

Minutes of Nevada Department of Transportation
Board of Director's Meeting
September 8, 2014

Governor Brian Sandoval
Lt. Governor Brian Krolicki
Controller Kim Wallin
Frank Martin
Tom Skancke
Len Savage
Tom Fransway
Rudy Malfabon
Bill Hoffman
Dennis Gallagher

Sandoval: Good Morning. I will now call this Board of Directors meeting for the Department of Transportation to order. All members are present. Can you hear me loud and clear in Las Vegas?

Wallin: Yes, we can, Governor.

Sandoval: Thank you. We'll proceed with Agenda Item No. 1, which is to receive the Director's Report. Director Malfabon.

Malfabon: Thank you, Governor. First of all, we do have a change to the Agenda. We didn't get the minutes in time to proofread them and include them in the Board packet because it'll only be three weeks since the last Board Meeting. But we will get those before you in advance of the October meeting. Also I wanted to point out to the public that we are having public comment on Interstate 11 and Intermountain West Corridor Study as part of the I-11 -- right after the I-11 presentation. So you don't have to get up during the first public comment period following the Director's Report. Next slide please.

Well, big news last week, obviously we're very pleased by Governor, yourself, and Steve Hill, along with Elon Musk from Tesla, that they selected Nevada for their Gigafactory. We feel that we need expedite the USA Parkway Project. Previously the Board received a presentation from our project manager on the USA Parkway progress, and we feel that in order to support regional economic development, we have to expedite that project. But I wanted to go over some things today with the Board about that project.

The environmental process approval is anticipated for the late part of this year, early part of 2015, so January, probably at the latest. But we have to

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issue a request for proposals for engineering of that USA Parkway alignment in that new construction area, primarily part of Storey County that's been graded and Lyon County is a new alignment, and some of that is through BLM land, so it was through private property.

We would want to select the firm for engineering services late this year, early part of next year. We also have to do a right-of-way setting after engineering is advanced to the point of identifying which parcels we have to take some private property from. In the Lyon County area, there is a corridor that there was a deal struck with the sale of that property. So the current property owners have in their agreement to give NDOT an easement for a highway through that area. So we have an easement interest that we would have to acquire from the previous owners. After the right-of-way setting, we do the right-of-way acquisition and then we start construction. Next slide.

So currently the Statewide Transportation Improvement Program, the STIP, which covers the four year period indicated, 2014 to 2017, the construction of USA Parkway is not in that document. It's planned after 2018, and the Transportation System of Projects, TSP document, that goes long range, has that project listed for construction, \$61 million construction phase, with funding unidentified in that document.

The Department has to put together a plan on how we're going to deliver this project in an expedited fashion, and then present that to the Board for your approval. But we want to add the preliminary engineering phase to the current Statewide Transportation Improvement Program document in order for FHWA to continue with the review of the environmental document, give it their blessing. Next slide.

The design-bid-build delivery process is where we design the project, put it out for bids, and then the contractor constructs it. It would take the longest amount of time. So at the beginning you see that we're completing environmental right now. We'll have that done probably by January. The environmental meeting with the public is planned for early November. We're in the process of going to issue an RFP for the engineering services, and then conduct the final design of that. As I mentioned before, we do the right-of-way setting and right-of-way acquisition and any utility relocations.

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So we think -- next slide -- that the best thing for us to do would be to look at some other alternatives that would expedite the delivery of the project. The thing is that we are getting into 2015, 2016, 2017. We have to look at the work program in those years to see what could get bumped, because it is a substantial amount of money for this project, and we want to have to stay within our budget anticipated in our biennial request. Next slide.

So we'll look at these alternatives. Traditional, obviously the design-bid-build, process that I indicated takes the longest. Construction Manager at Risk, we've had great success with that process up at Lake Tahoe at the Carlin Tunnels Project. It's worked well. It does result in some cost savings, we believe, because of identification of problems ahead of time, and so a better design process. Design-build, we think, is going to be the fastest process, but it does take a lot of lead time to develop the RFP, RFQ process, get all the staff support in place to do that. At the same time, we have a lot of staff support dedicated to Project NEON.

So it is a question of NDOT's staff looking at what's the best alternative to deliver this project on an accelerated schedule, considering that there's going to be a huge employment center there through Tesla's Gigafactory in the coming years. So we'll put that plan together on how to deliver and finance this project, and bring that back to the Board soon. Next slide.

A little update on the Transportation Bill. I had previously mentioned that President Obama had signed the extension of MAP-21, but Congress will have to deal with a long-term transportation bill after the election. So they'll defer that to the next session of Congress. In the meantime, money has to be appropriated for the next federal fiscal year, which starts October 1st, to have a continuing resolution, is what's expected and it will be a short-term one. Because of the impact of the elections, any uncertainty of other -- the House -- I mean, the Senate will shift to the Republicans. They want to see what happens with the elections, obviously, before a long-term solution is found. So we expect a short-term continuing resolution to appropriate the funds for the Transportation Program, and the November election will dictate the length of that extension. Most likely it will be just a few months, then getting into the next session of Congress. Next slide.

Okay. A lot to discuss on Project NEON. We've formally cancelled the P3 procurement, and one-on-one meetings were held. We had the last one last

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Tuesday, so this information is pretty fresh, and we started the design-build procurement process. We anticipate issuing a request for qualifications for the design-build project for Project NEON on October 1st. Next slide.

So just to go over a lot of the feedback that we received from the three P3 teams, the issue of stipends, they wanted NDOT to consider an issuance of a stipend for the work. One of the challenges with that was that stipends -- and we did receive a lot of good feedback and information from them during the P3 procurement process, which I think that we learned from. So that was useful and it was something that we could consider compensating them for.

However, when a stipend is paid, usually it's paid -- on a design-build project, we pay for use of their ideas on the design phase. So we wouldn't be taking in design product -- their preliminary plans because we want them to use that information and keep it confidential for the design-build procurement. On the issue of prequalification, they asked for automatic prequalification of the three P3 teams, and we considered that, and I'll get into the little details about that later. Why don't you go to the prequalification issue.

Okay. I'll get into some of the details of what we would recommend going forward on prequalification, but the idea is that we are going to follow our normal design-build process. They asked us to just shortlist the three teams and go forward, but we felt that because of the -- we don't have the operations and maintenance element, we don't have the private financing element, so it's a significant change in the scope of work for the design-build process. So we normally have a shortlist process where we get three to five teams, and we don't set that number ahead of time. We see what the quality of the proposals is and the qualifications so that we can shortlist -- after receipt of proposals, we shortlist three to five teams. We don't go in ahead of time and say we're only shortlisting three, because if there's a very tight race amongst four or five teams, then we want to get the best competition possible, which will also lead to more competitive pricing.

Price and technical score weighting; two of the three teams asked that more weight be given to the technical score. Currently on the P3 procurement we were looking at a 70% weight to price and 30% technical. So we have some

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ideas that -- in order to be more attractive to new teams, that we would lower that, and I'll get to that later.

The procurement schedule; the P3 teams felt that they were very close to submitting on the -- or had a lot of work done to develop their final proposals, so they requested that we not have a long schedule for procurement for the design-build, so accelerate that as much as possible. Next slide.

So on the issue of stipends, we recommended that we would go from a \$1.2 to a \$1.5 million stipend. The three teams indicated that they're most likely going to stay in the competition as a design-build procurement. So this would give them an additional \$300,000. As you may recall, we had a clause -- had we issued the final RFP, there was a clause for a \$600,000 stipend if we canceled the procurement. So this will give them the opportunity to get the stipend for those unsuccessful teams, and get an additional \$300,000 to perhaps look at negotiations with other team members that are no longer part of the design-build team. But this stays within our current standard of .3% of the total cost, and we think this is about a half billion dollar project as a design-build project, and that's with all the contingencies. It's going to be over half a billion. So part of construction cost is less than that, but you have design costs and you have those contingencies and risks that they take as a design-build team.

On prequalification -- we felt that it was important to issue a new prequalification. Passing the current three teams for a new procurement doesn't follow our process, and we want to maintain federal eligibility. If we change our process, we run the risk of the Federal Highway Administration making the case that we're not following our process, so it's not eligible for federal funds. And along that note, I did respond to Controller Wallin on her question of how much eligibility we've been reimbursed on, on some of the right-of-way settlements, and we've received 24% of the cost of the settlements, but the remainder is still eligible for reimbursement in future years, it just comes out of our future federal funds. So we used a programming method to make those costs eligible in the future. Next slide.

So the other thing for the prequal is the P3 had a different scope of work. The private financing, operations and maintenance elements are now pulled

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out of the design-build procurement scope of work. So it would be difficult for ranking of these proposals and qualifications given that it's not an apples to apples comparison anymore. If you get new teams under the design-build process they're not addressing these two issues that were in those other factors for scoring the P3 teams and making the cut on the three prequalified P3 teams. So we felt that it was best to start anew, but recognizing that the three existing teams have a lot more knowledge than the newer teams, but we didn't want to complicate the ranking by our internal staff on any consideration of new design-build teams going forward. The other item is that, again, we want to maintain eligibility of federal funding. Next slide.

So we wanted to maintain our standard process, which is going to three to five teams to be shortlisted in the design-build procurement. This opens it up for additional competition, and as I said, additional competition will have a positive impact to us on competitive pricing. As far as the technical score and the price weighting, we feel that -- we recommend going to a 60% price that would be more attractive to get new design-build teams interested, and we did receive some confidential phone calls from contractors and engineering companies looking at teaming up to put together a team for this new procurement. So we would have the three existing teams, most likely, and possibly about up to two, possibly more, new teams being formed.

Some of the RTC of Southern Nevada's shortlisted contractors and engineering firms that are teamed up for their design-build project might be interested in forming a team to look at this project as well, this new Project NEON design-build. So we want to also promote more innovation in the schedule and maintenance of traffic, so we feel that that would justify putting more weight to the technical score as well.

We're also considering a maximum cash flow curve. This would tell the contractors, this is how much we're anticipating in our biennial budget request for bonding, this is how much we can afford to pay out so that they know that if they go out there very aggressively and earn more of the project costs, that they're only going to get paid on this cash curve. So they know if they have to borrow any money to cover the cash flow for themselves if they're aggressive with their schedule.

But the procurement schedule would meet standard timelines per the design-build process, and as always, the right-of-way schedule has been the critical

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path, so we have to clear the right-of-way. We don't want to get too aggressive on the procurement schedule because the right-of-way acquisition is going to control that ability for the contractor to build the project. Next slide.

So here's the NEON procurement process. We're going to issue the RFQ October 1st, do the shortlisting process so that right around the end of the year or first part of next year, we have those shortlisted prequalified teams, issue the draft RFP, allow the design-build teams that are prequalified to look at that and give comments, then issue the final RFP. Along the line, there's Board approval of that issuance of the final RFP. Then we give them enough time to put together a good proposal. We rank those proposals, and in the end of 2015 we would select the preferred proposer, and then start design and construction of the project in 2016. Next slide.

Okay. Update on I-11 Boulder City Bypass, an open house -- we were invited, and NDOT Project Manager Tony Lorenzi will give an update on the project to the citizens of Boulder City at their request. Our reevaluation public meeting is anticipated -- pardon me, I put October there. It's actually the early part of November, and we also have to go through with the RTC, the Native American Consultation Process. That's so the tribes know what we're doing, what the update is on the environmental document. And then any measures to address naturally occurring asbestos, as I mentioned last month, will be included in our contract specs. Next slide.

So the I-11 Project is still on schedule and we hope to have a contractor -- or receive bids by the end of the year. I-15 Cactus Interchange opened two months ahead of schedule and, Governor, I'd like to thank you for making time to attend the media event planned on September 19th. We definitely didn't want to hold the -- and we appreciate that you agree with us, don't hold an interchange hostage while we set up a ribbon cutting. So we're doing a media event to celebrate that, and opening two months early is just great press for NDOT and the County, who were our partners on that project, Clark County Public Works.

I-15 Dry Lake still under construction. We still anticipate completing that before Thanksgiving or continuing the aggressive messaging and communication to the public and the media to leave early or kind of

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anticipate delays on that stretch, and we'll give them updates on that. I don't know if Member Martin has had any issues with that stretch of road.

Martin:

It's funny you should ask. No, I was going to -- I wanted to interrupt you, Rudy, and I've already told Tracy, your media campaign worked, I think, very, very well. I traveled 15 even during the Labor Day holiday three or four times, twice just to check and see what was going on, and the second time I was going to take some time off, but the media event, everybody I talked to, knew what was going on and they made their plans accordingly. And even on the highest return day, on Monday at 2:00 p.m., the drive time was less than 40 minutes through Glendale, which is the real choke point, so you all did good.

Malfabon:

Thank you, Member Martin. And it's a testament to our contractor, Las Vegas Paving, and our District 1 staff, and the construction crew and management there.

Mt. Rose Highway should be wrapping up this year, also finishing by November. Temperatures willing and weather permitting, we'll try to finish open-graded, that final one-inch surface layer of pavement, but we need certain temperatures to finish that. So we might go into the next paving season for that final layer of asphalt, but the dense graded paving will be done. Next slide.

And the Moundhouse Project is continuing paving operations for those -- paving and safety improvements on that stretch. Kingsbury CMAR is also wrapping up. So a lot of projects wrapping up this year, including I-80 Carlin Tunnels Construction Manager at Risk Project. Both Kingsbury and Carlin Tunnels were very successful CMAR delivery projects. We're pleased to see that that process is working well. Going into the next session and anticipating a lot of question about CMAR, in general for public works agencies, we have a good story to tell in the next session. Next slide.

Did receive draft comments on the operational audit request for proposals, the draft RFP that was submitted to Board members and to staff here at NDOT. We'll make those revisions to that RFP this week, and work with Administrative Services for the release of that RFP. It takes a couple of months for the proposals to be received and to conduct interviews if we need to. Interviews are an option if we see that there is a close race. Next slide.

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Some future public meetings; public information meeting on Carson Freeway, just to give an update to the public about where we're at with that project and some of the changes that we're making with -- we are taking some of the surplus fill material and using it up there on the mountain on US-50 at a maintenance site that we're moving out of.

I-11, the NEPA reevaluation, again, I put October, but it's early November is a practical date to hold that meeting, and we'll set that date soon. USA Parkway Environmental Study, early November, again, for that. Next slide.

Railroad Pass Casino is associated with the I-11 Boulder City Bypass Phase 1 Project of NDOT. It's going tomorrow to the Board of Examiners for approval. This is \$2.75 million additional to resolve all claims. We have previously deposited a little bit over \$2 million with the court, so a total of about \$4.8 million for that settlement. In addition, construction costs of \$422,765.32 to modify their frontage access. What the owner was saying was that they had lost frontage access, they were concerned about visibility of their casino, and they were starting out about \$12 million, so we were far apart with that. We felt that this was a reasonable settlement, and it's good for the taxpayers of the state to reach this settlement rather than to have a total take of their property, which they were alleging they would be out of business because of the changes. So modifying the access is going to allow -- make it more conducive to trucks to park in there and to help them address this and reach a settlement.

In October, Travelers -- I had mentioned we had reached a tentative settlement, but the information was not in time to make the September Board of Examiners meeting, so Travelers with Peek Construction -- Travelers was the bonding company for them, and we reached a settlement with them. Jenkins is a Project NEON parcel, so both of those settlements will go in October to Board of Examiners. I will be attending the Board of Examiners from Las Vegas tomorrow, Governor.

- Krolicki: Governor, if I may.
- Sandoval: Yes.
- Krolicki: Rudy, I'm sorry to interrupt.
- Malfabon: Yes.

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- Krolicki: So I think it's Contract No. 40 with Snell & Wilmer, is that still necessary? There was a contract extension.
- Malfabon: Yes, Lieutenant Governor, that was modified from the previous amount that was on the contract last month, and Dennis Gallagher went back to see what was exactly needed to final out this settlement.
- Krolicki: So this is coordinated with the Travelers issue?
- Malfabon: Yes.
- Krolicki: Okay. Thank you. Sorry.
- Malfabon: Next slide. So that concludes the fast and furious Director's Report.
- Sandoval: Thank you, Director Malfabon, and just a comment harkening back to the first part of your presentation regarding Tesla. Obviously, that whole negotiation is subject to legislative approval, and planning on the part of NDOT is subject to the final approval by the legislature.
- Malfabon: Yes, and we are hopeful that they'll approve that, Governor. We think that it's a game changer for Nevada's economy and it's going to be huge.
- Sandoval: But even before Tesla even came into the conversation we had this presentation on USA Parkway, which rated it at a 6.8-something; is that accurate?
- Malfabon: I think it was a nine.
- Sandoval: Nine. Yes.
- Malfabon: The benefit cost, and that was practically unheard of for benefit to cost on most of our transportation projects.
- Sandoval: And there's a media report today in the Review Journal, and if the legislature is to approve this, this topic will come before this Board with regard to the purchase of the right-of-way and obviously what the project will be. So when that time comes, I want there to be a thorough vetting of where the financing is going to come in terms of the construction for that. And as you said in your presentation, this isn't a new concept, a new idea. I mean, the USA Parkway has been on the board for...

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Malfabon: Yeah, it's in our plan.

Sandoval: ...many years, but if this is to come to fruition, certainly we would have to expedite it, given the increase in commerce that will be coming through there, as well as the workforce pushing it through USA Parkway instead of it coming through Carson and on the 395 and through Washoe County and over that way, because I think that might cause a lot of problems if we didn't have that.

Malfabon: Definitely, and the fact that they're looking at a large pool of labor -- as I mentioned before, when I visited one of the manufacturers at the Tahoe-Reno Industrial Center, he told me that USA Parkway would benefit him just to draw from the employment base here and get commutes from the Lyon County area, the Carson City area, to get in there rather than going through Reno and then headed east.

