & June 2017. They are presented for your review and approval. If you have any questions, please feel free to ask.

Commissioner Lambert moved to approve the Certificates of Completion for May & June 2017. Commissioner Belcourt seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Elected Officials/Public Comment

No public comment was given.

Agenda Item No. 10: Project Change Orders May & June 2017

Dwane Kailey presented the Project Change Orders for May & June 2017. They are presented for your review and approval. If you have any comments or questions, please feel free to ask.

Commissioner Schulz moved to approve the Project Change Orders for May & June 2017. Commissioner Lambert seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 11: Letting Lists

Dwane Kailey turned this item over to the Preconstruction Engineer, Dustin Rouse, who presented the Letting Lists for August 10th, August 24th, September 7th, September 21st, October 12th, October 28th, November 16th, and December 7, 2017 to the Commission. In the October 26th Letting are some projects we are bringing in. This is something we do every year. These were not previously approved by the Commission for letting this fiscal year; they were in other years. The reason we do this is because around this time of year we get a redistribution amount which is additional funding we're able to utilize. Historically it comes from unused Federal Land Access Program (FLAP) funding. When that was initially kicked off, there were a lot of states that struggled finding appropriate locations for that funding and at the end of the year there were balances left over which were redistributed to all the states to utilize in their Transportation Programs and they used the same ratio that they used in the initial distribution. Historically Montana has received \$10-20 million in redistribution. Last year we received the largest amount which was over \$32 million. This positions us to take advantage of any redistribution amount Montana receives. Further, at last year's Red Book when we developed the plan for this fiscal year, we anticipated there would be some amount of redistribution. So, as we asked our program managers to identify the projects for this year's TCP, we over-programmed because we assumed we would get about \$32 million in redistribution. Right now, in the TCP, all the projects that you've already approved and seen, if we receive \$30 million in redistribution, you've already seen those projects and they are ready to go and we can utilize those funds with that money. We're adding in approximately \$21 million in addition because we don't know what the redistribution amount is going to be. So, if you combine the \$30 plus the \$21 million that positions us so that if we received up to \$51 million, we would have the projects ready to go this fiscal year up to that amount. So, the intent of this is to bring these projects in, get your approval, and have them ready for whenever that redistribution occurs. Unless we received more than \$30 million, we would not be able to bring these projects in, but we need to identify them and get your approval to proceed.

The new projects are:

- 4 Miles SE of Ovando Bridge Deck Project
- I-90 Bridge Deck from Milepost 40-70, District 1
- Bridge Preservation, Shelby
- Swan River 5 Miles East of Bigfork
- Upriver 4 Miles West of Zurich
- Timber Piling Preservation Projects

You'll notice a trend that all those projects are out of our Bridge Program. This will be expanded upon when Lynn presents the P3. We are holding very steady in the preservation of our roads. If you look at our structures, you are starting to see a bubble. Our Interstate System is aging; most of that was completed in the 60's. So those structures are getting to an age where they need some type of rehabilitation because some of them are too narrow for existing conditions. There are several issues that are hitting us right now just because of the age of our Interstate System. Also, there is a lot of old timber bridges off system and on our Secondary's and our primaries that are still in place and from time to time we have issues with those as well. That's the reason for the bridge focus for the redistribution.

Commissioner Belcourt said last year some of our funds were due to oil adjustment prices. Dustin Rouse said yes. I believe last year, nationwide, nobody expected the

drop in oil prices and that led to some of the additional redistributions. Commissioner Lambert said I was surprised at all the bridges on the list. These are above and beyond what we have in our bridge projects, correct? Dustin Rouse said that is correct. All the bridges I've identified are new projects that we're bringing into this fiscal year, however, they were in a letting. A couple of them came from next year and were planned for 2018 in the TCP; a couple of them were planned for 2019. Commissioner Lambert said all the funds that are left over are thrown together. Dustin Rouse said yes. Commissioner Jergeson asked when they would know the amount of the federal redistribution. Dustin Rouse said typically we find out around the end of August. Commissioner Jergeson said we've had bid letting through August 10th and we have bid lettings on August 24th, and if we find out on August 30th that the amount of money available only gets us half way down the list on August 24th which means it wouldn't cover any of the rest. So, the rest would be cancelled? Dustin Rouse said no. The discussion we would have would be to advance construct on the remaining projects. So, we would fund these projects through state funds and utilize next year's allocation to cover the remaining projects for this year and maintain those lettings. Lynn Zanto said that is correct. We have some tools we can use when we are coming to the end of the federal fiscal year; there is some juggling and balancing that must be done. It is uncertain if we get this money before Federal Highways shuts down their fund obligation system, so we have a quick turn-around in terms of having to apply this money to projects. That's why we stick with projects that are in our program, ones you've already added to the program and approved. They are in an up-coming letting already but we're just moving them up some months for the most part. So, if you approve this list and the funding comes forward and we're a little bit short, we have the tool of advance construct, so we can use our state funds to proceed with the letting, then in 2018 when we have our first appropriation of federal funds, we'll convert it and recoup the funds.

Commissioner Jergeson asked what it did to the projects that were in STIP that would otherwise be let next year. Lynn Zanto said right now we are doing the TCP so if this list is approved as is, that will be taken into account when our District Administrators look at their program and we give them their funding allocations. They will have these in 2017 and they'll have some holes to fill in 2018 with projects that are some out years. Partially that is why we have more preservation projects coming in – we're making sure we have enough projects approved by you in our program so that we can deal with these fluctuations and uncertainties. We try to build in some cushions to ensure we will obligate all our federal money.

