



STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY  
GOVERNOR

LYNDO TIPPETT  
SECRETARY

October 28, 2005

MEMORANDUM TO: AGC-DOT Joint Cooperative Committee Members  
FROM: E. C. Powell, Jr., PE  
State Construction Engineer  
SUBJECT: Minutes to the Joint Committee Meeting

The Joint Cooperative Committee of the AGC-DOT met at 10:00 AM on September 22, 2005, in the Chief Engineer's Conference Room at the NCDOT Maintenance and Equipment Facility located on Beryl Road in Raleigh.

Members and attendees present included:

- |                 |               |                  |
|-----------------|---------------|------------------|
| Debbie Barbour  | Drew Johnson  | Len Sanderson    |
| Victor Barbour  | Sam Johnson   | Ron Shaw         |
| Roberto Canales | Cecil Jones   | Ted Sherrod      |
| Susan Coward    | Michelle Long | Shannon Sweitzer |
| Steven DeWitt   | Jeff Mann     | Lamar Sylvester  |
| Brad Goodson    | Art McMillian | Jimmy Travis     |
| Ron Hancock     | Graham Moore  | Steve Varnedoe   |
| David Harris    | Donnie Oldham | Richard Vick     |
| Kenny Haynes    | Dan Peter     | Sim Wooten       |
| Kevin Hicks     | Ellis Powell  | Theresa Wyatt    |
| Berry Jenkins   | Bill Rosser   |                  |

AGENDA

*Project Letting.....Debbie Barbour/Steve Varnedoe*

- Ms. Debbie Barbour advised that an updated Twelve Month Let List was posted on the Department's web site during the first week of September. Projects scheduled for Letting during the months of September through December have been distributed between September 2005 and April 2006. All projects scheduled for Letting in January 2006 and after will be delayed four months. Adjusting of the schedules will allow the Department to meet its \$650 million dollar per year goal while accounting for cost estimate increases. Specifically, R-2510B (Washington Bypass in Beaufort County) is on schedule for let in

MAILING ADDRESS:  
NC DEPARTMENT OF TRANSPORTATION  
CONSTRUCTION UNIT  
1543 MAIL SERVICE CENTER  
RALEIGH NC 27699-1543

TELEPHONE: 919-733-2210  
FAX: 919-733-8441

WEBSITE: WWW.DOT.STATE.NC.US

LOCATION:  
TRANSPORTATION BUILDING  
1 SOUTH WILMINGTON STREET  
RALEIGH NC

December 2005 and R-4463B (US 601, Bosch Boulevard, in Craven County) has been moved to the April 2006 letting, pending the completion of the final planning document. I-2808A (I-77 Pavement Rehabilitation in Yadkin County) is now scheduled for the May 2006 letting. The June 2006 letting includes R-2616 (US 601 widening in Union County) and R-2813 (NC 146, Long Shoals Road, in Buncombe County). There is a possibility that I-4411 (Interchange of I-77 & SR 1102 Langtree Road) may be removed from the November 2005 letting due to possible design issues.

- Mr. Len Sanderson addressed questions concerning the effects of SAFETEA-LU on funding. Mr. Sanderson advised the real effects of SAFETEA-LU are not realized at this time, because the funding increases towards the end of the reauthorization bill. The \$650 million TIP budget each year discussed by Ms. Barbour is the budget amount for 2005, 2006, and 2007. It appears that the TIP budget will increase to around \$800 million in 2008, provided the funding is available.
- Ms. Susan Coward advised that the Department is not authorized to issue Garvey Bonds until February 1, 2006. The Garvey Bonds must be issued based on specific projects. The bonds will most likely be issued in \$300-\$400 million dollar increments based on project need, and would probably be reflected in 2007 projects. The criteria for a proposed project has not been developed at this time.
- Mr. Steve Varnedoe advised that the Department has been working on formalization of the 12 and 36 month let lists for Division managed TIP projects, the majority of which are bridge replacement projects.
- Mr. Varnedoe advised that the Divisions are currently developing the 2006 calendar year resurfacing contracts, which should be in the November 2005 through January 2006 letting schedules. The General Assembly appropriated an increase of approximately \$30 million for resurfacing, which sets the resurfacing funding at approximately \$186 million.
- Mr. Varnedoe advised that \$115 million dollars is planned for each year for 2006 and 2007 for North Carolina Moving Ahead! projects.
- Mr. Varnedoe also advised that funding for Secondary Road Paving program projects is estimated at \$150 million in 2006, after being held to about \$100 million in 2005.

*Funding.....Len Sanderson*

- Mr. Len Sanderson stated that the Department had increased spending for the past several years to reduce some of the Department's cash balances. The current financial models predicted that the Department would reach the bottom floor as it relates to cash on hand sometime in September or October of this year. The Department began adjustments for cost containment in January 2005. The Department has now reached the predicted point of \$175 to \$180 million dollars as a cash balance. Mr. Sanderson advised that the \$650 million dollar budget was based on selective projects and shifting the letting dates allowed the Department to keep the same projects while making allowances for the cost escalation on the projects.

- Mr. Sanderson advised that the Department will make a Powell Bill payment of \$150 million dollars in the near future.
- Mr. Sanderson advised that the financial models currently predict a downturn in the use of gas/diesel due to the price and the Department is looking at the impact this will have on the budget.

