

Minutes of Nevada Department of Transportation  
Board of Director's Meeting  
March 9, 2015

Governor Brian Sandoval  
Lieutenant Governor Mark Hutchison  
Controller Ron Knecht  
Frank Martin  
Tom Skancke  
Len Savage  
Tom Fransway  
Rudy Malfabon  
Bill Hoffman  
Dennis Gallagher

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Sandoval: Good morning, everyone. I will call the Department of Transportation Board of Directors meeting to order. I hope everyone had a wonderful weekend. I will commence with Agenda Item No. 1, which is to receive the Director's Report.

Malfabon: Thank you, Governor and Board members. First of all, before we get to the Project NEON, a request to move an Agenda item up, I wanted to introduce to the Board our new civil rights officer, Sonny Brock. He's going to be in Las Vegas. He's not there. I just wanted -- he's taking the mantle of that position and working with Tracy Larkin-Thomason. We did have a change due to resignation of our previous civil rights officer. And Tracy's been really focused on working with the construction industry on some of the DBE rule changes and -- there's Tracy. Sorry, Tracy. But I just wanted to acknowledge that we did make an appointment in the civil rights officer position.

Sandoval: Before you proceed, the Controller has a question.

Knecht: Thank you, Governor. Am I live? Thank you, Governor. My question was, since it's not on the Agenda but it's been in the news recently, the repairs that are being done SR-342.

Sandoval: Yes, I'm sure he'll get to that.

Knecht: Will he cover that?

Sandoval: Yes.

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Knecht: Thank you, Governor.

Malfabon: Yes, Mr. Controller. Okay. Then we'll move to the next slide. We're requesting to move Item 11 up to -- after the approval of the minutes, Governor and Board members. That will clarify something that will be coming subsequently in the approval of the agreements. You will see stipend agreements for Project NEON in there, as well as some other agreements with the City of Las Vegas related to Project NEON. So it'll flow better if Cole Mortenson, our project manager, presents the NEON update immediately after approval of the minutes.

Now, to the Controller's point. Next slide. I wanted to thank the staff at NDOT. Thor Dyson, our district engineer in District 2; and Bill Hoffman. And the folks from our Geotech Department and Materials Division have been working very hard on this State Route 342 closure, working with Comstock Mining and Storey County, to find a solution that's practical and is going to address this in the long-term in a permanent condition.

So what we have in -- that's occurred is that settling of the roadway is occurring because of uncompacted fill material from decades ago, when the mine tailings were piled up there. The road was eventually built over it. NDOT does not own the right-of-way that the road is built on. We only have a prescriptive right to have that highway through there. But the -- there's also the mineshaft that we talked about previously that had caved in. Luckily, no injuries occurred in that...

Sandoval: Now who...

Malfabon: ...situation.

Sandoval: Rudy, I -- sorry to interrupt. But I just -- I was reading about this in the morning. Who decided to build on top of a mineshaft?

Malfabon: I don't know how old that road is.

Sandoval: I hope it wasn't us. I shouldn't have asked.

Malfabon: No. It's -- I think that the -- anyone in the -- that knows how old that road is. But it was built -- probably they didn't know that the mineshaft was directly below the fill material at the time, and then it appeared very abruptly.

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Luckily, a maintenance worker was out there when it -- the last time it did collapse in and have a sinkhole.

Sandoval: How is that -- is that mineshaft from the Comstock Mine?

Malfabon: Yes.

Sandoval: So it's been around a while.

Malfabon: So they've seen rotted timbers and, you know, it's something that they -- that NDOT maintenance repaired a few years back. And it's not only the mineshaft, but also just the unconsolidated, uncompacted fill material that's from the, you know, when a mine -- kind of they just dump the fill over and make a slope. The road was built over that decades ago and it's caused some problems with the settlement.

So the -- we wanted to really express our appreciation to Comstock Mining for taking on the cost of the construction. NDOT will oversee that. So what they'll do is in the next few months they'll -- the road's closed. They'll remove some of this unconsolidated material, uncompacted material and build a new road that's going to be based on the bedrock. So it's going to be a more solid foundation, a more permanent solution. They do have some additional material after this road is reopened in June, that there's some additional loose material to mine out of there and reclaim, so they'll do that. And then, eventually, by the end of the year, we'll have the connection done at the south end of the project. And will all be complete with the reconstruction of that. But it will be reopened in early June, is what's anticipated with the complete reconstruction and connection in December.

Sandoval: Rudy, before you go on, another question. So it says that we're going to -- they're going to pay for it, but we're going to oversee it. Could you define what that oversight is?

Malfabon: Yes. So we want to see that the road is built to the state's standards, so NDOT standards, so the materials that will be used for the aggregate base, the compaction of the subgrade and the base and the asphalt pavement. Everything will be done to our specifications so that we'll maintain the road once it's reconstructed. Okay.

Sandoval: One other question.

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Malfabon: Yes.

Sandoval: Mr. Controller.

Knecht: Thank you, Governor. I read something about the liability aspects and what liability we carry and when. Can...

Malfabon: Yes.

Knecht: ...you fill us in on that?

Malfabon: The issue of liability came up with when there was an outcry to reopen the road. One of the Storey County commissioners actually discussed, well, what if Storey County -- not to say that the county commission would be willing to -- what if Storey County was willing to entertain the idea of taking the liability of reopening the road prematurely. In our opinion, it would be prematurely. It didn't ever have to come to that type of consideration by Storey County. We feel that this solution will at least provide a permanent solution to the situation with removal and reconstruction of the material.

Knecht: What is our liability during the construction period?

Malfabon: There's -- we would have to research that with legal, but I don't think that there's any liability. It's really not our land. We're just observing the reconstruction to make sure that it meets state specifications. The alignment of the road is not problematic either for the permanent curves in the road. It's going to be, in my opinion, limited liability. I'm not a lawyer, but there's -- it's really just Comstock Mining will be doing the construction or through a contractor for the roadwork, and there's very limited liability for the state, in my opinion. I don't know if, Dennis, if you have any comment.

Gallagher: Good morning. For the record, Dennis Gallagher, Counsel for the Board. Mr. Controller, the way this -- we envision this working will be we'll have a state highway and then at a point it'll stop, be a private road until it joins the state highway again. NDOT will be overseeing the construction of that portion that's a private highway, make sure that it's built up to state standards, and then after it's ultimately completed we will get -- we're going to ask the mining company to provide a permanent easement to the state for the property that will be -- where the state highway overlays.

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Knecht: Final question on this. I drove up there nine days ago and back, and it occurred to me people do strange things now and then; that someone might think, well, the road still goes through. I can go around the barrier and I can head on up and save that mile and a half and get there quicker. If somebody does something like that, in violation of the explicit message on the barrier, et cetera, what kind of liability might we have or would all of that liability accrue to the company?

Gallagher: Again for the record, Dennis Gallagher. Mr. Controller, anybody, you know, can make a claim against the state, but if somebody disregarded the barrier and proceeded, and had some sort of incident, I would feel very good that the state would be very well defended against any such claim.

Knecht: Thank you, Governor.

Sandoval: And one last question, Dennis. So we've got the easement, but I'm sure we also have an indemnity clause in the agreement, as well?

Gallagher: Governor, for the record, Dennis Gallagher. The agreements haven't been signed yet but, yes, there will be an indemnity clause.

Sandoval: Okay. Thank you. Please proceed, Rudy.

Malfabon: Thank you, Governor. So one of the things I also wanted to mention, Governor, you mentioned the mineshaft. That will be permanently capped so that it will be much safer with respect to the existing mineshaft, as well. Next slide, please.

Tracy Larkin and Sondra Rosenberg and I visited our Nevada delegation recently in late February. We were able to receive updates from the Secretary of Transportation, Anthony Foxx, on the administration's view of long-term transportation funding. But we definitely had the opportunity to visit with our delegation, talk to them about the need for long-term funding and sustainable funding for transportation -- service transportation.

The repatriation of corporate profits is being viewed as a solution. And there's two types of repatriation ideas going about in Congress right now. One would be one shot, one would be an ongoing corporate tax reform. And Senator Heller is engaged as the co-chair of the Senate Finance Committee Working Group that's working on corporate tax reform.

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One thing is that the Surface Transportation Bill currently expires the end of May. We don't think that the corporate tax reform will be a done deal by the time of expiration, so you might see a short-term extension to give Congress enough time to find the funding solution for surface transportation in our nation.

The other issues that they're facing is the Highway Trust Fund, as we talked about last year. It runs into the red again this summer, so they'll have to find a short-term fix, either a general fund transfer, which is what they've been doing, or some other means of funding the transportation fund -- the Highway Trust Fund at the national level.

And the other thing that this organization of the state DOT is called AASHTO, provided us with a matrix of different surface transportation revenue options. And we'll give this to the Board members. I'll have Holly do that when she returns. But it was a well-received document from the members of our delegation, at least it showed some of the ideas that could be considered for funding transportation, and some have much more impact than others. But the delegation appreciated the graphic format and the useful information in that to provide options in addition to what they're considering with corporate tax reform.

We did hear also from staffers, from members of Congress that are on these committees are going to be dealing with the issue of surface transportation funding. As I've mentioned before, Nevada has the benefit of having two members on the House Transportation and Infrastructure Committee. Crescent Hardy and Dina Titus are represented on that committee. Any questions on federal funding? We could take those.

Moving on then, to the legislative session. And the legislature is working very quickly. They've already passed some bills. And, Governor, you've signed some bills that are very important to the state. In terms of the transportation committees, the two NDOT bills on the Assembly side which were increasing the bond repayments over 30 years instead of the current 20 years, and the clarification of confidentiality of certain documents and accessibility of certain documents during the procurement process. Those are passed out of the Transportation Committee. On the Senate transportation side, our bill on -- just a housekeeping bill to match up our short-range project list with the federal requirements, was heard. Should be

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passed out at committee soon. Oh, it did pass, Shawn? Thank you. So they'll go to the future votes and then eventually to the corresponding committees in the other houses.

The Senate Bill 2, which is the 85-mile-per-hour-speed-limit bill, the hearing is expected this week. And we're recording our testimony opposed with the Department of Public Safety. We did have some outreach with Utah Department of Transportation safety engineer about how they went about in their state. They really did a lot more thorough analysis and study of their interstate system to define what areas that they could even consider raising the speed limit; and also, tied that to the crash history on those sections of interstate. So we feel that it's a lot better to take that same tack with -- that same approach in Nevada to study first, and then as we define what the opportunities are for a bill, to do that in future sessions. So we'll testify to that effect this week, Governor.

And our budget hearing is scheduled for March 17<sup>th</sup>. We anticipate -- we did have a pre-session budget hearing, so a lot of questions about our funding mechanism for Project NEON being bonding and where we are in the schedule. And you'll hear a lot of that update today from Cole Mortensen. Next slide.

We did receive our draft consent decree from the EPA. And what this consent decree is, is it defines several activities that the Department has to perform on with stipulated penalties if we don't perform by a certain date. So we've got those actions that are written into the consent decree being reviewed by staff so that we make sure that those time frames are achievable and realistic for the Department, because sometimes we might have to hire some outside assistance to get there. We're on track to do many of these activities, but it's a question whether we can do it in the time frames that were in the draft document. So there are -- we're taking this very seriously, and do our best to identify what's a reasonable time frame, then eventually discuss that Nevada Department of Environmental Protection and, Governor's staff. Your chief counsel has been very engaged with us, Governor, in helping us out. And then eventually we'll follow up with a meeting with the USEPA on our position on the draft document.

Sandoval:

No, and I want to, obviously, stay very aware -- or I want you to keep me aware of what's going on with that, because...

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Malfabon: Yes.

Sandoval: ...you know, I've been talking about this for three years now and I don't know what those stipulated penalties are, but I'm sure they're not -- they're tough. I'll put it that way. And I agree that I don't want to set us up to fail.

Malfabon: Right.

Sandoval: So we've got to make sure that those time periods are met. But I think we've caught a break here, because they've agreed not to impose those penalties. So we've gotten a fourth second chance and I want to make sure we take advantage of that.

Malfabon: And I wanted to thank you, Governor, personally for your outreach to the EPA administrator while you were there for the National Governor's Association meeting in D.C.

Moving on to the next slide. An update on I-11 Boulder City Bypass. We have a joint groundbreaking event with the RTC of Southern Nevada scheduled for April 6<sup>th</sup>. Governor, you and other members of the Board are welcome. I think that you're committed to attending. I think it's going to be at 10:00 a.m. We're going to get the details to all Board members so that you can make travel arrangements if you're able to attend. It's really an important event and we're going to have folks from our delegation present. I believe Senator Reid is able to make it. Senator Heller. I think possibly some other members of Congress. Dr. Heck, Dina Titus, I think is going to try to make it. So a lot of good representation from delegation and from the local electeds that are on the RTC board. So it's a great event and we're looking for to that in cooperation with the RTC of Southern Nevada.

Sandoval: And before you go on, Rudy, this is a really big deal.

Malfabon: Mm-hmm.

Sandoval: And I don't want to just to let it go by, because it's the beginning of what I feel is going to transformative in terms of transportation in the state, so -- and thanks to the RTC for partnering with this. But as I said, there was a really good story. I don't know if it was in the Sun or the RJ over the weekend, that talked about the commute times that it's going to save in

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terms of those the tourists that are coming in and how helpful it's going to be for the residents of Boulder City, particularly on the weekends.

So it's, you know, we don't get to preside over many win-win-win type projects, but this one of them. And this is one of those projects where 20 years from now we'll get to point to it and see what it meant to Nevada, and to our infrastructure. So I really want to congratulate everybody at NDOT that has been involved...

Malfabon: Thank you, Governor.

Sandoval: ...in this project, because it's been long time coming. And everyone at the Regional Transportation Commission, as well. So we've got all those issues behind us, the airborne asbestos and...

Malfabon: Yes.

Sandoval: ...property acquisition and all that, you know, it took a lot of work to get there. So hopefully, you know, I would really encourage all the members to attend. I know that, Member Skancke, this is something that he's been following for quite some time.

Skancke: Thank you, Governor. This is probably the single most important infrastructure project to hit our state since the dam, soon to be Project NEON. But I'll tell you all that this wouldn't have happened had it not been for the leadership of this governor working with the State of Arizona, with our delegation, this Board and this organization at NDOT. There's been a lot of people involved, but it takes leadership to make things happen. And when you make something a priority and you talk about it in two State of the State addresses that this is a priority, it just -- it shows you what leadership and taking a position on something actually happens.

This project was not even on the books in 2007. Didn't even exist. And in 2008, a group of people came together and had a conversation, and then it took the leadership of the State of Nevada to make this project actually happen. So to the Department, to the Governor, Tina, to the RTC and your board, to our delegation, the thought that this was the first interstate highway project since 1991; the first new interstate highway in the United States since 1991. So this is a monumental moment in our state, and I hope

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the rest of our colleagues, Governor, can be at that groundbreaking because it's very important.

Tina and I were just at a meeting in Arizona looking at I-11 and what's happening in Mexico. We're actually ahead of everyone else. Mexico is investing about \$7 billion in infrastructure from the ports, to the interstates, to the crossing, and Arizona has now approved \$15 million, I believe, to start the environmental document. So we're ahead of the game. And I think it's really important now for our state to take a look at what is the next alignment; where does I-11 go, because this thing is going to take off.

And I think that we, Governor, should have a serious discussion of where does I-11 go in the state because, in my opinion, this is the future of goods movement in the west, and it's the future of our economy here in the state of Nevada. So I want to thank you, Governor, for your leadership because this actually would not have happened had you not been governor and had you not taken the lead on this. So thank you very much.

Sandoval: Thank you, Member Skancke. I think you're overly generous. It truly was a team effort. But I will tell you this; that in 2011, the bill that allowed for this to happen, got through at about 11:50 p.m. I mean, it was one of the last bills to get through. And, you know, I will never forget...

Malfabon: Oh, yeah.

Sandoval: ...that bill not going -- was -- had a problem. And Rudy's nodding his head, because it did. It had reached, pardon the pun, but a roadblock. And we sent the staff over there and talked to some legislators and they got that bill through in the last hour of the session. And it's just one of those things that you look back on that, some pretty important moments that lead to this. And so I'm really pleased that this is happening, and this is, as Tom says, I think it is a monumental moment for all of us. So thank you.

Malfabon: Thank you, Governor. Thank you, Member Skancke. Next slide. A little update on USA Parkway. We did issue and receive the statement of qualifications for six design-build teams, so a lot in interest of the construction --design and construction of this project by those design-build teams.

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So currently, the staff at NDOT are broken out in to teams that are reviewing those qualifications, and we expect to announce by April 13<sup>th</sup> the shortlist of three to five design-build teams. Three to five is what's allowed in statutes, and we have to look at the quality of these team members and their qualifications, before we determine whether it's three, four or five teams to go forward to receive the request for proposals for the project, and the project is on schedule. Next slide.

Good progress on some other major projects up here in the north. Carson Freeway project that goes to US 395. US 50 intersection was advertised for bids and bid opening is scheduled for April 2<sup>nd</sup>. Another project in about the same type of cost range was advertised, and I wanted to extend my appreciation to the RTC of Southern Nevada. They participated in the funding of this project, as well as the use of federal funds that NDOT controlled for the 215 Beltway and US 95 Interchange for the first two ramps of that multiphase interchange project. The bid opening is April 9<sup>th</sup> on that significant project in Las Vegas.

On the Construction Manager At Risk project for the pedestrian bridges, we were unable to reach an agreement with the Tropicana Resort. So we need to proceed as -- on our own with this project, coordinating as best as we can, with the Tropicana, but we're going to proceed with the project and negotiate that guaranteed maximum price from the contractor that we selected. So we tried to do some things to accommodate the Tropicana's schedule, but because the arena there is being built on Tropicana, we need to go forward and get going on this.

John Terry was able to brief the Las Vegas Convention Visitor's Authority, let them know where we're at with the project and we are proceeding and should bring a price to the Board for your approval in the coming months.

Sandoval: Rudy, what was the sticking point there in that negotiation?

Malfabon: I don't know if John or Tracy wants to mention, but I think it was just that the schedule and the commitment that the Tropicana obviously has to look at their improvements on that corner. They didn't want to -- I don't think that their schedules were going to mesh with ours for their improvements. So I think that's the bottom line, is that we could not achieve a schedule that could be acceptable to them while avoiding a delay to the Department.

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Sandoval: So I see your head nod. That's -- basically, they're behind us in terms of finishing their project? Is that the bottom line? That's what I'm gleaning from this.

Thomason: Yes, when we started -- for the record, Tracy Larkin-Thomason, Deputy Director for NDOT. Yes, their schedule -- at first they were ahead of our schedule, then it kind of evened with our schedule, then it was behind our schedule, and then they weren't sure they were going to go forward with the expansion. So it became a very gray area and it cost us a little bit of time. But at this point, we're moving on.

Sandoval: No, and if anyone's driven on that intersection and seen that arena, it's...

Malfabon: Yes.

Sandoval: ...it's going up fast.

Malfabon: It's -- I was down there last week and it was amazing how much progress they've made on that arena. And we will expedite the pedestrian bridges that are on that corner by the New York New York Resort, expedite those -- that set of bridges in each direction from that corner first.

On US 50, we've expedited a fencing project. As you may recall, we had some issues with wild horses getting on the US 50 and getting struck by vehicles. So we expedited a fencing project that was going to go out with a widening project in future years on US 50. We felt that it was important to expedite that. The other thing that -- during some of the discussion about Fortune Drive, which will come later, we were able to find a solution. But we also wanted to note that we're making some traffic safety improvement by raised median islands near the Smith Shopping Center. It's something that's important to channelize the traffic so that it can't make certain turns.

It will improve safety at those intersections. We're widening some pavement there at one of the intersections so that it gives more room for people to make the right turn. And those raised median islands will, as I said, will greatly improve safety. And we'll go back and observe how those are working out in future years. But that should be going in this spring. We contracted out the safety project there. I think SNC is the contractor that was the apparent low bidder that was awarded. Next.

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Tomorrow, Dennis and I will be going to Board of Examiners for Westcare Works. It's -- this is a settlement that's associated with Project NEON, \$4.65 million. It is something, though, that we -- Westcare provides an important resource to the community down there for people that need assistance with recovery to addictions. The court system relies on Westcare to rehabilitate folks that are in need. And I think that it's a good settlement.