Sandoval: And the other -- I guess some link here is with the I-11, because one of those proposed routes is on the 95, which would be very near where the proposed I-11 -- which we're going to talk about today...

Malfabon: Yes.

Sandoval: ...I know that. But that's another consideration in this whole conversation.

Malfabon: Yes, Governor. Good point. One of the routes does go up 95A, I think (inaudible) alternate. And we'll have more information later from Project Manager Sondra Rosenberg.

Sandoval: Yeah. Okay. Further questions from Board members for the Director?

Martin: I have one. On the CMAR and you were talking about the success of those, at some point in time, maybe towards the end of the year, October/November, November/December, could we get -- on the Board, get a report over the course of the last three years how many CMAR contracts have been awarded, who they've been awarded to, and what's the total dollar value? I agree, the CMAR is a successful procurement process for NDOT. I think it would be good if the Board had those numbers, because as the legislative session kicks in next year, undoubtedly, we're going to be questioned about it.

Malfabon: Yes, that's a great request and we'll see that through, Member Martin.

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- Sandoval: Member Savage. Member Fransway.
- Fransway: Thank you, Governor. Mr. Director, have we selected a percentage for DBE for NEON yet or will that come?
- Malfabon: Yes. Tracy you said 3%?
- Fransway: 3%.
- Malfabon: So 3% on the construction, what was the anticipated construction. So we get a lump sum price, but we'll have a 3% DBE goal on that project.
- Fransway: Okay. And regarding the settlement for Railroad Pass Casino...
- Malfabon: Yes.
- Fransway: ...am I right to say that the Board of Equalization will be asked to approve \$4,791,000?
- Malfabon: We provide all of the information, so what was deposited, and then the additional was considered settlement because the original deposit, it was fair compensation. They approved the entire package though, that and the construction amount as well.
- Fransway: Okay. So rather than \$2.75 million...
- Malfabon: Yes.
- Fransway: ...to resolve all claims, it actually will be \$4.7 million plus.
- Malfabon: Yes, that's more how the memo was written to the Board of Examiners, for the total.
- Fransway: Okay. Thank you. Thank you, Governor.
- Sandoval: Any questions from Southern Nevada?
- Wallin: None down here, Governor. Thank you.
- Sandoval: Thank you. Any further questions for Board members on the Director's Report? We'll move...
- Martin: I just have one.

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- Sandoval: Member Martin.
- Martin: I have one more question. This schedule that you showed us for the RFP response and evaluation and all that kind of stuff, what was that when we were going to go with the P3? It seems to me like this has gotten pushed out a little bit...
- Malfabon: Yeah.
- Martin: ...if I remember correctly, like maybe 120 days or more.
- Malfabon: They were actually -- I think that it was a few months, Member Martin, difference between them. As I said, the right-of-way schedule is going to be the critical path, but in the latest that I saw from Cole Mortensen was it was about two to three months difference between the P3 schedule because of the financial close. There were two closings that had to take place before they could actually start the notice to proceed and start the design and construction.
- Martin: This design-build, though, pushes out beyond where we were with P3.
- Malfabon: About two to three months beyond.
- Martin: Okay. Because I thought I heard in the Board meeting last month...
- Malfabon: They'd be pretty close.
- Martin: ...down in Las Vegas that there wasn't going to be a difference in RFP issuance.
- Malfabon: And we were thinking that we would be aggressive. When we thought more about it and sat down and heard from the three P3 teams, we thought it's best to follow our regular process. We were -- at that time last month, we were undecided about whether we open it up or, you know, had questions that you had pointed out, shouldn't we just take the three and continue on through. And we thought that to maintain eligibility for federal funding that it's best to just see it as a new procurement and be practical with allowing new teams enough time to propose.
- Martin: Okay. I wanted to clarify what I said last month. I haven't seen the meeting minutes yet, so I'm not real clear, but I wanted to clarify what I said last

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month. What I said last month was, is if we could take those three teams and put them...

Unidentified Male: Prequalify.

Martin: Prequalify it as a design-build, but I did not say just those three teams, you'd open it up but you'd leave these three teams as prequalified and open it up...

Malfabon: Correct.

Martin: ...for more teams to become prequalified. Because I know, having put together many of these prequalification packages, they're very expensive to put together, and we've already put those three contractors through this same process once already. Now you're going to ask them to do it again, and the \$300,000 that you're upping the stipend is peanuts compared to what they've already spent. Now you're asking them to do it again. It doesn't seem like a fair process to me.

Malfabon: It was something that we had to consider, Member Martin, and we think that it's -- to maintain federal eligibility, we had to follow our normal design-build process or change the old process and get federal, kind of, buy off of our process. But we felt that it was fair to them to increase the stipend and still allow them to compete. Most likely -- yeah, definitely it does cost them money to put together another prequal package, but they're more familiar with the project, so -- we were concerned that some of the new teams might feel that, well, we're never going to compete well against these three that have been chasing it for, you know, over a year or so. We felt it'd be fair to just follow the same process and allow enough time for people to put in qualification packages and eventually proposals for the shortlist of teams.

Martin: Thank you.

Sandoval: Any other questions?

Wallin: Governor?

Sandoval: Yes.

Wallin: I do have a question. Actually, it's a follow up. At our last meeting, we were talking Project NEON and we were talking about right-of-way issues and coming up with a cap or something like that and have a discussion, and

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I thought we were going to have it at this meeting, and it's not on the agenda. So when are we going to discuss the issues with right-of-way and Project NEON and what might be able to be done about that?

Malfabon: Madam Controller, we'll bring that back probably the next meeting. We weren't prepared to do that. We want to get with Laura Fitzsimmons on that question, as well as our Chief Counsel, Dennis Gallagher. So it really has to do with the legal issues involved with the cap, but we want to bring all that information together to the Board and be better prepared for that. So we weren't prepared to present that today.

Wallin: All right. Thank you.

Sandoval: Let's move on to Agenda Item No. 2, which is Public Comment. Is there any member of the public here in Carson City that would like to provide comment to the Board? Is there any member of the public in Las Vegas that would like to provide public comment to the Board?

Wallin: Yes, Governor, there is.

Moradkhan: Good morning, Governor, and members of the Board. Paul Moradkhan with Las Vegas Metro Chamber of Commerce. I do understand I-11 public comment is later in the meeting, but I do have to leave, so I thank you for allowing me to speak briefly from the Chamber's position on this matter.

As a large business organization in Nevada, the Las Vegas Metro Chamber of Commerce is in strong support of Interstate 11, which is a longstanding public policy for the Metro Chamber. We are in support of the efforts that have been undertaken by Nevada Department of Transportation, ADOT, regarding Interstate I-11, the Intermountain West Corridor Study, the evaluation method, and the broad public engagement that has occurred. The implementation and construction of I-11 will link communities, bolster economic diversification efforts, increase capacity, reduce congestion, improve safety, decrease travel time, and strengthen commercial capabilities throughout the region along this northern and southern transportation corridor.

This project would offer a unique opportunity to leverage existing resources, to stimulate job growth and expansion in Nevada, not only in important areas of tourism and travel, but in further development of other major

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industries, such as trucking, cargo, healthcare, aerospace, logistics, distribution, and technology. These industries need a dependable, reliable, and efficient transportation corridor to be successful.

Geographically, Southern Nevada is an ideal location in establishing and expanding ground and air transportation and distribution centers to support international ports of trade and cargo centers in Los Angeles and Long Beach. As the established ports reach capacity, I-11 can be a strategic link to new ports, ensuring the Western United States has long-term distribution capabilities.

Linking ports of trade to distribution centers enables economic development and integrates regional economies. I-11 is vital to overall economic success of our region, and will bolster our nation's options for trading with our two largest partners, Mexico and Canada. I-11 will be a very important segment to the CANAMEX Corridor, as this project has the potential to connect some of the world's fastest emerging economies in Latin America and Asia.

As we know, national trade supports one in every five jobs, and this expansion will help jobs here in Southern Nevada and throughout our state. It's estimated that I-11 can have a \$24 billion economic impact, and will generate approximately 24,000 jobs in our region. In Nevada, the Metro Chamber supports the expansion of the Northern Nevada Corridor that will connect Las Vegas and Reno, and extending the I-11 to the United States/Canadian border.

The Metro Chamber recognizes this project is in its early phases of development and implementation; however, it is important to evaluate and consider all options that are being proposed and select the best option for our community. This includes objectively considering the BBQQ alternative in the eastern portion of Las Vegas Valley, and not prematurely limit options since this project is still in its early process.

In looking at these options, increasing congestion and capacity levels along 215 Beltway and U.S. 95 must be taken into consideration. The increasing congestion along these existing routes is an increasing concern to our businesses that affect how they do business in terms of time management, ability, mobility, and safety concern of Nevada. That is why options like

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BBQQ need to be considered based on objectivity, long-term practicality, and fact-based criteria.

I would like to thank the staff and the consultants throughout this process for their engagement with the public and the transparent process they've conducted. The Metro Chamber looks forward to our continued engagement and support of I-11, and thanks the Governor for his leadership on this issue and the Board of Directors. Thank you for your time and allowing me to speak today.

Sandoval: Thank you very much. Any further public comment?

Wallin: None down here.

Sandoval: And we're going to skip over Agenda Item No. 3, which were the minutes, and move on to Agenda Item No. 4, Approval of Agreements over \$300,000.

Malfabon: Thank you, Governor. Assistant Director for Administration, Robert Nellis, will cover this item.

Nellis: Thank you, Director, Governor, members of the Board. There are six agreements under Attachment A, found on Page 3 of 35 for the Board's consideration. Line item number one is in the amount of \$375,000 to provide legal services to represent the Department in the eminent domain condemnation matter of NDOT vs. Las Vegas Golf and Country Club for Project NEON.

Line item number two is in the amount of \$837,000 to update the Department's central system software in order to support the development of the Active Traffic Management System for Project NEON.

Line item number three is in the amount of \$665,000 to provide safety management plans for multiple locations around the state for the implementation of the State Highway Safety Improvement Plan.

Item number four is in the amount of \$300,000 to provide mechanical and electrical engineering design services for the maintenance code compliance and improvement of the Department's facilities statewide.

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Number five is in the amount of \$383,638 to provide subsurface utility engineering services for State Route 604 from Civic Center Drive to Hospital Drive in Clark County.

And, finally, item number six is in the amount of \$317,268 for professional and specialized services relating to federal transportation programs, projects, legislation, and regulations.

Governor, does the Board have any question for the project managers regarding these six items?

Sandoval: Member Martin.

Martin: On line item number one, this particular firm, this firm is being hired in lieu of or in addition to Laura Fitzsimmons?

Nellis: Dennis, go ahead.

Gallagher: For the record, Dennis Gallagher, counsel to the Board. This firm is being hired for this particular property. They've worked with Ms. Fitzsimmons in the past. She has agreed to take on certain cases, but not all NEON cases, although the department is working with her to get her on in a strategic role to assist in the overall management of all the right-of-way acquisitions. So I think I spent way too many words answering the questions, to which I apologize.

Martin: So they are in addition?

Gallagher: They are in addition.

Martin: In this number, this number is the number you plan on providing to the McNutt firm, right?

Gallagher: It's not to...

Martin: No cost from staff. No cost from Laura Fitzsimmons is figured into this.

Gallagher: It is not to exceed this figure.

Martin: To McNutt...

Gallagher: To McNutt.

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- Martin: ...but not to anybody else?
- Gallagher: Correct.
- Martin: Okay. Item number two -- item number three, I didn't realize Kimley-Horn provided safety services. I know they do a lot of stuff, but I've never seen them involved in safety. Is this a new venture for them?
- Malfabon: They've actually been doing a lot of work for the Department in the area of safety, so running our safety management plans, but also assisting in other safety efforts. We have an executive committee and they provide support for that executive committee, which includes RTCs around the state, NDOT, law enforcement, emergency medical responders, so they do a lot on the safety front.
- Martin: I went through several agendas, going back to '13 and '12, and I'd not seen where we had awarded any contracts to them on safety. That's why I was asking.
- Malfabon: We could bring that (inaudible)...
- Martin: I was just asking. It's just a curious question. And then from the CH2M Hill, on item number six, who is the current provider?
- Malfabon: Current provider was a team including Scott Bensing, and then Mary Peters, was former USDOT Secretary, and Jim Ray. I can't remember the name of their team, but -- do you remember?
- Martin: They were obviously very memorable, right?
- Malfabon: Well, no, they've been doing good work for us. They did not propose this time.
- Martin: Thank you.
- Unidentified Male: And, Governor, if I might. Just on that item, I think the savings on a monthly basis is about several thousand dollars: is that correct?
- Malfabon: Yes, it is a savings going forward.
- Unidentified Male: Are we familiar with folks from that firm?

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- Malfabon: Yes. Susan Martinovich, former Director, works for that firm now, but the lead person is in Washington D.C., a gentleman that has been working on the hill for several years.
- Sandoval: Member Savage.
- Savage: Thank you, Governor. My question, Robert, on a couple of items, line item number one, is that a Nevada firm?
- Gallagher: For the record, Dennis Gallagher. Yes, it is a Nevada firm.
- Savage: Okay. Thank you, Dennis. The second question I have is I saw there were some questions in the support documentation about the federal reimbursement for line item number one being 955. Is that possible?
- Malfabon: I will do my best to answer that. They should be eligible. We programmed a couple of months ago the Project NEON bond revenue to be used for right-of-way acquisition, so legal expenses are compensable. We'll have to check into why this was coded as a non-federal...
- Savage: Mm-hmm.
- Malfabon: ...because I believe this one should be federal if it's in support of Project NEON, and we programmed these anticipated legal expenses as part of support of right-of-way acquisition, so it should be compensable.
- Savage: That would be good to look into. Thank you, Rudy. And the last item I have is on the consultants, Kimley-Horn, and there's several consultants. And, Governor, I know this is a large topic, but I'd like to possibly take this to the Construction Working Group level to see if we can review the engagement of the consultants, a total spreadsheet of what categories the consultants are working in, how much we are paying each consultant, and we do that very similar to the different contractors. But I know there's safety, there's central software, there's maintenance, traffic management systems, construction, and it's a big dollar for the Department, and I know it's a lot of time. And I think if we take it to the next level and possibly bring it back to the T Board annually or semi-annually to report, might be something worthwhile.
- Sandoval: You're willing to take on that extra work?

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- Savage: You bet. I think Mr. Martin and Madam Controller Wallin and myself, I think it would be worthwhile to take a look at who's involved, where, how many, and how much.
- Malfabon: And, Member Savage, if we could know...
- Sandoval: No, I just wanted to get you on the record.
- Malfabon: We always love a volunteer. How many -- would you like us to go back about four years to gather that information on consultants?
- Savage: Yeah, I think three or four years.
- Malfabon: Okay.
- Savage: I think that would be great, Mr. Director.
- Malfabon: So we'll try to gather that for the next CWG meeting.
- Savage: And the different categories and if we have a round table discussion on the side, we can talk about that a little further. That's all I have, Governor. Thank you.
- Sandoval: Thank you. Questions from Southern Nevada?
- Wallin: Yes. Thank you, Governor. Can you guys talk a little bit about item number two, the central system software update. I know you were talking about the ATM system, and just how is this going to link and how -- because there must be more to this because you have to put up those signs for the managed lanes, because I was reading saying that we're going to be able to do that. So can you just kind of discuss that for me, please?
- Terry: John Terry, Assistant Director for Engineering. I'll take a shot and if we need, Denise Inda is here to help me. This is to redo the software so that when we do put up the physical structures, the software is up to date, and the entire FAST system accepts all these new devices and they all work within the system. This does not include, of course, the cost of the actual structures and such. Those would be part of NEON and other procurement packages that do the physical construction of them. But this is to make sure that whatever gets put in, the software is updated so that it can include these

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extensive additional devices to fit within the overall system and make it work together.

Wallin: Okay. I have a follow up on that. So was this part of the cost that was included in the Project NEON costs or is this over and above?

Terry: Kind of both. Originally it was included in the cost of NEON, but we felt as a part of the procurement that the best way to go was to get the central system software updated in advance and not rely on the NEON people, though successful, whether it was P3 before or design-build to include that within their bid. So essentially we pulled that out and said we need to get the software updated in advance.

So the footprint of the system is going to eventually extend beyond NEON, so it's covering beyond that. But I guess for the most part, the cost of this was pulled out of NEON and put out separately, but it's something we were always going to do.

Wallin: Okay. Because -- and you talked about it being out of the concept of NEON, because when I was reading it, I think it said that this system is going to be in place from I-215 and I-15 to, like, 95; is that correct? So it kind of is out of the footprint of NEON then.

Terry: Yes, that's correct.

Wallin: That's what I read in my notes.

Terry: Yes.

Wallin: Okay. All right.

Terry: And that's why I'm saying the majority of it is NEON, but there are devices that go beyond that.

Wallin: Okay. All right. And then I have another question here, and this is item three. Member Martin kind of brought it up, but in the RFP we talk about -- because I'm questioning the numbers here -- that you consider contracting with three consultants for the above program, that by distributing to three consultants will improve our response time. And then also when I look in your notes here, you're estimating the cost for the safety engineering services is \$1 million in '14, \$1 million in '15, \$1 million in '16, and \$1

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million in '17. So this is only like \$637,000, so can you tell me what is it are they doing or are we going to have more contracts come forward to address this issue?

Malfabon: So if we could have Ken Mammen come up to address that question.

Mammen: Good morning, Transportation Board. For the record, my name is Ken Mammen, Chief Planning Engineer. With me today is P.D. Kiser. On the safety management plans, we do have them scheduled out for the next several years. So we have the funds somewhat appropriated to do that. This first one is with Kimley-Horn, of course. It is for two safety management plans that we've planned on doing throughout the state. The first one we have not identified. We've got locations in mind, but we'll be working with the RTCs and the local entities to come up with a scope.

