

Transcript of Nevada Department of Transportation
Board of Director's Meeting
October 12, 2015

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

Sandoval: Good Morning. Let's proceed with the agenda and I will call the Department of Transportation Board of Directors Meeting to order. Before we commence with Agenda Item No. 1, I'm very, very pleased to introduce BJ AlMBERG, our newest member of the Department of Transportation Board. Mr. AlMBERG, if you could say a few words.

AlMBERG: Thank you, Governor. I want to thank you for the opportunity to serve this great state. I look forward to working with yourself and our fellow members and all NDOT state employees to do a good job for the citizens, so thank you.

Sandoval: Thank you and we truly appreciate your service. Agenda Item No. 1, Presentation of Retirement Plaques to 25+ Year Employees, Mr. Director.

Malfabon: Thank you Governor. I wanted to acknowledge the service of several employees of NDOT that have recently retired. Debra Starnes is a Professional Engineer in Reno Administration, 32 years of service. Bob Thrower was an Engineering Tech III in the Materials Division. He worked on a lot of asphalt mix designs there. 25 years of service. Laurence Coon, Highway Maintenance Worker IV on Crew 905. Steve House, Supervisor III in Sparks, 26 years of service. Margaret Orci, Assistant Chief of Right-of-Way, 38 years of services. That's not a typo. We really miss Margaret. Paula Morton, another person that I worked with personally in the Construction Division years ago, Administrative Assistant IV in Planning, 26 years of service. Robert Steele, Highway Maintenance Super I in District I, 30 years of service. Halana Salazar, another mainstay of the Right-of-Way Division that recently retired with 25 years of service. Jeff Stoffer, Supervisor III, Associate Engineer on Sparks, 30 years of service. Bryan McCurdy, Transportation Planner Analyst II in Planning and Traffic, 26 years of service. James Gutierrez, Highway Maintenance Manager in Las Vegas, 30 years of service. Last but not least, Anthony Livreri, goes by Zach, Supervisor III,

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Associate Engineer in District I, 25 years of service. A total of 313 years of service, Governor and I offer you a chance to say a few words on behalf of the many years of service of these excellent staff that recently retired.

Sandoval: Thank you, Mr. Director. In this day and age when people don't hold their jobs or stay in the same place for only a few years to see that we've got individuals that are 20 plus and 30 plus years, to me is just a statement of public service and service above self and a willingness to make a lifetime commitment to the State we all love. I personally want to thank the individuals. Rudy, are any of them present today?

Malfabon: I think, is Debra Starnes is here, Governor. I'm going to have her come up but I'm going to also ask her to come possibly next month when the full Board is here, but I wanted to go ahead and take an opportunity to have a photo op with the Board Members that are present here in Carson City. Debra?

Malfabon: Are there any others present that we're not aware of? That concludes Agenda Item 1.

Sandoval: Thank you, Rudy. And, Debra, that was about the biggest smile I've ever seen, so good luck in your retirement and we truly wish you well and thank you for your service. Let's go on to Agenda Item No. 2, Presentation of Awards.

Malfabon: Thank you, Governor. The first award is presented to Bill Story, from NDOT Bike and Pedestrian Program. It's from the Vulnerable Road Users Project, Best of the Best. So, each year, UNLV's Vulnerable Road Users Project, which is a term that we use for pedestrians and bicyclists that are more vulnerable using the roadway. They program recognizes the best of the best for vulnerable road user safety. This year, NDOT's Bill Story was honored in the Angel Category for his partnership, guidance and expertise in making Clark County safer for bicyclists and pedestrians. His efforts included bike helmets available for those in need, helping to get bike safety education into every classroom in Clark County and working on legislation for several bills to improve the safety of those on foot and bike. Let's get Bill up here for a photo opportunity with the Board Members that are here in Carson City.

Malfabon: Certainly one of the programs that we're trying to improve is the Water Quality Program. We've talked about the US EPA Storm Water Program and the appointment of Dave Gaskin to Deputy Director. I wanted to highlight one of our water quality improvement projects that won an award from the Tahoe Regional Planning Agency. The State Route 207 Reconstruction and Water Quality Improvement Project won the 2014 Best in the Basin Award, for the reconstruction and water quality improvement project on State Route 207, Kingsbury Grade.