The amount of risk that we were facing on Westcare was substantially more than the \$4.65 million settlement. But I think that I wanted to add that it is something that is supportive of the community and the judicial system in Clark County. So we'll present that settlement for Board of Examiners consideration tomorrow. We did reach out to individual Board members so that they were briefed ahead of time.

The other issue that we're still dealing with is the Meadowood Interchange, as everyone knows, finished late. Listening to the contractor's perspective has been important for us to consider their claim. It hasn't risen to the level of legal, you know, lawyers to lawyers yet, but we're meeting with them. And I wanted to acknowledge the efforts of Reid Kaiser, and digging through a lot of those documents. And we did do a forensic audit of Meadow Valley's books. We found that their subcontractor didn't keep as good of records, so that's problematic for us to have those discussions on the subcontractor's portion of the claim.

But we had a meeting last week with the Meadow Valley president, and we're going to continue discussions. We just have to require a lot more information from Meadow Valley before we can have those types of discussions about what's a fair and reasonable offer for that if, in fact, we find that -- determine that there's some fault on our part and any responsibility NDOT's part. But for now, we're not as prepared to reach a -- kind of a settlement with them. We're going to continue discussions and we'll keep the Board informed of those discussions.

That concludes the Director's Report. I'm willing to take any other questions.

Sandoval:

Questions from Board members? Member Skancke.

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**Skanccke:** Thank you, Governor. I have just a few. First of all, Rudy, on the 85-mile-per-hour speed zone, when you mentioned we were going -- did you say that we were going to study that?

**Malfabon:** Member Skanccke, what we found was that Utah Department of Transportation had -- they have their law currently allows up to 80 miles per hour on -- and primarily on the interstate. So what they did was first study it to find out what sections of the interstate system in Utah would provide opportunity to raise the speed limit. They looked at things like what are the design elements of the road that would even allow you to consider that higher speed limit. In some areas such as canyons and curve sections, or areas where interchanges are very close, they felt that those were not good candidates to consider even increasing the speed limit at those locations.

But they did a very detailed study of what the geometrics of the road, so the design of the road, how fast people were traveling, what are -- the crash history related to high speeds in certain sections of the interstate system. So a very thorough analysis, took several years to do. Then they took that back to the legislature to report back on what were the, kind of, candidate sections where it could work. And then they went back after the law was changed in their state, went back and looked at the crash history again to see if there were significant increases in speed-related crashes on those areas where they raised it up to 80.

**Skanccke:** Well, as someone who frequently does not follow the signs that are on the road -- and I have the record to prove it -- I have difficulty raising it above the current limit. People push it to 80 now, so if you move it to 80 or 85 they're going to go 100. And they're already going 100. If we're trying to get to zero fatalities, raising the speed limit to that -- to 80 miles an hour gives me a lot of heartburn. Not certain how much the study is going to cost, but knowing people's driving habits, and having seen a lot of crash data over the years, speed kills.

And when you've got all the lanes you have going through the I-15 corridor in Las Vegas, we also know from our research that more lanes mean more options for opportunities. If people had the opportunity to go 80 -- not that they could, because there's a little congestion on I-15 in Las Vegas -- but if they had the opportunity to do that, I just think that that causes a problem. Personally, I just couldn't support an 80 or 85-mile-an-hour speed limit.

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As someone who often times has gone that speed in my life, I just think that if we spend \$5 or \$10 million to prove that you can do it, you're opening up the door for someone to have the conversation. And I think if we're trying to get to zero fatalities, by us even sending a message that we're going to study it says we're interested in letting that happen. I just think it sends a wrong message.

In my opinion, this is my -- where I stand, I just can't support an 80 or an 85-mile-an-hour speed limit. Most of the accidents in this country happen on rural roads. We know that. And if you give people the option to go that speed out in rural Nevada, I know the thought process is there's no one out there. 4,000 people a month die on our streets and roads in this country every day. So that's basically, a 9/11 event happens in our country every month. And so, that's 48,000 people a year that lose their lives on our roads. And it's mostly due to now these devices and people going faster.

And if you include -- if you put the losing combination of these devices that I have in my pocket and someone going 80 miles per hour, my instincts tell me you're going to see higher numbers in accidents. So I think studying it sends the wrong message. I'm not the director of the Department. I'm not an engineer, but I think us even spending money on that just sends a wrong message to the legislature and to the public that we're interested.

The second question that I had was on USA Parkway. First of all, congratulations for having that project beyond time and ahead of schedule. If, at any point, I actually think -- I'm not an engineer, but I think that USA Parkway, if we look at moving I-11 forward, that would be a great connection point for us. As we look at the future of Interstate 11 and the future of goods movement in our state. Connecting that piece of property to a north-south interstate highway corridor with all of the development that's happening out there sends a very strong message that Nevada's Economic Development Department is moving forward with attracting global business. That opens up the door to Mexico and Canada, and it really opens up the door for Northern Nevada to have an opportunity to be globally connected. And I think that's critical to the future of our state. So if this Board and NDOT look at an I-11 connection, I think that would be a perfect place for us to start looking for that connectivity, particularly with all the development that's happening out there.

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My final comment, Governor, is Tina and I were just at a meeting in Arizona, and learned that the new director -- I'm sorry, the new director of UDOT, who's been there a couple of years, I don't recall his name.

Unidentified Male: Carlos Braceras.

Skancke: Yeah. Had changed the paradigm on infrastructure and the conversation on surface transportation. He walked in and said to his department one day, "Where are we on investing in transit to reduce the number of trips on roads?" And I really think that we, Governor, need to have that conversation. Transit reduces the number of trips on our interstate highways and on our roads. And Nevada is getting to a point now, particularly Southern Nevada, is getting to a point where we just don't have any more right-of-way. We're seeing it with Project NEON. We can't acquire any more right-of-way. Our local streets and roads are congested and I think it's time for the Department to have a conversation around where are we investing in transit, and where are we to reduce the number of trips on our roads.

Highways are expensive. I'm a highway guy. I support interstate highways and state highways, but I think conceptually, and we need to have a conversation about how we start reducing trips and have a conversation about where the Department is in planning for the future of transit connectivity. We are a transportation department and transit is a mode. And I believe that if we take the lead on that and help our MPOs and our transit agencies in the -- throughout the state, personally I believe we should be reducing the number of trips, not increasing the number of trips.

Highways are expensive. Maintenance is expensive and expansion of roads is getting more and more expensive as we try to acquire right-of-way. Every month, we have another right-of-way acquisition for Project NEON. We need the road. We need the expansion, but I think we've got to have that cultural shift conversation of adding one more component to the construct of our organization. You may doing it, but if not, I would like to suggest that we start having that conversation.

This document just sends one more message that funding is becoming more and more difficult. They talk about everything in here but the fuel tax. So if

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we're going to have a conversation about congestion and expansion, I think that needs to be a part of what we're doing. Thank you, Governor.

Sandoval: Thank you. Member Fransway.

Fransway: Thank you, Governor. And I would like to expand on Member Skancke's comments on SB 2. Mr. Director, who will make that testimony?

Malfabon: We have to determine whether we have a conflict with the Board of Examiners, but I was hoping to make that testimony myself. If not, a deputy director.

Fransway: Okay. If we're going to oppose that bill, I think we should oppose it forcefully. With all due respect, to the bill sponsor, Senator Gustavson, I think the bill is irresponsible and ill advised. I agree 100 percent with Member Skancke. I think it opens the door to many more accidents, and fatalities, and more critical accidents. And why would the state of Nevada want to expedite the exit of people in our state, due to the fact that they can get out of it faster? It just makes no sense to me.

And so I don't know what this Board's position is on it, but I'm for just letting Utah do their thing. But when they cross into this state -- this is Nevada, and we're here to do the right thing. So I don't know whether we need any studies and I don't know whether the public needs to fund any studies. And you have a hearing this week, I believe, and so I think you need to know where the Board stands in relation to SB 2. And it's not on the Agenda to make that, but we've been talking about it from some time now. And, Governor, I don't know exactly how to do that, but I think this Board's very concerned.

Sandoval: We cannot take action because it is not on the Agenda, but certainly, the members can express their sentiments with regard to the bill. And I think you've been clear and, frankly, I think you are the best messenger because you live in rural Nevada, and you drive those roads all the time. And your perspective is very important to me. My feeling is the same as Member Skancke's and yours. I just see no benefit in increasing the speed limits. You know, there's this Utah study and then the other analog that they're trying to use as a road in Texas, and it's a toll road. It's not -- there's no comparison whatsoever.

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And, you know, you heard me last month when I, you know, my feelings about fatalities and we talk about this. And I just don't see how this could possibly move us in the direction of safer roads and decreasing fatalities if we're going to get to zero. And, you know, with regard to the study, same thing with what each of you said is I think it gives a false hope out there that we might actually do this. And, you know, I've talked to many troopers about this and, you know, when the speed limit is 75 most people drive 85. And if you bump it up to 80, they're going to drive 90. And if you bump it up to 85, they're going to drive 95.

Skanche: Governor, I've spoken to many troopers on that issue myself.

Sandoval: You know, and the other piece of it is as you increase the speed limit, the kinetic energy obviously increases, as well, which decreases the chances of survival. And I just don't see any benefit to this. And so, you know, each of the members wants to express their feelings on the matter, that's great and -- but we aren't going to take a vote. I'll go to Lieutenant Governor, then I'll go to the Controller, then I'll go to Member Savage.

Hutchison: Thank you, Governor. Let me just make the comment from sort of the politics of this and the approach with a study. And I'm not fully briefed, you know, having come on the Board more recently. But I can just tell you, I don't know that a study will be well received over in the Senate. I know that Senator Gustavson has introduced this before. I think he's introduced it numerous times.

And, you know, this is a very unique session of legislature, and I think people will think in the future there may not be opportunities to pass this kind of legislation. So I think suggesting that a study will sort of slow this down, let's kind of take a look at it. There may be those in the Senate and elsewhere who want to move this along pretty quickly. So there may be a better way to maybe address this other than through a study. And if the feeling is we want to kill this and let's not support it, let's oppose it, then I think that's what we do. I would suggest that we don't go in and say let's study this. Let's just go in and just make the case that we oppose this. Thank you, Governor.

Sandoval: Mr. Controller.

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Knecht: Thank you, Governor. A quick question and then I'll put my position on the record. Rudy, do I recall correctly that when we've discussed this issue previously you've said that, of course, we wouldn't raise the speed limit to 85 capriciously and everywhere that we could. That, in fact, it would mainly be limited to places and situations like from Storey County to Elko on I-80, certain parts of that stretch and a few others, but we wouldn't, for example, be raising the US 50 limit to 85 or anything like that?

Malfabon: In response, Mr. Controller. It's -- our concern is that even if it gives NDOT the ability to establish a higher speed limit, it's what you've heard expressed -- the concern of we have a zero fatalities program and we know that higher speeds are going to result in more serious injuries and more fatalities. The other thing that's important to note, and Member Skancke and others have mentioned it, in Nevada, when you set a speed limit, drivers tend to kind of cheat a little bit and go five miles per hour. In Nevada Revised Statutes, it's not viewed as a moving violation. It's actually a much smaller penalty when you go five miles an hour over.

So establishing that, not only do you run the risk of worse numbers on fatalities and serious injuries, but also more people cheating and putting their lives at risk.

Knecht: Just please clarify that answer. We wouldn't be imprudently using the authority. We would be very restrained about using that authority to go higher, right?

Malfabon: We would -- the way that we establish speed limits now, we are very prudent about it. We take measurements. We take in to consideration other factors. So it's something that we put a lot of thought in to. Just because we have that maximum doesn't mean that we're going to go out and do it, even currently with the 75-mile-per-hour. So we were just concerned about the -- and the other concern would be that there tends to be pressure from folks that get tickets. "Hey, raise the speed limit because I got a ticket out there." And we feel that there's -- it's better to keep things status quo at the 75-mile-per-hour speed limit in certain select areas of interstate. It's a much better, safer law currently, I think. But we would be prudent in establishing any speed limit, whether it's 75 or 25, so...

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Knecht: Governor, my position -- first of all, Rudy, thank you for raising the posted plus five notion. I was going to advise Member Skancke that if he adopts that practice, he'll be talking to a few less troopers. There are a lot of us who live by the posted plus five rule. Having said all that, I want to be clearly on record as supporting SB 2. And the reason is because I believe we will not use such authority imprudently. We don't have any record of doing that, and we won't be doing it.

I could labor this by point-by-point rebuttals on things like national fatality rates which have been falling for years, et cetera, and are no longer at 48,000 a year. I believe they're down under 40. But I won't do that. I'll just say that in the end, if you want to talk about false hope, getting to zero fatalities is a nice-sounding idea and a false hope, and the realistic issue and the public policy issue for us is balancing safety with other concerns, and I think we'll always do that. And so for that reason I will support SB 2, and I would advise against the Department testifying against it. Thank you.

Sandoval: Member Savage.

Savage: Thank you, Governor. And I'll be short and sweet. But I take offense to the fact that zero fatalities is a false hope. It is not a false hope. We've been working on this a long time. We're very passionate about the people of the state of Nevada, and I adamantly and strongly oppose SB 2 and I adamantly oppose the study. Thank you, Governor.

Sandoval: Thank you. And I, again, talking to troopers, talking to the -- or talked to the troopers picking the person up off the road, and that's one too many. So as the only member of this Board who has a vote on this, I think I've made my position clear. So I think, Rudy, that you take what everyone has to say -- I'm sorry, Frank, I didn't give you an opportunity. Did you have any comments, Frank?

Martin: No, no. We've beat this one to death.

Sandoval: Okay. I think my position is clear and, again, you have your -- you've heard from the membership and you can act accordingly.

Malfabon: Thank you. And just to mention that I should be able to make that testimony. I think it's just before the Board of Examiners meeting.

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- Sandoval: Is there any other comments with regard to the Director's Report? Member Fransway.
- Fransway: Just one more, Governor. On the wild horse issues on I-50 and the fencing project, is the bordering acreage federal land, or is it private...
- Malfabon: I think...
- Fransway: ...or mixed?
- Malfabon: It's mixed.
- Fransway: Okay. My comment is has there been a federal gather to reduce the numbers of horses within a manageable amount, or do you know?
- Malfabon: I do not know. Member Fransway, I'm not sure. I know that we work closely with other agencies that are involved in horse roundups, so we do our part to assist in that. But, typically, we're just focused on what we can do to prevent the horses from getting into the right-of-way for the highway.
- Fransway: And I appreciate that. But as a person who does travel that road at least every month, there are an abundance of wild horses out there and I believe that the issue is with the gather and the fact that they can't work them in a manageable number, is because a lot of it's private ground. So, anyway, that's nothing we can do about it, Governor, but I certainly support the efforts of NDOT to do what we can to keep them off the road.
- Malfabon: Thank you.
- Sandoval: Anything further, Rudy?
- Malfabon: No.
- Sandoval: All right then. What I intend to do before we go to the Project NEON portion of the Agenda is I want to take public comment, and I also wanted to act on Agenda Item No. 3, as well.
- Malfabon: Yes.
- Sandoval: So let's move forward with Public Comment. Is there any member of the public here in Carson City that would like to provide comment to the Board?  
Yes, sir.

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Pittenger: This is actually regarding Agenda Item No. 13, but I don't know if there's going to be an opportunity then. So I believe it appropriate to just speak up while I have the opportunity.

Sandoval: And, sir, if you would identify yourself, please.

Pittenger: My name is Patrick Pittenger. I'm the transportation manager for the Carson City Public Works Department. In that capacity, I serve as the primary staff to multiple boards, including the Carson City RTC and the Carson area MPO, Campo, which includes portions of Lyon and Douglas counties, in addition to Carson City. And I'm actually here, as I mentioned, about Item 13 regarding safety needs.

At your last meeting, Campo and Lyon County Board Chairman, Ray Fierro, testified on issues facing Lyon County. Chairman Fierro couldn't attend today. He asked me to speak on his behalf, and he just asked me to indicate Lyon County's eagerness to work with the Department on a project -- several projects actually. One was brought up previously by the Director, the one by the Smith's, which Lyon County is very much looking forward to being implemented.

Additionally, under Item 13 there are pedestrian improvements included on that list for the intersection of Pike and US 50, which Chairman Fierro had mentioned last time; and also, the proposed signal at Fortune Drive and US 50. He discussed the important of that. We understand there's going to be some progress on that, and we look very much forward to that becoming a reality and helping the safety conditions on US 50.

Regarding the Carson City RTC, and just going off-script, Brad Bonkowski, RTC Chair, is actually with me here today. Pleased to have him along. Since last meeting, we did have the opportunity to meet with NDOT safety staff and assistant director, Sondra Rosenberg, regarding the city's safety needs and priorities. We did supply a short list of funding needs regarding complete streets, intersection lighting and multiuse paths in the city, which we believe will directly impact pedestrian safety.

While no projects in Carson City are on the second list of projects provided today, we commend the Board and the Department's efforts to continue to fund safety projects throughout the state. We understand the Department's

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use of state funds on state-owned roads, but it does leave Carson City at a distinct disadvantage, because we have worked with the state previously, actually, to accept many of the roads that were previously state owned. For example, Stewart Street outside this building where we recently had a pedestrian fatality, is now city owned and not on the state system anymore.

We do, unfortunately, have safety issues. We very much look forward to being part of this process moving forward. Having discussed with state staff, it may be with federal funds that are flexible to use throughout the state. That's all. Thank you very much.

Sandoval: All right. Thank you, sir. I believe we also have Mr. Hasty. Did you want to speak under public...

Hasty: (Inaudible), no.

Sandoval: Okay. All right. Anyone else that wanted to provide public comment to the Board? Anyone present in Las Vegas that wanted to provide public comment to the Board?

Martin: None here, sir.

Sandoval: Okay. Thank you. We will move to, then, Agenda Item No. 3, which is the Election of a New Vice Chairman. I'm very excited about the prospect of the Lieutenant Governor serving as the vice chair. I have a great amount of respect for the Lieutenant Governor and his work ethic and his knowledge of state issues, so I will strongly support a motion that would put his name forward to serve as the vice chairman.

Martin: So moved, sir.

Sandoval: All right. Mr. Martin has moved. Is there a second?

Savage: Second.

Sandoval: Second by Member Savage. Any questions or discussion? All in favor say aye.

Group: Aye.

Sandoval: Opposed no? The motion passes unanimously. Is there an acceptance speech?

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- Hutchison: It is. I just appreciate you accelerating this on the Agenda before the members could think about this for too long, and I appreciate the support from you, Governor, particularly, and from my fellow Board members. Thank you very much.
- Sandoval: Thank you. Mr. Director, did you want to move forward to that...
- Malfabon: We'll want to...
- Sandoval: ...other item?
- Malfabon: ...take approval of the minutes and then go forward...
- Sandoval: All right.
- Malfabon: ...to Cole's presentation.
- Sandoval: All right. We'll move on to Agenda Item No. 4, which are the February 9, 2015 Department of Transportation Board of Directors meeting minutes. Have the members had an opportunity to review the minutes and are there any changes? If there are none, the Chair will -- oh, Member Fransway.
- Fransway: Thank you, Governor. It should be noted that Tracy Larkin was indeed present at that meeting. You concur, Tracy? Okay. She's not mentioned here. Also, Page 49, where it states that the motion for the friendly amendment was made by a male, but it's not identified. I believe it was Member Skancke who made that motion. And I believe that it's important that we identify the person who makes a motion as a person rather than a gender.
- Sandoval: Do you recall that, Member Skancke?
- Skancke: I'm sure there's about 400 lines I could deliver there.
- Sandoval: I was teeing that up for you.
- Skancke: Yeah, I know you were. I want to go back to the speeding tickets. That's a lazier conversation. Yeah, you know what; that was me actually.
- Sandoval: Okay. So Page 49, if we would delete the "male" and insert Skancke.