Commissioner Schulz said this brings up a follow-up question – if you find that you've got \$51 million and you've dedicated a couple of these bridges into that funding, where is that project? It has been let so can it be bid tomorrow? Lynn said yes. Commissioner Schulz said then in two month or three months after the bid, it can go to construction? Dustin Rouse said that is correct. All these projects, are into contract plans and we are ready to advertise these projects and ready to go. Commissioner Schulz asked how many years do you have to use those dollars? Dustin Rouse said the letting these projects are currently in will be the last opportunity we have to utilize these funds. If we did not have those ready and sitting in this letting, we would not be able to utilize the funds. Commissioner Schulz said if you did not have this pile of projects, the dollars would go to another state? Dustin Rouse said that is correct. In general, this works like an end-year sweep. There are states that are not able to utilize all the federal funding allocated to them throughout the year. So, they sweep all this money together and then go out to the states and say, "if we were to provide you these extra dollars, how much could you reasonably spend before the end of the fiscal year when we shut our system down." So, the projects have to be ready to go because when these dollars hit, they must be obligated before the end of the fiscal year. So, we have weeks to utilize the money so any project we offer up to utilize these funds must be ready to go. What's pushing us on the other end is that if you obligate a project, you've got 12 months to start using that money and if you don't use it within 12 months, the feds ask for that money back.

Commissioner Schulz asked if the project is obligated to get in the ground and you start doing the work, if you have an early winter and must shut down, do you still have a period of time to utilize the funds? Dustin Rouse said yes. Typically, the funds are three plus one which means you have three years plus one year to utilize the funds. We usually don't have an issue once we start the project. We only have problems when we have a project that isn't ready to go, and it takes longer than a year to get it going. That puts us in a bind. I've been assured by my staff that all the projects are solid so if we get a nice chunk of redistribution, we are very comfortable that these projects can be obligated, let, and moved forward. It's a win-win for everyone.

Commissioner Skelton asked why on the Timber Piling Preservation the financial district is null. Dustin Rouse said that project covers multiple districts.

Commissioner Jergeson moved to approve the Letting Lists. Commissioner Lambert seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 12: Performance Programming Process (P3)

Lynn Zanto presented the Performance Programming Process (P3) to the Commission. As you see this is our Performance Programming Process Analysis and Overview. Performance Programming is our methodology to develop an optimal funding allocation and investment plan based on our Strategic Highway System Performance Goals and the continual measurement and tracking of our system condition throughout the year. Each year we do this analysis in our Management Systems and our existing project mix that we already have in the works looking at that fifth year that you will be considering when we do the Tentative Construction Program (TCP). So, for this year's analysis, the fund plan that we're coming up for is for the year 2022. With that I'll turn it over to our staff experts at the agency that are responsible for this program: Paul Johnson and Brad Burns.

Paul Johnson said before I start I'd like to give credit to a person who is not with us any longer and has moved on to bigger and better things. His name is Chris Dorrington and you may have seen him sitting next to me at various times. This is an exciting time because this is the first time I can honestly say we've got a lot of good news. When we're talking about a redistribution of over \$40 million plus, that's 10% of our annual program. Not only that, it goes to things that we get to prioritize rather than going to many different categories so we're putting it on bridges and important projects.

P3 is our Performance Programming Process. It's a year-long process that culminates about this time every year. When one fiscal year ends, another begins so we have to put one to bed and then see what the future looks like. We have a number of topics to go through: P3, TCP, Recent Developments, Budgetary Issues, System Performance, and some Funding Recommendations at the end.

P3 and TCP

We've talked a lot about the Commission's role in these activities. Today we're going to talk about some funding distributions, financial issues, where we are financially with federal and state funds, and we'll have some recommendations for you. We'll talk about some typical reserves. It all leads up to the Tentative Construction Plan (TCP). That is not all the Commission does; you approve other things throughout the year. Per statute you can add projects to the program at any of the Commission meetings. In June you approved the List of Projects. We've added some more projects and that amends the STIP. You also approve Letting Lists and Awards.

This gives you an idea of the type of things that are related to the Performance Programming Process and the TCP and when activities occur.

Montana is dependent on federal dollars. The new Reauthorization Bill, the FAST Act, was signed into law, which gives us our federal funding levels through federal fiscal year 2020. There is a lot of good news with the FAST Act. It is very similar to MAP21 so there is continuity in the way we do business and that is good news. We did have some additional provisions related to freight, so there's a new National Highway Freight Program funding category, so when you arrive at the TCP meetings you will see a Freight Program. We have a program document that governs our version of our Freight Plan and you'll have a funding category that is new this year. Additionally, we have some performance requirements. The good news is our annual apportionment increases near anticipated inflation, in fact, they're beating inflation. So, we're gaining ground versus inflation with this federal bill. It is a pretty good deal for Montana. Lastly, the share that we get is proportionate to what we've had in the past which was very generous. So overall the FAST Act was very generous to the State of Montana and that's good news.

If we look at the federal program over the last couple of years, you will see an increase in funding and that's good news. Then for about three years we were flat. In those years we were losing ground to inflation because the federal program was not keeping up with inflationary forces. We had some cost of living increases in the FAST Act so now we're starting to see an increase to the program. We're also seeing an increase in spendable dollars. As you've seen with the Redistribution, it's not just that they are giving us apportionment, they are giving us the ability to spend that. The bottom line is the federal program is trending up; we're beating inflation and that's good news.

That doesn't mean we're free and clear from all challenges. For instance, heading into federal fiscal year 2018, we don't have appropriation issues that are approved for the year. That means typically each year even though we have a funding bill that goes through 2020, we have to do the appropriations each year. This year it looks like we'll see a Continuing Resolution which means we'll see the funding that is going to come to us in bits and pieces as we go throughout the year. That's nothing new; it's typical for the last couple of years. That just means we must monitor that situation. We're not anticipating any sort of shut-downs or anything like that. It looks like the federal program will be solid this upcoming year.

With an increased federal program, we do have some challenges because we have a match and in recent years we've had to increase our state match. Prior to this year our revenues were relatively flat. That meant we had some state funded challenges and those played out in the Legislature in that if we continued to have to match this, we were going to see some budgetary short-falls in the state funded area. We did get a gas tax increase and beginning in state fiscal year 2018, we'll start to see some of those revenues come in and assist in that area. However, we will have to monitor state-funded fund usage closely because we understand we have commitments that we have to honor. So, wherever we can save nickels and dimes we try to do that in the state-funded category. In addition to that we also have some additional reporting requirements and public involvement requirements as per HB473. We're mindful of these things as we move along in the process to make sure we are good stewards of the state funds and that we're meeting all the legislative requirements.