The first one, \$686,000 I think it is, is an estimate for the first one. We will still negotiate a final cost on the plan once we determine a final location. I hope that answered the question.

Wallin: Okay. All right. I just kind of find it's kind of funny that we're issuing a contract but we don't know where we're going to be using it at yet. I mean, it's kind of putting the cart before the horse.

Mammen: So to speak, maybe, but we had to identify the locations, and now we have a contractor on board. So we have numerous locations that we would like to look at, but working with the RTC we will better define the scope and the locations because there's a lot of locations in the state that are currently being worked on that we could like to work on, but since they're already being addressed, we are going to the next one. So now we are in place to have the consultant come on board, working with the consultants and the RTC, so we're moving forward together instead of -- well, we're working together forward now, is my point.

Wallin: Okay. All right. Well, I like Member Savage's idea about the consultants. So, Rudy, if you can make sure that this is one of the things that -- is one of the consultants we add on there, that'd be great.

Mammen: They will be. And for the record, Kimley-Horn has been working for us for numerous years doing road safety audits. They've also been doing our basic support for the Nevada Executive Committee on Traffic Safety. So they're

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there providing that support as well. They're also the first consultant up on board to do our safety management plans. We also have two other consultants on board, the CA Group and Wood Rodgers, and as we move forward in this process, we will find locations for them, and we'll be doing some up north and then some down south.

The first two locations we have -- we do have a PowerPoint presentation that we could show you some of this information, if you're interested. We do have that. We can present that to you right now. We have some brief background information on what we're looking at. I'm moving forward witness the discussion, Governor. Would you like to see the PowerPoint?

Sandoval: How long is it?

Unidentified Male: (Inaudible). If the Board wants to see it, we can go ahead and go through it.

Unidentified Male: I don't think we need to see a PowerPoint.

Sandoval: Why don't we take it to the CWG?

Wallin: Yeah, CWG is fine.

Mammen: Certainly. We can do that.

Sandoval: Lieutenant Governor.

Krolicki: If I may also make a comment on item three, the Kimley-Horn. I just want to be clear, and I think some of this is semantics. The contracting approved today is to clarify and triage those safety spots that will be researched in conjunction with our friends in the RTC. So this isn't putting, and this is Controller Wallin's comment, and I just want to clarify. This isn't approving a contract without knowing where it's going to be. Part of the contract is identifying where those things should be. So the horse is before the cart in this, and I just -- is that correct?

Mammen: That is correct.

Krolicki: All right.

Sandoval: Essentially, you're just seeking to prioritize where you're going to deploy those resources.

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- Mammen: That is correct.
- Malfabon: Yes, and Governor, to clarify, this is a master agreement, then you'll have task orders to...
- Mammen: Correct.
- Malfabon: ...individually negotiated as you delegate them to certain plans.
- Mammen: The first one I do believe that we're looking at Eastern as one of our first priorities that will be a task order. The second one to be determine yet will be a second task order, and then we'll do the same thing with the next firm in line, which is think is Wood Rodgers or CA Group. I think it's actually Wood Rodgers who is next in line. So Wood Rodgers would be getting the second or the third -- the second actual SMP by task order, and you'll be back here again with Wood Rodgers to approve that when we get to that point.
- Wallin: All right. Governor, I have not further questions. Thank you.
- Sandoval: Any other questions? Member Fransway.
- Fransway: Thank you, Governor. First question relates to all six of them. Are we to assume that these are all not to exceed costs? It definitely says so in item one, and most likely says so in item four, the way I read it.
- Malfabon: Governor, I can respond to Member Fransway. All agreements are written in a do not exceed so that we have to have an amendment to that to exceed that amount in advance of them exceeding that amount. So every agreement is written with that language as standard.
- Fransway: Okay. So if we continue to have an option for an amendment on the not to exceed, then it's not to exceed is not correct, is it? Not to exceed to me means you don't go past it, and it should be negotiated that way in the first part...
- Malfabon: That's what's anticipated.
- Fransway: ...as far as I'm concerned. If you have to extend a date or something, then I can understand that perhaps. But the original negotiation, if it's not to

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exceed, then everyone relating to a contract should know that that's all the dollars that we have coming for this particular project.

Malfabon: If the scope never changes from the original scope, it should not be exceeded, but what often happens is that we add additional scope or we want them to continue doing it for another year, then we have the option of either reprocurring the services or extending by amendment. So we understand the issue of amendments, and that's going to actually be looked at in the operational audit about how many amendments and how we select consultants. So along the lines of the CWG effort, we will also be taking another track with the operational audits to look at this issue that the Board is concerned about.

Fransway: Good. And I believe that, that should be looked at very thoroughly and hard in the operational audit, and I appreciate that. Thank you, Governor. And one more, item four. According to the memo, Page 26 indicates that it's for two years, 2014 through 2016, and the end date on the line item says it's extended and ends 2017. There seems to be a conflict between the end date and the memo time frame.

Malfabon: We'll have to look into the details of that, Governor. Sometimes we'll have an expiration date that the services end before that expiration date of the agreement, so that gives us a little bit more time to decide what we want to do to close out the agreement or reprocur services. So we'll look into that one specifically.

Fransway: And I can understand perhaps -- well, I think about it myself, perhaps the end date reflects the fiscal year, because that would involve 2016. So that may be the answer to that question.

Malfabon: Yeah, I don't know if someone is here to respond to that question directly, Robert.

Nellis: Is Anita here? Do you know the answer?

Hoffman: If I may. Bill Hoffman, Deputy Director. You're correct, Member Fransway. What we're listing on the spreadsheet that you're looking at are calendar dates...

Fransway: Okay.

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- Hoffman: ...and what we're referring to are fiscal years or those sorts of dates in the actual write up that you saw, so...
- Fransway: Yeah, I just noticed that...
- Hoffman: Yeah. Yeah.
- Fransway: ...and I thought that might be the answer to my questions.
- Hoffman: That's exactly right. So you've got calendar versus fiscal year, and a fiscal year could spill into an additional calendar year, so...
- Fransway: Got it. Okay. Thank you.
- Hoffman: Yeah. Mm-hmm.
- Fransway: Thank you, Governor.
- Sandoval: Any further questions from Board members? Does that complete your presentation?
- Malfabon: Yes, for this agenda item, Governor.
- Sandoval: If there are no further questions, the Chair will accept a motion for approval of the agreements over \$300,000, as described in Agenda Item No. 4.
- Martin: So moved.
- Sandoval: Member Martin has moved for approval. Is there a second?
- Savage: Second.
- Sandoval: Second by Member Savage. Any questions or discussion on the motion? All in favor please say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes unanimously. We will move on to Agenda Item No. 5, Contracts, Agreements, and Settlements. Mr. Nellis.
- Nellis: Thank you, Governor. Again, for the record, Robert Nellis, Assistant Director for Administration. There are 40 executed agreements under Attachment A found on Pages 4 through 8 of 17 for the Board's information. Items 1 through 7 are cooperative, interlocal agreements, and acquisitions.

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Items 8 through 21 are agreements for facilities and leases. Items 22 through 40 are right-of-way and service provider agreements. And just a couple of notes, Board members, item number 10, there is a change on the agreement amount. For the record, that should not be \$2,500. That would be \$251,197.96.

Also, just a note on agenda items number -- I'm sorry, line items number 31 and 32, the ExeVision agreements. There were several modifications to the existing system that were required by the 2013 legislative session, and there was a need to go web based so the system could be accessed from any device. We also needed to add a DB functionality, as well as make the system more user friendly. And these development costs are being addressed with the short-term agreement under line item number 31, while the ongoing operating costs and maintenance are being covered under a separate agreement, which is line item number 32. Does the Board have any questions on any of the 40 items?

Sandoval: Questions from Board members?

Wallin: Governor? Governor, I have a question.

Sandoval: Please proceed.

Wallin: All right. Thank you. Two of those items, 31 and 32, I think we're splitting hairs here separating the contract out. I really think that those should've been one of the ones that the Board approves because it's the same contractor, and saying one is for the annual maintenance and one is to upgrade it, and it's for the same system. Why did you guys break it out that way, and why wasn't it put on the -- to be approved?

Nellis: My understanding, Madam Controller, is that in order to -- they were separated so that the enhancements could be completed in a more timely manner with a shorter term than including it in the overall operating and maintenance contract.

Wallin: I still think that it still should have been on the approved even though you've separated it out, because then that's a way that we get around approving contracts, just go and break them up and say, well, this one is to do A and this one is to do B, and then all of the sudden we don't have the approval of

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the contracts and stuff, so just a note for in the future to not separate them out like that.

Nellis: All right. Thank you, Madam Controller.

Sandoval: Mr. Lieutenant Governor.

Krolicki: Governor, thank you. A compliment on item number 22. I spoke to Rick Gardner, who is with Gardner Enterprises, LLC, and they've been having some flooding issues and other things, and he said he spoke to you, Mr. Director, and he just expresses his appreciation to get this on and get this thing settled, and he appreciates your efforts.

Nellis: Thank you, Lieutenant Governor.

Sandoval: Other questions? Member Martin.

Martin: On item 29, Snell & Wilmer again, rapidly becoming my favorite firm. This contract, 3407, what is that?

Gallagher: For the record, Dennis Gallagher, counsel to the Board. This contract is Peek Construction for the Kingsbury Project.

Martin: Okay. And you also have another request in here, if I remember correctly, Mr. Gallagher, for \$138,000 or am I...

Gallagher: We split...

Martin: Number 40. So if I'm getting the numbers correctly here, you're asking for \$167,000 on item number 40 and another \$150,000 on item number 29. We had this discussion last month, that's why I'm asking.

Gallagher: I know we did.

Martin: We just had it a little bit ago. That's why I'm asking you.

Gallagher: I'm sorry. I forgot, the first contract that you asked was...

Martin: 3407.

Gallagher: 3407.

Martin: That's item number 29.

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- Gallagher: Okay. 3407 was their request for an equitable adjustment off of the Kingsbury Project.
- Martin: Mm-hmm.
- Gallagher: Item 40 is related to the same project, but involves the litigation that they filed.
- Martin: Okay.
- Gallagher: Both of those matters, as well as the Wells matter and the Las Vegas matters, are all wrapped up into the universal settlement that will be going to the Board of Examiners.
- Martin: Right. Last month I complained because you were asking for \$450,000 on this same issue, and now you're asking for almost \$300,000 and you still have \$200,000 sitting -- when you get back into the legal, you still have \$200,000 unspent, which means you're still anticipating spending a half million -- or a half billion dollars -- or I'm sorry, a half million dollars? I get my Bs and Ms mixed up sometimes.
- Gallagher: I have that same problem, unfortunately never with my personal finances.
- Martin: But you do with ours, that's the problem.
- Gallagher: After the last Board meeting, Snell & Wilmer was contacted, asked to bring current all of their invoices so we could wrap everything up. At the last Board meeting, I believe we had processed invoices only up until May. So since then we've gotten their May, June, July, and August invoices, and the requested additional funds are all that'll be necessary to take us through the settlement.
- Krolicki: Member Martin, may I join in a little bit and just help...
- Martin: Help yourself.
- Krolicki: Governor, if I may. If it's an ongoing or nonpublically disclosed tentative agreement, then obviously you can't answer. And I understand the Board of Examiners has to do their business. But we're spending a lot of money. I agree with Member Martin. And Rudy, you had mentioned that we have an overall settlement. But it's my understanding from the beginning , it was

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Peek that failed to perform its duties. They have a liability here, so just someone who's not an attorney, it just seems that, you know, we're paying a lot of legal fees. I'm not sure what the settlement is. I'm not sure if there's a recoverable opportunity here, but I would think that part of whatever settlement would be our legal costs. In my nonpractitioner world, that would make sense. Can you set the stage a little bit and maybe that will help suit Member Martin's questioning.

Gallagher: The memorandum to the Board of Examiners will be filed today. It details the terms of the global settlement, again, of the four matters involving Peek and Williams Brothers Construction. The state is recovering funds from Travelers, who had issued the surety bond for Peek. Peek no longer holds a construction license in this state, nor Williams Brothers. So we will provide a copy of the settlement memorandum to the Board, as well as the settlement agreement to the Transportation Board next month, assuming that the Board of Examiners approves it.

But, yes, the state is recovering funds. The exact dollar amount escapes me because, you know, they're getting credit for some of their claims. I think it's...

Krolicki : But legal fees are not broken out as part of that recovery from Travelers?

Gallagher: We are not recovering separate legal fees. No, sir.

Martin: Just as a point of clarification, Travelers is not writing a check to the State of Nevada; is that correct?

Gallagher: It is writing a check to the State of Nevada.

Martin: For what amount? I have not seen anything on that.

Gallagher: Mr. Shapiro.

Shapiro: Member Martin. For the record, Jeff Shapiro, Chief Construction Engineer. The net is in Nevada's favor. We are receiving a check for \$1.6 million and some change from Travelers, and when you compare that to the disputed amounts, the net is -- we are going to pay a little bit of undisputed funds to Travelers, but the net on the disputed amounts is still \$1.4 million in Nevada's favor -- or NDOT's favor.

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- Martin: Okay. I hadn't seen -- hadn't heard that last month when we talked about this because I thought we were paying Travelers like \$1.3 million to settle this thing.
- Shapiro: No, sir.
- Unidentified Male: (Inaudible).
- Martin: Yeah, I get that.
- Shapiro: No, sir. Travelers is paying Nevada Department of Transportation \$1.6 million and change.
- Martin: Okay. My...
- Shapiro: We do have to write a \$600,000 check to Travelers. Some of that is contract proceeds on work that was actually performed that we've never released for payment. About \$150,000 of that is what we're calling "a settlement," and this will all be in the Board memo...
- Martin: Okay.
- Shapiro: ...when this gets sent up. So if you compare the \$1.6 million to what's in dispute, the \$150,000 in the settlement on that, the net in Nevada's favor is 1.4 and change.
- Martin: Okay. Thank you.
- Sandoval: Other questions with regard to Agenda Item No. 5?
- Martin: I only have one more, sir.
- Sandoval: Okay. Member Martin.
- Martin: Item number 34. When I go back into the last agenda item or next to the last agenda item where you talk about the ongoing cases and the amounts, this Sylvester and I'm going to butcher that name, but for \$280,000, it's item number 34, is that the same \$280,000 that's back in the back on page -- on item 10A, page 3 of 3? You have the same firm lasted as -- and then you have as a current and amended amount, \$280,000. Is that number correct or is the, under the agenda item I questioned, adding to this 280, making a total of 560?

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- Gallagher: On page 3 of 3 for item 10...
- Martin: Yes.
- Gallagher: ...the firm is listed twice, two different cases. One for First Presbyterian and the other Smith Family Trust.
- Martin: Oh, I'm sorry. There is another one.
- Gallagher: Yes.
- Martin: I thought that they were handling the First Presbyterian and this one.
- Gallagher: Yes.
- Martin: Okay. I've got it. Oh, here it is. Go down to the bottom, second to the last item on that same page, 3 of 3.
- Gallagher: Yes, that's the 280...
- Martin: Is the 280 here the same 280 I see on the other?
- Gallagher: Yes, sir.
- Martin: Okay. End of conversation.
- Sandoval: Other questions from Board members? Member Fransway.
- Fransway: Thank you, Governor. On page 5, item 19, why are we paying nearly \$40,000 for a name change and an extension? I would think that Mr. Gallagher could do that in his sleep.
- Malfabon: Governor, I can answer that. That also pays for the annual renewal of the agreement for a five year period. So that compensates them for the lease of the property that they -- I assume it's a communications site.
- Fransway: So that is the lease? The name change isn't...
- Malfabon: Yeah, it included -- and they had to change the name at the opportune time for the amendment.
- Fransway: All right. Page 6, number 28. What was the original costs? This amendment states for -- it is amendment number two for \$1.9-plus million. What was the original?

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- Malfabon: This is not adding any additional amount, so the original is still \$1.92 million for this four-year agreement. They're modifying the scope of work, but they're not changing the budget for the project, so trying to stay within the original budget.
- Fransway: Okay. So is this a no-cost amendment?
- Malfabon: Yes, just adding scope of work but no cost.
- Fransway: Okay. Item 30, why are we paying extra for delay of the start? Was that our fault or was the contractor at fault of that?
- Malfabon: I don't have a response to that, Governor, but we could...
- Sandoval: We're not paying more, are we? We're just delaying the start.
- Larkin-Thomason: (Inaudible).
- Malfabon: Okay. So apparently Deputy Director Tracy Larkin-Thomason said that we had work going on in this area, so they couldn't start on schedule. So it was through no fault of the contractor...
- Fransway: Okay.
- Malfabon: ...providing the janitorial services, and since the term of the agreement for the service period had to be extended because we had that late start.
- Fransway: Okay. So it was the fault of NDOT for the delay, not the contractor?
- Malfabon: Yes.
- Fransway: Okay. Thank you.
- Malfabon: Thanks, Tracy.
- Fransway: I had questions on 40, but I think all the discussion has answered my questions. Thank you, Governor.
- Sandoval: Member Martin has one more question.
- Martin: Is the eBid up and working? Are we currently accepting bids on it?
- Malfabon: Yes, it's been working for a couple of years now.