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- Fransway: And, Governor, on Page 62, up at the top where it mentions my name and then it shows an inaudible, that inaudible should be \$755,000. And that's my suggested changes, Governor. Thank you.
- Sandoval: Are there any other changes to the minutes? If there are none, the Chair will accept a motion to approve the minutes as amended and suggested by Member Fransway.
- Skanccke: As an identifiable male, I will make the motion for approval.
- Sandoval: Just for the record, that was Member Skanccke. Is there a second?
- Knecht: Second.
- Sandoval: Second by the Controller. Any questions or comments on the motion? All in favor please say aye.
- Group: Aye.
- Sandoval: Those opposed say no. The motion passes unanimously.
- Malfabon: Thank you, Governor. We will now take Item 11 out of order, an update on the status of Project NEON. Cole Mortenson will present this to the Board.
- Mortensen: All right. Good morning, Governor, members of the Board. For the record, I'm Cole Mortensen, Project Manager for Project NEON. Going through our presentation today, there are a number of reasons that we wanted to take this item out of order. There are a few items that the Board will see later on in the Agenda. Among them are the stipend agreements for the proposers for Project NEON, the City of Las Vegas agreement that was approved by city council last week, as well as the STIP amendment approving the funding sources and the programming for Project NEON.
- A scheduled. Today is an exciting day for us. With the help of the Board on those Agenda items, we're hopeful for the release of the final RFP today to the shortlisted proposers. What that means is that we'll begin the process of evaluation alternative technical concepts, working with each of the teams as they develop their proposals, which will be due in July. We should have a proposer selected by September of 2015, and that will be followed by contract execution, which will be approved by the Board. The reason that I

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have fall of 2015 in there is that'll depend on how quickly we can work with the selected proposer to get that contract together.

The City of Las Vegas agreement. We chose to enter into a new agreement with the City of Las Vegas. The old agreement that we had in place was very specific to the public-private partnership that we've now moved away from. This new agreement also includes the funding sources and the responsibilities for the Grand Central-Industrial Road connection. For those of you who that recall from the previous presentations, it'll be the connection between -- oh, and I can't -- this pointer isn't working -- but the road that you see on the upper right-hand corner is Grand Central Parkway.

Charleston Boulevard is running up and down on the presentation. And so we'll actually be connecting Grand Central Parkway over the UPR Railroad tracks, which is the east-west tracks there on the screen. The blue box there is the bridge that'll take traffic over the UPRR tracks, then it'll connect to Industrial Drive. This is one of those connections that we're really excited about, because that'll allow traffic to hit Frank Sinatra, which goes all the way down the backside of the resort corridor and is a great arterial. So this really is an important connection for local movements from the downtown to the resort corridor.

I wanted to quickly review the project costs for Project NEON. What you have are the first three costs in the table are what we've programmed for preliminary engineering, utility and right-of-ways. Our anticipated construction costs right now are \$570 million. And our construction management as we go into the contract, is going to be about \$14 million. What I also want to point out here is we have a few additional costs to the project that we've discussed a little bit before, but I just want to make sure that you guys are well aware of it. What I have highlighted in here, the Grand Central-Industrial connection. That's a \$30 million project that's going to be funded through the city by way of their portions of federal and local funding. Again, I have the construction management and the incentives. And what I wanted to show out here is this is what we anticipate the 70 percent confidence interval being for bid prices. So we're 70 percent confident that the project will be under this amount.

The other item that I want to point out here are incentives. As Director Malfabon had mentioned, I believe, in the January Board meeting we're

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incentivizing two aspects of construction for the contractor, not only substantial completion, but what we've been referring to as interim milestones. And what those are is basically, getting them out of impacting the existing lanes of traffic on the I-15, US 95 and a couple of the select ramps that we have out there that are critical to movements within the spaghetti bowl. And so as soon as the contractor has enough lanes open, the traffic's functioning out there as it is today, they'll be incentivized to meet those milestones.

I wanted to briefly remind everyone of the shortlisted proposers and actually thank them for their participation here through the development of the RFP process. We had one-on-one meetings with each of the teams to better understand where their concerns may be with the contract and with the RFP. Those teams are Kiewit and Atkins, Las Vegas Paving and Jacobs, Neon Mobility Constructors, which is a joint venture between Granite and Skanska and Aztec and the Louis Berger Group.

I also want to thank them for their participation with the DBU workshop that we're going to be performing here later this month. The goal of this workshop, actually, is to really make those connections between the DBE firms that are interested in working on the project and the contractors that we have shortlisted. And so what we'll be doing is, we'll be going through what it takes to become a DBE for the state of Nevada, your eligibility, and then we'll be talking about the potential opportunities for DBE firms on Project NEON. And then we'll have an afternoon session that will allow those companies that are interested in talking with the contractors an opportunity to kind of do a round robin, speed dating-type thing where they can go out and talk to them and actually bring to the table what they might be able to offer to those companies. So I'm excited about that. I think that that's going to be a great outreach program to industry here for the project, as well.

As I'd mentioned earlier, the stipend agreements are in an upcoming Agenda item. We're asking for these to be approved now so that we have a vehicle for payment for the contractors that are unsuccessful. And these will be a payment made to the teams that submit a responsive proposal. And then that intellectual property will also be available for us to utilize if one team has a really good innovative concept that we want to incorporate into the

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contract, we'll have the opportunity to utilize that and make that part of the job in moving forward.

Moving on, I want to talk briefly about where we are with the right-of-way for Project NEON. I know that's a major concern for many of us. This...

Sandoval: Mr. Mortensen?

Mortensen: Yes, sir.

Sandoval: I apologize because I have a question, but I didn't want to wait...

Mortensen: Oh, no problem.

Sandoval: ...until we get too far, because you made an interesting point there and I just want to be clear on it. So by virtue of this payment, we -- the state becomes -- has ownership of the proposals and the ideas therein?

Mortensen: Correct.

Sandoval: That is really good, because...

Mortensen: Right. And we do have the opportunity, so if one of the teams is unsuccessful but they've got a great idea, we have the opportunity to incorporate that into the project. And that's where I mentioned fall of 2015. It's those types of discussions that we'll be having with the successful proposer that may take, you know, it's tough to define what that time frame will be for us right now, but it may take additional time.

Sandoval: And when you are looking at this, and perhaps you get into it later on, but it's not just cost, is it? I mean, is it lowest bid, but what if there's some really innovative issues...

Mortensen: Oh, I...

Sandoval: ...contained in it similar to what that concrete versus pavement that we looked at on the...

Mortensen: Correct. And thank you for bringing that up. That's probably something that's important to talk about. Right now, the way that the contract is set up, is it's 60 percent cost, which is actually a little bit lower than what we've seen on other design-builds that we have go out, but that's because we're

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very interested in having someone bring innovation to the table. We're very interested in maintaining traffic through the corridor while they're out there in construction. And so there are a number of things -- and, you know, schedule and traffic control, those all go hand in hand. And so we're really looking for a lot of innovation on that side. So we're trying to weigh that heavy in our mind as we move forward with the selection of those proposers.

Sandoval: Because I want that to be clear so that we don't have the confusion that happened -- I don't even know if I want to even call it confusion, but that issue of the concrete versus blacktop or asphalt, and so that everybody knows exactly what the considerations are going in.

Mortensen: Correct. And we have that defined in the RFP.

Sandoval: Okay. Mr. Controller.

Knecht: Thank you, Governor. And just a real quick question from a newbie on the stipend agreements. Is this something we've done before? Do we have experience with that or can you tell me about other experience that other people have, or history, just to motivate that a little bit for me?

Mortensen: Absolutely. This is something that we commonly do for these projects. And basically, the idea behind is that we're asking these proposers to go out and do a lot of work. They're all going out there and they're doing a lot of engineering, they're doing surveying, you know, they're really ramping up. And to be perfectly honest, the \$1.5 million doesn't come anywhere near covering their costs and what they're actually putting into it, but it's our way of helping them recover some of those costs for the effort that they're putting in to the project. And this is a larger stipend than what the Board's seen before, but it's also one of the biggest projects that the Board's seen before also. So it's really reflective of what we've done in the past. And we also have approved guidelines, the Pioneer Program guidelines that basically define what we'll allow -- what we'll offer to proposers on our design-build contracts, as well. So that's -- it is a common practice for us.

Knecht: One final aspect of that. At \$4.5 million, it's 70 percent or so -- excuse me, 7/10 of 1 percent of the cost of the project, so that seems reasonable. But

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you have up there the bullet point responsive proposals. How will we judge whether a proposal that comes in merits the \$1.5 million stipend payment?

Mortensen: That's a great question, but if I could back up real quick, it'll only be \$3 million because the successful proposer doesn't get the stipend.

Knecht: Good catch.

Mortensen: By responsive proposer, a responsive proposal is basically, as long as they meet the requirements that we've laid out within the RFP that they've provided us all of the information that we've requested and we require of the proposers, they're eligible for the stipend. If somebody just turns in a handful of drawings, we're not going to give them \$1.5 million. So...

Martin: One other question.

Sandoval: Yeah. Member Martin, then Member Skancke.

Martin: Yes, sir. Cole, I appreciate your accepting our interruption to your presentation. But the \$1.5 million, I didn't quite understand how you got to that number. The other one that I'm familiar with was the \$300,000 stipend on a \$250 million I-15 design-build project. And while this one is a large project, I agree with you 100 percent, it is basically, double what the previous one was at \$250 million for \$300,000, and yet the stipend is five times. Can you help me understand the math there?

Mortensen: That's a great question. The stipend has evolved as we've moved through the process of delivering this project. If you'll recall, for the public-private partnership, the stipend we were looking at was about \$1.2 million. And I believe that the decision was made to increase it some from that \$1.2 million in recognition of the work and the effort that the teams essentially that we still have and what they were involved with within the P3 realm of things. And, again, this is a larger, more complex project and it's really important for us to make sure that we're somewhat incentivizing these teams to go out early on and to really do a lot of engineering and to make sure that we can get the biggest bang for our buck. And so, you know, from a -- I guess from the size of the stipend standpoint, we're really hopeful that having a larger stipend will encourage those engineers and contractors to take a harder look at the project as they put together their proposals.

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Martin: Okay. Thank you. And I need to tell you, I'm 100 percent in favor of the stipend process. It's the best of all worlds as far as I'm concerned. So I just couldn't get to the math with a double the size project, but triple -- or five times the size of stipend. But I do remember the \$1.2 and the increase, so thank you.

Mortensen: And we are still within what we have in our guidelines as far as stipends, but in the past we have been, you know, smaller on smaller, less complex jobs.

Skanccke: Governor, thank you. Cole, just real quickly, on the DBE workshop, what's the goal on the DBE for this project? Have we set that yet?

Mortensen: We're at three and a half percent on the DBE goal for the project.

Skanccke: Okay. Thank you.

Mortensen: Okay. What I want to do briefly with this slide is actually, kind of, show you the overall right-of-way footprint. I know it's a little tough to see and probably even worse for those of you that are in Las Vegas. But the light blue shaded properties are the properties that we had originally gone out with when we were only intending on building Phase 1 of the project, and the properties that you see in red are the properties that we need to complete the design-build project. And so as we go through the next couple of slides, you'll see what I'm referring to when we talk about the progress of where we're at with the right-of-way.

So for Phase 1, these are the light blue properties. We have ownership, legal occupancy or condemnation authority for 53 of the 60 individual parcels. And what I'd like to point out on this, is that the parcels remaining on Phase 1, six of them are City of Las Vegas parcels that we'll actually transfer -- once we have the design, the construction complete, we'll be transferring ownership. And maintenance responsibilities for those properties, both from the city over to NDOT, and then those properties from NDOT to the city when they're on a city facility. The one last private owner is a billboard company that we're currently working with to relocate that billboard, and so it's in the works and in process.

And so phase one outcomes right now. We're looking at 31 parcels. 29 property owners have settled through the normal negotiations process. 22 parcels with 12 property owners have been referred to condemnation, 6 have

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reached settlement, 1 has gone to trial and 5 are pending legal settlement or trial. We've spent a little over \$94 million, so far, on the Phase 1 right-of-way acquisition.

So, for the design-build phase, we have 61 offers being made, 121 total acquisitions. 24 property owners have reached agreements and they're in process. 9 relocations have been completed. We started making those offers in October of 2014, so really we've been at it for about five months here. We have 249 relocations in process, so there's really a lot going on right now. Anticipated milestones, we still anticipate appraisals being complete for all parcels in the second quarter of 2015. All offers presented by the third quarter of 2015. And so far, we've spent \$6.5 million on the design-build phase, but we anticipate having more and more of those properties before the Board hearing, upcoming Board meetings. I believe that we're also increasing the frequency of our Condemnation Review Board meeting to accommodate the parcels that we're acquiring here in the future. And so with that, that concludes my update at this point.

Sandoval: Okay. Cole, how do you feel about where we are?

Mortensen: I'm feeling better, although there's still a number of these that are in the hands of the judicial system. And so, you know, as soon as we see the outcome of a number of those I'll start feeling a lot better. I think that the progress that we're making not only on Phase 1, but on the design-build phase is very encouraging. I think that we're going to have a substantial amount of property there for the contractor to get to work on when we actually give him notice to proceed.

Sandoval: And assuming everything goes smoothly with the process, when would we -- when would construction commence?

Mortensen: We are looking to have -- the way the contract is set up, we're going to have two notices to proceed. When we have the executed contract in place, we'll issue a Notice to Proceed 1, and what that's going to do is that's going to allow the contractor to go out and do some exploratory investigations, utility locations, those types of things. They'll also be developing their schedule and their project management plans, traffic management plans, those types of things at that location. Once they've completed a number of those requirements, we'll go forward with NTP 2, which will allow them to

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actually get equipment rolling. And we anticipate that being very early in 2016, probably February of 2016 is what we're looking at right now.

Sandoval: Less than a year then.

Mortensen: Yes, absolutely. So it's getting exciting. Today is a big day for us. We've got a lot to look forward to.

Sandoval: Yeah. So I was going to go to Member Savage and then the Lieutenant Governor.

Savage: Thank you, Governor. Thank you for your presentation, Cole. A few questions to refresh my memory. CH2M Hill is our consultant on board?

Mortensen: Correct.

Savage: For the engineering assistants?

Mortensen: Correct.

Savage: And do we have a construction manager on board at this stage?

Mortensen: We do not have a construction manager on board yet, but that will be something we'll be moving forward to procure here in the future. And that's where the \$14 million that I showed up there, that's an anticipated total cost, but that'll include our costs, as well.

Savage: So that's yet to be determined?

Mortensen: Correct.

Savage: And when you expect to put that manager on board?

Mortensen: What we'll most likely do is do that after the selected team is -- the team is selected, and what that does that actually frees up those firms that are partnered to have the opportunity to work the CM portion of the project as we get it constructed.

Savage: Okay. And one last question. In the packet, you referred to the next steps as being the schedule meetings for the contractor alternative technical concepts, the ATCs.

Mortensen: Correct.

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Savage: So during those meetings, the ones that come with those innovative alternative concepts, is that originated by the contractors or the Department?

Mortensen: Correct. The alternative technical concepts or ATCs, we've actually already received some preliminary ATCs and we got a whole bunch of really good ones from one of the contractors. But, actually, we're looking at those right now. We got...

Sandoval: That must have been an engineer's job.

Mortensen: I know. I'm dying here. Actually, I was kind of more or less giving the teams that put in a hard time. No, we got a lot of good ATCs from them already. We've gone through and reviewed those. The meeting next week is to actually have a face-to-face review with the teams, to sit down with them. And so that we can ask questions, they can ask questions of us, you know, if we're uneasy about one of the technical concepts maybe there's something they can change to get it incorporated in there; or, you know, if it's something that's absolutely a no for us, we can let them know now. That way they're not spending any more money on it.

Savage: Okay. So I guess the question in the end here, is they have to be transparent with their alternatives up front, or are they able to hold those close to the vest in the RFP and disclose those at the time of bid?

Mortensen: Oh, these are all very confidential. They are proposing them to us and we have the opportunity to, again, like I said, give them the nod yes, no. No, we won't accept it. Yes, we will. Then they can go ahead and incorporate that into their proposal if it's something we find acceptable. And so there's a fine line there, though, because...

Savage: Yes.

Mortensen: ...if it's something that actually would change the requirements of the RFP that maybe something that we would make across the board. So even though I'm saying we're releasing the final RFP right now, we may have an addendum that says, you know, if somebody gets a good idea that we think is really more of a specification change, that we would make that spec change for everybody across the board so that the playing field is even. But for the most part, these alternative technical concepts really are just that, is new ideas and new ways of delivering the project.

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- Savage: And I think the word you said and we want to stress is confidentiality.
- Mortensen: Correct. Correct.
- Savage: And the trust and the confidence that they have in the Department is key on a project of this size that loose lips sink ships, and we need to be confidential and respectful to each one's innovative concept.
- Mortensen: Correct. Absolutely.
- Savage: Thank you, Mr. Mortensen. Thank you, Governor.
- Sandoval: Mr. Lieutenant Governor.
- Hutchison: Thank you, Governor. Mr. Mortensen, thank you again for your presentation and for your great work. This is a huge man with a project and you're doing great work. Just to follow up as a lawyer and understand kind of how you feel about how we're doing with acquiring parcels, you know, I mean the best way to do that, of course is through negotiation and settlement, then you've got to go to the condemnation proceeding. Sometimes you reach settlements, sometimes you don't; sometimes you go into trial.
- I know we went to trial on one of these matters, and I don't want to compromise in any way the state's legal position. So if you can't answer this I understand, or if you want to just be more general about it. But how are we doing in terms of the settlement offers we do make and the evaluations that we place on the properties versus what we're seeing in court, or at least the one we've seen in court?
- Mortensen: That is a difficult question. I think that overall, what I will say is the settlements that we've gone through I think that the values that we've looked at have been reasonable and somewhat anticipated. From what I've seen in the court cases, those tend to be a lot higher than what we'd originally anticipated, although I do believe that we have a number of opportunities here in the near future, to hopefully make those decisions a little easier.
- Hutchison: Okay. And for those that are pending legal settlement or trial, do you have a sense at all for how we're doing there in terms of the settlement negotiations?

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- Mortensen: Not at this point in time.
- Hutchison: Okay.
- Mortensen: There's -- the ones that were -- that are pending and that are in trial are obviously, you know, some of the more complex properties that are out there and...
- Hutchison: Yeah.
- Mortensen: ...you know, it's just really difficult to...
- Hutchison: There's a reason those go to trial.
- Mortensen: Exactly.
- Hutchison: Right. Right.
- Mortensen: Exactly.
- Hutchison: Okay. Got it. Thank you very much. I appreciate your help.
- Sandoval: Any other questions from Board members on this Agenda item?
- Martin: One more, please.
- Sandoval: Yeah. please proceed.
- Martin: The shortlist guys that are out there now, the three firms, how -- are they different than the ones that were shortlisted for the P3 outside the financial partner that was with each one of them?
- Mortensen: There have been some small changes, but the larger companies are, by and large, kind of the same teams as far as the engineering and the engineers and the contractors are teamed. As I'd said, there are a few small changes within how they've been structured, and in some cases, different partnerships have come out of that. But, yeah...
- Martin: Okay.
- Mortensen: ...it's main contractor and each of the three teams is still the same.
- Martin: Okay. Thanks, Cole.

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Sandoval: Anything else you wanted to add, Mr. Mortensen?

Mortensen: No, sir.

Sandoval: All right.

Mortensen: That concludes my presentation.

Sandoval: Do you want us to think of a few more questions?

Mortensen: You know, I was tempted to run...

Sandoval: No, and in all seriousness, you're doing a fabulous job, and the Department, on this. This is, you know, another one of those -- I think the Lieutenant Governor used the word "mammoth." And I don't know if there's been a bigger project in one of, you know, at least equal importance to what we just talked about with that Boulder City Bypass and I-11 and certainly will improve the commute and the quality of life in Southern Nevada. So we've got to get this right, and that's why, you know, I appreciate how thoughtful you've been in this and how meticulous because we have to be. But, you know, I know and I think everyone else on this Board appreciates, with regard to the property acquisition that, you know, it's really hard to have a clear crystal ball on that, because you don't know what the courts will do. And, you know, with the different evaluations on these billboards with the electronic ones versus the standard ones and all of those.

I just, you know, the fact that you're still on time and then we're anticipating breaking ground in less than a year, as I said, I really congratulate you and hopeful it'll continue on this path.

Mortensen: Thank you, Governor. And I appreciate that. I would also like to extend that because it's not just me. We've got a great project team. We brought Dale Keller on. He's a project manager that's been instrumental in getting us to this point, as well. And I have to thank CH2M Hill, as well. John Taylor and his team have done just an outstanding job to get through this, and then we've also Nossaman helping us helping us with the contractor and everything, as well. So it hasn't just been me, it's been the effort of the entire project team. Thank you.

Sandoval: Thank you very much. We now move back to Agenda...

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Malfabon: Yes.

Sandoval: ...Item No. 5, Mr. Director?

Malfabon: And Deputy Director Bill Hoffman will kind of take Robert's place on this one.