For us to receive these federal funds, there are some requirements we must meet that are very important. First and foremost, we must have a Transportation Asset Management Plan. We've been doing asset management for a very long time and thankfully the TAMP requirements that have been advanced in MAP21 and the FAST Act are not a big lift for us, but we will have to update our Transportation Asset Management Plan and submit it to FHWA by April 30, 2018. It must be in

accordance with federal guidance today. That's one condition we must meet to have all our federal funds come in the way we expect.

We also must do some performance reporting. Our initial State Performance Report is currently being drafted and it is due to FHWA, at least in part, by May 20, 2018. So currently we are meeting or exceeding all the current metrics in place from the federal perspective. We have some additional guidance we're sorting through now and we are working on the Performance Report and those pieces that are due to FHWA by May 20th and we'll make that deadline. The draft State Freight Plan is now out for review internally; the final plan is due to FHWA by December 4, 2017. We are track for that delivery and things are looking good. Lynn Zanto added we are reviewing internally now but there will be a public review as well. That will be posted for public review and sent to anyone who is interested.

Commissioner Lambert asked how many people go on the web and check for reports. Lynn Zanto said we can track that and look at what is of most interest to the public. Our most hit is with our 511 Traveler Information System where you can look at road conditions and construction projects. Commissioner Lambert said we all receive complaints and I have often wondered how many times they try and find the answer. Paul Johnson said HB182 and HB473, there are some requirements that we must provide the information in a form that can be viewed for projects. I think our portal for the public and the way it is monitored enhances our awareness greatly because of the legislation. Brad Burns said we've also heard loud and clear that our website isn't always the best, it is difficult to navigate and find certain things. I think that leads to some of the public's dissatisfaction in trying to find information. The agency is working on hiring a consultant to come in and see if they can update the website in such a way to be more public oriented and more user friendly. Paul Johnson said we have groups that are specifically assigned to meeting the requirements of HB182 and HB473. Suffice it to say we can do better and the focus will be in that area moving forward.

MDT is in compliance with all FAST Act performance requirements to date and implementing any additional requirements identified during the rulemaking process. We are most of the way through that rule-making process, which is quite exhausting, and as these pieces come out we're finding we feel very comfortable we meet the new provisions and that's good news.

Budgetary Issues

In order to perform our analysis, we have to know that our requirements will go into the available funding.

Annual Federal Growth – we know what the funding is for the FAST Act and beyond that we're assuming 3% growth. Our analysis period is for ten years. We know the five years of the TCP, one year is going out the door, and we apply these assumptions within our Pavement Management System and get recommendations. Our federal growth is typically around 3% so that is a reasonable assumption. This obligation reduction is the amount of money that we can't spend of the apportionment we get. We don't want to assume we're always going to get 95% or 97%. Historically it's been about 10%, so that is one of our assumptions.

Core Program – we certainly have to dedicate the vast majority of our funding to the Core Program. So, 70% will go Interstate, NHS, and Primary Bridges.

Inflationary Rate – recently we've gotten really good news as far as inflationary rate; 2.6% is probably the most we've seen in a while. We bring in our informational sources, internal and external, and experts outside of MDT, and I think this is the lowest rate I can remember seeing. That means we've been getting some good bids and our buying power isn't eroding. When we get lower bids, projects move forward

and that's good news. When we see these things move forward, we have to be ready to backfill, so a lot of those Pavement Preservations are backfills for things that have moved forward.

Indirect Costs – this is just a rate that's applied, it's a recapture rate. It hasn't changed much recently – .01% difference from last year.

Non-Construction Phase Costs – these have been pretty steady over time. These are preliminary engineering, right-of-way, and some other phase activities. The things we do to develop a project, so it can be delivered haven't seen dramatic increases. We've got a pot of money that is about 18% of our obligation that hasn't changed too substantially over time.

Funding Reserves for Rest Areas and Wetlands – we do reserve some funding and in most cases, it is either steady or going down a little bit.

Bond Payments for US 93 – who would have ever thought we'd be in a situation where we might see the end of US93 bond payments? That's good news.

State Funded Maintenance to Preservation Work – we have to continue to adhere to preservation work.

Matching State Funds – we assume that we'll have matching state funds available for all federal funds. This is feeling a little bit better than it did last year. We did get some relief – with the increased revenues and the cost-saving measures we've implemented, it's looking a lot better. In the foreseeable future it looks like this is much more doable than before.

Grab Bag – we have to give an assumption over ten years. We are getting about \$30 million plus over these years but it's hard to imagine that will continue. For the 10-year analysis period, we assume about \$15 million because we don't want to give ourselves an extra \$150 million. Grab Bag contributions have been at least \$50 million or above.

If you look across the board the situation is improving or just looking good. These are good factors in the long-term analysis as far a budget goes.

Funding Reserves

These are activities we do to honor commitments we have either internally or activities that we continue because we have commitments to fund them.

Emergency Projects – each year we reserve about \$1.5 million for emergency projects. That amount is about how much it costs to repair a slide or bridge that we didn't expect. So, we reserve a little bit of money just for a rainy day and every year that I've been around, we've used about that amount. In cases where we get additional funding it is not quite as big of deal but in years where money is tight, we need to hold on to that amount in case something else comes along. In the end if we don't use it in a particular year, it goes to projects but invariably we usually end up using it.

Rest Area Program - over time we've shown that we've begun to meet all the needs of the Rest Area Program, so we're seeing the backlog of needs go down. This year we're recommending a slight decrease in the Rest Area Program because a lot of our major reconstruction and rehabilitation needs have been met. The Rest Areas are getting better and better so it's appropriate to dial it back. It is still a great reserve but we're notching it back a little bit.

Net Commitments to the Environment - wetland mitigation, vegetation control, and stream mitigation are very important for us to be able to deliver our program. That's a very worthwhile reserve.

Interstate Reserve and Capacity Expansion - this was a reserve that identified a list of important state projects that we wanted to reserve funding for. At this point in time there is only one left. So, this program will go away when the Broadus Interchange is finished. Now there is something similar at the federal level that will take its place. The National Highway Freight Program does very similar things. The Freight Program encourages addressing bottlenecks, reliability, bridges, and additional capacity in areas where it's needed. The good news is that we've delivered our Interstate Reserve and Capacity projects.