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- Martin: Okay.
- Malfabon: It's been working very well considering the roll out of that back in -- it's been almost two years now, so...
- Martin: What percentage of our bids come in on eBid?
- Malfabon: All of the -- most of all of the bids. Only the informal bids don't -- are paper bids or electronically -- well, they're email bids. The informal bid process doesn't require that formal aDBertisement, but anything that's aDBertised is typically on that. Architectural projects, I think, are still paper bids.
- Nellis: And I apologize, Jenny Eyerly, our Chief of Administration, she gave me those numbers on Friday and I just -- I can't recall what they are. I'm sorry, Member Martin. Do you want to address it?
- Malfabon: Very good, Jenny Eyerly will respond.
- Eyerly: Good morning, Governor, members of the Board. I'm Jenny Eyerly, Administrative Services Division Chief, and we brought up the system in 2012, and since then we've had 301 electronic bids and 47 paper bids on the contracts that are available to be bid electronically.
- Martin: Outstanding. Thank you.
- Eyerly: You're welcome.
- Martin: Governor, one more issue. On item number 37, Bison Construction, that's my brother's construction company, so I'll abstain from voting on this agenda item.
- Sandoval: We're in an informational item anyway, so, but I appreciate the disclosure. Other questions or do you have more presentations, Mr. Nellis?
- Nellis: That's it for this portion. There's Attachment B as well, Governor.
- Sandoval: Please proceed.
- Nellis: Governor and members of the Board, there is one settlement under Attachment B, found on page 10 of 17 for your consideration. The settlement amount is for \$62,500. This is for an inverse condemnation action that arises from the construction of a detention basin and related

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improvements, including a flood control channel constructed in conjunction with the widening of State Route 160. Does the Board have any questions for Mr. Gallagher regarding this settlement? Governor, that completes the items under Agenda Item No. 5.

Sandoval: Before we move from Agenda Item No. 5, any questions from Board members? Thank you, Mr. Nellis. We'll move to Agenda Item No. 6, which is Acceptance of Amendments and Administrative Modifications to FFY 2014-2017 STIP and Approval of Changes to the 2014 NDOT Work Program. Please proceed.

Peacock: Good morning, Governor, members of the Board. My name is Coy Peacock, and I work for the Program Development Office under the Planning Division here at NDOT. I'm here to present the amendments and administrative modifications to the federal fiscal year 2014-2017 Statewide Transportation Improvement Program, or better known as the STIP.

I have been involved in the creation and development of the STIP for over 20 years, and it is my pleasure to present this item for the first time to the Board. These are the actions that have taken place in the past two months.

Attachment A details the amendments. Amendments are changes in funding greater than five million or greater than 20%, projects that have been added or deleted, or significant changes in scope and/or limits.

Attachment B details the administrative modifications. Administrative modifications take place when the project funding category has changed, a project is moved in between fiscal years, or a significant change in the funding amounts, less than five million or less than 20%.

All of these changes listed in Attachment A and B have been processed to ensure the obligation of all of the federal funding provided to the state in federal fiscal year 2014. If there are any specific questions about any of the projects listed, I and my talented associate, Joseph Spencer, are here to answer any of your questions. If there are no questions, we ask for acceptance of this possible action item.

Sandoval: Okay. Any questions from Board members? Member Fransway. And just to clarify, you said that now we have spoken for all the federal funds, so they will all be utilized?

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- Peacock: We will obligate all of the federal funds needed for this fiscal year.
- Sandoval: Okay.
- Malfabon: And, Governor, we usually hear right around this time of any extra money that other state DOTs did not spend that, hopefully, Nevada will, as in years past, get extra money from Federal Highway Administration.
- Sandoval: I mean, it was at least a million last year. Wasn't it significant?
- Malfabon: I think it was...
- Peacock: I think it was four million that we received last year.
- Malfabon: Yeah, I probably would've guessed three and a half, but it was more than that, so...
- Peacock: But each year we do have an opportunity.
- Sandoval: And if that happens, and I don't want to jinx anything, but will we be able to obligate those monies as well?
- Malfabon: Yes.
- Peacock: That is one of the stipulations of actually getting those monies. The federal government asks us if we can spend them, we say we can, and we have a great track record in the past. We've received over \$70 million of additional funding over the last 10 years that was expended in Nevada due to this process, so yes.
- Sandoval: Great. Member Fransway, you had a question?
- Fransway: Thank you, Governor. And this is just a comment, but relative to the statewide rule on Attachment A, I'm very pleased that NDOT took advantage of these low matches. I believe they're going to help us a lot with our safety issues, and we did have some increases in fatalities in that area. So I believe that we're getting a real bang for our buck with the percentage of match that is required to get this funding, so somebody is on top of it, and I appreciate that.
- Peacock: Thank you, Member Fransway.

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- Fransway: Thank you.
- Sandoval: Any other questions or comments with regard to Agenda Item No. 6? If there are none, the Chair will accept a motion for approval.
- Krolicki: Move to approve.
- Sandoval: Lieutenant Governor has moved for approval. Is there a second?
- Fransway: Second.
- Sandoval: Second by Member Fransway. Any questions or comments from Board members? All those in favor please say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes unanimously. Thank you, Mr. Peacock. We'll move to Agenda Item No. 7, briefing on Rest Area Program.
- Malfabon: Thank you, Governor. Our Chief of Maintenance and Asset Management, Anita Bush, will present this, we're very excited about this Rest Area Program, and in partnership with Claudia Vecchio from Tourism, another Nevada department. Anita.
- Bush: Good morning, Governor, members of the Board. My name is Anita Bush. I will be nervous at the beginning, but it will calm down in a moment. I would like to acknowledge the presence of Claudia Vecchio. She is the Director of Tourism and Cultural Affairs, and we can't understate her contribution to this project, and she will be giving the concluding remarks of this presentation.
- So Nevada is worldwide known as a major tourist destination. We are having the entertainment capital of the world here. We have a premier skiing area. So many, many tourists. According to 2012 statistics, 29 million people enter into Nevada and visit Nevada through our highway system. Many of them go to these major tourist destinations, but more and more people kind of seeking out through authentic American experience, experience the Wild Wild West. And also with events such as the biker event and the Street Vibrations, you know, they just attract many, many tourists that are using our highways, and, you know, they kind of visit urban areas, but they really, really visit our rural sites as well.

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So with a world-class brand comes world-class expectations, because really Nevada is a premier, world-class destination. Our number one employment (inaudible), and we've got to make sure that we take care of our tourists. So through a multi agency partnership, the Department of Transportation and the Department of Tourism and Cultural Affairs is working together to reimage the rest area experience. And, really, our rest areas need to meet the needs of the travelers and also, you know, they can provide -- what does the traveler expect from these rest areas when they visit them?

They need a safe, comfortable place to pull over because being on a highway it's illegal to stop in a right-of-way except for an emergency. And so you need -- not only for the visitor who are travelers who are going to stop by and stop at these facilities, but also for commercial truck drivers. It's really, really important that we have these facilities, and they are inviting, comfortable, and also provide information or resources.

So rest areas came into being with the 1938 Federal Highway Act. The passage of the Highway Act in 1956 and establishment of the Federal Highway Trust Fund in 1956 provided funding for expanding the rest areas. And the Highway Beautification Act of 1965 really kicked the momentum off.

And why do we have rest areas? Well, I've already mentioned that, because, you know, drivers need to take a stop and make sure that they are not fatigued from driving. So it's a really, really important safety feature as well.

So the Nevada Rest Area System was primarily developed at the same time as the Nevada Highway System was developed in the early '70s and '80s, and with that we have a really aging system on our hands. The average age of our system is 37 years old.

So our current system comprises 36 facilities, and as I mentioned before, they are primarily constructed for the travelers comfort and safety. We already have three visitors centers that offer tourists information and resources, but besides the safety features -- or the primarily role of providing a safe stop for our travelers, they also provide an image to tourists, as well. I mean, when we drive through California, we see the rest areas, we form an opinion, and then we travel into Nevada. Maybe that opinion or, you know,

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it might change because -- or specific things that are not quite up to par like California's facilities.

And also, they are really important for our economic vitality. As I mentioned earlier, commercial drivers often use these facilities. They are really lacking adequate stopping places along the freeway system, and they often utilize these areas as a staging area, as well.

So our current system offers various amenities. As you can see, three of them are already offering some information or resources, and they do have a full time attendant on staff. They are usually employed by the city or the (inaudible). So we have them in Wendover, Mesquite, and Boulder City. We have 26 rest areas that we call them right now. We have 12 of them with flushing toilets and 14 of them with pit toilets, and we also have 7 rest stops that they currently only offer trash pickup and picnic tables. So the services are just really, really limited at those stops.

So recognizing the fact that we have a 37-year-old system on our hands, and that the demand of today's travelers -- they really do expect more when they stop at these facilities. With the cooperation of the Department of Tourism and Cultural Affairs, we developed a report, the Nevada Statewide Rest Area and Rest Stop Initiative Report; and the purpose of this report was to develop the concepts as we move forward to rebuild and reimage our rest areas, and develop budgets for this project that we can plan in the future how we're going to rebuild them.

So the report proposes three facility types as well. Welcome stations that are going to be placed near state borders, near major tourist attractions, major intersections of highways, and they will be staffed with full time personnel that will be able to provide tourist information to our travelers. Our rest areas will be the facilities that also offer informational resources for tourists, as well as -- we have to differentiate between rest stops and rest areas, so that's why I'm going to emphasize that they will have running water and flush toilets in these facilities, and then our rest stops will have the pit toilets. So we won't have any more facilities where you don't have facilities for traveler's comfort. So we really need to increase our services that we provide.

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So here this slide shows all the amenities and features that the rest areas and welcome centers will offer. I really would like to emphasize three of them that are going to be really new and will enhance the traveler's experience. The regional interpretive signage and the local information kiosks. They will emphasize the area's natural and cultural resources. There may be the local industry, highlights the local industry, and really provide information about the region for the travelers.

We will also offer Wi-Fi at all of our rest areas. Currently we only offer Wi-Fi at four sites. We would like to expand that service to all of our rest areas. And the primary purpose of the Wi-Fi system is to provide real-time information to our travelers. It's really, really important and also in a manner that encourages them to take more stops, as well all know that fatigued driving is really, really dangerous. How many of you have watched Mythbusters? If you don't believe the highway statistics, they had a really good show on comparing the dangers of tipsy driving versus drowsy driving, and I think they showed that drowsy driving was 10 times more dangerous than tipsy driving. I think that's what it was, right? So it was really an eye-opener that we should not be driving when we are tired.

Fransway: Governor, can I ask a question?

Sandoval: Sure.

Fransway: On Wi-Fi, is there a specific way to access Wi-Fi? Do we have to provide a user with a username and a password for them to get into a Wi-Fi at a rest stop or is it posted?

Bush: No, it's usually when you -- we have them at Wadsworth and then at the visitor's centers and then they are built in, and you can get on them.

Fransway: Okay.

Bush: You just have to accept the terms that you are accepting the terms of, you know, using the Nevada Department of Transportation service and then you can just access it...

Fransway: Okay.

Bush: ...and then, of course, some sites are restricted from that service to make sure that people don't use them for inappropriate purposes.

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Fransway: Yeah. Okay. Thank you.

Bush: Sure.

Fransway: Thank you, Governor.

Bush: And the third really exciting feature that we might be offering at selected areas will be the electric vehicle charging stations. With the ever-increasing demands and popularity of these electric vehicles, there is really a huge need for publically accessible charging stations that are distributed across the nation -- state and, of course, the nation, too, but, you know, I'm talking about the state.

So rest stops in comparison with the rest areas, as I mentioned earlier, they are going to be offering unlimited service, but they will also be providing informational services to tourists as well. And you will see the artwork, interpretive displays, and you know, the local area information at these facilities, with the expected features such as the picnic tables, trash pickup, and toilets.

So the report outlines the proposed design guidelines. It's really, really important that we, you know, symbolize the Nevada brand. It has been really well-developed by the Department of Tourism and Cultural Affairs. I always want to say Commission on Tourism. And so it's really, really important that when the traveler enters into Nevada they recognize that brand; that they know that they are in Nevada. So all of these facilities are going to be offering a unique, consistent look. They will have architectural and landscaping features that are really, really similar so that our drivers know that they are, you know, approaching a state-run facility, and they will know what kind of services they can find there. So it's really, really -- we're revolutionizing, you know, the experience compared to what we may experience today.

So when considering the architectural elements and, you know, what the design should look like, first we considered the modern look, some angled look, but what I really would like to emphasize to you today is the arch theme. As you can see, we have many, many Nevada landmarks and design logos and architecture that already incorporate the arch design. So we thought that it's a really, really good reflection of Nevada if we incorporate

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that design element into our rest area facility design. So here's what the arch concept is going to look like. Later on we are going to be showing you a video that, you know, shows the arch concept in more detail. But as I mentioned earlier, all of these facilities are going to be based on this look.

The Department of Transportation has made a commitment to incorporate landscaping and artistic elements into our design and construction of our projects. So, you know, all of them will offer some desert landscaping that will fit in the area. You will see some art displays and, of course, you know, the informational kiosks, you know, as well.

So the typical layout of the full-service rest area is looking like this. It's about a 10-acre site. How many of you have had a chance to visit the Searchlight Visitors Center down along 93? So basically the look is really, really similar. The layout is similar to that facility. As you can see, you have a designated truck parking area. In the middle you have the visitor center and restroom facilities, and then on the right-hand side of your slide is the picnic tables and picnic area. So you have well-defined, separated areas. You might find a designated pet area. And, you know, this layout really works very, very well to increase the comfort and the safety of all of our users.

The typical rest stop will be much, much smaller. You can see that we have the two little wall-type toilets, chemical toilets. You know, some of our sites we couldn't -- it's really, really expensive to get water. I mean, even in Searchlight we had to go down to 1,000 feet, you know, to drill that well. So it's just -- you know, some areas it's not even feasible to put in a septic system, and unfortunately we cannot offer, you know, running water at each of our sites, so we'll have to use the wall toilets. But you will see the arch theme in our informational kiosks, and you still have the area where the cars can just pull in and it's easy to park for them.

So the next steps -- we had to decide on the priority sites, and it was not really hard to come up with four areas that really are in immediate need of rehabilitation. Working in collaboration with the Department of Tourism and Cultural Affairs, we have decided that the current facility at Trinity should be upgraded to become a full welcome station. So that facility will have a full-time attendant on-site seven days a week, and we have already drilled the well, so it is going to have running water. We will rebuild our

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rest areas at Millers and Beowawe, and we are going to expand our rest stop at Pahrnagat Lake.

Krolicki: Governor, if I might. Could you just restate that because I didn't see that in the material, but there will be someone full time at the stop. Is that...

Bush: At the Trinity welcome station. Only at the Trinity site. Yes.

Krolicki: And they'll be an employee of NDOT?

Bush: It's going to be an employee of the Department of Tourism and Cultural Affairs, and I will let Claudia talk about that in detail in a moment.

Krolicki: Okay. Thank you.

Bush: For those of you who do not know, Trinity is the junction of U.S. 95 and I-80. It's about 23 miles west of Lovelock, and this is one of the most used facilities of the state. Unfortunately, we do not have traffic counters at this site, but we are estimating 500 people per day, every day. It's really an estimate based on the on and off ramp traffic counts. But, you know, I'm pretty sure that during the summer months that usage is a lot higher. Currently we do not have running water going to this facility. We do have a water tank there in the picnic area that, you know, people who use the restroom, they have to walk over to the picnic area and wash their hands. It's a little hand-held little well. It's not really convenient, but, you know, they are functioning.

But as you can see, the look is really, really outdated. The building needs -- it has a lot of building maintenance needs. The roof is in really poor shape, so -- and the maintenance costs of this facility is really high as well, although I have to make a correction to those number that I gave you for maintenance costs. That should be divided by three for the contract costs, so -- because that was a three-year contract. Unfortunately, the report that I was using at the time, it didn't have the correct numbers for the Board memo. But this building was built in 1982. Again, it's very much used and it really, really needs to be replaced.

The second priority site is Beowawe. It's about, I would say, 40 miles west of Elko. It's again on I-80. It's in Eureka County. Again, we've spent a lot of maintenance dollars on this facility as well. That number for the state

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(inaudible) should be divided by three as well in your Board memo by the way. The contact number was right on this one. But, again, this building needs upgrades. The roof and insulation, mechanical deficiencies. It's really, really old. I cannot say it's old. I am much older than this, so I can't say really, really old but, you know, it needs a lot of building maintenance needs and the building is just really, really small. So it really doesn't meet the needs of today's travelers.

The Millers site, it's right kind of in the middle of road between Vegas and Reno. It's along U.S. 95/U.S. 6. It's a small facility, and on that stretch of the road, services are really lacking for the travelers for that long-distance drive from Vegas to Reno, especially the northern part because, you know, when you're in the south, you have (inaudible) at least where you can stop and you can find some services, but as you move more north, it's just harder to find them, especially after business hours. So this site needs some upgrading as well. We have access and parking issues, and, again, the building maintenance needs. Actually, the building itself was built in 1970 and then we added a storage building and some irrigation in 1982. So this is, again, a really old facility.

And at Pahranaagat Lake, this is an ideal location to have a rest stop. It's really close to the National Wildlife Refuge. It's along 93. It's about an hour and a half from Las Vegas, going to Alamo on 93 North. And currently we only offer trash pickup and a few picnic tables. You see our little (inaudible) there. That was actually a farmer who provided those and put them out there. So, you know, we really, really have a lack of service in that area, so we do need to, you know, provide something for our travelers.

So this table shows the proposed budget for this project. As you can see, we're estimating \$1.8 million for the design of these four facilities and all the reviews and check fees. We will try to get them done as soon as we can. That's why we put it in FY 15. Most likely we will have some spill over for FY 16. I will show you the schedule of the projects in a moment.