Sandoval: Okay. Agenda Item 5 is Approval -- oh.

Malfabon: Oh, was that for -- pardon me, Governor. Was that to receive the report.

Gallagher: (Inaudible) approval.

Sandoval: Oh, we need to -- oh, thank you. Good save. We need to approve the payment of \$1.5 million...

Malfabon: You could actually do it under this item, Governor.

Gallagher: Yeah.

Malfabon: So we just wanted Cole to provide the preview of that so that it wasn't questioned during this item. So actually, the approvals will occur as part of this Agenda item. So thank you, Dennis.

Sandoval: Okay. Agenda Item No. 5, Approval of Agreements over \$300,000.

Hoffman: Thank you, Governor.

Sandoval: Mr. Hoffman, please proceed.

Hoffman: Good morning, Governor, Transportation Board members. I'm Bill Hoffman, Deputy Director for NDOT. So if you -- under Agenda Item No. 5 on Page 3 of 22, you'll find a list of agreements over \$300,000 that require your approval. So the first three that you'll see are for design services. Three agreements at \$500,000 each, for signal lighting and ITS projects. One initial term with one-year option to renew. This is directly related to Agenda Item No. 13, so these design services will go towards the list of pedestrian projects that you see, that you'll see later in the Agenda. But just wanted to make that clear that those are directly tied to Agenda Item 13. And these consultant services will help us accelerate those pedestrian safety projects that we'll talk about later.

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- Sandoval: So, Mr. Hoffman, is that...
- Hoffman: Yes, sir.
- Sandoval: ...\$1.5 total or is it \$500,000 to be split between the three of them? Is it a pool-type arrangement or each one of them is getting \$500,000?
- Hoffman: Thank you, Governor. \$500,000 task order ,to each one of the firms.
- Sandoval: Okay. Mr. Controller.
- Knecht: Thank you, Governor. And Bill...
- Hoffman: Mm-hmm.
- Knecht: ...on those three agreements, there's no federal funding, but there is federal funding for the stipends. Why are we not able to access federal funding on these?
- Malfabon: I can respond to that, Governor. Mr. Controller, so the procurement process for the engineering, the design services, if they're federally eligible there's usually a much more prolonged process of request for proposals and selection, takes a longer time. So we wanted to be very proactive and nimble, and we are funding the improvements with state funds on this so that we can get somebody on board currently to do these assessments and design services for safety projects.
- Sandoval: Member Skancke.
- Skancke: Thank you, Governor. Just a quick question, Bill. On these three firms, are these -- so Atkins North America, Kimley-Horn, CA Group -- are those on-call contracts, those are just engineering firms that are on call -- what do they call that -- prequalified firms? Is that what that -- is that how you chose these three?
- Hoffman: Yes, Member Skancke. They were all prequalified and all three were part of our on-call program. Yeah. Okay. So that takes care of the -- oh.
- Sandoval: We have one more. Member Fransway.
- Hoffman: Yes. Yes, sir.

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- Fransway: Sorry. One through three again. Mr. Hoffman, my question is why do we need three, and then my assumption is that there will be one for each district. Is that true? Does that make sense?
- Hoffman: Member Fransway, I'm not sure about one in each district.
- Malfabon: I could respond to that, Bill.
- Hoffman: No, there's not one in each district.
- Malfabon: It was just so that we could spread the work out...
- Hoffman: Thank you, Dennis.
- Malfabon: ...get it done quickly; not overwhelm one firm with the need. So that -- we feel that having three firms to provide this service would give us enough capacity.
- Fransway: I understand. Thank you.
- Hoffman: Okay. Thank you. So then, the fourth agreement that you'll see is for services; construction augmentation services, construction management services that we need for diversified consulting services. So that's construction management assistance we're going to need with the I-580 pavement reconstruction project that's set to start up fairly soon, but because of resource load, resource issues we need consultant help to help us with the construction management work.
- Sandoval: So is that heading north on I-580?
- Hoffman: That is in between Moano Lane and the spaghetti bowl, so the pavement that we'll be reconstructing in that area. So they're very strict federally mandated documentation processes and procedures that we'll need in order to do that. We've determined that we need consultant help with that. Inspection, materials testing, those sorts of things.
- Sandoval: Okay.
- Hoffman: Okay. And then the final three are agreements with each of the design-build teams that Cole just talked about. And that was the reason why we wanted him to go first, talk about the project, let you answer any questions

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regarding the stipends and then we'll be seeking approval on those stipends. So...

Malfabon: And just to add one of those three firms will be the selected proposer for the design-build project, so they will not receive the stipend. So it's noted there in red on the sheet.

Hoffman: And that's all I had, Governor, so...

Sandoval: Any other questions from Board members? I know that we had a technical conversation with Contracts 1 through 3, but the bottom line point of that was to get these safety projects moving as quickly as possible to save lives.

Hoffman: That's exactly right, Governor.

Sandoval: Okay. So nothing further, Mr. Hoffman, on Agenda Item No. 5?

Hoffman: No, I have nothing further, Governor.

Sandoval: Okay. If there are no questions or comments from Board members, the Chair will accept a motion for approval of Agreements 1 through 7 as described in Agenda Item No. 5.

Knecht: So moved.

Fransway: Second, please.

Sandoval: Okay. We have a motion from the Controller. Second from Member Fransway. Any questions or discussion on the motion? All in favor say aye.

Group: Aye.

Sandoval: Opposed no? Motion passes unanimously. That completes Agenda Item 5. Let's move to Agenda Item No. 6, Contracts, Agreements and Settlements.

Malfabon: Okay, Governor. Thank you. Again, Bill Hoffman, Deputy Director with NDOT. So on Page 4 of 12 under Agenda Item No. 6, we have one contract that was awarded. It was an emergency contract with Eagle Lift Incorporated for \$326,900. It was awarded February 3, 2015. The work done was on Cheyenne Avenue westbound, east of Revere Street. And we had some settlement issues we needed to lift and stabilize the soil

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foundation and re-profile the pavement surface. So just wanted you all to be aware of that project that was awarded.

And then if you want to turn to Page 6 of 12 under Agenda Item No. 6, we have the executed agreements, the informational agreements, and they're organized in this fashion, which is Items 1 through 9, Cooperative and Interlocal Agreements. Items 10 through 13, Acquisitions and Appraisals. Items 14 through 18 are Facility Agreements and Leases. 19 through 36 are Right-of-Way. 37 through 53 are Service Provider Agreements. So with that, I have nothing further, Governor.

Sandoval: Questions from Board members? Member Skancke.

Skancke: Thank you, Governor. I have questions on Items 41, 42, and 44. So Item 41 is a public relations services contract for Project NEON. I think it's a good idea. I just wanted to know, kind of, like what's the scope of that? Was that community outreach, is it public hearings, is it public relations around notification of meetings? Just wanted to know the scope kind of.

Malfabon: It's mainly what you had mentioned, kind of community outreach and helping out at public meetings, and also reaching out to specific property owners. So we've taken kind of an approach with -- 44 with Hawkins and Colleagues to have that in our toolkit to reach out directly to property owners and to elected officials from the county and the cities impacted there.

Skancke: I think it's a really good idea to be proactive instead of reactive, so that we don't get behind the curve, so I think that's a really good idea. Same thing with -- so the expert witness contract, what project is that related to? Do we know?

Gallagher: For the record, Dennis Gallagher, Counsel for the Board. This is not related to any particular projects at this time. This goes back to Blue Diamond a few years ago. This property owner has sued the state, alleging a number of contractual issues, as well as inverse condemnation. His claim is a little over \$40 million.

Skancke: Wow. Okay. And then the Hawkins and Colleagues, that ties in to Item No. 41. That's also for...

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Malfabon: Yes, yes.

Skancke: Okay.

Malfabon: Same thing.

Skancke: Thank you. Thank you very much.

Hoffman: Mm-hmm.

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you, Governor. Mr. Hoffman, thank you again for a great presentation. I've got a couple of questions. Items 6 through 9, this is just general. I'm sure this has been -- I know it's been brought before in prior meetings. But I just has an overarching question about research by the various universities. I'm just looking at like Item 6 for example -- or actually, I guess, Item 7, conducting research entitled towards implementation of prefabricated deck panels to accelerate the bridge construction process, and there's other examples of it.

It just seems like that's kind of -- it seems like other transportation agencies has probably looked at that before, right; I mean like the federal government, State of California. Is there like a database out there or is there a way, you know -- in the law, there's like electronic databases that really compile a lot of research and things that people have done before. Is that available for the transportation world, or has it got to be a custom research project every time?

Hoffman: Well, that's a good question, Lieutenant Governor. What I will say is we -- NDOT does receive very specific statewide planning and research funds every year. So those are -- if you see the boxes checked next to those research projects, that indicates that there is federal funding that comes in that does fund our research program. We have a very documented, very stepwise process that we run through to evaluate and prioritize research proposals and research the Department thinks it needs to do. So...

Hutchison: Is the dollar figure state dollars or federal dollars?

Hoffman: So this research is part of our NDOT research program, and it's federally funded.

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Hutchison: So these are all federal dollars?

Hoffman: Yes.

Hutchison: That come in to us?

Hoffman: That's exactly right.

Hutchison: And so we just get a federal budget then to do various research projects and then NDOT prioritizes those research projects and then sends them out to the academic world?

Hoffman: That's exactly right. Yes.

Malfabon: And...

Sandoval: No, and I have been talking about this for a while.

Malfabon: Yes.

Sandoval: So are you finished, Mr. Lieutenant Governor?

Hutchison: I am.

Sandoval: Because I've got some follow up. So who originates this research? Did you call UNR and say, we'd like some research entitled development of earthquake resistant precast pier systems for accelerated bridge construction in Nevada?

Malfabon: Governor, I'll mention that what our research folks do, and Sondra could probably add, our research department goes throughout the department to the technical divisions and say -- asks what research do you need so that it can be tailored to specifically what the Department of Transportation requires researchers to look at. So it's not researchers -- often we want to provide them some leg work, some advanced work on identifying what research needs the department has. Some do boil up from the researcher and our offer to the department.

And to the Lieutenant Governor's point, they actually do provide a list of previously performed research as part of that research proposal. So, Sondra, if you wanted to add to that how we identify the research needs.

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Rosenberg: Sure. For the record, Sondra Rosenberg, Assistant Director for Planning. It is a pretty extensive process that we use our federally allocated research funds for. I don't have the dates all with me, but it starts out with a call for proposals -- or a call for ideas, essentially. So people send in to our research division concepts for things we might want to research. We take -- those are ranked. We take the ones we feel are the most value and then do a call for proposals. Those proposals are then reviewed by staff that is selected because of their expertise in that particular area, and then we decide which ones of those to fund.

So it's a pretty robust stepwise process that involves a lot of staff, and occasionally, outside agencies to participate in selecting which of those we do fund. And typically, in that review process, if it's not available ahead of time, if there's maybe some research that's been done that we weren't aware of, usually those proposal reviewers will identify that and say, look, this has already been done. It's not worth funding with our dollars. If you'd like, in the future, we can bring back our research chief, Ken Chambers, to do an update on what our process is.

Sandoval: And my follow up was so one researcher on this Agenda has \$750,000 worth of research projects. And my vague recollection is this same person has many other contracts, as well. So how is that this one person obviously -- I know this is kind of rhetorical question, but how is this one person able to perform all this research?

Malfabon: Governor, it is one university, but it is several different researchers. So the structures research will be done by a different group compared to something on safety. And it something that you raise a good point about, making sure that the research needs are -- it's a fair process for selection of that, and we have brought that up to the attention of the research division to make sure that it is fair and not just give all the work to the University of Nevada Reno. But it...

Sandoval: Well, I'm just going on this.

Malfabon: ...is typically that we do look at the -- also that one researcher is not overburdened and that they are meeting their obligations on conducting existing research projects, as well as gaining some new projects. Because that is something that has been mentioned at the Board meetings that you'll

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see extensions of agreements related to research, and we want to make sure that the research is timely, and that they are meeting their obligations in the research agreements.

Sandoval: Because I think, and I don't have my Agenda from last month, but I think we just extended at least a couple research projects for this very same individual.

Malfabon: And, Governor, the project manager is just the research division person. They actually delegate this to the technical group at NDOT. So if it was a bridge research project, Bridge Division helps in the management of the research project, not -- although it's listed under Manju Kumar. He's in our research division. He doesn't have -- he's kind of the manager of the program, but not the specific research, the technical research itself. So that's spread out because that would be overwhelming for one person at the department to manage.

Sandoval: And I think the bottom line, at least for me -- I don't want to speak for the others, and I know we get a lot of federal money for research, but it -- I just want to make sure it's useful research and we're not just dispensing dollars for the sake of research, and for the sake of spending it. And that we, you know -- I sound like a broken record, because I know we've already had this as an Agenda item, but I just want to make sure that we're not spending \$750,000 just today for studies that sit on a shelf. And, you know, these -- I would like to see some connection to projects that -- so that's there some type of connection between the research and the -- and what we're actually doing out there on the roads.

Rosenberg: And we can bring that back to you in terms of what we've learned from these research projects and how we're implementing that. One of the values of doing the research is to see also the ideas that maybe don't work. So not everything will translate into a specific project, but it does translate into knowledge that the Department then uses as we spend our dollars going forward.

Sandoval: And just so I'm reminded that we have fixed the overhead rate on this...

Rosenberg: Correct.

Sandoval: ...we've negotiated that rate. And what is it now?

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- Hoffman: Twenty-three percent.
- Rosenberg: Twenty-three percent.
- Sandoval: Okay. And that's across the board on all the projects?
- Rosenberg: Correct.
- Sandoval: Okay. So the Controller had a question, then Lieutenant Governor, then Member Skancke, then Member Fransway.
- Knecht: Thank you, Governor. And my question will be brief. But back to Rudy, Director Malfabon, again, looking at the federal funds column here with a wide -- with a mixture of Y's and N's, other than research, can you give this newbie a bit of insight into how it is that some of these end up supported with federal funding and others don't?
- Malfabon: Typically, we receive a certain allocation of federal funds under the State Planning and Research program, so we try to expend as much. And there is a selection process that Sondra talked about that end up -- it's a two-step process. In one of those phases, they give us their anticipated cost for the research, so we try to maximize the amount. In some cases where it's a very good project, we might supplement it with some state funds just to get that research out there. We perhaps exceeded our cap on the available federal funding for research, but we supplement it with a little bit more just to get that last project and expend all the federal money and maintain a budget there for research program.
- Knecht: Rudy, if I may follow up. I wasn't asking just about research there. Throughout this listing of 53 projects...
- Malfabon: Oh.
- Knecht: ...Valmy rest area improvement, et cetera, we've got a no on that and above that assist with drug-alcohol reviews, we've got a yes.
- Malfabon: Yes. Okay. I can respond to that. So when it's federally eligible, we will make every effort to use federal funds. When it's something that's related to maintenance, typically the Federal Highway Administration will not participate in maintenance cost, so that we fund that. Some of these contracts are necessary for maintenance, some are areas that we want to

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expedite, as I talked about procurement processes and federal processes. It might take more time, but we want to be more timely and do things quickly. Sometimes we will choose to use state funds to get something expedited.

Knecht: Thank you. Thank you, Governor.

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you, Governor. And I think I probably know the answer to these, but I want to explore this just a little bit more. So we annually get a budget, I guess, or an allocation of federal monies for research projects...

Hoffman: That's correct, sir.

Hutchison: ...on an annual basis.

Hoffman: Mm-hmm.

Hutchison: If we don't use those federal funds, do we lose them? Is that part of the deal?

Hoffman: I believe we do, yes.

Hutchison: And then if -- is there a requirement that those funds for research has to be tied to a specific project or can it just be an academic exercise?

Hoffman: The way I understand it, it can be an academic exercise.

Hutchison: Okay.

Hoffman: But to the Governor's point, what we need to try to -- what we need to make sure of is make sure that it's linked...

Hutchison: Right.

Hoffman: ...to future projects, programs. We need to make sure that the research can be utilized...

Hutchison: That's right.

Hoffman: ...and moved forward, so...

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- Hutchison: And then I probably know the answer to this, too, but is it possible that if we don't use the federal funds for the research that we could shift it to an actual, you know, road project, or a stoplight, or a stop sign, or anything like that?
- Hoffman: I'm not the eligibility guru, but I don't believe that those research funds can be transferred.
- Malfabon: A certain element has to be used for research and a certain element has to be used for planning efforts, statewide planning efforts.
- Hutchison: Planning, okay.
- Malfabon: So it is very distinctive that it's in that category of expenditure.
- Hoffman: Right. Planning funds are very distinct and separate from capital outlay federal funding, so...
- Hutchison: Okay. And then if I could just follow up on just item -- are we able to move on, Governor? Item 38 through 40, I had just a general question. These are extension of termination dates for legal services to allow time to resolve the lawsuit. Is that the case where we're actually in like settlement negotiations or -- because this is a year extension. Are we in settlement negotiations or, we just sort of -- when you extend these contracts because we're still in the legal proceedings?
- Gallagher: For the record, Dennis Gallagher, Counsel for the Board. Lieutenant Governor, these are just to extend the terms of the contract until resolution of the lawsuits that are active. We've changed our formatting now, so instead of being a two-year contract for a matter, we're engaging counsel until the matter is resolved.
- Hutchison: Okay. And, you know, I've touched on this before, but it'd be great to maybe have an overview sometime about what we're doing in the Attorney General's office, to maybe take on some of these cases in the future. I know that we talked about that a little bit, Mr. Gallagher, and you've been great to educate me on that a little bit. But it just seems to be nice to be able to see the Attorney General's office take on some of these responsibilities in the future. And if we're not there yet and we don't have the expertise or the ability to do that, when are we going to get there and how are we going to get there would be nice maybe in a future project at some point -- or a future

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point at some point. Governor, maybe we can talk about that in a future time. Thank you.

Gallagher: Governor, if I just may add, Lieutenant Governor, the trial later this month will be conducted by the Office of the Attorney General...

Hutchison: That's great.

Gallagher: ...in Clark County.

Hutchison: That's great. Great. Thank you.

Sandoval: Member Skancke.

Skancke: Thank you, Governor. Maybe I can shed a little light on research and how the federal process works, because this comes up every month, and last month it was about three hundred and some odd thousand to UNR for research. Over the years in the transportation program what has happened is -- I want to be careful how I say this -- members of Congress have decided to put certain programs into transportation infrastructure. So at the end of the day, the amount -- the exact amount that actually goes to construction and infrastructure is getting less and less, because they're all of these add-ons.

So because there is no central vault of information to your question, Lieutenant Governor, we have to do our own. There is no central vault. No one shares in the transportation world, because it's our information. And each state is unique unto itself. So there's not a lot of sharing, which would save the program a lot of money, but also, research is put into the federal program to actually help universities make money. It's designed to be part of that process. So Department of Commerce does it and EPA does it. Every department puts a certain amount of money into research to actually help universities within a community. It's a funding mechanism.

And so the way the funding comes out then is that there's X amount of dollars in an authorization bill for this type of research. So we then, as a state, we make that request and if we don't ask for it, Arizona will get it. And that money will go to ASU or U of A, or it'll go to Pennsylvania, or it'll go to Kentucky. So in my opinion, I'd rather have that money come to UNR

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and UNLV, and the state college, and any place else, DRI, because those are faculty that are in our program that are being paid.

So it's not the best system, but what has happened over the years as -- the Highway Trust Fund used to have a truckload of money, and all of these other programs used to get lumped into the USDOT and into the Highway Trust Fund, because it was a cash cow. It's no longer a cash cow, but people still think the cow is producing the cash. And so we siphon off these dollars. Research is critical. I agree with the Governor. I think the research should be tied to some type of outcome, but that federal fund doesn't -- this is really going to come out wrong, but it's factual -- it doesn't require an outcome, per se. What it requires is that research be done.

It's just how the program has been set up over the last 50 years. Doesn't make it right. There have been numerous attempts to change how that is done. In fact, there was a program for a number of years that's now gone away, but there used to be landscaping available to colleges and universities located next to an interstate highway. And it was a big chunk of money. So if you were a university next to an interstate highway, you used to get a boatload of money for landscaping.

It's just how programs come up. So in my mind, if we get the money it's better for us if we get the money because it's going to our faculty and our research and it's helping our universities, so we don't have to pay that bill. But at the end of the day, I think I agree with the Governor. There should be some type of nexus to what the Department needs, and not so much what the faculty needs. I hope that, kind of, clarifies -- does that help at all clarify kind of how this all works?