These are the reserves and amount we are looking to continue.

System Performance

Some background information – our P3 process goal is to develop an Optimal Funding Allocation and Investment Plan based on strategic highway system performance goals and the continual management of progress toward these goals. I'm going to talk about the goals we have, how we get there, and how much funding it's going to take. The P3 process is part of TranPlanMT which is our long-range transportation plan. TranPlanMT is an on-going process that identifies transportation issues, evaluates public and stakeholder needs, and establish and influence policy goals. We get input from the public and then craft our goals and objectives within TranPlanMT and then the Performance Programming Process will allocate funds to help accomplish those tasks. Lynn Zanto said this past year TranPlanMT became TranPlan21. We also changed our approach to how we did public involvement. The public doesn't get that excited about the long-range policy plans so the old approach of going around to each community and trying to get people to come to a public open house didn't work very well. The one thing we did have success with this time was to engage a lot more of the public by doing an on-line survey and using more on-line activities and other methods. That seems to be the preference of the public these days given technology. So public involvement is part of this but it's not the only priority, we also must look at technical analysis.

Commissioner Lambert asked if you have different responses in different parts of the state. In our part of the state public meetings seem to work well. Lynn Zanto said yes. Every other year we conduct a public survey and we're in the process now of evaluating it and we'll bring it to you for a presentation, so you can see what the public is saying. We do make sure it's statistically valid statewide and U of M helps us with it. We also make sure they have statistically valid representation by district. We ask questions about how the public wants MDT to talk to them, how do they want to be informed, i.e. website or meetings. We do see different interests in that regard and try to fill that need.

Paul Johnson said you're going to see a lot of charts and graphs showing numbers that say we're doing a good job, but we have to check back in with the public and see what they say about it. When we engage the public, we find that what we're saying is confirmed by the public. On the front end, if they have priorities they want to see advanced with transportation, they can provide input. We do have constraints with federal requirements and other rules and regulations, so we must balance that public input with the rules and regulations. Then when we send out the funding we try to do our best to address all those issues. That's how it all links together.

When we talk about the P3 Process, we are mainly talking about the Interstate, the NHS and the Primaries. It doesn't include the Secondary's and the Urban's. That includes the Interstate System, National Highway System, State Primary, and Bridges.

So, when we talk about 70% of the funding, that's our Core Program. Those are the things that are monitored by Performance Goals but they're also activities where we can move around funding. We have the flexibility to address the issues in those funding categories. There are other funding categories that have restrictions, for instance the Secondary Roads Program has a statute that says you can only spend so much on certain activities and a certain percentage must go to each of the districts. So, we don't have full control over that funding category. With the Urban System we actually give the money to the locals to prioritize in the urban areas. CMAC has rules and regulations, so these other programs aren't programs where we can move funding to address categories because there are restrictions. Even with those categories that are not a part of the P3 analysis, we still do some asset management activities. The reason I mentioned before why we can't just fully do it our way is because of either federal or state laws. For instance, on the Urban System, we must work with the locals. The Secondary Program has a prioritization process with the locals and allocation of funds to the locals. CMAC, Safety, Transportation Alternatives all have rules and regulations that prohibit that, but we do asset management. For instance, on Secondary Routes we still have pavement management information that helps guide our decisions and helps the locals make their decisions. Urban Systems have the same situation where we have pavement management information that helps guide their decisions. So, we still do some asset management, but we can't do it unfettered; we must do it within the limitations placed by state government.

Yearly Activities with the Performance Programming Process

Each year the P3 accesses data from MDT Bridge and Management Systems to determine the current condition of the state's roadways and bridges. In the case of pavements, we have a whole team of people that get the current condition and current state of affairs as far as our roadway conditions. We also have a whole team of inspectors out there looking under bridges looking at the conditions. That is our starting point, each year we go out and get the latest information because things change from year to year.

Then we analyze the effects of various funding scenarios on system requirement. In the case of pavement, we have objectives we want to meet, we look at the funding scenarios and we start applying money to the various systems and districts to get the performance we're looking for. In the case of bridges, we'll ask our bridge folks, based on the funding available, how they expect performance on bridges to be affected by different funding levels and they give us their recommendation.

Then we develop an optimal funding plan designed to meet or exceed performance goals and present this to MDT staff to get concurrence. So, we met internally and we all agree this is the plan and then we present that to the Commission for concurrence.

In the end we monitor MDT's Tentative Construction Plan to ensure that future projects align with the funding level. For instance, we reserve a certain amount for pavement preservation for the district that they must meet, so they must verify that the projects they are putting in the program align with the funding.

Analysis for Pavement Portion

There are no major changes to our current pavement condition analysis methodology. For folks who have been around a while, we use a metric called "ride index" which is the measure of roughness on roads. We've found over time it is a pretty good indicator of the overall health of the network. So, if we look at ride we can determine where the funding needs to go based on that metric. It's been time tested and is the only metric recognized nationally and it works. At a network level, it tells us where we have needs and allocate funding based on ride. It's a lot like an odometer – if it's at 30,000 miles, then it's time to look at these things. Our future analysis may include

additional pavement metrics. At the federal level there are some recommendations on some additional things we might want to look at, i.e., they may want us to look at poor pavements or good pavements. We may change this depending on what suits our needs. We do have to report in the format the feds require but that doesn't mean we have to necessarily use that to guide our funding and investment decisions. If this addresses the needs we have, great but if we need additional metrics then we'll make that determination. That is part of the Asset Management Plan and the Performance Reporting.

For 2017, the year we're in, our performance goals are to optimize pavement performance by maximizing the ride index. So, our priority is to maintain the ride index on the Interstate and NHS Systems. We have a very good condition on the Interstate System and we want to maintain that. We have a pretty good condition on the NHS System and we want to either maintain that or improve it if we have the opportunity. Our secondary goal is to maintain the ride index on the Primary System. For a number of reasons, we focus on the Interstate and the NHS because that is where most people and the heaviest loads travel and that is the emphasis at the federal level so that's where we put our primary focus. If we have enough remaining funding to keep up the Primary System ride, we will try to do that. In this instance we have that ability with the current condition which is very good news.