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The project improved water quality by constructing and improving water quality basins and stabilizing and protecting road shoulders by addressing water quality, aesthetic and safety improvements. The project will continue to significantly improve the health of Lake Tahoe. I'd like to call up some of the members that may be in the audience from our Hydraulics Group in Construction. Matt Nussbaumer, Tyler Thew, John Angel and John Bradshaw, from Roadway Design. If you're here could you come on up?

Malfabon: I think that we could cue the AASHTO Video. Our photographer, Sholet Moll, won first place for her up close and personal video of a snow plow ride-along on Mount Rose Highway from the American Association of State Highway and Transportation Officials, AASHTO. It's called The Faces of Transportation Competition, which they conduct each year. NDOT Representatives have won both in the video category this year and previously with photographs. We have a great staff in our Communications Department. In this video, we have Highway Maintenance Worker, Russ Hirers, giving Sholet insight and firsthand experience what it's like to pile snow near Lake Tahoe. Do we have the video?

Speaker: We do.

[video plays]

Malfabon: As we're heading into winter in the next few months, we hope to see a lot more of that white stuff, but you could see that our plow operator was pretty amazing in his operation of that plow; how close he could get to the guard rail, to the edge of the pavement. They do a great job, especially in winter snow/ice operations. I wanted to thank them and congratulate Sholet on her award.

Sandoval: Thank you, Mr. Director. I, too, would like to congratulate all the award winners. It's always great to see this type of positive attention come on the Department and Sholet, congratulations. She always does amazing work. I've been threatening to do a ride-along on one of those trucks for a long time and I hope I get the opportunity this winter, but in any event, thank you very much for everybody in making this happen.

Malfabon: Thank you Governor. The existing Board Members up here will take a photo op with Sholet.

Sandoval: So, who is going to take the picture if Sholet's in it? [laughter]

Malfabon: I think I saw Ken Mammon with an award. We will have it at the next quarter, but I just wanted to mention it, was it a—one of the presentations later, Governor, was with the Nevada Highway Patrol and as part of the Department of Public Safety, we work hand-in-hand on the Highway Traffic Safety Campaigns. Zero Fatalities. And, just to give a prelude of the next quarter's awards, we did win a

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Telly Award through our joint efforts there with the Office of Traffic Safety, under Department of Public Safety. So, we'll highlight that next quarter. Thank you.

Sandoval: Board Members, any comments with regard to Agenda Item No. 2? We will move to Agenda Item No. 3, which is to receive the Director's Report. Mr. Director.

Malfabon: Thank you Governor. Good morning Board Members. Wanted to also start out by echoing our pleasure in having a new Board Member representing District III, BJ AlMBERG. And, since BJ is a professional engineer and land surveyor, he's going to understand some of the acronyms that we continually forget to stop saying. We've got to speak in terms people can understand. We appreciate BJ being appointed to the Board. Governor, great selection. BJ has a Bachelor's of Science in Civil Engineering from UNLV. He's worked in the transportation industry, working in construction on highway projects. He was an assistant resident engineer on a major interchange project in Las Vegas, in fact. Welcome BJ.

I'd like to highlight some of the new personnel. Jessen Mortensen, you might recognize that last name. He's the brother of Cole Mortensen, our Project NEON Project Manager. Jessen was recently appointed to the Bridge and Structures Division Chief position at NDOT. Jessen has been a part of NDOT since 2002. He has Bachelors of Science and Masters of Science in Civil Engineering from UNR.

Also, Alan Tinney, our Storm Water Division Chief was recently appointed to that position. Dave was able to know that his quality services at Nevada Division of Environmental Protection was able to steal him away. Alan has 25 years of state service, most recently as the Chief of the Bureau of Water Pollution Control at NDEP.

Kim Smith is formally with Fox 5, KVVU, in Las Vegas. She's going to help us develop our Storm Water Community Outreach Program and work a lot with social media here at the Department. A good addition to our Communications Division.

Jessen, Alan and Kim are you in the audience? Okay, if you could stand, we'll give you a round of applause Congratulations.

Governor, this is the latest mock-up and we are working to reduce the line spacing between the top line, Carson City, and the Deputy Sheriff legend on the sign. We did work into the sign that the badge for the Sheriff's Department. We're going to be honored as we develop the sign and install it and set up a media event for

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your office and the Sheriff's Office in memorial of Carl Howell's service as a Deputy Sheriff. His life was tragically cut short, as we all know.