Hoffman: Yes.

Skanke: Doesn't make it right, it just is.

Hutchison: It's helpful. Thank you.

Sandoval: Member Fransway.

Fransway: Thank you, Governor. And when we talk about the research, specifically to the organizations of higher education; UNLV, UNR, are we dealing with

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staff and students that compile the research or -- what credentials do the people who are providing the research have?

Hoffman: Member Fransway, they're professors that manage the projects for the university, for the most part; but doing the heavy lift or most of the work are students, but it's a combination as you described.

Fransway: Okay. I just want to make sure that the researchers have the qualifications necessary to provide the Department with factual information that we, like the Governor says, can use on projects.

Malfabon: And, Governor and Member Fransway, if I may add, specific to the point that the Governor was concerned about, kind of, overburdening a researcher. They do provide the names of the professors that will be conducting the research so that we can make sure that we're not selecting and using the same professor over and over again; that they're overburdened with trying to do too many research projects at one time. So that's considered in the program.

Hoffman: Sorry, Rudy. And, Member Fransway, there's a federal process that we have to follow to use federal funds, so there's a checklist, there's criteria. So it's a federal process that we have to follow in order to pay the universities federal funds. So they're certified, run through the project, check the boxes, make sure that everything looks good, smells right on the front end, so...

Fransway: Thank you.

Sandoval: Any other questions with regard to Agenda Item No. 6? Member Savage.

Savage: Thank you, Governor. Mr. Hoffman, a couple line items. Number 37, it looks like a six-month, \$200,000 contract for the data exchange index developing data visualization tool for index and interface development for other agencies to collect.

Hoffman: Well, I won the...

Savage: Is this a one-time deal or is this going to be moving on? If you can just delve into that a little bit, it just seems high for six months...

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Hoffman: Right. I won the pool, the office pool because we knew Oz Engineering would get some questions, right? Just teasing. Honestly, Member Savage, I don't know much about this item.

Inda: Bill?

Hoffman: Yes. Will you answer it please, Denise? Thank you.

Malfabon: But you won the pool, Bill.

Inda: Excuse me, wrong papers. Good morning. Denise Inda, Chief Traffic Operations Engineer. What this is, Governor, Member Savage, we are engaging Oz Engineering to develop a piece of software which -- an interface, essentially. We already have developed a database where all of the data is going into. It's data from around the state. It could be the RWIS data is weather-related data. It can be the data from all of the traffic sensors that we have down along the roads in the Las Vegas area. Also, in the urban Reno area and other areas. It can be information -- just information that we get from the roadside we gather it in.

We've not had a uniform, unified location to have all of that data reside. We've got the database now. It's called NDEX, Nevada Data Exchange. And then what this last small piece will do, is to develop an actual interface. So that employees at NDOT, folks in my division, other divisions who are looking at this information, as well as outside agencies can use to kind of compile, sort, not massage or manipulate, but manipulate the data so that it's provided in ways that they can utilize it. We share our data with a lot of other universities, with a lot of other federal and state agencies. And so this is just a way for us to be able to share that information with them so that they can access it to further their needs.

Savage: Because in my mind, it looks like a black box. And I'm having a hard time of the \$200,000 amount for a six-month project. Was this bid, or was this an informal bid, and how did you drive and select Oz Engineering for the \$200,000?

Inda: We selected Oz Engineering to develop the index system through an RFP, because they have the intimate knowledge of what the database looks like, how it functions, how it's been designed. We requested and received approval for a sole source for this smaller portion of the contract. And it's

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just to develop that interface, that software so that we can the data in and out of the warehouse -- the data warehouse, the archive.

Savage: And are they Nevada-based?

Inda: Oz Engineering is a firm out of Arizona.

Savage: Arizona. Okay. And then moving on to the next question. Thank you, Ms. Inda.

Hoffman: Thanks, Denise.

Savage: Item No. 51 caught my eye. Number one, who is Decision Lens Incorporated?

Malfabon: I can respond to that, Member Savage. Decision Lens is a firm that's developed software that's -- decision-making software for agencies. A lot of it has to do with some of the things that we've been challenged with such as when you want to add in something that's a priority, what then has to be lowered in priority. So pedestrian safety, for example, or if we receive additional federal funding or additional state funding, what projects will we submit to the Board for consideration.

So this tool will help us to make those types of decisions. So Decision Lens will go to each division. They're a company that develops software for decision making for state DOTs on program activities, different project programs. And it's going to be useful for NDOT in those of types of cases where we have to make decisions very quickly if we got additional funding, or we had cuts in funding. What's going to be the right projects and programs to give to the Board for your approval. So it's going to be a very good decision-making tool. And we anticipated that we'll bring a presentation to give more detail to the Board as we're developing this tool at NDOT. And, specifically, you can see the benefits that are going to come out of this tool.

Savage: Thank you, Director. So this is a software program. And how do we do it now?

Malfabon: Good question. So right now, it's left to each division that manages their pot of money. So for instance, safety has federal money. We supplanted that through Board approval with state funds. But they're responsible, currently,

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for establishing what are the criteria, and considering also the performance measures for the Department for driving down fatalities, for instance, in the safety program or driving down serious injuries.

So currently we receive this input, this list of projects from a division at NDOT and we'll start asking questions at our level, as well as the Board members will ask why are you doing that project instead of something else. The case where we had the fiscal cliff, you know, John Terry had to identify what projects would we kind of put on the back burner if we did receive less funds from the federal government.

So currently it's really left up to the divisions and program managers, and then we get it at our level. This will be a much more defined process. So that those inputs into decision making are known throughout the Department, and we can present that to the Board and actually look at what the Board's -- or what's critical to the Board for whether performance or certain programs, so that through all levels of decisions making that decision-making criteria are incorporated into the process to make those decisions quickly. And takes into consideration technical things, as well as kind of our level, political or other factors to consider.

Savage: Okay. Thank you, Rudy. Thank you, Governor.

Sandoval: It sounds like a heck of a program.

Malfabon: It is.

Sandoval: I'd love to see what the algorithms are.

Malfabon: Actually, Governor, these algorithms were developed from the SALT talks back in the -- when the United States was dealing with the USSR.

Sandoval: So is this artificial intelligence? I mean what is this?

Malfabon: Basically, it is. It's going to take into the factors that are important to us as a department from the technical people managing those programs to the higher level administrators of the department, to the Board's items that you would want us to consider, you know, whether it's the issue of north versus south and equity, rural versus urban. Those types of factors can be considered in how we develop the program in all areas of the Department.

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So, in areas of these silos of federal funds, but also state funding categories and looking at what the goals are of the Department and this Board.

Sandoval: Have we ever used this before?

Malfabon: Actually, we found out about this company through the efforts looking at how we acquire property on Project NEON, and we saw it as a good tool to develop for our capital program.

Sandoval: Because if we're going to be spending close to \$300,000, I would love to see a sample analysis.

Malfabon: We can -- hopefully in the next couple of months, we're going to bring that to the Board and kind of give you an overview. We've had a kickoff meeting internally, had the right people involved in the capital program, all those managers that have different elements of the capital program. And they're going to be meeting directly with this Decision Lens company to identify what are the criteria that you use to select projects, and then eventually it's going to roll up into a larger planning tool for the Department on how we select projects. So we are definitely looking forward to presenting it to the Board and giving you a lot more detail and kind of show how this program works.

Sandoval: So is that what we're spending \$290,000 on, is to see how it works?

Malfabon: The \$290,000 is getting definite interaction with the divisions chiefs. So traffic safety, traffic operations, bridge, roadway. All these elements that these groups that -- hydraulics for instance, environmental, architectural. All these areas that we have spent money in capital projects are going to have input. So the Decision Lens folks will talk to them about what criteria do you use to select projects, and then eventually a reach out to the Director's office and talk to us about, you know, for instance, an assistant director has certain divisions under them that have capital program funds. Talk to that assistant director, what do you look for.

So it's going to be -- the outcome is going to be a much more robust decision-making process that we know what the inputs are and what's important to us gets captured into this decision-making process rather than just, hey, we got \$10 million more; what do we need to spend it on. That type of exercise that's very difficult to do. So it's going to be a useful for not

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only the Department, but also for the Transportation Board to look at how we select projects and get a good overview.

Sandoval: But this'll just pay for us giving them the inputs, it won't pay for one analysis?

Malfabon: It's going to be an ongoing tool, so it's going to be useful for going on. So it's going to develop our program for this current year coming up, and then it'll be useful for the Department to continue using this tool. So it's going to result in actual report of projects and what are the -- we'll have a better understanding initially, of what goes into selection of the program, you know, element, program by program. But it's going to be an ongoing software system that NDOT can use, and then we present that to the Board on a regular basis.

Sandoval: So what are we looking at in the future? This is \$290,000 just to get started.

Malfabon: I think that we're probably looking at about \$100,000 a year for continued license, I believe. We'll have to get the confirmation of what that is, but it will be something that -- this \$290,000 gets us a substantial amount of effort. And this program is also useful for other means, not just our capital program, but what software programs that our IT group, for instance, gets going through the program. So it's useful for other things, as well. You can drill down to one project, Project NEON as an example, how we identify what portions of properties to acquire, you know, which ones do you acquire first. Those types of decisions will be useful with this type of program -- this software program.

So it's not just capital program, it's also IT projects and other types of program projects. So even within a certain program, it's going to help somebody to decide what's more important than others, establish the criteria and have a process to make decisions more comprehensibly rather than just on the fly.

Hoffman: And, Governor, if I could add just real quick. As Rudy discussed, the process we go through right now to prioritize projects, look between the different asset categories, is highly manual. It's very manual. So there'll be a return on investment here in terms of staff time and those sorts of things, so there will be a payback from the \$290,000 that you're talking about in

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terms of savings to NDOT staff that can then do other things, do other things more quickly, things like that. But there is a return on investment on this. And it's scenario planning, so it's -- the algorithm that you discussed is highly complicated and complex. The NFL uses this software for -- all the NFL teams use it for draft selection, which I thought was kind of cool, but then you can apply it towards transportation.

Sandoval: But we don't own a football team.

Hoffman: We don't. We don't, but it was kind of cool. I thought it was really cool.

Sandoval: Well...

Hoffman: Any time you can tie football to transportation, I'm all in.

Malfabon: If you would, Governor, we would love to kind of give you a presentation next month on this product, because it's...

Sandoval: Yeah, I mean this money has already been spent.

Malfabon: This is really going to be a game changer for the Department and our programming. We receive so many requests from folks from the Federal Highway Administration. If you had an additional increase of \$150 million, what would you spend it on, what projects? And we can identify putting more...

Sandoval: But you need a computer to tell you that?

Malfabon: It really is -- what would be the factors that we would consider on spending that money? What's going to give us the best bang for the buck? And this decision making-tool is very comprehensive and looks across different programs and what the Department's goals are. All that is fed into this decision-making software. And I think that if you would allow us to, kind of, present the nuts and bolts of it next month, hopefully, you'll see the benefit will be very clear to the Board.

Sandoval: No, and it just may -- I'm not a technologist. I guess color me unconvinced, but I really look forward to seeing that. I mean, if everything you say is true, then perhaps it's a great tool. But it just -- it seems extremely vague right now and...

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- Malfabon: It is. And when you have limited resources it's a good decision-making process to (inaudible) what's the most critical aspects of different programs. And it is difficult to balance, you know, how do you -- do you want to spend it on maintenance, preservation, new bridges, new interchanges. So it does take into account all those types of different projects that we do.
- Sandoval: No, and like I said, I just -- it's hard for me to understand how you substitute that judgment for somebody within the Department's judgment.
- Malfabon: And, Governor, that's where it really brings it together, is because you might have different factors within the Bridge Division. Hey, we got an old bridge. Well, what if it's only 50 people a day that drive over that bridge. How do you kind of consider your spending level for some of these bridges that don't get a lot of volume, or for safety, or for capacity, preservation? So it does bring all that together, and we're really excited about bringing that forward to the Board to explain how it works.
- Sandoval: Because I, you know, I don't mean to bring up a sore subject but, you know, the North Virginia issue. I mean, is that something that it would address? I mean, how does it factor the value of a life?
- Malfabon: I think that it can. There is -- I think that we want to look at how we -- basically change how we select safety projects. And I think that that's the track that we're on, but we want to get it into this decision-making system. so that when we're aware of those types of things brought up to our attention. It's not the traditional technical approach, because as you've seen what happens in that approach, it doesn't meet the needs of the public for public safety. And in some cases where we're looking at it in a certain way and looking at it based on data, that may not reach that same conclusion. So I think that it does lend itself to that type of situation, Governor.
- Sandoval: Well, perhaps as part of the demonstration, you could put inputs on a decision that's already been made and see if it would have made a different decision.
- Malfabon: Well, that would be interesting.
- Sandoval: Just curious.
- Savage: It's realistic.

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Sandoval: Mm-hmm. All right.

Hoffman: Well, that's all I had, Governor.

Sandoval: Okay. You lost the bet, huh?

Hoffman: It's all right. I always lose bets.

Sandoval: All right. All right then. Does that complete Agenda Item No. 6?

Hoffman: Yes, sir.

Sandoval: Okay. Member Fransway.

Fransway: Okay. Thank you, Governor. Questions related to Items 3 and 4.

Hoffman: 3 and 4.

Fransway: My question is why do we need the extra time? Are we having an issue with negotiations with the City of Wendover?

Hoffman: I don't...

Malfabon: According to...

Fransway: West Wendover.

Malfabon: Yeah, it looks like it's taking more time because we're willing to relinquish it and then we're having those relinquishment discussions with the city. So they're willing to take it over.

Fransway: All right. So we really haven't reached a snag, it's just needs to be cleaned up?

Malfabon: Right. They're willing to take it and we're willing to relinquish it. We just have to work out the details.

Fransway: Okay. And No. 4. The way I read this, this is the other side of the relinquishment coin. And we're dealing with \$4,200,000 here, and I'm working why we did not -- why it did not come to the Board as a relinquishment resolution.

Malfabon: This one was during that process of the relinquishment and changes. We were going to do a road project with the \$4 million -- approximately \$4.2

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million. And the City of North Las Vegas agreed to take the road with that additional funding to take the road off of our hands, and that was part of the deal that -- I don't know if there's anything to add. But it was basically a relinquishment that was through the old process. The Board approved this new process, but this was already in the works under the old process of relinquishment with the City of North Las Vegas and the discussions that we were having with them.

Fransway: Okay. The City of North Las Vegas will relinquish to the Department, correct?

Malfabon: They'll take this -- they'll actually accept it from the Department. So we're giving them \$4.2 million and they're taking this section of North Las Vegas Boulevard.

Fransway: Okay. I must have read it wrong. It looks to me like we were...

Malfabon: No, it's the other way around.

Fransway: Okay.

Malfabon: We're giving it to the City of North Las Vegas and giving them the \$4.2 million to take it from us.

Fransway: Okay. But we won't see it in the form of a resolution come before us?

Malfabon: Yeah, I think that that is provided in there...

Terry: John Terry, Assistant Director for Engineering.

Malfabon: ...later.

Terry: We were going to do a project in this area. In fact, we are doing a project outside the limits of this relinquishment. They were going to do a project. We are giving them the money we would have spent on our overlay project. They are doing their project, making it more of a complete streets-type project. And then later in the Agenda, you will see where we are relinquishing that section of road...

Fransway: Okay.

Terry: ...to them.

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- Malfabon: Item 9 is where the Board approval is requested.
- Fransway: Okay.
- Sandoval: No, and that is part of what we talked about months ago, is that if we're going to relinquish a road, the other side of that coin is that we put it in, you know, good working order. And...
- Malfabon: Right.
- Sandoval: ...I think this is part of that. And we're assured that that \$4.2 million will be put into the road?
- Terry: Yes.
- Sandoval: Okay.
- Terry: As part of the agreement.
- Sandoval: All right. Any other questions? All right. Thank you very much, Mr. Hoffman. Do you have No. 7, as well?
- Hoffman: I do not.
- Sandoval: Oh.
- Malfabon: Item No. 7. Darn it, Bill. This is to purchase some additional equipment for the radio system. And what we did was to transfer some from one account to another. It was approved, so it's just getting the Board approval of equipment in excess of \$50,000 per NRS. And the -- we're going to purchase two repeaters for the radio system and that's offset by not buying some additional radios so that it is a wash in the -- it was previously approved in our budget, but we had, because of the additional cost for the repeaters, we had to offset that by reducing the expenditure on some new radios.
- Sandoval: And, Mr. Director, this is, basically, to keep this system going? I mean, I think you told us that the vendor isn't even going to service it in the next year, and so we're going to be putting this out to bid, but we just have to keep the wheels on for this current system?

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- Malfabon: Yes. Exactly, Governor. And you will see in a future Board Agenda, you will see approval of a contract to develop the RFP for hiring a firm to develop a new radio system for the Department going forward, but this is for the current radio system that we do have and we want to keep that going.
- Sandoval: Okay. And just before we do that RFP, I will only throw this out because it was brought to my attention as the sheriff of Clark County said, that they have an existing system that perhaps could incorporate what we have -- or what we're seeking to do to join them. I don't know the technology behind that. It was represented to me that this could be to join with Metro. It might be more efficient and could save some money. Again, I don't know, but I just want to make sure that that is considered as we prepare this RFP.
- Malfabon: Definitely. We're aware of what Metro has done and we want to have a fair procurement for the next generation radio system, Governor. It definitely involves a lot more than NDOT. There's other partners, Department of Public Safety and some of the local agencies. So definitely, that type of outreach is occurring and will continue to occur in development of that RFP for the radio system.
- Sandoval: Yeah. I just, obviously, don't want to reinvent the wheel. If there's an existing system that we can piggyback on, that'd be great. That's a gross, probably, simplification of what's going on here, but I just don't want that to go by as we think about what we're going to do, and if that's an option that could be performed just as well at a less -- for a less amount of money is something we should look at. Because I think you said something like \$50 million for a new system.
- Malfabon: It's substantial and it -- obviously, the requirements in the RFP will dictate the cost of that. But it's several -- a few years in the future when we actually get to that point. So the RFP will be to develop this request for proposals for the next generation radio system, but definitely, it is something that we'll keep the Board apprised on, because it is a huge expense.
- Sandoval: Yeah, because that's highway money, isn't it?
- Malfabon: Yes, it's highway fund money.
- Sandoval: Because that's a road project. A substantial road project right there.

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- Malfabon: And we're looking at options where maybe a lease option could be the delivery method or the payment method for this next generation system. So looking at all those options and we'll keep the Board apprised, as I said.
- Sandoval: All right. And I know we've talked about this, but part of your presentation was these federal dollars -- I think Member Skancke was talking about it -- the fact that that's a decreasing number. So we need to make sure that we spend every dollar wisely that we can.
- Malfabon: Yes, Governor. So we respectfully request approval of this purchase.
- Sandoval: Any other questions with regard to Agenda Item No. 7? Member Savage.
- Savage: Thank you, Governor. Just one question. Mr. Director, do we receive reimbursement from the other stakeholders as in NV Energy and UNLV?
- Malfabon: Yes. It is a user-pay system from NV Energy and other users of the system.
- Savage: No, of this \$284,000.
- Malfabon: Oh, for this one? This is for NDOT.
- Savage: This is strictly for NDOT? So there's no...
- Malfabon: I have to defer, Member Savage, to Denise. This is for our system, so it's going to benefit NDOT. So we're not looking at reimbursement from the other partners for these repeaters that were needed for NDOT's use.
- Savage: Okay. Thank you, Mr. Director. That's all, Governor. Thank you.
- Sandoval: Mr. Lieutenant Governor,
- Hutchison: Thank you, Governor. Mr. Director, just a quick question about what happens to the old equipment that's being replaced? Is there a secondary market or, you know, I mean when we, you know, we can sell a truck or a grader or something, can we do the same thing with this equipment?
- Malfabon: There is a secondary market for some users as they try to keep this older system kind of -- it's hard to get parts anymore, so there is a secondary market for some of this equipment that's outdated to us. But as we replace it, definitely there's some opportunities there to put it up for sale by other users that have the older system, as well.