There is also a secondary goal, we do not want significant differences in condition between the districts. We don't want to have that. Significant differences would be if you had a ride index of 80 in Greta Falls and Glendive had 75, you would start to notice that. You would not notice the difference between 81.5 and 81.2. That's our objective.

We will rely on this Pavement Management System to direct optimal funding next based on prioritized pavement needs. If you took all pavement needs, there are things you really need to do and then there are some things you might want to do. You can't do all of them, so you must pick the things that are the most important that affect ride. That's how we do Pavement Analysis.

Interstate System

Our goal on the Interstate System is to maintain the ride index and in this case, we're in the very desirable range. With the funding scenario we have now, the stability at the federal level, the state funding available, and not much inflation, if those conditions continue that allows us to keep the Interstate System in very desirable condition which is our objective.

We look at the district levels and in the end, we're shooting for all those conditions to be identical on this system. Do they bounce around? Yes. One year we will do a reconstruction project in a district, but our goal is to allocate the funds, so they are tightly clumped. When we bring this to the Commission, we can't say one gets terrible conditions and another gets good conditions.

The NHS System

On the NHS System, a couple of years back, the federal government asked us to take on some additional NHS routes. We had pretty good performance before that but when we brought on some additional routes that weren't in as good a condition as the rest of our NHS System that dropped our performance level. Given the emphasis on the NHS System, we would like to get back to where we were before. In normal situations that would be quite difficult, but given our financial situation, the analysis we've done allows us to increase the performance of the NHS. Given this scenario we can regain the territory we lost.

The Primary System

For the most part we're going to be able to hold steady on the Primary System. There won't be a significant decrease over time. This is our third tier and I would like to say we will completely hold steady, but I have a suspicion that at the end we'll see a little bit of a decrease. The point is that overall if you're driving the Primary System, if this holds true, you will not notice any difference than what you have today. That's good news because it's in good condition. We do get feedback on the primaries from our stakeholders. Of course, we must be vigilant and keep up with projects.

Commissioner Lambert asked why we expect the condition to go down. Paul Johnson said they are not big to start with. It's in the range of one point but we do show there is a little bit of variability. Our analysis shows little drops in roadway condition. We plug in various projects that address our needs which brings it back up to where it needs to be.

Bridge Analysis

We used to have performance metrics that were based on functionally obsolete and structurally deficient bridges. The term "structurally deficient" is the most confusing term ever out there and probably nobody knows what that means. We tracked that over time and our goal was to reduce those types of bridges and we did. We now have additional guidance from FHWA that says we need to look at this differently. A "functionally obsolete" bridge is one that we wouldn't build now but it kind of works okay, so there is no real need to go out there. A "structurally deficient" bridge means that some part of the bridge doesn't meet today's standard. FHWA has asked us to look at our structurally deficient bridge deck areas on the Interstate and NHS Systems and have assigned a maximum value of 10% that can be structurally deficient. We are currently at 8% and have been there for a while. That's okay but that is only holding steady and it assumes you don't have any additional bridges that fall into that category. As described early, we have original Interstate structures that have been out there since the 60's and 70's. I don't know if we are going to address this category next week or five years, but we do know it is coming and we know we must address that. To be proactive, there is a recommendation from the Bridge Bureau that we need to spend more money because it is too close to comfort. Your standard is 10% and we're at 8% and holding steady but we suspect there is a bubble coming and to get out in front of it they are recommending we come up with \$13 million per year to address this issue.

Commissioner Belcourt said you made a point when you said another bridge may fall into that category. Paul Johnson said, "structurally deficient" in our area mostly means bridge decks. We have bridge decks that just aren't up to standards and if you drive over them you'll know that. Of course, the environment is a challenging environment too – we have challenges of freezing and thawing, wintry weather and any number of things that cause that. So, to be safe, the recommendation is to up the amount of funding that goes to the NHS portion of bridge funding. Based on the recommendation of the Bridge Bureau, you will see that in the TCP.

Is that all we're going to look at in the future? We might look at something different in the future based on FHWA guidance. They have a standard based on good, fair, poor that may or may not align closely to structurally deficient. For reporting performance, we are going to analyze but if there are things that require attention, then we want to include that in the analysis. If we can address it through our normal bridge program, then great but if we must add metrics then we'll do that. Again, that analysis is ongoing based on the guidance we've gotten from FHWA.

Commissioner Belcourt asked if there was a short definition of less than 10% of the standard. You said age was part of the criteria. Paul Johnson said it's varied and I'd

like to say it fits one category, but it doesn't. Brad Burns said it is based on the condition of the bridge. They each have their factors. As we get older we don't work as well, and bridges are the same way. The nice part about bridges is we can go in and fix them and make them new again. It is based on the existing condition of the bridge. The other thing I'd add in is many years ago on our pavements, we built predictor models. It works this way – based on this roadway, the age, the ADT, the roadway is going to perform like this. If we do nothing, it is going to age and degrade. We've never done that with bridges, but we are doing that right now. We are hiring a consultant to come in and build a predictor model, so we can better predict when it's going to fall into this category of 10%. That's where we're going, and I think it is a huge step in the right direction. The predominance of bridges falling into this 8% of structurally deficient is due to the deck. You see those potholes on bridge decks. Right now, our bridge program is really targeting getting the decks brought back up to a good standard.

Paul Johnson said, "structurally deficient" is an indicator that says look at this piece of it and usually it's the deck. In places like Rhode Island it's the whole bridge and they are super expensive to replace. We do bridge replacements as needed. The complicated part about bridges is they have many different components like a superstructure and a deck which makes it so much more complicated. They have a much longer life span – parts of them go to 50 years. When is it going to trip into this other category? It's hard to predict. While we know there are some indicators, like age or the bridge deck has pot holes, then we can get out in front of it and put some funding there primarily for preservation work. That funding comes from any number of sources. We can either put money directly to the NHS Bridge Program or get it from other sources. You'll see in the TCP that we have a bridge in Billings that's a perfect candidate for what we want to do for freight and if we can marry those up, we will free up funds, so we can use them for preservation activities. That's the strategy. In that plan we are going to carve out \$13 million from any available source to address it. We like to align with other goals if we can.