We identified some locations with District II. We're going to get final buy-off on the sign after we modify the spacing, get it more uniform in that sign. It should be about four weeks to get that produced and get the mounts installed on the roadside.

Governor, I wanted to thank you for using your social media account for Walk To School Day and I have a photo there of the Bordewich-Bray Elementary School students that walk past the Governor's Mansion. It's an annual event and I appreciated the fact that you tweeted out the tips for walking safely to school. That's very important and our children are our greatest resource for the new Nevada. I know that you took it to heart in the last session and passing a lot of the education reform and education funding, but having those tips taken to heart by motorists and by the students is very important to protect our young kids as they're walking to school. We want to promote walking to school for their health and safety.

One thing to add also is that as of October 1st, there were some new laws passed that specifically address pedestrian safety. The Pedestrian Safety Zones Law were put into effect, so there will be no U-turns allowed in school zones. You can't pass vehicles that are stopped for allowing kids to disembark from cars and such. Also, increased penalties for hit and run involving pedestrians and bicyclists. It matches the types of driving while intoxicated laws that we had on the books, but had a hole to fill there in the law that was fixed this last legislative session. More protection hopefully and more tools for law enforcement to use in enforcing traffic laws to protect pedestrians and bicyclists.

In the coming months we'll have our Deputy Director, Dave Gaskin, give a more formal briefing on the Storm Water Program, but Dave's continuing, as I showed you with Alan Tinney's appointment as the Division Chief, filling key positions. The meeting with US EPA Region 9 went very well on September 25th. We have two follow-up meetings in November. So, Dave and Alan will go over there in early November for a lot of the technical discussion of the permit requirements and the administrative order of consent that we're negotiating. Then we'll have a follow-up meeting in later November with the Governor's Office staff, as well as, NDOT staff with EPA in San Francisco.

Things are looking good for what EPA saw in the legislative ask that was approved. Also, with the new positions, the new equipment the Board approved ordering, they see that there's a lot of progress being made in our Storm Water Program and I wanted to thank the Governor for your help and assistance in the last session, getting those resources granted to the Department of Transportation.

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It was a big lift, unprecedented and it's paying dividends in our efforts with the US EPA to show them that we are taking the program seriously. They reviewed District II, Reno Maintenance Yard and were pleased with some of the improvements done to date and they know that there's other improvements on the way at that facility, as well as other facilities. We're working right now on the Carson City Maintenance Yard as well as other maintenance yards across the State.

To continue with other roadway projects. US 50 Clear Creek Water Quality Project is winding down and I mentioned the maintenance yards—Dave Gaskin recently presented at the National Storm Water Summit in Philadelphia. We're going to continue to, as I said, give you more detail. I would like to say that after the November meeting, probably would be good at the December meeting, to have Dave Gaskin give you a very detailed update on our Storm Water Program efforts.

As you know, we're currently operating on a short-term extension through October 29th. That's not that far away, but the House version of the Long Term Transportation Bill is coming soon. It's going to be a six-year bill, funding at the current levels. They haven't identified where all the money is coming from for the full six-year term, but it's good that they're in alignment with the Senate on a six-year term for the bill. Funding at current levels is what we built our funding model on for the next several years, so that's good news too. Although, we'd like to see an increase from the Federal Program.

Most likely, as they're working out their differences between the Senate and the House, they'll have another short-term extension. The Highway Trust Fund at the federal level has enough funding through the end of the year. That's what we anticipate as an extension through the end of the year to settle up on their differences and pass the six-year bill.

Also, NDOT recently attended two regional forums on transportation trends in the nation. Nevada is included in two of 11 mega-regions. We joined in the conversation on how public policy and technology are going to shape the next trends in transportation to increase safety, mobility, address economic development. It's a big issue in the west and several of those other mega-regions across the State. So, I was pleased to have representation at those forums. The two mega-regions in the west that Nevada is part of are the San Francisco Bay Area Mega-Region and the Southern California Mega-Region.

We will be getting new—a great document that was put together by US DOT on support of those forums. It has a lot of interesting facts.