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- Hutchison: I assume that's just a regular course of what we do at NDOT, right, when we retire equipment or...
- Malfabon: Yes, it is..
- Hutchison: ...vehicles, right, we put it on the secondary market?
- Malfabon: There is process for equipment -- certain equipment to go back to State Purchasing for a credit, and they try to resell it if it's got some use.
- Hutchison: Great. Thank you very much.
- Sandoval: Other questions? Member Fransway.
- Fransway: Thank you, Governor. I'm in favor of this, by the way, but I think in a motion I would appreciate the fact that we, as part of the motion, mention that in order to get this done, basically, we're cannibalizing another project, or with the radio equipment, taking some money out of it in order to keep within the cap that we have. It looks like we have to make up \$52,000 worth of funding, and we're taking that...
- Sandoval: Maybe we can take it out of research. Sorry. But where is that extra money coming from, Rudy?
- Malfabon: So we're not purchasing certain radios. I think that there is a radio request in the next biennium's budget, so we'll make it up as that -- NDOT's next biennium budget gets approved. We have purchase of new -- of the radios for the current system included in that budget request. So although we're deferring it right now, we'll make it up later.
- Fransway: Okay. But we are not going to jeopardize the purchase of the radios. It's just going to be a lesser amount in order to move over to make us able to make the future...
- Malfabon: Correct. It's a lesser amount now, but after the next (inaudible) fiscal year starts July 1<sup>st</sup>, then we -- assuming that our budget gets approved as submitted, we will make that purchase of the radios then for the next biennium.
- Fransway: Okay.

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Sandoval: So, Rudy, we're basically adding onto a system we're replacing in a couple years?

Malfabon: Yes. Unfortunately, we have those needs now for the radio system, and there's -- some of these radios are kind of dying on us. We have to replace what we have now while we design the next generation radio system for the state, and NV Energy, and the other public safety members of our radio system.

Sandoval: So there, you know, I guess Lieutenant Governor mentioned the secondary market. There's not anything out on the secondary market that we can (inaudible)?

Malfabon: The problem with the secondary market for the radios is that you don't know how much life they have left in them. And in some cases, the thing that shows you what channel is on, the display, dies on you and you can't replace those. So we definitely have looked at the secondary market for other elements of the radio system, but not so much for the handheld radios, because you don't know how much life that you're buying when you buy that.

Sandoval: And just to try to simplify it for me, these are going to be installed in Elko and Austin. So right now, we have NDOT employees that need this equipment to be able to communicate with one another?

Malfabon: Yes, it'll get better coverage for the current system.

Sandoval: Okay. Any other questions? Okay. If there are none, the Chair will accept a motion to approve the purchase of equipment in excess of \$50,000 as described in Agenda Item No. 7.

Knecht: So moved.

Sandoval: Moved by the Controller. Is there a second?

Hutchison: Second.

Sandoval: Second by Lieutenant Governor. Any questions or discussion on the motion? All in favor say aye.

Group: Aye.

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- Sandoval: Opposed no? The motion passes unanimously. We'll move on to Agenda Item No. 8.
- Malfabon: Thank you, Governor. This is for disposal of an NDOT easement on Las Vegas Boulevard, State Route 604. The Surplus Committee -- the standard process is to have the Surplus Property Committee review these types of requests. If they get with the district engineers, find out that no one in the Department feels the need to retain this type of easement or property, then they recommend that we abandon the easement. The easement doesn't have a value for it because we don't own the underlying property, but it was reviewed by our standard process and we're recommending approval of the disposal of NDOT's easement on State Route 604 as indicated in this Agenda Item No. 8.
- Sandoval: Thank you. Any questions from Board members? Member Fransway.
- Fransway: Thank you, Governor. I didn't see anywhere in here who was the recipient of the abandonment.
- Malfabon: Paul?
- Saucedo: Yes, thank you. For the record, Paul Saucedo, Chief Right-of-Way Agent. Governor to Member Fransway, that was requested by the City of Las Vegas...
- Fransway: Okay.
- Saucedo: ...but it is an abandonment, so we do not guarantee title. We just walk away from the easement, we abandon it as record and then we don't guarantee who is the underlying fee owner on that. So it goes back to the underlying fee owner.
- Fransway: Well, normally an abandonment would be to the adjacent property owner.
- Malfabon: No, you just walk away on an abandonment. You're walking away from your use of the easement that was granted to you. So...
- Saucedo: Correct. Correct. So...
- Malfabon: ... whoever is the underlying fee owner has...
- Saucedo: Yeah.

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- Malfabon: ...is still there.
- Saucedo: Exactly. Whoever the underlying fee owner is would retain -- would essentially have their property free and clear of that easement.
- Fransway: Okay. It sounds like they're going to own a paved parking lot.
- Saucedo: Well, they own the paved parking lot now.
- Fransway: So we've got...
- Saucedo: Yeah, they encroach -- that's an encroachment on within the right-of-way...
- Fransway: Oh.
- Saucedo: ...on that one, so they encroach. If you look at the map, these are little pieces that are kind of outside of the normal roadway and for whatever reason, wasn't noticed, I think, during (inaudible).
- Fransway: Okay. So we inherited the pavement or did we pay for paving it?
- Saucedo: We did not pay for paving it. It was...
- Fransway: Okay.
- Saucedo: ...yeah, it came -- we got this back in the '40s.
- Fransway: Okay.
- Saucedo: 1943. So the pavement came much later.
- Fransway: Okay. Thank you.
- Sandoval: Any other questions? If there are none, the Chair will accept a motion for a motion to approve the resolution of abandonment as described in Agenda Item No. 8.
- Savage: So moved.
- Sandoval: Member Savage has moved for approval. Is there a second?
- Skanccke: Second.
- Martin: Second.

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- Sandoval: Second by Member Martin. Any questions or discussion on the motion? All in favor please say aye.
- Group: Aye.
- Sandoval: Opposed no? The motion passes unanimously. We'll move on to Agenda Item No. 9.
- Malfabon: Thank you, Governor. As we mentioned before, this is for the disposal of a portion of NDOT right-of-way on State Route 604/Las Vegas Boulevard from Tonopah to Carey -- from Tonopah to East Carey Avenue, through the City of North Las Vegas. And we request Board approval of this action.
- Sandoval: Any questions from Board members? Member Savage.
- Savage: Just one correction. I think it was a typo. "The City of North Las Vegas consented by resolution passed and adopted on December 17...
- Malfabon: Oh yes.
- Savage: ...2015." Let's make that 2014.
- Malfabon: Correct.
- Savage: That's all I have. Thank you, Governor.
- Sandoval: Any other questions?
- Fransway: Governor.
- Sandoval: Member Fransway.
- Fransway: I don't see where the \$4.2 million is mentioned in the resolution.
- Malfabon: The \$4.2 million is in the agreement with the City of North Las Vegas. So typically, the resolution of relinquishment just has to do with the -- their expression of interest to take over a road from the Department. And any kind of negotiations as part of what we have to give them to take it over for us will typically be memorialized in the agreement -- the interlocal agreement.

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- Fransway: Okay. We are accepting this by the fact that we are approving the resolution. And so, when we approve the resolution, I think it's important that that \$4.2 million be included in the resolution that we approved.
- Malfabon: I think -- I don't know if, Dennis, if you could comment on that. I think that you can make the motion that it's subject to the...
- Fransway: Yeah.
- Malfabon: Yes.
- Terry: John Terry, Assistant Director for Engineering. I mean, the agreement says they will spend the \$4.2 million on the roadway improvement project, which would have been money we would have spent. That's the agreement. The resolution is simply abandonment of the right-of-way. That's the way it's set up. I think that's the way we should set it up. In other words, they agree and signed an agreement that they'll take -- that they'll build the construction project and have other terms in the agreement, and then the resolution is the abandonment of the right-of-way. I've not seen us tie that money to the abandonment.
- Fransway: Okay. We are not approving the agreement. We're approving the resolution that entails \$4.2 million.
- Terry: And again...
- Fransway: And I don't think it's a hard thing to do. If the Chair can see my point, we can go ahead and pass the resolution with that being added to it. If the Chair feels that it's not necessary then I will defer.
- Sandoval: I think we're okay...
- Fransway: Okay.
- Sandoval: ...Tom. I really do. And this is our first substantial relinquishment under this -- the regulation that we adopted, is it not?
- Terry: If I could note, this did not follow the entire relinquishment process because this was under way before that policy was adopted. So the early phases of this relinquishment did not follow exactly the new policy, but in, you know,

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in the terms of the final relinquishment it did. But we did not follow that because this was well underway before that policy was adopted.

Sandoval: No, and I guess what I'm trying to point out is this is exactly what we were trying to accomplish, is...

Terry: Yes.

Sandoval: ...we're returning a road to a local government -- or giving a road to a local government in good working order where it belongs, because it's not a state highway anymore, and it's going to be responsible for the maintenance once this is accomplished. So it worked. I mean I'm glad about that.

Fransway: Okay. I just -- if I remembered correctly, and I may not, but when we relinquished the Haskell Street to the City of Winnemucca, we paid them \$750,000 to do that, and I thought it was part of the resolution. That's why this came up. If it's...

Terry: I'd have to look at that.

Fransway: Okay. Well, if the Governor feels it's not necessary, then let's go for it.

Sandoval: I'm okay, and I want to get confirmation from Mr. Gallagher.

Gallagher: For the record, Dennis Gallagher. Governor, I agree with your answer and the Lieutenant Governor's answer that it was not necessary. I don't recall what the past practice was, Tom, with the City of Winnemucca, but I believe that the agreement, as well as the resolution, safeguard the Department's position on this and getting the land off the state roster and into the hands of the city, and then, of course, the construction project that the city has agreed to.

Sandoval: Okay. Thank you. So, Tom, are you okay. You good?

Fransway: Yeah, I'm okay to the fact that I'll make the motion.

Sandoval: All right. Please proceed.

Fransway: I would move to accept the resolution of relinquishment as identified in Item 9.

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- Sandoval: All right. Mr. Fransway has moved for approval of the resolution of relinquishment as described in Agenda Item No. 9. Is there a second?
- Knecht: Second.
- Sandoval: Second by the Controller. Any questions or discussion on the motion? All in favor say aye.
- Group: Aye.
- Sandoval: Opposed no? The motion passes unanimously. We'll move on to Agenda Item No. 10.
- Malfabon: Thank you, Governor. This is bringing back the disposal of a portion of Wells Avenue, near the Truckee River. And as you may recall, there was a question of where's the agreement with the City of Reno, and that is provided. And I think Member Fransway wanted to make sure that nothing could come back on the Department or the State of Nevada. So hopefully, the additional information provided in this packet answers any kind of questions. And I'll turn it back over to the Board for any questions.
- Sandoval: Member Fransway.
- Fransway: Thank you, Governor. And I am more comfortable now. I just want it plain that we are relinquishing an easement of interest, not any infrastructure. And according to the resolution, it says that we are relinquishing the aforesaid portion of said street. I would like that to be clear that we are relinquishing an easement of interest.
- Saucedo: For the record, Paul Saucedo, Chief Right-of-Way Agent. Governor, Member Fransway, I mean we can go ahead and make those changes. I don't think that that's anything that's -- I mean we can just go ahead and straighten it out and make sure we did (inaudible), so...
- Fransway: Well, I think it's important. To me, it's apples and oranges. A street is a hard surface and all we are doing is relinquishing property.
- Saucedo: Right.
- Fransway: Right-of-way.

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- Saucedo: Correct. So I can get with Member Fransway and look at the changes or if you want to make the motion with the changes and then...
- Fransway: I'd be happy to do that, but it also mentions a portion of said highway. I would like that changed in the resolution on Page 1 of 3, Attachment 3. "Portion of highway aforesaid interest of easement." If we could do that, I'd be happy to make a motion with those changes.
- Sandoval: No, and I understand where you're going. I just want to make sure legally is highway and street terms of art, or are they specific, and is this the literal meaning street and highway?
- Gallagher: For the record, Dennis Gallagher, Counsel for Board. Highway is defined in Chapter 408 to include easement interest in roadways. I'll also note for the record that on the resolution, the first whereas clause indicates that the Department currently holds an easement interest.
- Fransway: Okay.
- Gallagher: And the other language, I believe, in the draft resolution, "It is the intent of the Department to relinquish to the Division all of the Department's right, title and interest in the foresaid described right-of-way as shown on Exhibit A." So my opinion, as we're referencing and acknowledging that the Department only has an easement interest in this property, that's all that the Department would be conveying by this resolution.
- Fransway: I think it would be made very clear if those words were changed. And I don't see a big problem for that. If I am just a person on the street, excuse the pun, that is looking at this...
- Sandoval: It's not a street, though.
- Fransway: It's an interest of easement.
- Sandoval: Well, let's get -- I think we can get this done today. So can -- if we were to delete the term "street" within this resolution, what would we insert, Mr. Gallagher?
- Fransway: Interest of easement. Just insert "interest of easement."

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- Gallagher: As Board Member Franway has indicated he's very comfortable with the deletion of that and inserting "interest of easement."
- Hutchison: Governor, can I make a comment?
- Sandoval: Yes, Mr. Lieutenant Governor.
- Hutchison: (Inaudible) do we want to try to keep it consistent, because as you note, Mr. Gallagher, you're saying in the first paragraph "right-of-way," I don't think we use interest of easement anywhere, do we? So I mean can we just insert "right-of-way"...
- Fransway: That'll be fine.
- Hutchison: ...as opposed to "highway"?
- Gallagher: Yes, sir.
- Hutchison: Then that way at lease they're consistent throughout the paragraphs.
- Fransway: That would be fine, Lieutenant Governor.
- Sandoval: Well, and to get hypertechnical, shouldn't we just use "easement interest" rather than "interest of easement"? Because to be consistent.
- Gallagher: That would be consistent, Governor.
- Sandoval: So now...
- Skanche: Is there another lawyer here that could give us an opinion?
- Sandoval: Hey, we're just trying to keep...
- Skanche: I don't trust these three guys, so I'd like to have a fourth opinion to make sure that we...
- Sandoval: No, I was going to say I -- we've completely muddled this record, so let's start from ground zero so that we -- for purposes of the record going forward that people know exactly what we did here today. So, Mr. Gallagher, would you take us through that if you follow?
- Gallagher: As best I can, Governor.
- Sandoval: Okay.

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- Gallagher: As best I can. In the draft, resolution of relinquishment will be changed -- frankly, Governor, I'm lost at this juncture myself.
- Sandoval: You know, I thought the third time was a charm, but I just really believe in order for this to be done right that we should have a clean draft resolution of relinquishment. If it causes no jeopardy to put this on another -- on the next Agenda, I would ask that we do that if I have the agreement of the Board. And, Mr. Fransway, will that satisfy you?
- Fransway: Yes, it will.
- Sandoval: Okay.
- Fransway: Absolutely. I agree it should be a clean thing. It's a major road in the city arena and it should be clean.
- Sandoval: Okay.
- Saucedo: Governor, for the record, Paul Saucedo, Chief Right-of-Way Agent. Yes, we can do that. I don't see a problem.
- Sandoval: And perhaps you could get that draft to Member Fransway before it hits the Agenda.
- Saucedo: I'll personally do that.
- Sandoval: Okay.
- Fransway: Thanks.
- Sandoval: No, thank you. And I, you know, in all seriousness, I mean it's important to be thorough and precise, and so we'll get that done. So any other questions before I move away from Agenda Item No. 10?
- Skancke: Do you want a motion to hold it?
- Sandoval: I don't think we need a motion to hold it. No, we'll just continue it to the next Agenda. Thank you, Member Skancke. And that completes Agenda Item No. 10. We've already acted on Agenda Item No. 11. We'll move to Agenda Item No. 12, which is the Acceptance of Amendments and Administrative Modifications to the 2015-2018 STIP.

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- Malfabon: Thank you, Governor. Coy Peacock will present this item to the board.
- Peacock: Good morning, Governor, members of the Board. Again, my name is Coy Peacock. I'm with the Planning Division here at NDOT, and I'm here to update you on the changes and modifications to the -- or additions to the Statewide Transportation Improvement Program or STIP.
- These actions are federally required by amendment and administrative modification from FHWA and FTA. Amendments are triggered when actions are taken to add or delete projects, projects are significantly changed by limit or scope, and if the costs are increased by over \$5 million or over 20 percent, whichever is greater. Those are the amendment changes.
- The administrative modification changes are when a funding category is changed, a project is moved between fiscal years whether forward or backwards, and when an action is less than \$5 million or less than 20 percent, whatever one is greater. These actions take approximately a week to two weeks for the administrative modifications, and the amendments can take up to three months to actually process depending upon the timing of each action.
- I would like to mention as a part of Attachment B, which is the administrative modifications, the NEON funding has been updated through this action to ensure that it complied with the presentation that was brought forth earlier today. And at this time, if there's any questions, anything that I might be able to answer about the list, I'd be more than happy to do that.
- Sandoval: Thank you. Any questions from Board members? Member Savage.
- Savage: Thank you, Governor. Just one question. On the Washoe County RTC amendment for the I-580 road rehab and seismic retrofit for Washoe Valley, when is that scheduled to go out for bid?
- Peacock: John? I know it's coming up very soon. It's coming up this summer.
- Savage: So when you said three months to -- earlier in your original opening, you had said it could take three to four months for the actual process to be completed. I didn't want this to delay the construction project was my agenda there.

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- Peacock: These actions actually already have been completed. They've been approved through FHWA and FTA where applicable. So this action has already taken place. We're ready to move forward with this project as we go. We're bringing this to you to update you on what actions we have taken. As the Governor's designee, Rudy signs all of the actions that we process throughout the two-month period of time, and then we bring them to present to you to let you know what we've been doing.
- Savage: Okay. So the answer is it won't delay the project.
- Peacock: Will not delay at all. All of these actions have taken place.
- Savage: Thank you very much. Thank you, Governor.
- Sandoval: Any other questions or comments from Board members? If there are none, the Chair will accept a motion to accept the amendments and administrative modifications to the 2015-2018 STIP.
- Skanske: So moved.
- Sandoval: Member Skanske has moved. Is there a second?
- Hutchison: Second.
- Sandoval: Give that to Lieutenant Governor. Second by Lieutenant Governor. Any questions or discussion? All in favor say aye.
- Group: Aye.
- Sandoval: Opposed no? The motion passes. Thank you. So we'll move on to Agenda Item 13, Briefing on Pedestrian Safety Efforts and List of Potential Safety Needs.
- Malfabon: And we'll do this quickly, Governor. Next slide, please. And P.D. Kaiser, our assistant chief safety engineer, is going to help us out on this. So I wanted to mention that I was able to participate last week on a pedestrian safety media event in Southern Nevada. There you see the mayor of Henderson, Mayor Hafen, Mayor Pro Tem Stavros Anthony from City of Las Vegas. You have RTC Chair and Clark County Commissioner Larry Brown, as well as the assistant -- or the deputy police chief for Henderson,

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and Aaron Brayne from the Safe Community Partnerships Vulnerable Road Users Group that really does a lot of effort on improving pedestrian safety.

But it was to highlight the fact that Mayor Hafen did accept a challenge from USDOT Secretary Foxx to participate in pedestrian safety mayor's challenge, and also to highlight the fact that the RTC and its member agencies are going to take the zero fatalities pedestrian safety advertisements and kind of do some media buy for that. Next slide.

We're going to provide an update. Good news on the North Virginia traffic signal status. Also, great news on Fortune Drive. I want to make the point that P.D. Kaiser was able to get and then provide information about some information that's going to be a little bit more recent than what you have in your Board packet on that Fortune Drive signal. And give you an update on pedestrian safety projects, how we're going to do better at implementing road safety assessment and pedestrian safety assessment recommendations, and a quick update on the zero fatalities pedestrian safety portion of Zero Fatalities ad campaign. P.D.

Kaiser:

Okay. P.D. Kaiser. I'm with the Traffic Safety -- NDOT Traffic Safety Division. So what we're showing here is this is the -- here we go. Okay. This is the Bonanza Casino. This is the intersection in question where we've had the pedestrian crashes in the past. So what we're showing here is the temporary arrangement for the traffic signal. The yellow lines are just the mast arms that will be put in place. The red line is a temporary concrete barrier rail, because this opening here is about 60-70 feet wide, which is not really good for a driveway. So we're just going to squeeze it down, and what it will also do is provide some protection for this signal pole here. We're using some signal poles from City of Reno, and it will -- for all practical purposes, it will look like a permanent traffic signal.

We will come in later and there will be some geometric adjustments here, curb, and gutter, sidewalk and so forth. We do plan to also straighten out the crosswalk here to make it a little shorter crossing distance. And these will have pedestrian buttons so they can push to get the signal to change. Any questions on this project at this point?