*Legislative Update.....Susan Coward*

- Ms. Susan Coward provided additional information concerning the Garvey Bonds. She advised that the Department has the authority to issue \$900 to \$950 million dollars worth of bonds, the debt service of which cannot exceed 15%. She further stated that the legislation provides for a revolving credit over a 5 year period, not just one time use.
- Ms. Coward advised that legislation was passed to align North Carolina's laws relating to Commercial Drivers License, with Federal laws. As a result, \$32 million dollars in Federal funding for 2005 and \$60 million dollars of funding for 2006, which the Department was in jeopardy of losing, will continue to come to the Department.
- The State will realize approximately \$10 million more per month from fee increases that were passed by the General Assembly.
- Ms. Coward advised that recent legislation passed that now requires that the Board of Transportation analyze environmental policy issues on projects and consider cost benefit when approving a project.

*Cost Control.....Steven DeWitt*

- Mr. Steven DeWitt discussed tools that the Department is using or considering to control cost on projects. Those items discussed include: the project scoping process, clearly identifying all project elements up front, performing more constructability reviews, and possibly expanding prebid to allow longer advertisement periods.
- Mr. DeWitt also advised that the Department is maintaining approximately four percent overrun on projects statewide.

*Environmental Considerations.....Ted Sherrod/Don Lee*

- Mr. Ted Sherrod advised that the Department developed an Erosion Control Certification Program and held the first Level 2 certification training class in Spring 2005. Approximately 300 people participated in the training. Additional Level 2 training classes are being offered this winter. Mr. Sherrod advised that Level 1 training will begin in 2006 and will target those individuals that install erosion control measures. Mr. Sherrod advised that NCDOT would recognize certifications from Tennessee, Virginia and South Carolina. Mr. Sherrod also advised that any projects let after January 1, 2006, must have at least one Level 2 certified site manager on the project. There will also have to be one certified person for each

major operation including grading, bridge and culvert activities, and utility operations that involve earth moving activities.

- Mr. Don Lee discussed Senate Bill 998 which requires an exposed slope to be planted or covered with temporary or permanent ground cover within 21 calendar days of completing a phase of grading. The bill was passed by the General Assembly and is effective on October 1, 2005.
- Mr. Lee distributed and discussed a handout, which identified the vegetation establishment process for on-site stream mitigation. One option identified for meeting agency requirements is a Compost Blanket.
- Mr. Lee discussed permitting of concrete and asphalt plants on DOT Right-of-Way for active construction projects. He advised that the Division of Water Quality will no longer allow permitting of these sites under the Department's stormwater permit.

*Fuel Adjustments.....Ellis Powell*

- Mr. Ellis Powell discussed the progress of the committee tasked with reviewing the fuel adjustment process. He advised that the group is currently compiling data received from a national survey conducted by Mr. Steven DeWitt and a Division survey conducted internally. Internal and external meetings will be scheduled to discuss the findings and develop the process for contract implementation.

*DBE Goals.....Roberto Canales*

- Mr. Roberto Canales commended the industry for the work they have done in helping the Department with Disadvantage Business Enterprise goal requirements. He advised that the Federal goal in 2005 had gone down about 2 percent to 10.81 percent, of which only 8 percent was race conscious. Preliminary estimates indicate that we actually reached approximately 12.5 percent. Mr. Canales advised that the Department's goal for the 2006 Federal Fiscal Year will be 10.4 percent. The decline is attributable to accomplishments in 2005 and some variance in the type of work.
- Mr. Berry Jenkins advised that the General Assembly did not pass replacement legislation for the State MBE/WBE program this year.

*Federal Reauthorization Bill.....Len Sanderson*

- Mr. Len Sanderson discussed SAFETEA-LU, which is the Federal Reauthorization Bill. Two commissions have been identified. One will look at the structure of the future transportation program and reauthorization bills. The other commission will look at ways to sustain funding for the transportation program. Mr. Sanderson advised that some states are looking at VMT (Vehicle Miles Traveled) as a source of funding, and that North Carolina is

interested in this funding method as well. Findings from the committees are expected in July 2007.

- Mr. Sanderson advised that AASHTO is planning a research project on the Interstate System, which will be 50 years old on June 29, 2006. The results of the research will be given to the commissions identified in SAFETEA-LU to aid in their decision process. The research will focus on the traffic loading that is expected on the Interstate Highways over the next 50 years, modernization of the system, the additional mileage needs of the system, and the use of technology to increase the operational efficiency of the system.

*New Member Introductions.....Donnie Oldham*

- Mr. Donnie Oldham introduced Mr. Jeff Mann of Wake Stone Corporation and Mr. Sim Wooten of PLT Construction as new industry representatives.

*2006 Specifications Update.....Victor Barbour*

- Mr. Victor Barbour advised that the schedule for roll out of the 2006 Specifications has shifted from January to July 2006.

The next meeting is scheduled for November 16, 2005 at 10:00 A.M. in the Board Room of the Transportation Building.

MLS:kd1

ec-

- Mr. Dan DeVane
- Mr. W. D. Riddick
- Mr. L. A. Sanderson, PE
- Mr. W. S. Varnedoe, PE
- Ms. D. M. Barbour, PE
- Mr. S. D. DeWitt, PE
- Mr. W. F. Rosser, PE
- Mr. L. D. Love, PE
- Mr. Roberto Canales, PE
- Mr. B. G. Jenkins, Jr., PE
- Mr. C. L. Jones, PE
- Mr. V. J. Barbour, PE
- Mr. Art McMillan, PE
- Mr. C. W. Leggett, PE