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Last month Member Skancke had brought up the concern, I think it was last month, about the federal funding formula and the role of population in that formula calculation for distribution of the federal transportation funds. We dug into that a little bit more along with, Governor, your staff in DC and we were able to determine that, in SAFETEA-LU; that was the Transportation Bill from Fiscal Year 2005, that they did consider population as one of the factors as well as other factors to determine the apportionment of federal funds. After 2009, it expired and they did short-term extensions by Congress, but they somewhat locked in the apportion that based on those formulas at that time. Then, when the current bill, MAP-21, came along in Fiscal Year 2013, they pretty much locked it in at pre-2010 census numbers for the population.

We talked it over with Ryan McGinness and some of our staff back in DC that keeps the finger on the pulse with Congress and it's because of the issue of opening up those formulas again, it's just unlikely that they're going to address that in this next Highway Bill, but we can at least give our point of view to our delegation so they're aware of that. It is, as I said, if it's flat funding, it's a zero sum gain, so if Nevada gains any kind of funding, then another state that's losing population will lose funding and they'll battle for maintaining the status quo. I think that it's important that Member Skancke brought that up as an issue and that we can weigh in with our delegation about at least considering addressing that, for fairness sake. If population was used as a factor in the past, then it should be considered with these growing western state's populations.

Knecht: Governor?

Sandoval: Yes, is that the Controller?

Knecht: It is, thank you Governor, just a quick question. First of all, thanks again to Member Skancke for bringing this up. That was very bright, very timely. My question to Rudy is, you say that they've locked in at pre-2010 census numbers. Now, I know the census is either April 1st or the July 1st and they're estimates that we make annually on the other date. What year or what date were the pre-2010 census numbers? It makes a bit of a difference to Nevada because Nevada continues to grow, although it did slow down a little bit there. Do you know what date that was Rudy?

Malfabon: Yes, Mr. Controller, it would've been the 2005, the numbers that they established for SAFETEA-LU were in 2005. So, it was an estimate. It wasn't the actual 2000 census numbers. It would've had to make an estimate based on growth patterns at that time. So, it's over 10 years old.

Knecht: Right. Governor and Mr. Director, I'll just say, please keep up the pressure on the folks in Washington because Nevada is unique in that, even though we had a bit

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of a lull after the great recession in our population growth, in the 10 year period that the Governor mentioned, we're still the fastest growing state in the country. So, it makes a difference to us the way it wouldn't to Illinois, Pennsylvania or whoever. Thank you Governor.

Sandoval: Thank you. Rudy, please proceed.

Malfabon: Thank you, Governor. A little update on USA Parkway. Proposals are due October 19th. That's, I believe, a Monday. So, we gave them—the four teams that are short listed are identified there, Ames, Granite, Kiewit, Q&D. Gave them a little bit more time to submit their proposals in the next few days here. Also, Governor, in considering that we want to support the new Nevada and technology companies, we are going to reach out to telecommunication companies regarding fiber on USA Parkway. It was not on the original scope of work for the design-build project. We feel that it's important to reach out to them, find out what some of their plans are with installation of fiber. We're looking at our options of including it under the design-build project, maybe the conduit under a change order, but we'd prefer not to delay the RFP progress schedule at this time, but continue in those discussions and determine how best to get fiber installed on USA Parkway without delaying the project.

Some major project updates. Recently our contractor Q&D started work on this \$50M overlay project. It was last repaved on I-580 in Washoe Valley in 2004. You see a lot of lane reductions right now. Traffic is moving through there, just be cautious as you drive through that work zone. Next year, we will do the seismic retrofit of Bellvue Road Bridge and the East Lake Boulevard underpass as part of this scope of work on this project. A lot of the paving will be conducted this fall. There will be also some test sections for some national research projects on this section of highway. We also will make some improvements next year for the acceleration lane for the southbound direction headed into Carson City from East Lake Boulevard interchange. That will be a lot safer interchange once those improvements are made.

I'll go quickly over some other major projects that are going smoothly. Carson Freeway Earthwork Operations are underway. The I-580 Concrete Paving Rehabilitation Project, I noticed that our contracted Q&D is nearly completed with the profile grinding, maybe some minor crack sealing still to perform. That job went very well and thanks and hats off to Q&D for some of their concepts on the crossover for traffic control.