Sandoval:

That decrease in the size of that driveway, that doesn't cause any issues with the business that's there, does it?

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- Kaiser: No, it should not.
- Sandoval: Okay.
- Kaiser: No, it'll be more like a normal driveway, more like what's over here.
- Sandoval: Okay. Member Savage.
- Savage: Thank you, Governor. Mr. Kaiser, just briefly, a timeline on the permanent signal and who is designing -- I know we approved earlier the three consultants. And when do you plan on engaging a permanent consultant for the permanent signal and what would be the timeline of construction on that...
- Kaiser: The...
- Savage: ...signal?
- Kaiser: The permanent design will actually be done in-house, and that's already underway...
- Savage: Okay.
- Kaiser: ...with the Traffic Operations staff. As far as the timeline, it probably will be later this year. We're hoping to have the temporary ready to go out to bid around -- towards about the end of April. And so, the permanent will probably follow that by a few months in order to, you know, because there's some utility issues and things that they're trying to get resolved. And there may also be some right-of-way issues, as well, with the curb, and gutter, sidewalk, and locations, and poles, and that sort of thing. So we're hopefully -- it shouldn't take too much longer, but the temporary we can do right away because there is available equipment for that, whereas with the permanent we may have to order new equipment. May end up with some different size mast arms and that sort of thing. And that's what we're -- that's what the permanent design will determine.
- Savage: And I understand the comments. I think it's just a good idea to have a roadmap and a tight timeline to ensure this Board and the state of Nevada taxpayer a timely completion. And that's all I'm looking for, Mr. Kaiser. So if you could possibly get back to me with a timeline, I'd appreciate that.

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Kaiser:

Yes, we'll have a follow-up presentation for you, probably a little later on at one of the other Board meetings for that. Any other questions? Okay. Fortune Drive, this is US 50 at Fortune Drive out just east of downtown Dayton, just out past the -- where the Smith's Grocery Store or Shopping Center area is. We're had some conversations with the developer at that area that owns the property, at the northwest corner of Fortune Drive. And basically, he has all of the equipment ready to install this signal. He's had it in storage for some time. This was, basically, an agreement that was made several years ago, when there was a proposed development at that location.

And so, when you go out there today, the signal poles are actually already in place. They just don't have the arms on them, they do have the streetlights on them. And so, all that equipment actually is available and the developer has agreed -- actually, has paid for all that and will also pay for the installation of the remaining equipment at that location. So he indicated that they should be able to, once a permit is issued by NDOT for the rest of the installation, he'll get with his subcontractor and they'll arrange to come out and get the equipment in and get the signal operational. So it will also provide a little safer access-egress for the fire department, the fire station close to this intersection, as well as the school buses that must traverse this intersection to get up to the -- I think it's the Central School. So it'll definitely improve that situation.

There's also some other improvements that NDOT is working on in the vicinity of the Smith's -- the access to the Smith's Store and surrounding businesses. There will be some raised medians and some channelizing islands to control some of the movements in and out of the location. It'll kind of help spread some of that traffic out a little bit so it's not all at one location. So that's being planned for and will occur later on this year. Any questions on that location? Okay.

So in your packet there's a list of additional safety pedestrian projects. You had asked us at the last Board meeting to continue looking at locations that we felt would benefit from improvements, and so we have gone through and done some additional crash analysis. We also have input from a number of road safety audits -- or road safety assessments that were done previously, and also had received some input from some of the local agencies on locations that they were aware of. Primarily, these improvements would

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include the rapid flashing beacons that would be pedestrian activated. We would improve the street lighting at these locations. Probably 75 to 80 percent of pedestrian fatalities occur at night. And so, we feel like there's a real need to improve or really bump up the lighting that occurs at these locations. And so, we're working with our Traffic Operations folks to come up with a specification for a higher-level streetlight. And this would be the LED lights that has the bright white lights. And we also have a couple of school zones where we have flashers where we'd be upgrading those, as well.

And this is -- we're going to have a bigger list. Hopefully, we'll have more money for it but, you know, we're going to continue to put these lists together for these pedestrian improvements. And so now that the -- kind of the word is out that, you know, that we're doing this, we're getting a lot of attention from the local agencies, the counties. In fact, some of these locations were as a result of what we got from the county tours that we did earlier this year. And so we will continue to do that.

As Mr. Pittenger indicated earlier this morning, we have met with him and are taking a serious look at some of the projects that they would like to do with the safety money. We know that -- or feel like we can use of our federal safety money on some of the projects they have. So we'll continue to work with them to see what we can work out. Any question on that list of the projects that you see there?

Hutchison: Yes. Thank you very much for your presentation, all the great materials here. My question is in our packet, we've got Attachment A with the proposed pedestrian improvement locations, are those ranked in order of priority?

Kaiser: No, they're not ranked at this point. We just try to...

Hutchison: Okay.

Kaiser: ...group them altogether by jurisdiction. But you can see that some of those locations, if you look at the pedestrian crash numbers...

Hutchison: Yeah.

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Kaiser: ...some of them have more than others. And so, you know, we're probably going to have to take a hard look at those. We still need to do some additional field reviews of these locations to just make sure that what we're proposing there is going to work...

Hutchison: Yeah.

Kaiser: ...and that it's going to do what we want it to do.

Hutchison: Okay. Great. Thank you.

Sandoval: And I wanted to follow up on that. So are these local streets, they're not state highways?

Kaiser: Most all of them are state highways.

Sandoval: Oh, they are? Okay.

Kaiser: Yes. So there's a couple locations that we had looked at. One was on Jones Boulevard, which is north of Tropicana Avenue. Jones Boulevard is a state highway. Just south of that intersection there is a location where just recently we had -- there was two kids were hit, within 24 hours, at a location at a crossing. And one of them died, the other one was in pretty serious condition. Six-lane highway, 45 miles an hour speed limit. And there are -- the county actually installed flashing lights, but they flash continuously, you know, they just don't really get the attention of drivers. And so, we felt like this might be a good location to kind of go off-system and see if we can -- and, again, we're going to have to -- we would have to work with Clark County at this location to make sure that they would agree with what we would like to do there. But hopefully they would.

Sandoval: And is part of this, I mentioned this before, but do we also -- are we going to be more aggressive in terms of striping the crosswalks so that they have the reflective piece?

Kaiser: Yeah, I think most of these locations actually have a marked crosswalk, but they might not have maybe other than just the signs, you know, indicating the crosswalk there, there may not be anything else there. But realize on these state highways most of them are six lanes, 40,000 cars a day, 40-45 miles an hour, and there's a lot of them, you know. We're just finding the

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worst of them here right now. And so, hopefully this is the worst of them. But there's a lot of these marked crosswalks on these state highways.

Sandoval: For one of those six-laners, how much time do you get to get across, even assuming you've got the green and you've got the right-of-way, et cetera?

Kaiser: Well, with the rectangular flashing beacons, those can be adjusted to stay on for, you know, just using like, say a particular walking time, you know, what we use most of the time is three and a half feet per second, you know, to get across. So if we know it's six lanes, we're going to need the flasher to be on at least for that time period that would get them all the way across. If we're at a location where there's, you know, senior citizens or those folks getting off of a bus to get across, you know, we may have to use, you know, a slower walking time like a three-feet-per-second walking time, just to give them enough room to...

Sandoval: No, and I just...

Kaiser: ...get across.

Sandoval: ...you know, that image will never go away from me, the one where the gentleman had made it two-thirds of the way and was hit. And I just want to make sure that there is adequate time, and we do all this, and then we don't leave enough time for someone to get across.

Kaiser: Well, I know with signalized intersections, you know, typically they would use like a three and a half second time, so they would give you a certain amount of walk, the walking man symbol and then it would start to flash to get you the rest of the way across the roadway. So I think most of the signalized intersections have those standards pretty much up to date. I know when we do these road safety assessments at signalized intersections that's one of the things we always ask the locals is to go back and check your timing to make sure you are given adequate time to get, you know, the pedestrians across the road.

Sandoval: Thank you, Governor.

Kaiser: Any other questions?

Hutchison: Just a quick follow up.

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Kaiser: Okay.

Hutchison: It seems that we could come up with some form of criteria for ranking these improvement locations. And it just seems logically that you could take a look at just how many injuries there are, how many deaths there are. Is there other criteria that you would use besides just sort of looking at this? I mean, if we were to rank the top five, it seems like we could do that right now; or is there something I'm missing?

Kaiser: No, we still need to go out and we still need to look at it. We still need to get some sense of how many people are crossing there. Is it at a school, I mean are we talking about kids, you know, school-aged kids crossing. you know? So we still need to get some additional information on those types of (inaudible).

Hutchison: You've got, you know, at Nellis and Cedar Avenue you've got 12 pedestrian crashes, 1 fatality, 13 injuries. Is that -- I mean that's got to be somewhere to the top.

Kaiser: And there's -- well, I would say it's very close to the top, if not at the top. And that's one that actually has a school zone. It's within a school zone, you know, with the flashing lights you go to 20 miles an hour.

Hutchison: So what do you do then? I mean, what do you do when it's in a school zone and they're still not slowing down? I mean there's obviously a problem there, right?

Kaiser: Well, it is a problem, you know. Again, it's another one of those six-lane arterial, you know, 40,000-50,000 cars a day, you know, they're going 40 miles an hour plus. There needs to be something additional there to get the drivers' awareness that they need to cross.

Hutchison: Like a stoplight?

Kaiser: You know, at this point I think we felt like we could -- if we could at least get the rectangular flashing beacons, put them actually over the roadway, not over on the side, you know, that it's going to really get the driver's attention and that would, I think, would help quite a bit.

Hutchison: Thank you.

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Kaiser:

Okay. The next item I wanted to talk about is the -- tracking the road safety assessment recommendations that come out of the road safety assessment program. What we're going to do is we do actually already have, you know, consultants on board on an on-call basis. And we will select one of those consultants and develop a way to track all of these recommendations. We've probably done 150-plus road safety assessments, and there's probably 25 to 35 recommendations in each one of those.

And so what we want to do is start tracking those better, keep track of them, you know, develop a system to do that. What we would do then, is we kind of put these in a priority, each of the recommendations. If it's what we call a number one priority, that's something that can be done quickly; so that would be done by district maintenance forces. If it's a higher priority then we would then have to either find a project or if there's a project planned there, try to include them in that project, or if there's not a project, or if it's a bigger item, we would have to fund it from a separate source, like what we've done with these other pedestrian improvements. So we'll be getting that underway here shortly, and hopefully have a better handle on all of these recommendations that are coming out of the road safety assessments.

A lot of them have been addressed, so I don't want to make it seem like we're doing all this work and this stuff is just sitting on the shelf. A lot of these recommendations are being addressed, either by the maintenance forces or with projects that -- because we -- primarily, the road safety assessment is done on a stretch of road that's been identified as a poor project, like a 3R project or whatever. So a lot of them are being addressed. But there are some, where they don't fit in to that particular project, so we're going to have to kind of weed those out and figure out how we're going to address those.

Zero Fatalities program, I'm sure everybody's aware of that. What we've done, from a pedestrian standpoint, is we've got -- I'm sure you've seen a number of the public outreach programs, whether it's on the billboards, or on radio, or TV. These are, kind of, done on a seasonal basis but, you know, we are continuing to try to develop it. In fact, there's a pedestrian safety one that's playing right now on the radio. You may have heard about it. It's, you know, it's everybody's responsibility, not just the pedestrian, not just the

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driver, it's a shared responsibility. So very good program, very good information for that.

The next one is kind of a -- what we do, we have a consultant that helps us develop the public outreach program. And so what they do on an annual basis is they go out and do surveys and they survey the public, you know, on how much aware they are of all these different programs. So these numbers are based on the numbers from 2012 to 2014. And so, as you can see with the pedestrian safety program, the awareness is starting to increase. Actually, they're all increasing which is a good thing. And so, you know, we will continue to track that as we continue the public outreach program.

Sandoval: How do you ask that question? I mean, to me it should be stop on red.

Kaiser: There's a whole science to that that I'm not that much really aware of. But they try to do it in a way, you know, that they can get as unbiased an answer as they can. And I heard them talk about it, but I, you know, that's outside my engineering rein.

Sandoval: And do we incorporate all of these things into the driver test over at DMV, so at least there's that piece that (inaudible)?

Kaiser: I would like to say yes, but I would stop short of saying that.

Sandoval: Okay.

Kaiser: I'm not sure...

Sandoval: That'll be a conversation for another day.

Kaiser: Yeah.

Sandoval: Yeah.

Kaiser: That's a good question, though. Very good question. This is a couple of our -- the boards that we -- billboards that we have. I'm sure everyone's seen that or seen some of the TV ads. I do have to kind of wrap up, there is one of the TV ads that we wanted to show real quickly, if you'll bear with me a minute and do that.

(TV ad begins)

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"Last year, more than 70 people died while crossing the street in Nevada. Don't become part of the precession. Make smart choices when you're walking and cross the road safely."

Kaiser: Okay.

(TV ad begins again)

"Last year, more than 70 people died while crossing the street in Nevada. Don't become part of the precession. Make smart choices when you're walking and cross the road safely."

Kaiser So that's just one of many that we show and we are always looking at different ways to get that message out to folks. Unfortunately, we're kind of in an epidemic situation with pedestrian fatalities right now. I think we're up to about 12, and I know -- or maybe more than that. But I think in the Las Vegas area it was 12, and the same time last year there was only 4. So it's just, you know, it's just crazy that these things are happening. But, yeah, hopefully with the program that we've got, we can start to address some of that. Any other questions?

Sandoval: Any questions? Thank you.

Malfabon: Governor, for the next item, No. 14, a briefing will be provided to the Board on the Trans-Sierra Transportation Plan by Tahoe Transportation District.

Hasty: Good afternoon, Governor, members. I'm Carl Hasty. I'm the district manager for the Tahoe Transportation District. Sometimes it's a good idea to try to live up to my last name, and so I think I'm going to do that today. I'm actually going to forego the slides and instead direct your attention to the plan that is in your packet that's attached to the staff summary, because I think that's what we really want to focus on anyway.

I appreciate the opportunity and time to present this before you today. This is a piece of work that we've been leading and have prepared in conjunction with a number of other entities surrounding Lake Tahoe. In this case, that's 11 counties. So six on the California side and five on the Nevada side. The three MPOs from the north have been participating in this and that's Tahoe, that's Carson and that is Washoe, and then the counties of Douglas, Storey

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and Lyon have also participated in this. And on the California side, it's Sierra, Placer, Nevada, Eldorado and Medora and Alpine counties.

The reason we did this was, our experience at Tahoe in looking at the types of issues that face us both in terms of funding, as well as some of the other challenges. And the importance of transportation when it comes to a tourist economy, and when it comes to freight and everything else, that's very important to the quality of life. For us, we've found that our Tahoe experience has been one of collaboration, gains us more than one of trying to compete, which is typically the game. And the reality is in the competition you can end up winning, usually short-term, but the long-term you're not going to if you aren't working together.

And, Governor, if you recall from your time when you sat on the TRPA Board and we brought the environmental improvement program together, that really was about everyone coming together, leveraging each other and trying to cooperate. So that's the experience of which we've based this. The other thing that we recognize in repairing this plan is that we in the transportation community don't necessarily do a good job and understand real well how to explain transportation and what it means to the public and to the people. We don't even necessarily know that amongst ourselves real well, so we've been all in this room working for the last year or more, on really working together better and educating ourselves about what are our collective needs and what does it mean.

So this plan is an attempt then, and you'll see in the way that it's written, it's written for the every-day person. This is not full of jargon. This is not a transportation report in the typical sense. It is very graphic in nature in order to understand and explain our part of the region, what it is that we have in common, how the realities of California, and Nevada, and this part really are tied together economically, as well as the large federal land ownership, and again back to tourism, et cetera. And so, interesting things we learned in doing this that we did not know before was, for example, that we have 14 million visits a year in this area. You know, that's a significant factor, especially when you look at a federal lands program in transportation, because that now is comparable to the biggest in the federal system, which is the combination of Great Smoky National Park and the Blue Ridge Parkway system.

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We've not know that before. This is something for us to be talking about with our federal friends and in Washington about the types of resources that are or are not here. For an area like this, when you look at how important tourism is to this locale. Not to mention, as I said, freight when you're dealing with things now that Tesla and some of these other companies that are here, because really this part of the country's economy is tied closely together with the Bay area and that whole drive-up market area from the Bay area on.

So some good work came out of this. We added up everyone's RTPs out of those 11 counties. That's \$35 billion of investment that is proposed when it comes to the transportation system. And that's everything and we need everything. To the point today, about transit, you know, we have three different networks when it comes to the transportation system. We have the bike pedestrian network, we have the transit network and we have the road highway network. We need it all. And a good transportation system should be integrated in that way. It's important for our quality of life, it's important for our economic development and for areas like ours especially, but I think everywhere it's important for the environment.

Out of that \$35 billion there's an optimistic view that there's going to be about \$19 billion of revenue available. That is if federal funding and state funding stay at current levels. That's becoming more challenging every day, when you look at these 20-year plans. It leaves a shortfall of \$15.9, about \$16 billion. So what we did in this plan then, which is also not typical, is we did a business case analysis. This is the document you don't have in yours. This is full of jargon. This is full of technical stuff. But it does a nice job of looking at what is the whole and what is it for each county -- excuse me -- in terms of economic return if you made that full investment.

So the incremental investment, for example, of the \$16 billion would translate into \$18 billion just in user benefits, meaning to your vehicles and everything else, which gives you a return of a \$1.20 for every dollar on that alone, as well as another \$29.9 billion in economic output, and a creation of 10,000 long-term well-paying jobs. Just with that incremental increase. One of the things we also saw in this is that incremental increase is not diminishing. It's actually additive to that full \$19 billion if you were to do it. That's a really important thing for us to be communicating and to

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understanding with the public, because what we're seeing more and more around the country and you are familiar with this, you know, this is what we're having to do locally, in order to get a little more attention at the state level, and at the federal level.

In California, that's as much as 70 percent of transportation budgets. In communities like Southern California now are all coming out of local sources. In Nevada, I think with our bigger MPOs, we're at the 50 percent mark or greater with indexing and the like. So that is a trend that is not going away. So locally, we need to be active, like we're discussing with Douglas County right now about them enacting what legislature has authorized them to do, because if a local entity isn't doing it you're not going to be as competitive in trying to get the discretionary monies or match, because there is no hundred percent money coming from anywhere anymore.

And so this is our effort then of really starting to pull groups together, look more of what we have in common and how we can start working together because our transportation systems do need to connect. Our trail systems do need to connect. It's important to communities and the quality of life. There are important investments to be made here and an important case for making those investments; and there's an important story overall for the future of the area. So with that, that's really what we wanted to bring to your attention. You'll be hearing more about this, because we're going to do all we can to get it out and around. We are scheduling the similar kind of presentation with your counterparts in California at the California Transportation Commission, so that we can have those conversations on that side of the hill. And we look forward to moving forward on this. So thank you.

Sandoval: Thank you, Mr. Hasty. Questions from Board members? So what happens next?

Hasty: One of the things that have come out of this already, that we've been discussing with both the California and Nevada side, is this articulation. And looking into the federal lands program and what it can mean for our area, especially with reauthorization of the transportation bill coming on play, to illustrate some of the discussion about how to pay for it. The Director was speaking to this a moment ago, but some of the discussion has been in actually potentially cutting that lands program, you know, reducing

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the amount of money. That would have a very negative impact in areas like ours. So there are other efforts underway. Placer County, for example, is looking to become what's called a self-help county in California. They are targeting a 2016 election cycle, and they're working very hard at that. We're going to assist them with that. This type of information will assist them in communicating to the voters what they're doing.

Sandoval: What does that mean, a self-help county?

Hasty: In California, this has been -- local jurisdictions got tired of waiting around for the state, and got tired of waiting around for the federal government. Their transportation needs were acute. So they went to the efforts of even getting super majority support for instituting sales tax initiatives. And that's why I say this is what has given Southern California as much as 70 percent of their massive transportation budget, is all locally driven. Bay area has done the same. Sacramento has done the same. San Diego has done the same. And so you have self-help counties and you have what they call themselves aspiring counties. And Placer County is aspiring to become a self-help county and pass a sales tax initiative that will give them substantial investment dollars to leverage everything else and address their needs.

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you, Governor. Just a quick follow up in terms of just informing me on the coalition. How long has the coalition been around?