We are estimating that the projects will be constructed overlapping the fiscal years '16 and '17, and you can see that we are estimating a full welcome station at \$4.5 million. At Millers, \$4.3 million to, you know, develop that site to be a full-service rest area. At Beowawe we have two sides, eastbound and westbound, so we are estimating those at \$4.5 million, and

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Pahrnagat Lake Rest Stop we are estimating at \$2 million. These figures are in the -- I forgot to show you. This is the report that I was mentioning earlier, and we provided a link for you that you can download it on the internet, as well, if you would like to see where we got these numbers from.

The proposed schedule as follows. We just put out the RFP for the design services last week. We are estimating the selection process and awarding the contract will be about December of this year and, of course, this will have to be approved by the Board. The design development, we are estimating will take about a year for these four sites. We will try to expedite the Trinity site because we have done some preliminary work on that. The design reviews will take about three to four months, will take place in early 2016. As I mentioned earlier, construction, we are estimating that we will start in the spring of 2016 and, you know, it might take the six to eight months; it's just depending on the site where we are going to do work.

So once again, in conclusion, we are really, really excited about this program. I think it truly will enhance the travelers experience throughout Nevada. It will be a great service to our citizens of Nevada. With that, I would like to show you a short video that will explain it much, much better than what you have heard from me. It's a really brief summary of what you have just heard, and then after the video, Claudia will come up and give you the concluding remarks and, of course, we will be here for questions.

Video:

Here in Nevada, welcome stations, rest areas, and rest stops are important elements to our transportation system. Because stopping along the highway is prohibited, except for emergencies, these facilities provide safe locations for motorists to stop during their travels. NDOT currently owns 36 of these facilities across the state. Many of them were constructed at the same time as Nevada's highway system. In fact, the oldest rest area in Nevada was constructed in 1967, along U.S. Highway 93 at the southern end of Boulder City. The newest facility, completed in 2013, is along U.S. Highway 95 near Searchlight. The average age of our rest areas is approximately 37 years old.

Although most are fully functional, the general condition of the older facilities is deteriorating and in need of repair or replacement to accommodate Nevada's travelers. Partnering together with the Nevada Departments of Cultural Affairs, Tourism and Transportation, plan to

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renovate many of our current rest area facilities, and build others that not only serve our state's traveling public, but help market our state as well. The goal is to enhance statewide pride, foster appreciation for the state's natural and historical resources, promote our state to domestic and international visitors, and convey our position as innovative leaders.

To ensure cohesive brand, look, and feel, the welcome centers, rest areas, and rest stops will reflect one design theme. Site planning will ensure the buildings take advantage of the surrounding environment by incorporating local scenery, points of interest, and historical features. As visitor information centers, these facilities will serve as welcoming beacons where our guests will not only find restrooms, but various other amenities, such as vending machines, designated pet areas, separate truck and automobile parking areas, playground equipment and exercise stations, sculptures and other artwork, pay phones and wireless internet, as well as displays and brochures that give our current and historical local, state, and regional information, and selected locations may also offer electric vehicle charging stations and on-site personnel providing local tourism information.

The features and services will also offer Nevada travelers a welcoming atmosphere that conveys Nevada's brand, "A world within. A state apart."

Malfabon: Governor, I'd like to acknowledge the efforts of the communication staff in putting together that video. I think Julie and Shirley worked out on that. Meg and Shawn, all of the communications staff. Claudia Vecchio will give some concluding remarks. Thank you.

Vecchio: Yes. Good morning, Governor, members of the Board. I'm thrilled to be here this afternoon -- this morning to kind of put closing remarks on what I think is an incredibly exciting project. I wanted to thank Rudy, thank Anita and his team for their help with this. Thank the architects at GML Architects for coming up with and really working with us to convey what I believe is a structure that really does illustrate and personify the brand, "Nevada. A world within. A state apart."

It's great for me to be here also because much of what you do, just in general, impacts tourism. Certainly, any construction project, any enhancement project, anything that you do that impacts our roadways, and from an infrastructure standpoint, anything that impacts our airports as well.

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But all of these things impact tourism, so I think we have probably a closer connection than we have taken advantage of in the past, and I hope to work with your team more in the future as we really, you know, determine how what you do and what we do impacts both of us.

So this rest stop, rest area, and welcome station program has been in the works. You probably have heard this before. We've been talking about it for years, so we're thrilled that we're making it happen, and we are moving forward to start development of these facilities. As Anita mentioned, our tourism brand is one that's known worldwide. When we talk to travelers and tour operators and all throughout the world, they know Nevada, but once they get here, I fear we're not giving them the brand promise that we provided to them while we were out promoting the state. So I think these welcome centers are a tremendous way for us to really start to build that infrastructure and start to build that brand throughout the state.

We're certainly happy to answer any questions. Lieutenant Governor, you had talked about staffing. The idea is that there will be a few of these centers that will be welcome stations, as they're called in this environment, and those will be staffed with interpreters, interpreters that are hired through the Division of Museums and History, and who really fully understand what is happening in that area from a cultural, and they will be trained in the natural resource environment as well. But these folks are trained in interpretation and understanding how to convey the stories of Nevada, which are incredibly important for travelers to understand what's out there.

The Nevada Commission on Tourism has a twofold mission. One of them is to educate travelers and Nevadans about the state and the extraordinary offerings we have throughout the state. The other thing is to market the state, obviously. But these welcome stations will provide a tremendous opportunity to educate people about what is in the area, and then to help them understand and hopefully help them stay longer and spend more money based on this enhanced education.

It really is a multi agency project, as was mentioned, not only with Transportation and with Tourism really being the drivers of this, but also a wonderful, I think, opportunity to talk more with the folks at Wildlife and at Conservation so that we can be sure that we get the right stories and the most compelling stories and really the information the travelers want about

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wildlife and natural resources, as well as everything that we offer in Cultural Affairs from a historic and a sense of place kind of an opportunity.

So certainly -- just brief concluding remarks. Again, we're thrilled to be working on this project. We want to see this happen. You saw a timeline. It makes me a little nervous to think of something this far in advance. I want to get these done. I want to get these things built and so we'll work with Transportation any way we can to move that forward. So if you have any questions, I'm certainly happy to answer them, as well as Anita, and we look forward to working with you on this project.

Sandoval: Thank you, Ms. Vecchio. Questions from Board members? Member Fransway.

Fransway: Thank you, Governor, and thank you everyone for this presentation. It's very enlightening. I, for one, am a very big fan of rest facilities on our highways. I believe that they not only promote the state, but they help us in providing safety issues. They are for the public, paid for by the public. And my question is, are they respected like they should be as far as any vandalism, because some of them are remote, and do we have good luck with that or do we have an issue with vandalism?

Vecchio: There certainly are issues with use of the stations as they currently are, and Anita could talk about that, but you know, in all cases, the hope is -- and we certainly will monitor this -- but as we enhance the experience and the buildings and this overall program of maintenance and of care of these places, that people will also have the same -- heighten their level of care. And, again, we'll certainly look at it, and Anita can talk about what we have in the current situation.

Bush: Yes, we have experienced vandalism at numerous locations, and we are trying to up our game at providing security efforts at these facilities. And, you know, by offering Wi-Fi, that will enable us to monitor these facilities by cameras...

Fransway: Good.

Bush: ...once we build them. So we are going to really pay attention as we develop these facilities that we are going to include those security features.

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Fransway: I think that that's a great idea, having some sort of surveillance, not only for that, but for public safety also. And I do have a pet peeve, and I don't know who to address it to. But the Cosgrave Rest Area/Rest Stop, I think it's right in between the two of them, has been closed for going on two years now, and this Board at the last -- a few meetings back, approved, I think it was \$136,000 worth of costs for putting a new well and pump in to -- apparently there was an issue with the existing one. It is still closed. The interior really looks good. They've done a lot of work on sealing the interior roadways and the parking lots, but like I say, it's been a couple of years. And it's my understanding that NDEP has a punch list that needs to be finalized and completed, but I would hope that we could get this rest stop open as soon as we can. It is popular and it's been too long.

Bush: Yes, Member Fransway. The story behind Cosgrave is we had to close the rest stop because the existing well got contaminated, so we had to drill a new well. We drilled a new well, and through the process we realized that we did not go through the proper procedures with NDEP. They have a two-phase approval process, so you have -- the first approval process is for actually drilling the well and placing the well, and then the second one is for the distribution of the water system. And what happened was we did not have that approval. So during the drilling of the well -- and, you know, this is an oversight that I have to admit to that it happened with my staff. We were just not aware of all the requirements that had to go into this project, but I also blame our consultant as well, because, you know, he just did the scope of services that he was hired to do. We were never pointed out that, hey, you know, wait a minute, guys, you really are going to have to have this permit for the distribution system as well.

So right now where we are is we drilled the well. The contractor is proposing -- they'll give us a price for the changes we had to make based on the NDEP comments to the design that we previously had. So we really have to wait for the contractor to give us the estimated time for making all of those -- you know, to build -- making that first -- well, we already made the changes in the plans, because the NDEP finally approved the distribution system in that area, and then now we just have to get the price. So you are going to see an amendment to that agreement to increase, probably a little amount, to accommodate those design changes that we're going to have to do.

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But, you know, finishing that rest area could take three to six months. Well, I don't know. I really don't know. We really need to just wait for the contractor to give us that, and currently he's on vacation, that's why we don't have it, the time frame that he's going to complete the work and his itemized services.

Fransway: Okay. So the -- excuse me. The well has been drilled.

Bush: The well has been drilled. We are working -- you know, we just need to hook it up to how we are distributing it and then the water treatment. And I am not really exactly familiar why the NDEP didn't approve our original plan, but we had to make some design modifications.

Fransway: Okay. Could we somehow, NDOT and NDEP, get together and see what they could do to maybe expedite this? I mean, three to six months more...

Bush: The NDEP is done.

Fransway: Okay.

Bush: So NDEP has already approved the plans. It's really just the contractor to finish all of the work that needs to be done. So the contractor is on-site, and he just needs to finish the work. That's where we are. But we had to change the original design plans based on the NDEP comments.

Fransway: Will the contractor need more funding then?

Bush: Probably, yes. But we will have to...

Sandoval: I don't want to get too far astray here, Tom, on that piece, but certainly when that comes up, it'll be on the Agenda and we can cover it.

Fransway: Okay. Thank you.

Bush: Thanks.

Sandoval: Okay. Does that complete the presentation?

Bush: Yeah.

Sandoval: Yes? Okay. Member Savage.

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Savage: Thank you, Governor. Just briefly, I want to compliment the NDOT staff and the Tourism agencies together. I believe this effort is vitally important to our state, with the Governor's effort in economic development, his office, the Lieutenant Governor, this is the face of NDOT, and this is the face of Nevada. And people need a good experience, and I'm glad to see the administration is prioritizing these rest stops and getting them up to current standards.

I think the Wi-Fi and the water are vitally important on every project. I think we need to review and analyze what that cost benefit would be. But it's about presentation, cleanliness, and image and it speaks for itself. And I think that is at the forefront of our state currently.

Lastly, my question is, are these open for federal reimbursement, these rest stops?

Malfabon: In response, we've talked to our safety folks about that, because we see that there is a connection with fatigued driving and preventing that.

Savage: Mm-hmm.

Malfabon: Currently it's not an element -- the rest areas are not an element in our Strategic Highway Safety Plan, so we would have to take the steps to get that in there, kind of show -- make our case that it is beneficial for safety and get that worked into the plan. So, initially, they'll be state funded but hopefully in the next slate of projects -- we want to work on these very quickly, but the next slate we would have the changes made to our Strategic Highway Safety Plan so it can be considered a federally eligible expense.

Savage: Good. Thank you, Mr. Director. Thank you, Governor.

Sandoval: Mr. Lieutenant Governor.

Krolicki: Hi. I'm really excited about this. As someone who has watched this project for many years now, and I've had the interesting role of being both, Vice Chair of this Board and Chairman of Tourism, this has been a project that has taken a lot of folks and a lot of time, huddling during legislative sessions. Some of it actually originated from conversations with all people, Rossi Ralenkotter, who was driving through Nevada on the way to Oregon and had some comments about rest stops. You know, there's

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certainly the utilitarian aspect of it. I think the rest stops have been woefully inadequate, just the way they are or just aging. I'm not naive here, people aren't going to stop for just inspection of a rest stop, but we have an incredible opportunity.

As Anita said, we are a world class destination for tourism; 52 million people visit our state every year. In our last year we had 29 million people visiting our roads, and that impression -- or as Member Savage said, that impression, the brand, what a great opportunity. So certainly these were done to accommodate the calls of Mother Nature and fatigue, and I understand that. But if we can capture these people's imagination, commerce attention, just for a couple of minutes. The whole Discover Nevada Campaign, Governor, that you and I have been doing for several years. The abilities to bring in our regional tourism territories to help volunteer, to show the videos, to have the internet, to really tell them what they're driving by. We all drive through Nevada for many, many years. I've been touring Nevada for probably 25 years now, and I'm still surprised sometimes at what's just on the other side of the view shed from the highway, and if people know what's there, the opportunities for tourism, whether it's a person from far away or from local area, it's profound. And this is a chance to take advantage of it, and just put rest stops to a new level. Again, I know that sounds dramatic, but there's no reason why Nevada shouldn't be able to do that.

Part of our task for the Commission on Tourism is certainly to bring people to Nevada, and working with the Convention and Visitors Authority, and I think we do that exceedingly well. But one of our primary tasks, because it's underserved, is bringing people into rural Nevada. So our abilities to touch folks, and Claudia we haven't spoken in great detail, but I certainly hope that, you know, language abilities, and we're reaching out to folks from around the world. Our goals are to bring about 25% of our guests to Nevada from markets that are offshore, overseas, so I hope that we have Mandarin and Japanese and Spanish capabilities when people are accessing the Wi-Fi. But this will provide a comfort level to folks, it will give them detailed instruction, and again the prospects for this are far beyond just the rest station.

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But thank you, exceedingly well done, and it's nice before I wander away from several commissions here, that I have a chance to see this really come together. And I too hope that it's not all the way to 2016 that when I'm driving around, I don't have the opportunity to get on my laptop and see what's going on. But again, well done. Thank you.

Malfabon: Thank you, Lieutenant Governor.

Sandoval: Other questions or comments? And the other point, and I think you did a great job of describing the importance of this, Mr. Lieutenant Governor, is I think there is a great opportunity for RVs, is there not, Claudia, that I guess there's ratings out there for RV travelers to be able to visit certain states and they grade states based on the rest stops. So there's the ability to expand opportunities for us there. I'd like to see some of those Q Readers on there so that when people come they can put their phone on and that brings up more information and, you know, we can talk about it later, but in terms of signing and things to reveal some of these opportunities for tourists who travel through to see some things.

And the Lieutenant Governor and I just finished traveling the state from West Wendover to Sparks, and I saw some things -- I've been traveling those roads for 40 years, and I saw some things that I didn't even know were there. So when people stop they can see these recreational opportunities, these sightseeing opportunities, which also may translate into more room nights for some of these smaller communities on the route. So it's just a great idea, and I'm looking forward to it going forward.

Krolicki: And, Governor, if I may to follow up, I just forgot to mention, and you did speak about it, but the highlight, the future of travel, we are trying to be cutting edge. Governor, you've driven in a driverless car, sponsored by Google. We've platooned across this state. But should Tesla and the things necessary to bring them in -- but we need to showcase our partnership and to have battery stations at these stops. That's extraordinary, and this is a unique opportunity to capture that cutting edge of tourism and transportation in Nevada. And you know what, we deserve to be in that spot because that's what we do.

Sandoval: No, and thank you, Mr. Lieutenant Governor. And regardless of Tesla, this is something we need to install at our rest stops because that's another

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culture that is developing as we speak, and people want to know that they can travel through a state and navigate a state and get to places within the time limits of their charging. And so I think again it shows -- it makes a great statement nationally that you can come to Nevada and be at the forefront of technology and the development of technology for transportation, and know that you can get anywhere in Nevada and never have to be concerned about being stuck. So it's a great opportunity.

Malfabon: Great comments. Thank you.

Sandoval: Any questions or comments from Southern Nevada?

Wallin: No, Governor, we're good. Thanks.

Sandoval: Okay. I'm sorry, Director Malfabon, did you have a comment?

Malfabon: Oh, I was just saying, great comments and definitely the future of travel is going to be the electric and hybrid vehicles that need these charging stations. And, Mr. Lieutenant Governor, you're right on. I visited Red Rock or some other kind of natural beauties around the state, and you see people from Germany, Japan, Spain, Mexico. They're there visiting, and they want to have someone to interact with that can speak their language or interpretative ability to read about other sites in that area, because they don't know about all of these sites. They go to Las Vegas, and they can go to Red Rock or Valley of Fire, but there are so many more opportunities even further out.

Sandoval: All right. Good presentation. Thank you very much.

Malfabon: Thank you.

Sandoval: Before I leave Agenda Item No. 7, any other questions or comments? Okay. Before we go on to I-11 because I think it's going to be quite extensive and we're going to have some public comment as well, why don't we take a recess until 11:30, and then we will come back into session.

(Recess)

Sandoval: We're going to commence with Agenda Item No. 8, Final Briefing on I-11 and Intermountain West Corridor study.

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Malfabon: Thank you, Governor. Sondra Rosenberg, our Project Manager on this study will give the final update on this West Corridor Study.

Rosenberg: Good morning, Governor, members of the Board. My name is Sondra Rosenberg, and I'm the NDOT Project Manager for the I-11 and Intermountain West Corridor Study. This is a very exciting day for me, I hope for you as well. It's been quite a ride the last couple years as we developed this study, and I think it's been quite successful.