The projects in Southern Nevada, Phase 3A, the 215 and 95 interchange ramps are continuing construction. Also, I-11, Boulder City Bypass Phase 1 is continuing. Wanted to mention to the Board that we did delay the bid opening for the Phase 1 of the State Route 160, that's the road to Pahrump from Las Vegas, the widening

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project, a couple of weeks so that we could anticipate announcing the Project NEON preferred design-build team to the Board. Then, some of those contractors, it might affect and result in more competitive bids on this Phase 1 of State Route 160 Widening. It's estimated to be between \$16.5M and \$20M in construction cost.

Recently Comstock Mining closed off State Route 342 for their construction of the permanent alignment of that highway on the east side of the old mine shaft which was capped off. They anticipate reopening the highway on November 12th and will continue with some minor traffic control operations to work on the shoulder, but we're pleased that they addressed that issue of the settlement of the old mining tailings that were underneath that old alignment and it didn't cost the Department to make those improvements.

On the North Valleys, we're going to continue meeting with the developers, the RTC of Washoe County and local representatives as we determine what are the short-term improvements; maybe some longer term improvements that can be planned for and put into our Transportation Improvement Plan. We are going to have a technical team review the projects that are identified; determine cost and prioritize that with our stakeholders. We'll have more to come to the Transportation Board on an update in the months ahead for the North Valleys.

Some upcoming meetings. We have a \$35M interchange that we're doing collaboratively with the RTC of Southern Nevada and the City of Henderson. It's going to have a Public Information Meeting on October 22nd at Schorr Elementary School. Besides the interchange construction, we're also building Starr Avenue, from Dean Martin Drive to Las Vegas Boulevard. So, great east/west connectivity, as a result of this project, anticipated, as I said, to go out to bids in 2018.

We also have a Public Workshop on proposed regulations for commercial electronic variable message signs, which a lot of people call digital billboards. It's October 27th at the office. The Board is meeting their Board Members at the training room there today.

This week at the Board of Examiners, some minor settlements. We wish they were all this minor, but... Ad America is actually a payment back to NDOT for some of our legal costs that we're going to recoup in a settlement. Also, the McCarran Boulevard Project was just a small issue involving some landscape improvements on the private property. That was settled for \$800. That will go to the Board of Examiners tomorrow.

The issue of the Meadow Valley Claim for the Meadowood Interchange, on 580, we've developed initial findings and discussing that with the Federal Highway

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Administration. Today is a federal holiday, so they're not represented here today, it's Columbus Day. We will continue the discussions with Federal Highway Administration and meet with Meadow Valley contractors on that claim.

That concludes my Director's Report. Governor, I'm willing to answer any questions from the Board Members.

Sandoval: Thank you, Mr. Director. Any questions from Board Members, Member Skancke.

Skancke: Thank you Governor, and Rudy, thank you for the report. I have a couple of things that I just wanted to bring up around the population number. I was incorrect last month when I said the State had grown 30%. It's actually 42% since 2000. I think it's important, I agree with the Controller, that we stay on this and weigh in where we can. All the western states have had substantial growth. Arizona, 31%. Colorado, 24%. So, I think that this is obviously a western issue, but it's particularly an issue for Nevada. In the DRIVE Act, if they continue to use old census numbers, then we just continue to get robbed.

I'd also like to say that I've learned that there is going to be a correction in the DRIVE Act because I think a lot of people were caught off guard with the old number. I think we need to keep up that pressure. Whatever we can do from a western state's point of view, I think that's really important.

The second thing that I wanted to bring up and this will be no surprise to anyone but I'm going to put you all on notice that I'm not going to stop until I actually have an answer is, any progress we've made on advancing I-11 to a June 2018 delivery of some sort. So, this is just going to be a standard question, if you've got some answers, that'd be great, but I'd like to see some type of progress back to the Board maybe in December of what our strategy is going forward and how we're going to deliver that project sooner rather than later.

The third thing that I wanted to comment on was, I've had a chance to review the draft of the freight study that is online. I've got to tell you Governor, what this Department is doing in freight is remarkable. It's a great draft. I think you're heading in the right direction and your team is. I think it's well thought out. I like the fact that you're connecting the freight to the Governor's economic development strategy that was done a number of years ago. Because our transportation infrastructure system is directly connected to our economy. Most people don't remember the fact that the Transportation Department used to be in the Commerce Department. It was directly connected to economic development. So, I think the Department is delivering on your vision and mission Governor, around economic development. I think you guys have done a superb job of

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starting that first draft. I'm looking forward to the completed document very soon.