Hasty: Just last couple of years. It's an ad hoc group and that's what we proposed it to be. It's what we've found to be most successful as, you know, again, focusing on common interests and...

Hutchison: Right.

Hasty: ...common circumstance, where can we work together.

Hutchison: And in Nevada, do you anticipate that you'll be the voice of advocacy, the voice of just information? Will you be making any asks of local governments, state governments, federal governments? Do you plan to lobby?

Hasty: I think I can turn into answer is yes to all of those things.

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Hutchison: Okay. So just kind of -- it's in the early stages of what you're becoming and you're advocating in terms of what the needs are for the region and you may very well be involved directly then with (inaudible).

Hasty: That is correct.

Hutchison: I mean asks.

Hasty: Yeah. And one of the premises there, is that if it isn't coming out of the transportation community who know it best, then where is it going to come from? I mean, the education community is going a fantastic job of lending out the needs for education. The needs are there for transportation. So this is part of where we're headed in terms of bringing that kind of education and knowledge forward so that we can all start to address what we need to address.

Hutchison: Well, thank you very much and best of luck to you.

Hasty: My pleasure. Thank you.

Sandoval: We have a couple more questions, Mr. Hasty.

Hasty: I'm being too hasty.

Sandoval: The Controller and then...

Knecht: Thank you, Governor and Mr. Hasty. Page 26, toward the bottom there, the second to last bullet says "Reducing vehicle operating costs, saving an estimating \$9.9 billion through 2035." Give me some feeling for what that means. Is this reducing costs for new vehicles that would be coming through or -- how did you get to a number like that?

Hasty: Well, I'll give it a shot here, then if I get in trouble I would like to acknowledge Mr. Derek Morris over here, who's with Morris Consulting CH2, who produced this report for us. But, you know, bad roads lead to more repairs. It's costlier in terms of impact to your vehicle and we then, as motor vehicle operators, are spending more money. If you have a better running transportation system, then you're not spending as much dollars. And so, just from a kind of conservative perspective of capturing what those costs are, and you're offsetting those because you're not having to spend

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them as much, then that is where those dollar figures start to add up to when you look at it accumulatively.

Knecht: Fair enough. But those kinds of dollars don't translate into employment or money in anybody's pocket that they could spend. It's a savings of what they would have incurred if you didn't do this.

Hasty: Right. And another way of looking at that is if you were taking that money instead and investing in the transportation system, you're spending it anyway, but you're now putting it into your transportation system as opposed to maybe your mechanic. I think the average, if I recall correctly, is you're looking at an average of about \$667 a year in terms of those vehicle-operating costs. And cumulatively that adds up quickly.

Knecht: Thank you. And thank you, Governor.

Sandoval: Thank you. Mr. Skancke.

Skancke: Thank you, Governor. Carl, this is something this region has needed for a number of years, so well done on putting this together. And it was very informative. I wish we had all the money in the bank to fund all these projects, because that region needs a lot of improvement and I think that by doing this brings a level of awareness to all levels of government. I just wanted to point out, Governor, on self-help counties just real quickly. Most every state west of the Mississippi River, are self-help counties. So most states or local governments have initiated a sales tax or a fuel tax indexing to cover the shortfall from state fuel tax revenues of the federal government. So it's a west coast thing. The east coast hasn't implemented this yet because they get the majority of federal funding. And so there is definite split at the Mississippi River.

With the fuel tax indexing initiatives that have happened in Washoe County and Clark County, you take a look at what's happened in Orange County, and San Bernardino County, and Riverside County. Those initiatives -- those sales tax initiatives have passed 5 to 10 years before expiration with 80 percent of the vote, because there's accountability in the program. And almost every county in the state of California has adopted that referendum-type funding. And there's a lot of accountability in the program. And so, when you deal with self-help counties, all of those projects and all of the

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funding are dedicated to specific projects, and you see specific outcomes and performance. In self-help counties, it works. It's a phenomenal way of funding transportation infrastructure, because as you've heard me say before it's not coming from the federal government. So it tends to be a west coast attitude, or western U.S. attitude, because we're at a competitive disadvantage with the east coast. So thank you.

Sandoval: Member Savage.

Savage: Thank you, Governor, just briefly. Mr. Hasty, thank you for your presentation. The numbers to me are just overwhelming to say the least. And what obligation we might be looking towards the Department or individual counties, I know there's a lot of questions out there and I don't expect the answers today. But the numbers on Page 28, of the \$35 billion, do you have the substantiation for those numbers?

Hasty: These numbers come -- we did not replicate anything here except aggregate everyone's 20-year transportation plan. So that's really where the -- that's the basis for the numbers. And, you know, I think what becomes rather shocking is the fact that we're not used to seeing kind of the cumulative, but a transportation system is not an inexpensive thing. You know, this is serious infrastructure development, as well as maintenance. And when you look at states like Utah, who have been under a unified plan for some years, and they aggregate all that up, they have a \$54 billion target over a 20-year period. Of which they have very earnestly gone after the revenues, and have established most of those and are procuring through their public with the last \$11 billion now. So they've been on a very serious investment track there, and I think this is the type of thing that we're all left on our own typically. And this is when we start pulling it together like this is when you start looking at, well, what other opportunities are there because it can be a big burden. But there are also ways of starting to look at and go, all right, how do we get, you know, what's really (inaudible).

Utah was looking at a \$70 billion piece. They targeted \$54 (billion) out of that. So then I think what the opportunities are within plans like that, and those get updated every four years, so we're all -- most of us are going through an update process right now.

Savage: And where do the feds stand on this?

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- Hasty: Well, the feds, you know, if you're a metropolitan planning organization then you are basically -- you're programming your anticipated federal money in that, along with everything else to get it. So you'll end up with what's called a constrained list and an unconstrained list. Constrained meaning you think you have a reasonable chance of funding. Unconstrained is like, I don't know where the money is coming from, but here's the need. And so that's what the plans typically will address and this is how you've programmed in your federal money and you start to see where that's going to go or not. And they'll review it. They'll approve the plans. It doesn't mean you're going to get the dollars. And then, some MPOs have the formula monies coming, and then there's discretionary monies, et cetera, et cetera. There's working with the Director and the NDOT staff and how you're going to get things done.
- Savage: So I guess my concern is fiscal responsibility of being able to afford the house or the new car. And I know this is looking down the road, but are you looking at NDOT down the road to subsidize some of this funding?
- Hasty: I think there's a role here for the state that fits within the state's needs, if you start looking at where does the state need to go. Locally, as I just mentioned, it's really important and that's the trend, and we're seeing that happen here. Washoe has done it; Southern Nevada has done it. I know other local jurisdictions are looking to do it. Nevada is poised here for, you know, the statewide ballot-type of stuff for indexing the gas tax. Indexing the gas tax is a great step forward. It won't take care of everything, but it starts to fill the gap. And those are the types of things that are going to be needed; or we won't have these things. So, you know, there is a cost to doing nothing, as well, and that's kind of the -- needs to be part of the dialogue.
- Savage: And, again, I commend you for -- to being innovative. And Lake Tahoe, the Sierras, I mean that's why we all live here, is the beauty and what it has and we have to protect that. But I guess looking forward, we'll look to see how everything is funded and...
- Hasty: That's correct. And that's -- you're right.
- Savage: ...how the dollars come about. So I thank you for your presentation. Thank you, Governor.

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Hasty: All right. Thank you.

Skanccke: Can I just add one comment?

Sandoval: Member Skanccke.

Skanccke: Thank you, Governor. Just -- Len, you gave me a thought here. So did you, Carl. You know, Utah went through a process many years ago to create their unified plan. And, you know, those of us in the transportation world love to look at Utah, because they've been leaders on lots of innovative ways of doing things. But maybe this is our opportunity here in Nevada to do our own unified plan, to really come up with a long-term strategic vision for where we want transportation infrastructure to be. I would suggest we tie that to economic development, but we could maybe take some of those research dollars that are going to the universities and find a faculty member to help us create that.

And I know that UDOT worked with the University of Utah and they worked with BYU to actually create this unified plan. And this may be a unique time for us to do that, Governor, to create a whole statewide vision. We've gotten kind of hodge-podge of different directions, but this would be a good exercise, I think, for our state at this juncture, to tie it to all the things we're doing in economic development. And start prioritizing around things like this that we don't have their plan and their plan and their plan, but we have one Nevada plan that takes the state in one direction. That unified plan in Utah has been very, very successful. It's the gospel. And I'll tell you what, not many people leave the book. People stay on message with the book.

Malfabon: And, Governor, that's something that I want to give Carl and the folks from Tahoe that he represents some credit, because we've embarked on that now. It is starting out with at least identifying as the four metropolitan planning organizations and NDOT, what are all these needs out there. So we've started the process. It's not as fully developed as the unified plan that you see in Utah, but we started that process and we're going to craft that and kind of use that same template for crafting what the needs are in Nevada. We've got kind of a short brochure that we put together through Carl's efforts that everybody -- the four MPOs and NDOT participated in. So

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we've embarked down this path and we're going to continue working on that unified plan.

Sandoval: Thank you.

Hasty: Thank you.

Malfabon: And Reid Kaiser -- and I want to mention that Kaiser means hasty in German. So he will cover this very quickly. Just an update on the Construction Working Group.

R. Kaiser: I've got about 40 slides here I want to go over. No, I'll be brief. Reid Kaiser, Assistant Director for Operations. And I just want to give a brief update on what we've covered and where we're going with the Construction Working Group.

The Construction Working Group here in Nevada is just an extension of the Transportation Board. It was formed a couple years ago to kind of get into the weeds at some of our construction operations and things like that. Some of the things that we have looked at -- well, I'll just go on here. Some of the things we've looked at these last couple of years, we've looked at our construction field op activities. We've looked at project closeout, the DBE program, partnering. We've talked about dialogue with industry and claims. And some of the items that we've talked about on those items is we've allowed the Construction Working Group to get into a lot of our details.

A good example is project closeout. We kind of struggled with that the last few years. That's really kind of made it their focus is to get into contract closeout, look at our operations to see if anything we can do to get some of our projects closed out quickly. So we've actually improved in the last about three or four years. We've essentially doubled the number of projects we've closed out in the last few years. In 2014, we closed out 27 projects. 14 contractors were represented in those closeouts.

Some of our future topics that we'll talking about is contractor prequalification. We have recently implemented electronic documentation through the Construction Division with the resident engineers or our field project managers. We'll continue to get into that. We are redoing our partnering requirements on our construction contracts. We'll continue to update the CWG on that. We're also updating the group on our DBE

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program. We have numerous training classes for our project managers that we'll be going over. And the last item is any item that comes up to the group or might come up at a Transportation Board meeting we'll add to the CWG agenda and dive into that item. And that's pretty much what I had. Do you guys have any questions on anything in the packet, or anything I mentioned?

Sandoval: I'm going to go to Member Savage, who chairs the group and personally want to thank you because that's a substantial commitment to work on this. And, you know, given -- the one slide that really jumped out to me was that the 27 contracts closed, 19 or 70 percent of them are completed under budget. And, you know, some of the others were over budget, we're closing them out and we're not in this protracted litigation, and mediation, and all those things. So this group has really been beneficial to the state of Nevada and to this Department. So thank you, Member Savage.

R. Kaiser: One thing I really appreciate about the CWG is, you know, Len and Frank, they've been through the construction for many years and, you know, the more times -- and don't take this personal -- the more times you get attorneys involved, the more costly, the longer it goes.

Sandoval: Yeah, you're not getting any argument here. No, but that's the value of these two individuals on this Board, is they are real contractors who are working in the real world and have real-world perspectives. And it's just invaluable to this process. So, Frank, I also want to thank you, as well, for your hard work and commitment.

Martin: Thank you, sir.

Savage: Thank you, Governor. Appreciate the kind words, and it's a pleasure to serve on the Construction Working Group. I know that since the inception in 2011, we've made some good progress. And I'm very thankful for all the individuals that have been involved, but our work is not over. We know that. And I want to personally thank Member Martin, as the Governor just did, for his invaluable contribution to the Construction Group. The vast wealth of knowledge and experience is invaluable, and it's very practical and realistic in today's world. And we need that. We need realistic contractors. And we welcome the new Controller at this afternoon's meeting. There's no

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lunch. I know we have to move fast on this one. So everybody else gets to eat first. But I do welcome you, Controller.

And lastly, I'd just like to thank the NDOT administration, the construction office, the engineering, the district engineers, the resident engineers and the outside consultants, along with the FHWA, for their cooperation and detail for our construction department. And lastly, I want to thank the contractors and the vendors. These outside contractors and vendors, who deliver the projects on time, and in budget, and without claims. I think those contractors. They're a big part of our success. Thank you, Governor, and I thank you, Board.

Sandoval: Thank you again, Member Savage. Anything else?

R. Kaiser: No, that's all I have.

Sandoval: That was hasty.

R. Kaiser: Yeah.

Malfabon: Very good. Moving on to Item No. 16, Old Business. We have the Report of Outside Counsel Cost on Open Matters and the Monthly Litigation Report. Our chief counsel, Dennis Gallagher, is here to respond to any questions the Board may have on Items A and B of Item 16. Seeing none, the Fatality Report is also provided. And as P.D. Kaiser mentioned, we do have a challenge ahead of us that through the efforts of the folks at NDOT and our local partners, we're going to be working very diligently on the issue of pedestrian safety and highway traffic safety in general, to drive these numbers down.

And also provided is supplemental information. Previous Board meeting there was a question about a research agreement, and what was involved in that. So the Taking Bridge Innovation Into the Field was the title, and that kind of did not describe very well what is actually being performed as research on this. So this research is to design and construct structures and bridges in Nevada that will withstand the earthquake forces, seismic forces. So the outcomes could be design guidelines, changes to specifications for construction and materials. So we provided that backup information, as well, to the Board on that research project that had some previous questions. With that, that concludes that item, Governor.

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- Sandoval: Just a question on the Monthly Litigation Report. Do we have a column for the total amount that we're spending?
- Gallagher: Governor, for the record, Dennis Gallagher. We can certainly get one.
- Sandoval: If we could add one, I'd be curious where we are on each and then the total all-in amount, as well. Okay. Mr. Lieutenant Governor.
- Hutchison: Thank you, Governor. And, Mr. Gallagher, I was just taking a look at the report and summary. It just seems that in general, almost all the outside counsel matters relate to condemnation and, you know, of some type. Is that accurate, because it looks like we're taking care of everything else towards contract disputes, personal matters. Are those all pretty much in-house, and then everything else is, you know, condemnation and inverse condemnation for outside counsel?
- Gallagher: For the record, Dennis Gallagher. That's a correct assessment. There are some matters, for example, you will note the personal injury.
- Hutchison: Right.
- Gallagher: No outside counsel. There are situations where the lawsuit arises from a construction project, so we will tender it to the contractor's insurance company, but we represent the Department throughout the litigation.
- Hutchison: Okay. And you -- have you been with the Attorney General's Office for quite a while?
- Gallagher: Four years.
- Hutchison: Four years? Do you know, historically, have more condemnation cases been in-house or have they traditionally been outsources because of the nature of the work?
- Gallagher: I will make some inquiry on that. I know there were a couple of projects where the entire projects were basically, handed off...
- Hutchison: Okay.
- Gallagher: ...to an outside law firm with little or no involvement with the Attorney General's Office.

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- Malfabon: And looking back at the last large project that had a lot of eminent domain, it was US 95 widening.
- Hutchison: Yeah.
- Malfabon: Some on State Route 160 widening. And both of those big projects we used outside counsel for eminent domain.
- Hutchison: And is that largely because those eminent domain cases, you know, they tend to be project specific. And so, I guess -- I mean, I'm trying to think of maybe just in terms of why you would use maybe more outside counsel there if you just grew the in-house counsel staff or the Attorney General, then when those projects go away you've still got all these excess individuals in the Attorney General's office. Is that the thinking?
- Malfabon: Yes, Mr. Lieutenant Governor. That is mainly because of capacity constraints and the deputy attorney generals assigned to the Department, and they work on several things in-house as you had noticed.
- Hutchison: Yeah.
- Malfabon: So it's -- even when you have outside counsel hired, you have to have an in-house DAG to manage...
- Hutchison: Sure.
- Malfabon: ...them and give guidance and direction to them.
- Hutchison: Yeah.
- Malfabon: But it is a capacity issue, and when you have so many parcels to acquire on a project such as Project NEON, for example, then it does require some outside additional efforts from outside counsel.
- Hutchison: All right. Great.
- Gallagher: Lieutenant Governor, if I may add to that. Part of my view of the outside counsel, in these cases, it's just part of the project cost, just like additional engineering is required or any other type of additional services. And we're now programming that as part of the project cost, and many times now it's eligible for federal reimbursement.

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- Hutchison: Is there someone in-house at that Attorney General's office who's just absolute expert on condemnation? In other words -- is that you, Mr. Gallagher?
- Gallagher: I would not venture that at all, Lieutenant Governor.
- Malfabon: It is a very specialized area of practice. And...
- Hutchison: It is.
- Malfabon: ...I think that the people that have the most expertise are the ones that are assigned to NDOT. I wouldn't know if you would say that they're expert, but they're definitely getting a lot of experience in it.
- Gallagher: There are a couple of deputies in my division that have been practicing eminent domain law for a good number of years. And I would say they're well versed on that subject matter.
- Hutchison: Okay. Thank you.
- Sandoval: No, and in all seriousness, all the best ones are plaintiffs.
- Hutchison: Yeah, you're right. You're right. Yeah.
- Sandoval: It's just the reality of it. But in any event, I mean I think some of the value of this outside counsel is that Jericho Canyon case, where I think the original demand was over \$100 million and the case was resolved for \$4 million.
- Gallagher: A little over four, Governor, yes.
- Sandoval: Yeah.
- Gallagher: The original demand was for over \$100 million.
- Hutchison: Well, and what tends to happen, you know, is you take everything in-house until you lose a big case, right, and then you say let's listen, you know, to outside counsel.
- Sandoval: Don't bring that up because there's one that comes to mind and I'm not going to...
- Hutchison: All right.

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- Sandoval: ...talk about it right now.
- Hutchison: Thank you, Governor. All right. Let's move -- does that complete Agenda Item No. 16?
- Malfabon: Yes, Governor.
- Sandoval: Okay. We'll move to Agenda Item 17, Public Comment. Is there any member of the public in Carson City that would like to provide comment to the Board? Yes, sir.
- Moore: Thank you, Governor. I'm Richard Moore. I'm the representative of the Southwest Concrete and Pavement Association. First, I want to thank the Department and the Board for their innovation and past action on last month's item, the Boulder City Bypass. We were very pleased with the results of that award.
- My comments today, speaking to Agenda Item No. 11, which has already been discussed this morning. Mr. Mortensen made a comment during his remarks that the final RFP will be distributed in the near future, if not today. In conversations with some staff at NDOT, I've learned RFPs on these design-build projects are not public information. And I would like to just make a comment that in our opinion, from the industry's standpoint, request for proposals, we believe, should be part of public record and available to the general public, not just to the shortlist of contractors. Made several requests -- or several attempts to get that information on the website, have been unsuccessful to do so. Is there anybody that could comment on that (inaudible)?
- Malfabon: Governor, I could comment on that. And I believe that our intent was, now that we have a final RFP, was to release it on the website. So this was an area that we wanted to be transparent and provide -- now, the reason it was kind of kept close to the vest was it had developed, initially, as a public-private partnership and we kept that confidential. Now, there's no reason to keep this RFP from not presenting it on the website. So we will make it available.
- Moore: Will that be a general policy regarding all design-build projects?
- Malfabon: Yes, for design-build. Yes.

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- Moore: Yes. USA Parkway comes to mind as a...
- Malfabon: Yes. Once they're at the final RFP stage, we'll release them.
- Moore: Right. Certainly understand the need to keep the proposals from contractors confidential. I have no problem with that. But the specifications and the requirements that the Department is putting out should be, we feel, made available to the general public.
- Malfabon: Yes.
- Moore: Thank you very much, Governor.
- Sandoval: Thank you, Mr. Moore. Any other public comment from Carson City? Public comment from Las Vegas?
- Martin: None here, sir.
- Sandoval: Thank you. Is there a motion to adjourn?
- Knecht: So moved.
- Sandoval: Moved by the Controller. Is there a second?
- Savage: Second.
- Sandoval: Second by Member Savage. All in favor say aye.
- Group: Aye.
- Sandoval: This meeting is adjourned. Thank you, ladies and gentlemen.



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Secretary to Board



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Preparer of Minutes