I want to start out with just reading a quote to you. "Our unity as a nation is sustained by free communication of thought and by easy transportation of people and goods. The ceaseless flow of information throughout the Republic is matched by individual and commercial movement over the vast system of interconnected highways crisscrossing the country and joining at our national borders with friendly neighbors to the north and the south." That was a statement from President Eisenhower in 1955, when he was first going to Congress to propose the interstate system. And you can see that although the interstate system has changed quite a bit since the '50s, we have an interstate system now, the overall purpose is still there and we're not quite done yet.

This was the initial 1956 Federal Aid Authorization for the initial interstate system. There have been several additions since then, and you can see the majority of them are actually on the East Coast, because at the time that's where population was increasing. In addition, Congress can designate high priority corridors, and the CANAMEX Corridor was designated back in 1995, and in 2012 with MAP-21, that was designated as future interstate. This map shows all the high priority corridors designated as future interstates, which has become sort of the way interstates become interstates. It's not required, but in the past 20 years the majority, if not all, designated future interstates have come from that high priority corridor list.

So with that, after the designation of I-11, the states of Arizona and Nevada joined together to do this corridor study, the I-11 and Intermountain West Corridor Study, to answer several questions. Is the corridor justified? Is the designation sufficient? What are the reasonable corridors that should be considered, and then what are the next steps? This was our process and it was a little bit different figure than we had shown before, but this highlights,

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not only the process we went through, all of the documents that have been created, as well as the meetings and attendance that we've had at those.

So the first step in the first couple of months was setting the corridor vision, and as part of that we developed a Corridor Vision Summary; that was a trifold that we created. It's available on our website or we have copies here as well. The Public Involvement Report timeline, sort of a history of key decisions leading up to this, frequently asked questions, a fact sheet, public involvement plan, and the work program and schedule for the rest of the study. During that time, we had one stakeholder meeting in five different locations with 205 attendees, and that was our first -- in October of 2012, we had our first public meetings in the Las Vegas area, as well as the Phoenix area.

Then we got into the corridor justification, and that's where we really looked at potential future economic scenarios. We also looked at the constraints and the existing natural and built environment. We have a technical memorandum available on that. Public involvement, of course. Corridor goals and objectives were established during that phase. We have a lot of background materials documenting where all the data that we got came from, our process. The Corridor Justification Report, both a short trifold, as well as the report. Those are all available on our website.

We had seven focus group meetings in various different topics that are of interest to this corridor. Each of those groups had four locations and a total of 335 attendees. And, finally, the bulk of this, over the past year we've developed this corridor concept, and that's included -- the Corridor Concept Report that you have in front of you, as well as an implementation program, the business case, as well as technical memorandums documenting the very detailed evaluation process we went through to evaluate the various different alternatives.

We had 28 stakeholder meetings with over 1,000 total attendees, 8 in-person public meetings, 2 virtual public meetings -- actually, I believe that's 10 public meetings with, you know, thousands of attendees, and my point in demonstrating the number of people attending these meetings is that we really have had a pretty robust outreach program. People have gotten very interested in this study, and I think it's better for it. We've gotten a lot of input, and it's been a very valuable and informative process.

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And, really, what's come out of much of this process, much of the vision, as well as the justification, is that really we're looking at linking economies. People of the largest -- or some of the largest economic population centers in the U.S. will rely on the I-11. It's really the west that is growing right now, that we still have larger populations on the East Coast, but the West, particularly the Southwest, is where the economies are growing, and compared to the infrastructure on the East Coast, this is where it's lacking. So it's really important at this point.

This is our evaluation process, and this is where all of those -- many of those 28 stakeholder partner meetings occurred during this process. At each step along the way we met with our stakeholders to make sure what we're hearing was being incorporated and moved into the next step. So we have our evaluation criteria and then we developed the universe of alternatives. The universe of alternatives is that figure on the right. So we did look at a pretty extensive list of alternatives as part of this process.

The level one screening, which was done on the entire corridor, and it was a qualitative process, the level two screening, and then the recommendations at the end. The figure to the right there demonstrates the recommendations coming out of the level one analysis. So we did recommend that several of those corridors did not meet the goals and objectives or all of those screening criteria for an I-11 and Intermountain West Corridor. And then moving forward, for the level two, that was focused on the congressionally designated section, and that's between Phoenix and Las Vegas, and this was a more quantitative analysis where we actually looked at specific numbers as part of that, and those are the resulting alternatives.

And for the most part, the alternatives that made it through the level one were viewed as reasonable and feasible, continued on through the level two, it just gave us an opportunity to collect a lot more detailed information for future steps, such as more detailed studies or a NEPA process going forward. There was one alternative that was eliminated as part of this, and that was something that deviated from U.S. 93, deviated from that congressionally designated section, sort of in the middle of that segment there.

So the recommendations for further consideration -- and I'll get to the various different recommendations along the corridor in a minute -- but

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basically from Nogales, through Tucson, around the western edge of Phoenix, along the designated future Interstate 11 or U.S. 93, through Las Vegas, and then potentially an extension up to loosely the Reno vicinity, and then there's a couple options north of there.

In the Las Vegas metropolitan area, there are three recommended alternatives for further evaluation and that is basically what we're now calling the Western Alternative, Central, and Eastern Alternative. And what was mentioned previously today and has become quite famous is the BBQ Alternative. That's the Eastern Corridor. One of the changes we made after the public meeting based on input we have received from our stakeholders, as well as the public, we've removed the actual line to show that we really need to study that entire region for a potential corridor on the eastern side of Las Vegas. The line was drawn and evaluated so that we could do cost estimates, things like that, so we needed that at one point. Going forward, we're going to study that entire eastern region.

We also looked at multimodal opportunities. This is a map, sort of the light line there is our recommended corridors. The blue lines are existing rail corridors that if there were an opportunity to make some connections, we could have a complete north/south rail corridor as well. We have limited ability to implement that, as the Nevada Department of Transportation, but we're willing to work with our partners in the rail industry to move those forward as appropriate. We also looked at opportunity for utility lines and utility connections along these corridors as well.

So the business case was really one of the crucial deliverables as part of this study where we really looked at, what's the case for this, why should we invest in the I-11 and Intermountain West Corridor? And, again, it comes down to generating prosperity, connecting communities, connecting economies. What we're calling the Southwest Triangle, which is a conglomeration of megapolitans, the Las Vegas, Arizona Sun Corridor, and Southern California, is really positioned to continue those trade contacts with both an expanding trade community in Mexico and Latin America, as well as the existing high level of trade with Asia.

It opens up the opportunities for integrated manufacturing, where in the manufacturing process, goods might move across the border several times, and having an efficient corridor through the manufacturing centers that

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could be developed in Nevada and Arizona, and an efficient link to Mexico could improve that opportunity.

As you're aware, we have an Economic Development Plan for the state, and we identified the industry targets, and all of them rely on robust transportation, some of them more directly than others. And, specifically, transportation logistics is listed as one of those target industries, so certainly having an efficient transportation corridor north/south, through our state, and connecting to our neighbors to the north and the south is really critical for that target, as well as many of the others.

We did do a benefit-cost analysis. This was done because of the level of detail we have and the tools we have available to do this kind of analysis. This was done for a highway corridor only from the Mexican Border through Las Vegas. The Northern Nevada Corridor is not refined enough to even identify costs, much less the benefits of that. That just isn't well defined enough.

So certainly the cost is not negligible. This would be a costly investment. However, we view that the travel benefits far exceed the costs, and then this potential for economic benefits on top of those traditional travel benefits that are used in those calculations really makes the case that investing in this corridor is necessary and important and a great opportunity, and we're estimating it could create up to 240,000 jobs as well.

We have identified various segments of independent utility, and that's kind of a NEPA term, so that as we move forward we're not going to be able to move -- you know, you look at these giant numbers and this giant corridor, we're not going to be able to move it all forward at once. So we've identified segments that can move forward at different levels, different speeds, different investment levels. This map, and this is available in the report as well, shows actually ongoing activities in this corridor. I hear a lot of, you know, we're building Boulder City Bypass, which is wonderful. We'll have the first I-11 signs up very soon, but Arizona is putting in quite a bit of investment, as well, along the corridor, and that will continue.

Then, you know, zooming out, looking at the entire corridor, there is some work we still need to do in Nevada in terms of refining these alternatives and moving forward in the process. Southern Arizona and the Phoenix

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metropolitan area is ready to go into the NEPA process once they identify funding for that. And you can see the Boulder City Bypass there in bright red. That's the first piece that's going to go to construction. In addition, the 93 corridor is being enhanced to a four-lane divided highway by Arizona DOT, as funds are available, with the ultimate consideration to be interstate, but they're making incremental improvements to that corridor for a safer, more efficient route.

We have identified a series of immediate actions, as well as longer term actions in the implementation plan, as well as in the corridor concept report, and those have been split up by type of actions, technical actions, multimodal accommodations, public policy, marketing, and branding. It's really critical that this partnership continues. We've forged these wonderful partnerships with the Economic Development Community, with the resource agencies, with many of the other government agencies. It's been really fantastic, and in order for this to succeed, those partnerships are critical to continue; and so some of those immediate and intermediate actions have identified partners, other than the DOTs, to help move this forward.

I know this Board is always interested in the outreach and the input we've received. So we have had -- and these were highlighted earlier in the presentation with the different phases of the study, but we've had more than 60 meetings, over 750 attendees from 350 organizations as part of the stakeholder outreach, public meetings -- 10 physical public meetings, 2 virtual public meetings, over 3,000 comments have been received and logged and categorized by the types of comments and what the interest is, you know, whether it's specific alternatives, general comments, those types of things, and that is summarized in the reports that are available on the website.

On the website we had thousands of comments received, some of those, you know, sort of double counted with the public meetings. We had an open comment log on the website through the entire course of this study, and all of those that were received, sort of in between the public meetings, are logged there on the website. You can log in and see a very long list of all of the comments, nothing hidden here. We also have 19 study reports and about as many summaries and materials for all the stakeholder and public

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meetings, again, nothing to hide. We have everything out there that's been talked about over the past two years.

We've had well over 100 stories published, print, television, new media that includes -- we have two YouTube videos out there, one of them was the virtual public meeting for our last round that kind of summarizes some of the things I've talked about today, as well as more of a marketing video starring the Governor, as well as many of our other partners. If we have time today and there's interest, I have it to show you if you'd like.

We've heard a lot of general comments, a huge amount of support for this corridor, citing economic development, congestion, and safety improvements. There have been quite a few concerns raised as well. Typically, most of the concerns are related to specific alternatives, so those will be -- some of have been addressed, most of them will be addressed -- logged and addressed in future studies or NEPA documents.

And, specifically, for the Las Vegas portion, a lot of the concerns have to do with the BBQ or the eastern corridor. There's concerns about environmental impacts, the National Park Service, rural preservations areas, quality of life. The City of Henderson National Park Service has raised some concerns that we have logged and we will address as we move forward. However, there's also a lot of support for that corridor. As you heard from the Las Vegas Metro Chamber earlier, that's really the corridor that has the opportunity to alleviate some congestion and improve air quality. So there's an opportunity there with some potential concerns as well.

The concerns for the Central Corridor Z, which is 515 through the Spaghetti Bowl and up 95, certainly congestion, air quality, environmental justice, cost. The support for both of those corridors is the potential use of existing infrastructure. That's the most direct route; however, also has the most impact to congestion and air quality. The Western Corridor, Alternative Y along 215, might have some available right-of-way existing infrastructure, but again, congestion, air quality. And if the demand is the CANAMEX Corridor, which has access to I-15 and then up to Utah, you know, the traffic simply won't go that direction even if we sign it as I-11. So there's still some consideration as we move forward in that area.

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Northern Nevada, and I know that some of our partners in the north are here to speak during the public comment period. The western corridors that loosely follow the 95 corridor up to the Reno-Fernley vicinity is really what we're recommending for any potential extension of the I-11 designation or I-11 and Intermountain West Corridor. There's broad support from agencies and general public all along that corridor, the need to connect those population and activity centers. That map I showed earlier with those population and activity densities, this would connect the most of those. There are concerns over costs and impacts, but that's really true of all alternatives.

There were a couple of eastern corridors that were considered. We've heard quite a bit from the communities on the eastern side of the state, as well as a potential driver for economic activity. We recognize that. We see that as important, and improvements will need to be made on that corridor. However, based on the data and input we've received, we don't see that as a potential interstate extension or the Intermountain West Corridor.

Next steps. We want to finalize this study. You have basically the final report in front of you. If it's accepted today, as well as on Friday with the Arizona Board of Directors -- finalize and produce the report so once that is accepted by both Boards, we will produce it professionally, pass it out to our key partners. We have another document we're working on with our partners at the Federal Highway Administration, which is a planning and environment linkages document, which allows us to document decisions that are made in the planning process and have those move forward into the environmental process so there's no duplication of effort or lost work, so all of those decisions are documented. That document will be signed off by both NDOT and Federal Highways, agreeing to whichever parts of that are moving forward.

Beyond this study, we want to ensure considerations that the findings are included in future and ongoing planning efforts. That includes the Statewide Freight Plan, the Statewide Long-Range Plan. There are several planning efforts that RTC of Southern Nevada and Washoe County are working on. We want to make sure these recommendations carry forward into those documents as well.

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We want to initiate a Southern Nevada Major Facilities Plan. That's kind of a name I came up with, but the idea is while we still have those three alternatives, it's a little premature to pick one for I-11, because it's really a system that all needs to work together. So we need to look at those three alternatives, as well as I-15 and how the system works to move the goods and people throughout the region. So that will be the next piece that NDOT will take on in conjunction with the RTC of Southern Nevada, probably after some progress has been made on the Statewide Freight Plan, as well as the major investment strategy that RTC is working on.

And then work with our partner agencies and congressional delegation regarding policy actions, and this I would anticipate this Board would want to weigh in on any policy direction regarding extending of the I-11 designation, and working with Congress, as well as any new funding opportunities. And that completes my prepared presentation. I'd be happy to take any questions.

Sandoval: Questions or comments from Board members? Very well done.

Rosenberg: Thank you.

Sandoval: It's very thorough, and I'm sure all the members have had an opportunity to review the materials as well. I mean, again, not really a question, I think it's irrefutable that we need this project and we have to start...

Rosenberg: Right.

Sandoval: ...we have to get started so that we can get finished. And as I said, I think the case has been made, and we have to continue working on what the route is going to be there in Las Vegas. But otherwise, and I don't know if I'm getting ahead of myself, but what is the process in terms of starting to get that funding that's going to be necessary, and if we get -- will Arizona and Nevada be working in conjunction so that one isn't ahead of the other, one state isn't ahead of the other?

Rosenberg: We will continue to partner with the State of Arizona. Right now our official agreement with them is once this document is complete, the current agreement we have for this study sort of dissolves that -- you know, expires upon completion of this. However, I think both states, particularly the DOTs, recognize the importance of working in conjunction with one

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another. So I believe it'll continue as an informal partnership unless there's a desire to create a new formal partnership. They have been an excellent partner, and it's been at times a little challenging, but mostly we've learned so much from each other and how the process works.

Going forward with funding, that's one of those that we probably want to take on separately. Arizona is much more cautious about asking for money from Congress, I believe, than Nevada is, and I hope I'm not going out on a limb here. But based on the feelings of their Washington delegates, any ask is viewed as an earmark, which is not acceptable to Arizona at this time. However, I don't think that means we can't go after that. I know there is some proposed language in the next authorization bill, and there's discussions between Arizona and Nevada on whether not it counts as an earmark. We're looking at a potential discretionary grant opportunity for those corridors that are designated as future interstates. Obviously, that's still going through. As Rudy mentioned, Congress probably won't take up reauthorization until sometime next calendar year. So we have some opportunity to have those discussions, but those are some of the discussions that are occurring.

So I think that we'll continue to work with Arizona for some of those opportunities, but we may want to be more aggressive than Arizona.

- Sandoval: Yeah. No, and I'll only speak for me. I'm not shy. I mean, I want to go after...
- Rosenberg: That's what I thought.
- Sandoval: ...everything that we possibly can.
- Rosenberg: Right.
- Sandoval: What I don't want to happen is for us to be held back...
- Rosenberg: Right.
- Sandoval: ...if Arizona is an unwilling partner...
- Rosenberg: Right.

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Sandoval: ...in all this. But in terms of our state going forward, I say it's full speed ahead, and...

Rosenberg: Absolutely.

Sandoval: ...whatever applications or things that need to be done...

Rosenberg: Right.

Sandoval: ...I say we push forward.

Rosenberg: And in the meantime, we are supporting Arizona. For example, they submitted a TIGER application to do NEPA on the entire state line to state line corridor. Whether or not that's competitive is still under question, but we are supporting them in moving forward, because that connection from Mexico, through Phoenix, to the state line is critical for us to see the improvements that this corridor might bring.

Sandoval: Okay. Before I take comments from the Board members here in Carson City, I'd like to give the Southern Nevada members an opportunity to comment or question first.

Skanche: Oh, thank you, Governor. Tom Skanche for the record. First of all, Sondra, I think you've done an outstanding job of leading this effort on behalf of the Department and the State of Nevada. This document that you and your team have prepared really sets an aggressive pace for where we have to go in order for Nevada to compete regionally and nationally and globally. This interstate highway is the future of our economic development. The Governor's leadership on this issue couldn't have come at a better time to drive I-11 for the future of not only Southern Nevada's economy, but the future of the State of Nevada's economy as a whole.

I agree with the Governor's comments that we shouldn't let Arizona hold us up, that we need to go, as you said, Governor, full steam ahead with this project, because with the announcement that you've made with Tesla in Northern Nevada, which is a huge victory for our state as a whole, and I want everyone in the state to realize what that means to our economy. I-11 becomes now even more important because of the announcement of Tesla coming to our state. Companies like theirs make decisions based upon investments and infrastructure, and I think the public should understand that

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infrastructure is the backbone of not only our economy here in Nevada, but our economy as a whole as a nation. So back benching a project like I-11 is just unacceptable.