Finally, I think as we look at I-11, there was an item in here on USA Parkway—I read an article over the weekend about the amount of growth that's happening out in the Tahoe/Reno Industrial Center. To me, I'm not an engineer, but I've spent a little time in logistics, but to me, it makes sense that I-11 somehow has got to connect to USA Parkway. If we don't start planning for that today, we'll be 20 years behind and that thing will be built. The freight study that you're conducting today and you're doing today is connected to all of that. I think that's why we really have to move quickly on advancing I-11 or we're going to be behind. We're going to have all of this development in the northern part of the State to diversify our economy and grow our economy and we're not going to have the connectivity that's needed to make that happen.

So, as we start to look at solutions, my suggestion is that we really look at how I-11 connects to USA Parkway. I know we can't presuppose things for NEPA, but if I-11 has a vision, it is to connect this state and to connect this state to the global economy. I think that what we're doing in economic development in this state to diversify our economy, we have got to keep that in mind as we build our infrastructure.

Those are my only remarks Governor, I appreciate the time. Thank you.

Sandoval: Thank you Tom. It's interesting that you bring up that issue with regard to I-11 and the USA Parkway because I had an opportunity to visit a new tenant there, Zulily, which has a 750,000 square foot internet fulfillment facility. That is one of many that are in that area now and there will be more. I was told that there are over 6,000 individuals that are employed out there now and that number will double in the next couple of years. There will be a significant amount of truck traffic.

One extra issue Rudy, and for NDOT to consider is, they expressed some concern with regard to the interchange of the 80 into USA Parkway. Not long ago there was a truck that had flipped coming in and it blocked that truck traffic. I understand there are two interchanges there, but it really disturbed the freight, the rate of freight that they were able to get in and out of there. I just want to ensure that the interchange that we have there off the 80 to USA Parkway is sufficient to handle the volume of trucks that is there and will be coming in the very near future.

The second issue that I wanted to piggyback on Mr. Skancke's comments was with regards to that population issue. The Western Governor's Meeting is in Las Vegas in December. I think that is a very good topic that perhaps we could make

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an agenda item, with regard to the population and the growth that we're seeing in the Western States, yet there isn't a proportional share of highway money that is coming our way. So, I appreciate you bringing that up and I'm going to explore making that an Agenda Item.

Skancke: Great, thank you.

Sandoval: Any other comments from Board Members with regard to Agenda Item No. 3? Northern Nevada, any comments?

Savage: Not up here Governor, thank you.

Sandoval: All right, thank you. We will move then to Agenda Item No. 4, Public Comment. Is there any member of the public in Carson City that would like to provide public comment to the Board?

Malfabon: None in Carson City.

Sandoval: Anyone present here in Las Vegas that would like to provide public comment? Yes ma'am. If you would take the lectern please.

Malfabon: If the speaker in Las Vegas could get close to a microphone, please.

Sandoval: If you would identify yourself for the record, please.

Roundy: My name is Deborah Roundy.

Sandoval: And if you'd spell your last name, just for the record.

Roundy: R-o-u-n-d-y and I've lived in Las Vegas over 35 years. My husband and I, Terry Roundy, have property in an area that NDOT is wanting to acquire a portion of. This has been going on for quite some time. At the beginning, when NDOT Started their plan to fix the interchange between 95 and 15, I went to all the public meetings. At that time, there were several at the Government Center, where you had a big table map of what it was going to be like and our lot was not going to be affected. It was that way for quite some time.

About two years ago, we were notified that they were going to do an appraisal of our property. It's a half-acre lot. It's inside Scotch 80s. It's a residential estate neighborhood with tree lined streets and it's very nice. We wanted a normal neighborhood to build our retirement home in. In that appraisal, they compared it to property where homeless people live as a comparison and our neighborhood, the former and present mayor live in there and Jerry Lewis and other— it's a very nice, secure neighborhood. There's no entrance or exits to it from—it's on Westwood and Oakey, facing Westwood. All of that around there is gated and

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you can only exit from there, except for one location. So, it's very safe and private and quiet.