We have on-system bridges like our Primary, Secondary, and State Highways. Our federal partners set our performance metrics and our prioritization strategy, and we evaluate that on our own. We have funding available from the federal level, but we govern that, and we make the decisions. Off-system bridges have requirements on the minimum funding we must spend, and we are meeting those requirements.

Moving forward we have MAP21 and FAST Act Performance Metrix. We talked about a lot the needs for NHS bridges and we have a strategy. Our bridge performance on the NHS is holding steady. In the long term we know there is an additional one that's going to be needed. The recommendation is a \$13 million annual increase over the five-year TCP and we'll do that for the NHS bridges. For the other bridges we have a strategic approach. We'll mix or match strategies which is nice because the new guidance allows us to do more preservation and rehabilitation rather than just bridge replacements that we used to do. Our Bridge Bureau has a lot of flexibility so we're going to do more preservation and more rehabilitation to stretch our dollars.

Congestion Analysis

Congestion is relative. Los Angeles congestion versus Seattle congestion is relative. In the past, MDT used to monitor congestion via the "level of service". The guidance from FHWA is to look at something a little bit different – similar concepts but slightly different spin. The proposed FHWA rule measure is the percent of Interstate/NHS providing for reliable travel. What does that mean? That means if you look at your network, the entire national highway system, what percent of that is functioning very well. Our percentage would be very high. Now we haven't completed the full analysis, but the initial review is that we only have a couple of little issues that pop up from time-to-time that might influence this measure. The metric

is the level of travel time reliability. What does that mean? That means when you're driving through a stretch, are you driving through at the speed and in the amount of time you would expect. We do have some events that affect this from time-to-time like snow or weather, but for the most part on the NHS system we are not going to have any serious issues. Would we be required to take a pot of money and assign it to that? Probably not. In the past, the way we've dealt with these issues was to evaluate these areas, usually spot locations, and see if they are already included in a project. For instance, in District 2 we have some capacity issues and would consider adding a lane. In Three Forks, or Four Corners that is what we would do. If we had an emerging issue, we would go out and do a corridor study. That is something we do in advance and then bring our recommendations that are included in a project. With our existing program and with the tools we have, we probably won't have to modify the way we do business significantly. We will keep an eye on this and hopefully it will identify some areas that we need to address. We have the ability with our core program now to address any issues that pop up. This won't be a significant driver of funding for us. On other streets where congestion is a huge issue and where operations are important it probably will be.

Funding Recommendations

This is our proposed funding distribution (showing graphic). With the budget assumptions we've made, with the analysis we've done given the available funding, these are the percentages that will allow us to deliver the performance we expect. When we're finished up with the 10-year analysis period and you look at the average ride quality for the Interstate, NHS, and the Primary, you see there is not significant difference on the outputs. That is what we're shooting for. We do the analysis until we get to the point where it's as optimal as we can get across the board.

Now we also don't want to avoid looking at undesirable pavement. There is a new metric that might come back into play that has to do with poor pavements but over all we've done a fantastic job of addressing our poor pavements. We have very few poor pavements. If you have poor pavement, you would know. We have some out there and when you hit a piece, you know it isn't good. At this point that is not a huge issue.

At the bottom, if we're distributing the funds to these systems, that is the distribution that gets you this performance and those objectives (referring to graphic). You will notice that the districts don't get the same percentage of funding. Based on our strategy we're trying to get equivalent conditions based on needs. In the past, we've done lane miles and that had a disastrous result because it kept pumping money into the eastern part of the state and Missoula suffered terribly. If we did population then the western part of the state would get all the money and the condition would continue to degrade in the eastern part. So over time, this is the most fair and equitable solution you can find because it addresses the need and gives equivalent conditions as optimal as you can. So even though the numbers are different for the funding models, the end condition is the same. It would be hard to argue that you need more money when it means everybody else gets less conditions.

This is the district allocation (referring to graphic). So, you condense this analysis to populate 2022, which is the Tentative Construction Plan year that is coming in – 2017 is going out and 2022 is coming in. This would be the estimated funding for the various systems and the various districts. When you step into the TCP meetings, numbers very similar to that will show up in 2022. For instance, if you look at Missoula, the Interstate System gets \$11.6 million as a starting point for discussion for spendable dollars in Missoula. They are going to vary ever so slightly depending on the final numbers and there is a little bit of rounding. That is the allocations that will populate the TCP.

To note, our P3 Process has won numerous awards – Governor’s Awards, National Awards, and our performance at the state level is extraordinarily good in national analysis.

We are asking for your concurrence on the following items:

- Funding Distribution
- Funding Reserves
- Emergency Exigency Program
- Interstate Capacity
- Wetland Stream Mitigation
- Rest Areas

We are asking for your concurrence, so we can pull this information forward into the TCP in October. Our staff is available to answer any questions you may have. Commissioner Skelton thanked Paul and his staff for the hard work they put into the presentation.

Commissioner Lambert moved to approve the Performance Planning Process (P3) Funding Distribution and Funding Reserves. Commissioner Belcourt seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 13: Civil Rights – EEO Training

Director Tooley introduced Nicole Cosby, MDT Civil Rights Bureau to the Commission. The Office of Civil Rights has an obligation to not only train our own employees but also to reach out and train our Commission and Administrators. We should be doing this every two years. Nicole is a great asset to our office, she has worked at the Department of Labor and Human Rights Bureau as a trainer. We do assurances for our EEO to ensure that discrimination does not take place. That is not just a federal requirement under FHWA but it’s also under FTA and FAA. Nicole Cosby presented Civil Rights, EEO Training to the Commission.

Agenda Item 14: Highway State Special Revenue Policy

Lynn Zanto spoke to the Commission about the Highway State Special Revenue Policy. The policies we put in place last November ensure we are good stewards of managing our Highway State Special Revenue Account. Where we are at with those funds, given the special need last November, and then looking into the future, the Legislature helped us short term but not long term. Also, to ensure we are being good stewards of the public assets that we build and operate and maintain. She handed out a copy of the Internal Operating Policies to the Commission. These policies help guide our decision-making for project development, maintenance responsibilities, matching federal funds and occupancy in our right-of-way. We are the agency with a lot of staff and there was no consistency in how we were operating in these areas. Page Two contains the gist of the policy. Essentially this is all about making sure we are using our state funds appropriately and have enough to match our federal program and enough to do our maintenance. It provides criteria and policy that staff needs to follow when they are doing their respective responsibilities within MDT.