The momentum and the traction that Nevada has received over the last four years in economic development is just another reason why we've got to continue to make the investments in our infrastructure. So, Sondra, well done. Governor, congratulations on bringing Tesla to our state because I-11 is now more important than ever. I look forward to helping move this project forward to the best of our abilities here in Southern Nevada, so thank you.

Sandoval: Thank you, Member Skancke. Madam Controller, your comments.

Wallin: I just want to also compliment Sondra for the work that she has done on this project. And, Sondra, if you can just kind of comment, where are we at with talking to our partners to the north so we know where this is going to come out? I have concerns about building a road and not knowing where it's going to go from there. I know that we've worked very closely with the State of Arizona to know where it's going to come out into Nevada. So where are we at with going further? So, thank you.

Rosenberg: Thank you, Member Wallin. That is an important question. I do believe, as we talked about those segments of independent utility, although we didn't separate it out for Northern Nevada like we did for Southern Nevada and through Arizona, I think there's two issues to address when we talk about where this corridor goes and not building a corridor to nowhere.

Beyond the Las Vegas region and Las Vegas to connect to Mexico, is really the top priority and the top need at this point. If that isn't built, then building north doesn't really pan out. But assuming it does and this economic activity that we're already seeing and will increase, then going north -- another logical (inaudible) would be at the Interstate 80. So right around where those two corridors split, then you're connecting to our major east/west corridor as well.

Going beyond that, we have reached out to our partners to the west and north of us. They have remained fairly neutral on these corridors. Everybody wants it in their state because of the economic potential;

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however, none of the states around us to the north and west have really said, "We're investing in this, this is a priority for us." So we'll continue to reach out to them.

California has said, 395 is a priority to them to Susanville, beyond that, only if there's another outside force will they be investing at a very high level north of that.

Oregon has said 395 is not really feasible; however, in California 395 does connect to Highway 97, and both California and Oregon can commit some investment in that if that is designated as a future interstate. Again, they're not taking the lead on this.

Idaho has expressed some interest. They have told us, in person, that they're staying neutral on it. However, they sent a letter to Congress requesting a designation along the U.S. 93 Corridor. That was based on, I believe, some conversations with our friends in White Pine County, and not specific conversations with us. When I've reached out to them, the conversations have been fairly limited.

So, again, I think all the states around us, if someone else pushes it or takes the lead, will support it and will invest in it. However, they're not, at this point, not making it a priority, at least that I've heard so far. So we'll continue to reach out to those states. But I do think there's an action that can be taken in the near future, which is extending that designation up to the Interstate 80 Corridor, and that's not to nowhere. That could potentially connect to the Tahoe-Reno Industrial Center and/or, you know, Fernley, Carson City, that area would need to be studied like we're doing in Las Vegas. But connecting to that major east/west corridor would be a sufficient designation and extension and economic opportunity for the state.

Wallin:

Governor, can I just ask one more question here? Have we -- in looking at these corridors here, it's been pretty high level, so we really don't know -- we haven't drilled down into what it would cost to go up the 95 Corridor versus what it would cost to go up 93. Because my big concern is, you know, with the highway fund and our fuel taxes going down, how much money are we going to have here and, you know, if say the 95 is the corridor -- it looks great but if it's going to cost hundreds of millions of

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dollars more to build, can we really afford that? So how far down have we drilled down in coming up with the two alternatives here or the alternatives?

Rosenberg:

Let me start by maybe setting some expectations, which is these are very long-term investment strategies. So some of the previous interstate designations -- I don't want to get us into any trouble but, you know, the 580 designation was done, I believe, about 30 years ago, Greg, and it's not quite done yet. So part of it is priorities, part of it is just the length of time it takes given our limited financial resources. However, we need to balance that huge investment with, you know, what our resources are and making sure we're planning for the future. So interstates take a long time to build; they potentially have a lot of impacts; they have a huge return on investment as well. So planning far enough out without getting too caught up in the details, I know it's a little tricky.

So I believe, at this point, it's premature to even estimate costs on the 95 Corridor, rather just say this is a priority for the state, we need to work with our other state agencies on potentially preserving right-of-way, not buying out any properties, but working with BLM and other state and federal agencies to say, you know, this is an important corridor for us for future development, please don't sell the land, you know, those types of things. Really working forward towards our statewide plan, and then as we get closer, as we see improvements done on the corridor through Arizona, as well as the Las Vegas regional corridors, then we can start looking at, you know costs along that corridor. And I also think it's premature to look at a full interstate build.

What we did on the congressionally designated segment, and actually all the way down to Mexico, is we looked at an interim scenario and estimated costs for that, as well as the full interstate, and that interim includes improvements beyond what's already in some of our planning documents but can get us towards a continuous end-to-end, efficient transportation corridor, such as those investments that Arizona is doing on 93 to make it a four-lane divided highway, looking at building a road around the Phoenix metropolitan area that might not be quite interstate standards yet, but gets us towards that complete corridor.

So in the future, that's what we'll look at for 95 as well. What are some spot improvements we can do to improve the safety and mobility along that

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corridor with knowing that the ultimate goal is an interstate at some point in the future.

Wallin: Okay. Thank you very much.

Sandoval: Questions or comments from Carson City?

Fransway: Question, Governor.

Sandoval: Member Fransway.

Fransway: Well, Sondra, job well done. Thank you very much.

Rosenberg: Thank you.

Fransway: Thank you. This has the potential in connecting the entire continent of South and North America, as one. It's huge. I'm wondering, have we had that much input from our Latin America countries and Canada as this thing has been moving through the channels?

Rosenberg: Certainly Arizona has worked very closely with Mexico in improving -- not only looking at the vision for this, you know, transcontinental corridor, but specifically border crossing improvements, port developments in Mexico and how the goods are going to move through the country of Mexico, through the State of Arizona. There's an Arizona-Mexico Commission, as well as the Transportation and Trade Corridor Association and/or Commission. So there's a lot of activity, particularly between Arizona and Mexico, less so on the Canadian side. We are hearing some interest. They are one of our largest trading partners, but I think that's more limited because of the states in between us and Canada. So we'll continue to work with those states, as well as the country to our north, to kind of highlight the potential for this very important corridor.

Fransway: Okay. In Nevada, in the northern sector, we have two options, it sounded like...

Rosenberg: Correct.

Fransway: ...that are highest priority and that's 95 and 395. Are they kind of equal, at this point?

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Rosenberg: At this point they are. One of the considerations is previous legislation. I showed at the beginning of my presentation those high priority corridor maps. The entire length of 395 is designated as a high priority corridor. There's a gap in the designation along the 95 corridor. However, the 95 connection does connect to more of those activity centers. It would come closer to Boise and then link up to I-84 where you could continue the 95 up to Canada or 84 to the Pacific Northwest.

So each of them has kind of opportunities, constraints, so they are essentially equal at this point, and we will rely heavily on the states to our north for any future development there. Again, this is a very long way out. I think at this point we've narrowed it down sufficiently based on the data we have right now. I don't think it's necessary to refine it more than that, other than we want to connect this corridor between the southern part of the state and our northern part of the state, knowing that the ultimate vision is for it to go north past that. But we are likely decades away from any huge investment in this corridor, so I think it's probably premature to refine it down to one, unless there was a clear winner.

Fransway: Good. Thank you, Sondra. Thank you, Governor.

Sandoval: Mr. Lieutenant Governor.

Krolicki: Sondra, you have done a marvelous job.

Rosenberg: Thank you.

Krolicki: I can only imagine the complexities and personalities you've encountered, and, Governor, thank you for your leadership. Now, I-11 has been on the plate. We know it's terribly important, and it's exciting to see the most important piece, segment, the Las Vegas to Phoenix, be a reality within our lifetime, and that's got to be the priority. I'm a little troubled by your comments about our friends in California and Oregon and perhaps Idaho being a little bit slow to jump on this because, as you say, I mean, this is a 20, 30, 40, you know, even beyond kind of exercise.

So the reality is happening down in the south, which is exactly what needs to be happening, but on the north, I mean, are there ways to -- this is about preserving vision...

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Rosenberg:

Right.

Krolicki:

...to make sure you don't do things that will prohibit opportunities in the future. And even -- well, we know where a large part of that line is going to be between Las Vegas and Phoenix. As we move it north, and especially above the I-80 Corridor, are there things that we should be doing or things that we can do now to help preserve options to make sure that whatever is done on a variety of potential designations, we're not harming an opportunity for an I-11 in the future? Does that make sense?

Rosenberg:

It does. It does. There are very few guarantees in that. One thing -- one real benefit of us reaching out to our neighboring states as part of this effort, as well as our coalitions along I-15 and I-80, is they're starting to call us when they're doing studies. So I got invited to join via webinar a corridor study that was in Northern California. I wasn't even sure exactly where it is, but they know that we're looking at connecting north through their state, so they're starting to call us when they're doing studies. And I think the most important thing we can do is stay in contact with them as these states to the north and west of us are updating their long-range plans. All states that don't already have one are in the process of developing a freight plan. That's going to be critically important as well. As we know, freight doesn't just stay in one state, so being aware of those long-range statewide planning efforts that the DOTs in the other states are doing.

The other thing that would be beneficial, both within our state as well as our neighboring states, is getting more involved in resource agency planning. So as the -- this is something I learned as part of this process as well. For example, the BLM and other federal agencies do statewide or long-range plans as well, and as part of that process they may or may not preserve corridors for specific uses. So getting more engaged in that process as well.

We need to identify resources for that in order to -- I mean, it takes a lot of time and effort to get involved in all of these planning efforts. I do think it's important if we are serious about moving this corridor beyond our state boundaries as well. But those are some of the opportunities we would have and need to invest in if that's a concern.

Sandoval:

I see no further questions or comments from Board members. Does that complete your presentation?

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Rosenberg: It does. Thank you.

Sandoval: All right. Then let's move to public comment, Agenda Item No. 9. I'll begin here in Carson City. Is there any member of the public that would like to provide public comment with regard to Agenda Item No. 8? Yes, sir.

Malfabon: And please state your name, Mr. Ratchford, so that we get it on the minutes.

Ratchford: Thank you, Governor Sandoval, and the Board and Rudy. My name is Walt Ratchford. I'm from Carson City, and the reason I wanted to speak is I saw an article in the paper that recommended the eastern corridor, which would be a road to nowhere. There's 10 cities on that road with a total of 10,000 people. It would extend up to Twin Falls, Idaho, with 60,000; Missoula, Montana, with another 60,000; and end up in nowhere Canada because there's nobody up there. No matter what it would cost compared to -- it would be cheaper to go 93 than it would 95 corridor, but we would get no benefit from it for the state. This would help our Reno-Tahoe Industrial Center. It would help tourism and traffic through Reno and up to Seattle and Portland, and it would all be benefits even though it might cost more, so...

And then my other comment is we should be promoting 95 as a route now, which will help draw interest in the future I-11, and would bring revenue into the state. If you got 10 people to come through 95 in Carson City when they're going to San Francisco and the northern cities, you'd be bringing millions of dollars into this state. And I've tried -- I've written you a letter and other members of the state, and nobody seems interested in it, and that would be funded by the casinos and the hotels, and it just amazes me we can't do that. Thank you, gentlemen.

Sandoval: Thank you, sir.

Cummings: Thank you. I'm Amy Cummings, the Director of Planning at the RTC of Washoe County, and I would like to thank the Governor and the Board and the staff at NDOT for their very comprehensive outreach process. Multiple times Sondra had made presentations to the RTC Board, and that was very much appreciated.

I wanted to share, and I've given copies to Director Malfabon, a copy of the resolution that was approved by the RTC Board back in April. Similar

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resolutions have been approved by the City of Reno, City of Sparks, and Washoe County supporting bringing I-11 Corridor through Reno, Sparks, and Washoe County.

And some of the reasons that were identified by our local representatives were the need to support the industries that are just critical to the Northwestern Nevada economy, logistics, freight distribution, advance manufacturing, and ecommerce fulfillment. And even since April when our resolution was approved, there have been several major announcements that showed just how important this is going to be for us to the long term. There is the Zulily Fulfillment Center, the UAV Devices headquarters and research facility that is going to be coming to Reno, and, of course, Tesla Motors with the 22,000 jobs that will be coming to our region.

Of course, RTC is also working on some other projects that will support this type of freight and logistics access in our region, such as the southeast connector that's going to give folks living in South Meadows an alternate to I-580, and the Spaghetti Bowl to get to Sparks Industrial and out to Trick.

So I just wanted to again express RTC's support for this project. RTC supports both of the northern alternatives that we looked at, both to Boise, as well as into California, and, again, we thank you for your efforts in this.

Sandoval: Thank you, Ms. Cummings. Yes, sir.

Howe: Thank you. I'm Richard Howe, White Pine County Commissioner, and I've worked closely -- I want to thank Sondra. She's worked with me. I've been to almost every meeting, myself and Mr. Garza, and I'm the guilty party who went to Idaho and testified in front of the RTC in Idaho, that sent the letter to Washington and to you.

Idaho is an important part of the west. Without 93, Idaho gets pretty much nothing. So when we testified, and we went up to them and told them what our request was in designating 93 as the I-11 future, they were pretty receptive to us knowing that with 84, the connection to Pocatello and to Seattle, over that route, and also the connection to Missoula, on up into Calgary, 93 addresses two parts of the Canadian commerce, which is the British Columbia, the waterways, and the central part of Canada, which connects on into the rest of the country.

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Again, with Ely and 93 being over there the way it is, it is the least expensive. It's 318 miles shorter. We have sent numerous documents showing the obstacles, is the best way to put it, the bridges, the rivers, the climate in Oregon. The straight line from 93 north, connecting to Twin Falls -- and the gentleman is right, Twin Falls is an important part of the west. All of the land heading north on 93 is pretty much BLM land. The purchasing of land, which you haven't equated yet, private land, the agreements with the tribes, the mountainous route up 95 into the Reno area, we all understand all of that, and that's why 93 is probably the better route.

Recent things; last week, your Tesla has changed probably my mind a little bit because White Pine County is certainly not wanting to throw a wrench into the commerce of the State of Nevada. We want to be working partners with the entire state. The traffic up and down 93, anyone who's ever driven that road, is at times stopped because of the truck traffic that's on there. The truckers love to go down 93. It's the safest route. It's the least-traveled route. There's roadside rests. The gentleman says there's only 10,000 people between Las Vegas and Twin Falls, he's wrong in that department. You have White Pine County, Lincoln County, Elko County. We're all part of the state as well, but we don't want to stand in the way of the future of Nevada. We realize how important the western slope is and the new economic impact that's going to happen here with the Tesla project. The importance of getting the goods from Nevada into Fremont, California, to their plant, and also to the rest of the country, but we also want this Board to really -- 30 years down the road, as Sondra has stated, much in the climate is going to change. The mines, the population on the eastern side of the State of Nevada is going to increase. It's not going to decrease.

We realize how important -- or I realize how important everything is, and White Pine County wants to be part of that. But 30 years down the road could change in many, many, many ways. Rails are going to change. Populations are going to change. Congestion is going to change. You may see a major impact on 395/580 and everything north when you start to come in. Reno, look at the way it's built. Fortunately you have Fernley, Fallon, and those areas that are probably going to really realize the impact off of Tesla with their housing and their abilities to get to and from the job.

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But don't throw away the idea that 93 is not a viable option as far as going into I-11. Everyone agrees that the corridor between Phoenix and Vegas is vital. They're the only two major cities in the United States that are not connected by an interstate. We all realize that. But that's going to take a long time to get completed. The rest of the state's going to move forward. We're going to move forward on the eastern side of the state as well. Keep in mind that 93 is always going to be there. There's going to be commerce up and down that road, as there is every single day. But I'm asking this Board to not say for certain that I-11 is going to go up the 95 Corridor. I would like you to please take a look at what's down the road. Don't forget us over on the eastern part of the state, not just on I-11, but on other upgrades as far as the highway goes and DOT goes.

We want to be a working partner, we are a working partner with the State of Nevada, but we want you to not forget -- and maybe when things change 10 years down the road and you start to head north from Vegas, maybe you'll start to -- none of us might not be around, but maybe the new Board will say, wait a minute, let's look at 93, as well as looking at 95. Thank you for listening to me.

Sandoval: Thank you very much, Commissioner. Other public comment.

Quigley: Tina Quigley, General Manager of the Regional Transportation Commission of Southern Nevada, and I think you've heard comment from Metro Las Vegas Chamber, and you heard from Tom Skancke about -- Member Skancke about the enthusiasm certainly that -- and the conversations we're having down in the south regarding I-11.

I want to share with you that every single time that I get up to speak to a group of people, whether it's hospitality industry or Young Presidents' Organization, or a group of contractors, inevitably, one of the very first questions that I get from the crowd is I-11, when is it coming, and is it for real.

So I share that with you only because even as we wrap up this first phase of the conversation, it is going to be a significant conversation moving forward, and I appreciate the support, and that Sondra has been assigned to this project because she's the right personality for it. It's definite not been an easy one, so, thanks.

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Sandoval: Thank you, Ms. Quigley. Any other public comment from Carson City? Is there a public comment from -- oh, I'm sorry.

Dahl: Rachel Dahl, Churchill Economic Development Authority in Fallon. I'd just like to go on record to reiterate the support. The City of Fallon and Churchill County both sent resolutions supporting the 95 Corridor, and we too are guilty of some Idaho research. So I would just like to support that train of thought. Thank you.

Sandoval: Thank you, Ms. Dahl. Public comment from Las Vegas?

Wallin: No, Governor. There's none down here.

Sandoval: One last opportunity here in Carson City. Then I'll close that public comment, and I guess, Mr. Director and Counsel, what action are you seeking today so the Board is clear?