Section 4.2 is about federal match. That lines out how we handle the non-federal portion. The projects that come before you on our State Highway System, we match those funds and its part of our administering the program, but we do get requests at times, for example, a local government might apply for a federal grant that might be an improvement to our system. In those cases, it involves funding outside our planned program or projects that they pursue outside of our planning program. We

have 400 plus projects in our program that need enough cash on hand to match. So that section sets forth the criteria of when MDT will provide special revenue to match local projects. This is for your information and I can answer questions if you have any.

Commissioner Belcourt asked if there were any amendments to this. Lynn Zanto said this is it. The Highway State Special Revenue portion, basically third-party match, has a policy for us to follow. This was updated because we had a lot of inconsistencies with shared-use paths in our right of way. State law controls that so we worked with our Chief Legal Counsel to try to get consistency state-wide, so our staff could be in compliance with state and federal law. When we were doing shared-use paths we realized that we needed to also update the Highway State Special Revenue Policy. Match is the one area that it covers, and the other major component is that an additional non-federal match, anything in our right-of-way becomes our responsibility. Anything built with federal money, Montana is required to ensure that it is maintained and taken care of.

Like I mentioned with the Enhancement Program, the possibilities we had from the federal level and our decision to let the locals handle the funds, we entered into maintenance agreements with them that said they were responsible for maintenance of all the enhancement money but we found they did not necessarily follow through with those agreements. We realized we needed to bring the maintenance portion into our staff decision making and operations early in the process not at the end after the project was built when the Maintenance Administrator was handed an agreement that said he was going to maintain it and he really had no ability to say he could or couldn't maintain it with the funding they had. So, we're moving these decisions up early in the process. Just recently, a community received hydro funding and built a big piece of infrastructure in our right-of-way. They signed a Maintenance Agreement which we required, but their Commission decided not to put funding in their budget to maintain it. If they're not going to maintain it and it's in our right of way that brings up all kinds of concerns for us. These policies also help us and staff to protect the public asset and use the funding wisely. We've worked hard over the years to keep the right of way free and clear because it really is intended for the transportation purpose of moving through the corridor. The minute we start to let other things in, we ultimately become responsible and create risk and liability for the public.

Commissioner Lambert asked what she meant by other things. Lynn Zanto said shared-use paths is the one that is emerging but we're okay with perpendicular crossings. If they are on local or private property and need to get across our highway and build a non-motorized combination across our right of way, we're okay with that. We handle that through our encroachment process. Perpendicular of a shared-use path in our right of way, there is a liability if someone gets injured since it is in our right of way. When it's time for us to expand or update that roadway, now we have additional costs to our project to perpetuate what's already there and we have maintenance issues and concerns.

The other kind of things that could enter our right of way – today you had the Laurel Refinery and it had the structures over and we made sure they located those outside our right of way. They are doing a perpendicular crossing and that was alright. Sometimes we have water and sewer districts that want to put infrastructure in our right of way. We might have a wildlife crossing or bus shelters. There are all sorts of things that come up so it's not just shared-use paths. We want to make good decisions when those things come up.

Shared-Use Path Policy

As I mentioned there is federal criteria around using federal funds for these things and there is also state law. Title 60, Part 3, Chapters 301-304 is specific about how

and when we consider it. We found we weren't being consistent and needed to define that state law appropriately across the entire agency. That is the intent of this. These have been escalating; we have Bike Walk Montana and they are all about accommodating bicycle and pedestrian activity. There was a tourism report that said these facilities bring economic development. We handle these on a case-by-case basis, but now we have the general framework within the law that has been transferred into our policy.

The main criteria within federal law is that it needs to be for a transportation purpose not recreation. Transportation purpose means it goes from where you are to a destination, i.e., from a major development or a housing development trying to access the mall over there. Recreational purpose is if we have a park off to the right and you want to build a circular path around the park – that's recreation. A mountain bike trail is recreation. Commissioner Jergeson said under this the Riverside Trail in Great Falls would not qualify. Lynn Zanto said the Riverside Trail in Great Falls was built under the old Enhancement Program which had a lot more flexibility. Through our TA Program that would still be allowed. Dwane Kailey said it's allowed, but even in the TA Program we try to focus more on transportation corridors and not recreational corridors. We are getting good transportation applications, but we still get a fair amount of recreational applications but we're able to prioritize funding towards transportation. That doesn't mean recreation doesn't take place, it just means that's the targeted goal or intent. Riverside Trail is predominantly recreational and we're saying no to those types of requests.

Lynn Zanto said state law focuses on safety and the considerations are for safety. There are other criteria like disproportional use, we consider the cost versus the benefit given the use. What we hear from the national experts on bike/ped and some of the consultants who have been involved in local plans for the bike/ped component is most of those opportunities happen in and around urban areas and populated areas. There are criteria that it must be located within three miles of an incorporated city. When you get into the rural areas, we hear that rural areas have wider shoulders that serve as an opportunity for that kind of traveler. Also, our state law has no prohibition against bicycles on our highways; they can use any road in our state if they want. So, if they don't have a shared-use path, they can still travel. Commissioner Lambert said bicycles follow the car laws. Dwane Kaley said bicyclists are unique, they fall under both vehicle laws and pedestrian laws. They have protection in both. Lynn Zanto said, with our funding, the policy and state law only allow us to consider doing a bike/ped path when we have a major construction or reconstruction project. Primarily that is when these will be done.