Malfabon: It's summarized on the Recommendation for Board Action, Governor, under this Item No. 8, that we refine the definition of I-11 in the Las Vegas Metro Area, pursue the extension of I-11 designation from Las Vegas to Interstate 80 in the Reno-Fernley area, approximately U.S. 95/U.S. 95A congressionally designated Washoe County High Priority Corridor, and pursue the extension of Interstate 11 designation north of Interstate 80, including linking to corridors in other states.

We recommend the Board support the extension of I-11 from Vegas to I-80, and remain neutral on other options until further analysis is completed. And, Governor, I would like to add that we have a lot of study to do, as Sondra indicated. It's going to take many years, but we also want to build on the other studies that we're doing with the freight study and looking at improvements on not only U.S. 95 and U.S. 93, but other alternatives, other state highways and U.S. routes across Nevada.

So that's our recommendation. A lot of work has been put into it, and we understand the concerns from Eastern Nevada, and we definitely, as the Department of Transportation, view our responsibility to take care of all of Nevada's residents and tourists.

Sandoval: No, and thank you, Mr. Director. As I said, this is a priority for me, but it just seems premature for this Board to be making a policy decision between

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95 and 93. So it looks like your recommendation is that we just generally support or take action to support the extension of I-11 from Las Vegas to I-80 and then remain -- as it says here, remain neutral on other options until we have further analysis. Because, again, we don't know the cost. There are a lot of things we don't know today, but we do know it needs to get built one way or the other.

My other question, Sondra, for you is, so we take this action today, if the motion is just to do what staff is recommending, which is to support the extension of I-11 from Las Vegas to I-80 and remain neutral on other options, does that inhibit your ability to go forward with regard to seeking funding for the project, or do we need to be more specific in our findings?

Rosenberg: First of all, I wanted to ask legal and Rudy, did we have an action to accept the report or just the -- is it imbedded in that?

Malfabon: It was imbedded in that.

Rosenberg: Okay. So we are asking for acceptance of the report. We can move forward without a more specific recommendation on designation. However, it may somewhat limit our ability for future funding, depending on how those conversations go and if that opportunity is even included in a future authorization bill.

So, for example, one of the pieces of language that has been floated is, "A discretionary grant opportunity for corridors that are designated as future interstates." Currently, that designation only exists between Las Vegas and Phoenix. Now, that may be sufficient for the near term and the foreseeable future; however, if we do want to seek that type of funding north of Las Vegas, whether it be for planning, environmental, or construction activities, we would want to make a stronger statement on that designation. That doesn't necessarily need to occur today. Any actions by Congress will likely be sometime in the next calendar year or it could be years down the road, whenever it's desirable to take that strong of an action.

Sandoval: What is your recommendation? I mean, this is important. I'm not trying to flip it on you.

Rosenberg: It's a tough room here.

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Sandoval: It is a hard room and this is a hard decision, but you're in the middle of this...

Rosenberg: Yes, I am.

Sandoval: ...and you know what the next action items are.

Rosenberg: Right.

Sandoval: And so what I'm seeking for you is what's strategically is best for this Board to do today to make a decision so that you can move forward, as I said before, full steam ahead.

Rosenberg: I think if we do want to move forward, and we want to move forward quickly, and we want to look at funding opportunities, it would behoove this Board to take an action on that section that has a pretty clear recommendation, which is loosely the 95 Corridor from Las Vegas to the Reno vicinity. It is already designated as a high priority corridor, so that next step as a future interstate might open up opportunities. There's no guarantee there. I don't know that there's a big hurry in that, other than we've spent quite a bit of time and effort and we have received numerous resolutions. Yes, there is an interest on the 93 Corridor; however, we have an extensive list of resolutions all along the 95 Corridor. It does connect to the Industrial Center. It does connect to the major activity centers. It connects to more megapolitan regions.

So I think the answer is pretty clear. I don't think there's any serious urgency in the sense of today versus a few months from now; however, the longer we wait on that decision could inhibit potentially funding opportunities. We're not sure if those will come through. But also we could focus our efforts as we move forward if we know exactly where that extension goes.

Sandoval: We have the information necessary today?

Rosenberg: Correct.

Sandoval: I mean, waiting two months isn't -- we're not going to get anything new, correct?

Rosenberg: Correct.

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Sandoval: Okay.

Malfabon: Governor, the only change that you'll see in that report, minor change, but the most of note was the change to a shaded area on the east side in the Las Vegas Valley. I noticed in certain graphics they did show the line still but Sondra...

Rosenberg: Right.

Malfabon: ...informed me that, that will be changed to just a shaded area so that we don't show a line going through the Lake Mead National Recreational Area, which had some concerns.

Rosenberg: And that's why we provided the extra document. This one is final.

Sandoval: Okay.

Rosenberg: The one that's in your packet has the old figure. That's why there was that change.

Sandoval: And I think it's important for the purposes for the record, we are not deciding today on the route through Clark County, correct?

Rosenberg: Correct. I mean, you can if you'd like. I would not recommend it.

Malfabon: It's not recommended.

Sandoval: All right. Then, Board members, I don't know if you have any questions or comments. It would be my preference that we go ahead and make these decisions today. I don't see any utility in delaying the decision. And again, I want there to be decisions and findings that allow for NDOT to push forward with regard to applications for funding and studies and everything else that has been mentioned today during our meeting.

Fransway: Governor, could I have a motion for consideration of the Board?

Sandoval: Just one moment, Member Fransway. Mr. Lieutenant Governor.

Krolicki: Yeah, I just still want to be clear, and I support being more definitive today. And, in fact, I was a little disappointed when discussion was more general because, of course, we support the I-11 Corridor, and we've been on that record for a long time and we do need to move this, all pun intended, down

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the road. But I'm still not sure what these recommendations really mean. Refine the definition of I-11 in the Las Vegas metropolitan area. We are not doing this today. I think we've made it clear that the eastern boundary is uncertain based on input, and, Director Malfabon, you just again reiterated and the Governor confirmed that we are not addressing that today. So the first item is really not on the table right now, correct?

Malfabon: Yes. Those three bullet points where the Board may provide direction to the Department, but the ultimate recommendation is, as Sondra mentioned, the Western Corridor linking Las Vegas to Interstate 80.

Krolicki: No, I understand that, but that would be the next part. So, you know, how does Las Vegas -- how does I-11 come out of Las Vegas, regardless of the path, up to I-80? So that's probably what's ripe at the moment, and then Member Fransway is about to make a motion. But that last part, there is still great uncertainty as far as north of I-80 connecting either towards Idaho or to the Pacific Northwest. So that part really is not ripe for action today. So really it's just that middle bullet point, if you will, that we are comfortably addressing and needing to make a decision. For the record, if we did wait a few months, Controller Wallin and I wouldn't be here and not have estrange anyone in this room. Just saying.

Sandoval: Member Fransway.

Fransway: Governor, I have a motion for the Board's consideration. I would move to accept the report given today, and I would move to support the extension of Interstate 11 from Las Vegas to Interstate 80, and remain neutral on the other options until further analysis is completed.

Sandoval: Okay. We heard the proposed motion is to first accept the final draft of the report that has been presented to the Board today, and to also pursue the extension of I-11 designation from Las Vegas to Interstate 80.

Martin: Governor, I'll second the motion just so I can ask a question, and then I may withdraw my second. The 80, are you specifically targeting 95 or 93, or your motion is to remain silent on that?

Fransway: I believe I'm targeting 95.

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- Martin: Okay. Because that is part of the report. I just wanted to make that clear, so...
- Fransway: I am targeting 95.
- Sandoval: Okay. Why don't you restate the motion, Member Fransway, because we need -- I think it's important that we have specificity.
- Fransway: Okay. Now, one thing, Governor, my intent with the motion is just to go to I-80. The other two options going through 395 and 95 are left open.
- Sandoval: Okay. That is a little confusing for me. So I...
- Fransway: I think we need more time. Once we get to I-80, then...
- Sandoval: I guess the question though is, how do you get to I-80? Are you going through the 93 or the 95?
- Fransway: 95.
- Sandoval: Then I guess what you're saying then is, we don't have enough information today once it comes to the 80 via the 95, if it's going to go the 395 or another direction north.
- Fransway: Yes.
- Sandoval: So if you'd -- again, Tom, for...
- Fransway: Okay.
- Sandoval: ...purposes of specificity, will you restate the motion.
- Fransway: Okay. My motion is to accept the report as given today, and to support the extension of Interstate 11 from Las Vegas to Interstate 80 -- that's good enough -- using the 95 Corridor.
- Sandoval: Okay. You've heard the motion. Is there a second?
- Martin: Second.
- Sandoval: Second by Member Martin. Questions or comments on the motion? Questions or comments on the motion from Southern Nevada?
- Wallin: None here.

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Sandoval: If there are no questions or comments, all those in favor...

Krolicki: Governor, if I can make a comment on the motion. You know, Commissioner Howe, I don't know where you sat down, but again, these are difficult decisions. But I just want to put on the record, I think staff folks have done an extraordinary job. This isn't about one project. It's about metropolitan areas. It's about commerce. It's where we are today versus what realistically will be in the next 10, 20, 30 years and beyond. The 95 Corridor is just truly a compelling one today and for the foreseeable future, and that is why, with great deference to the folks on the eastern side of the state, they'll still be tremendous resources. We know it's a critical corridor. This Board, as long as I'm on it, will continue to support those kinds of things, but this is about defining the I-11 Corridor. It's terribly important. We need to be about our business. The sooner we do it, the sooner we have opportunities to chase this dream and lock it down and secure funding, and that is why I will support this motion.

Howe: Can I say something? I think you're making the right choice by making a definitive decision today. I don't agree with it, but it'll be open down the road, and in order for Sondra and her crew to go on, the citizens of Eastern Nevada certainly don't want to stand in the way. You need to be definitive in your decision today. Your Board has made a good decision from my point of view, and I'll speak for the citizens of White Pine County. I-11 is too important to stall it in any way, shape, or form. Down the road there may be changes, but I think by taking the action that you're taking today, we're taking a step forward. So thank you.

Sandoval: Thank you, Commissioner Howe. And, again, I truly do appreciate your comments. Any further questions or comments? If there are none, all those in favor of the motion please say aye.

Group: Aye.

Sandoval: Opposed, no? The motion passes. And, again, I know this has been a lot of time and work. I mean, this is years of effort, Sondra.

Rosenberg: Yes, it has.

Sandoval: No, and I appreciate the build up to this as well. I mean, we've received a lot of information. You've kept this Board informed every step of the way.

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And for us, we hear this every day, but there will be a day, you know, hopefully not 30 years, as you say, but that we'll be able to look back and say that we had a piece of this. As Commissioner Howe said, the entire state is going to benefit from this, and there can be changes as we move on, but we have to push forward, particularly when, you know, our neighbor to the south isn't as aggressive as we are. And I don't mean that pejoratively in any way, in terms of the funding, but I know when I speak for Nevada, we want to -- we are really emerging and this I-11 is going to be a critical piece into the future success of this state. So, again, thank you for doing that, and members, thank you for your participation and spending so much time on it.

So with that, we have other items on the Agenda. Why don't we move quickly into Agenda Item No. 10, Old Business.

Malfabon:

Thank you, Governor. And before we leave that item, I'd like to acknowledge the efforts of (inaudible) from CH2M Hill, Sondra's partner in crime on this study. The first time I've seen applause in a corridor study, so very good.

Moving on to old business. We'll go through this rapidly. You have before you the report of outside counsel costs and open matters and the monthly litigation report. Any questions for our Chief Deputy Attorney General, Dennis Gallagher. He can answer those, and I think that we hit on some before. Seeing none.

The fatality report, unfortunately, you see that we're seeing an increase in fatalities. We'll have to do a lot more efforts. I will be attending next week that executive committee on traffic safety, which includes law enforcement, educators, the Governor's Highway Safety Office representatives, and then folks that respond to emergencies to provide medical support. So we'll do our best to keep, as a group, driving those fatality numbers down. The good news was that at least at this time, as of September 3rd, we're one less number on that. So it went from four above last year to three above last year, and we hope to end up less than last year. A lot of those fatalities are happening in the rural areas, unfortunately. Clark County is down 25 fatalities, Washoe County is up 11, and we're seeing a large increase in some of those rural counties like Elko, Humboldt, and then several others around Central Nevada.

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With that, the quarterly report on Freeway Service Patrol is also provided. One thing I'd like to point out is that on the DBE goals for the Reno program and the Las Vegas program, we're tracking those now, and not only on service contracts that have DBE goals, but on construction contracts, we're going to do a lot more of that effort of tracking how the contractors are doing so they can make course corrections during construction rather than at the end we find out that we didn't meet our goal. So we're going to work in collaboration with our contractors to develop those specifications on construction projects. With that, we can take any question on the Freeway Service Patrol Statistics for the last quarter.

Sandoval: Member Martin.

Martin: Given the large presence that they have had out on Interstate 15 in Glendale and that whole corridor in there, where does that fit into the budget and into their contract? Because that could not have been anticipated when we initially authorized the money.

Malfabon: That -- no. Was that change ordered?

Unidentified Male: Denise is here.

Malfabon: Okay. We'll have Denise Inda respond to that, Member Martin.

Inda: Good morning. Denise Inda, Chief Traffic Operations Engineer, Governor and members of the Board. We plan -- in our agreements with the service provider we plan some flexibility and some funding as contingency for situations just like this. We know there are going to be special events. We know there are going to be perhaps construction or other situations where we need to put our forces out there to take of whatever is going on, on the road. So it falls within -- at this point, falls within what we have budgeted for that agreement in Las Vegas.

Martin: Okay. Thank you.

Sandoval: Does that complete your report on Agenda Item 10?

Malfabon: Yes it does, Governor.

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- Sandoval: All right. Okay. Public comment. Is there any member of the public here in Carson City that would like to provide comment to the Board? Is there anyone from Las Vegas that would like to provide public comment?
- Wallin: None in Las Vegas.
- Sandoval: I just have one brief one, Rudy, and we don't need to talk about it today. But one of my observations when the Lieutenant Governor and I were doing the Discover Your Nevada and traveling from Wendover to Sparks, and when we had stopped in Wendover, there were some pretty interesting things to see, that even me as a lifetime Nevadan wasn't aware that they were there. And I don't know what the opportunities are for signage on the I-80 as you travel that I-80 corridor for folks to have an opportunity, if travelers are passing through to know that there are some pretty significant things and interesting things to see. And, obviously, that would mean reaching out to some of the local governments and the local tourism agencies, but as I said, I've been passing by Wendover since I was a little boy and saw some things that I wasn't even aware were there. So I'm sure the Lieutenant Governor has a comment as well.
- Krolicki: Thank you, Governor. This is when maybe we need to visit or have another meeting with Claudia Vecchio, as well as the other local tourism folks, but there was a spot on the old --well, Victory Highway, old Highway 80, that you could see the curvature of the earth from that one view shed over, you know, the flats on the Utah side.
- Sandoval: Don't laugh. It's true.
- Krolicki: It's true. I said -- I'm the doubting Thomas, and I hear you. But you know what, if somebody wants to stop and look at it, make their own decision and have lunch, that's fine too. So there are some opportunities for signage. I mean, it needs to make sense for NDOT, and I get that, but there's some joint venture opportunities that I absolutely agree with the Governor. We had the same conversation.
- Sandoval: And I don't want to belabor this, but to a community like West Wendover, I mean, you talk about that curvature of the earth and it's on the old highway, and it is pretty amazing to be able to see that. And then we stopped at a marker, a memorial to the Victory Highway, and some of that original road

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is still there, and it was pretty remarkable to be able to see that. And then we had an opportunity to see the hangar where the Enola Gay was stored, and given -- granted, it's in Utah, I get that. But there's an opportunity for room nights and some tourism there in West Wendover. But there was a base, an Air Force base, out there that at one time had 20,000 people, I think, was there. And they have some of those original building that I think that there may be some World War II historians that, again, would like to stop and see that. And, again, I didn't know it was there. And then -- no, that's most of it. But there's some other things then, as I said, if there were just one sign, and I know it's not that easy, but if there's an opportunity to do that, that would be great.

Malfabon: We'll look into that, Governor.

Krolicki: Governor, if I might. Since we're speaking about signage, historical markers are obviously along Nevada's highways. The Sesquicentennial Commission and NV-150, that is absolutely going to be one of our legacy projects we've split into three different pieces. It's not an inexpensive exercise, but expect part of the afterglow of Nevada's birthday, that most of those historical signs and perhaps some additional ones will be along Nevada's roads to remind people what's there and perhaps, again, compel them to stop and reflect. But signage is terribly important.

Malfabon: We're constantly trying to, you know, work with the SHPO, State Historical Preservation Office, and get those historical signs in there.

Krolicki: Thank you.

Malfabon: I see them all around Nevada. Anytime one gets knocked down, we work with them to get it put back up as soon as possible. Construction sometimes effects them, too, and we temporarily set them aside and then bring them back into the right-of-way.

Sandoval: All right. Any further public comment? We'll move to Agenda Item 12, Adjournment. Is there a motion to adjourn?

Martin: So moved, Governor.

Sandoval: Member Martin has moved to adjourn. Is there a second?

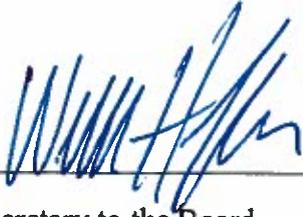
Krolicki: Second.

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Sandoval: Second by the Lieutenant Governor. All in favor say aye.

Group: Aye.

Sandoval: Meeting's adjourned. Thank you ladies and gentlemen. Great meeting.



Secretary to the Board



Preparer of Minutes