We have two categories of funding, given that state law is focused on safety, if a project gets prioritized through our Highway Safety Improvement Program for a shared-use path that would be acceptable for us to consider. Then we would also have to take care of the maintenance consideration up front. The other is the Transportation Alternative Program and the projects you approved today had six new shared-use paths that will be constructed. A couple of sessions ago we experienced getting disappointing comments directed at the state regarding the Enhancement Program and all the shared-use paths that weren't being maintained. We entered into maintenance agreements with the local governments, but they weren't being maintained. That is why we need to be super careful in how we're considering allowing things in our right of way because we only have so much money. I wanted you to be aware of the policy because we're starting to see a little bit of a push-back from local governments and certain advocacy groups. This is all in the interest of managing our state funds and, even though the Legislature gave us a little boost that will help us for a few years, this will help us long term. We have a long-term responsibility for new infrastructure in our right of way. If you have any questions, we'll be glad to answer them.

Commissioner Schulz asked what criteria was used for placing signage alongside the road outside of the right of way. Lynn Zanto said we have a signing committee that considers requests for signing in our right of way and we have standards that we follow when we're building our projects. Dwane said standard signing is covered under the Manual of Uniform Traffic Control Development (MUTCD). Anything within our right of way needs to conform to that. We have some violations out there. The big ones are the entering Montana signs because they are in the shape of the state, but they are supposed to be rectangular or a certain shape. Having the shape of the state is not a good thing according to the manual but we are going to leave them. You can't have symbols on signs. On Hwy 12 we've got the POW Memorial Highway that has the POW symbol which is a big no, no. Livingston-Bozeman Hill has a Memorial for one the troopers that has his badge on it which is also a big no, no. Commissioner Lambert said I thought the state put those up. Dwane said we did; we put them up. Most of the signs in the right of way are covered in the MUTCD and it depends on the type of signs and where it goes. Guide signs tend to be bigger and we want them further off the road, so they are not a hazard for the traveling public. Most of the smaller signs we put on four-inch or smaller diameter posts closer to the highway.

Commissioner Schulz said I have three questions. I got stopped in Virginia City by a couple of people wondering why we didn't have Virginia City, Heritage Commission, Historical signs at the junction of Twin Bridges or the junction in Ennis or down by Three Forks. I said I'd inquire. The next question some people brought up was outside of Boulder there is a sign advertising a campground right off the side of the road almost on the pavement. There is another campground up the road another four miles that feels they've been infringed upon because that sign advertises the campground that is four miles past the first sign. The third question is, are signs managed outside the advertisement zone outside the right of way. They are permitted and have a number on them and they're on private property in most instances, so I assumed the person who put it up is responsible for it. Dwane Kailey said we could be here all day explaining signs. Outdoor advertising typically needs to be on premise. If it's not on premise, then it falls into a whole other laundry list of issues. The blue signs you see on the Interstate are run by a company we contract with and they charge a monthly fee for maintaining those signs. Those are the blue signs at exists that tells you McDonalds is this way or Burger King that way. Aside from that we can sign for certain services, like a campground but typically they must be public campgrounds like a KOA. We do airports, rest services, schools, and hospitals. Typically, they are a public-type entity serving the majority of the public otherwise you start getting into the issues of giving one business an advantage over another. Commissioner Schulz said these are examples of questions that have been raised by my constituents. Dwane Kailey recommended putting those questions in an email to me and I'll get them to the appropriate staff and get you some answers. Commissioner Schultz said when someone asks me about it, I have an obligation to get them an answer.

Commissioner Lambert said there are more and more signs in the right of way and sometimes in the road, like the "baby red potatoes" signs. If I put up a campaign sign, it would be gone before I put it up but I'm seeing more and more of the other signs. I recognize it would be a freak accident but if a car hit one of those signs is that a liability for us. Dwane Kailey said we would be liable for that. Typically, we don't allow those, and if Maintenance sees them they remove them. The only area we have allowed is up on Hwy 35 from Polson to Kalispell for the Cherry Vendors. There is no right of way out there, in fact some of their driveways are in our right of way, but it is a huge economic generator for that area as well as the state so historically we've allowed those during the harvest season. The difference with the "baby red potatoes" signs is around Townsend they have tons of right of way and they can get the signs off the road. Sometimes those are under a temporary permit; they can get permission, but they must be installed on an approved device. You see

them on construction sites all the time. Commissioner Lambert said she was worried about the liability.

Appointment of Deputy Director for FHWA

Lynn Zanto said Kevin McLaury wanted her to share that FHWA had the recent appointment of Deputy Director, Brandy Hendrickson, by President Trump. She was the former Indiana DOT Commissioner which is their term for Director. She is also the Acting Administrator since they haven't filled that position yet.

Commissioner Belcourt said he received an email from a constituent about establishing some lower speed limit zones outside of Havre. I understand that she needs to go to the Hill County Commissioners and have them make the request before we start doing a speed study. Is that the operating practice? Is that written somewhere in a rule, regulation, or policy that I can forward to this person? Dwane Kailey said no. If you're referring to the practice of requiring communication from the local government, that is not in writing; it's just been our standard method of operating. We don't have to do it that way, but I prefer it because at times we have blindsided a local government and it hasn't gone well. I can write it up for you. Lynn Zanto said there is some information about the process on our website.

Commissioner Schulz said he appreciated having the city of county commissioners doing the inquiry. In talking with my Representative a few weeks ago, he encouraged two speed zone studies and I told him he needed to get it to the county and he asked me to do that. So, I called up the District Administrator and asked him to write a letter to MDT. He said MDT doesn't have that many people available to do studies – Danielle and two other people are available, but it is a time-consuming process and they've got the whole state to deal with. I don't know how many requests for speed studies MDT gets in a year, but it is one of the areas where a good relationship with the local government is essential. The District Administrator said we don't have anybody to do it and to me that's unacceptable. Dwane said that isn't our answer. We don't have a big staff, so it usually takes anywhere from six months to a year to get them all done. We put them on the docket, but we can also contract that out as well. With the 65-FTE reduction we got from the last Legislative Session, we've had to cut staff but we're adding resources via consultants. That is how we're accommodating that.

Next Commission Meeting

The next Commission Conference Calls were scheduled for September 19, 2017, October 3, 2017, and October 24, 2017. The next Commission Meeting was scheduled for October 25, 2017.

Adjourned

Meeting Adjourned

Commissioner Skelton, Chairman
Montana Transportation Commission

Mike Tooley, Director
Montana Department of Transportation

Lori K. Ryan, Secretary
Montana Transportation Commission