Nevada Department of Transportation just recently let us know they want to acquire 10 feet along the Oakey side permanently—12 feet, I'm sorry. And, 10 feet, additional to that for four years to use it. Which make it—and our lot, that side of the lot is 116 feet wide and a 152 feet deep. By taking 10 feet permanently and 12 feet permanently and 10 feet, that's quite a bit of space. All of the houses in the neighborhood are big and wide and you would almost have to build a shotgun house there which isn't in keeping with the neighborhood. Also, it makes it not compliant with its zoned real estate, residential estates which is a minimum of 20,000 square feet. This acquisition would make it less—like, around, less than 18,000 square feet. It also changes the configuration of the lot to make it unusable for the type of house that needs to go there.

The other thing is that, on the corner of Westwood and Oakey, going into Scotch 80s, at present time there is a gate there that you can open like with a garage door opener or Fire Department or Emergency can get in and out and a lot of the residents use that gate. By removing—it's like, our lot has a curb and gutter that goes around and we can get completely out of the traffic to open and close that gate to get in and out. By acquiring that side of it, we wouldn't be able to get in and out without having our vehicles in traffic, so that makes it unsafe also.

Also, I've had a lot of nice conversations with people in Nevada Department of Transportation. The fellow who sent this letter, John Becker, his supervisor; they urged me to go to the last public meeting which was at the school down off Las Vegas Boulevard and I went to that to speak with the man in charge. I think he was the engineer or the head of it. Hoping—and all they want from this side of our lot is a merge lane, from Martin Luther King on to Oakey. There's two properties prior to ours—we're not on the corner, we're two properties in. I thought it would be plenty of room for a merge lane from Martin Luther King on to Oakey. I was trying to get him and Nevada Department of Transportation to just leave our lot alone so that it would be buildable and we would be able to use it or sell it if we need to. By taking that much off of that side it just—it really—our first hope is that you will just leave us alone and make the merge lane stop at the end of our property and then you don't have to pay any money, we don't have to—it makes it easier on everyone.

Sandoval: Ms. Roundy, if I may. You said you communicated with some individuals here at NDOT on these issues?

Roundy: Yes, I have.

Sandoval: And, have you had an opportunity to present these concerns to them?

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- Roundy: Yes. And, they agree that they're all valid points but this a hierarchy and they feel that they can't do anything about it. So then I was urged to come to this meeting.
- Sandoval: I'm glad you're here. We won't be able to solve it today, but I think that you're sitting next to the right person and then, as well as the folks that are associated with the project. So, what I'd ask you to do is, if there's anything else you'd like to say, I don't want to limit you in any way, but we're not going to be able to solve it right this moment. Given that you're here, I'm going to direct the appropriate hierarchy of NDOT staff to visit with Ms. Roundy so that we can see what direction we can go with her concerns and her property.
- Roundy: Thank you so much. I would like to add for the record, if you won't leave our property alone that you just buy the whole property because it's not—if you take 20% of the property, you don't reduce it 20% in price, you reduce it more than 50% in price by your actions.
- Sandoval: Ms. Roundy, are you represented by an attorney?
- Roundy: I've tried really hard not to do that.
- Sandoval: Okay.
- Roundy: I was just hoping that I could do it without it. I have spoke to one that I have not hired yet that I has represented, I think, Antique Mall and several others. They mostly do big commercial people. We don't want to do that if we don't have to do that. We're hoping that if we're reasonable, you would also be reasonable and avoid a lot of problems and money and everything.
- Sandoval: Well, I don't know the specific individuals that need to visit with you. Believe me, your approach is very refreshing. I think I can speak for the other Board Members and the staff, is that we would like to find a reasonable way to resolve this with you. Again, I'm not an engineer, I'm not that familiar with that area and whether it can be avoided or not, but we need to have somebody that can specifically answer your questions. So, I direct NDOT staff to spend some time with Ms. Roundy as soon as possible.
- Roundy: Thank you very much. I appreciate that.
- Malfabon: Governor, I'd like to mention that Ms. Roundy's comments are associated with Item No. 11, which we can discuss later.
- Sandoval: All right. Any further public comment?
- Malfabon: I think you're muted now. Governor, we can't hear you.

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- Sandoval: I got you. Lieutenant Governor just bailed me out. Let's move to Agenda Item No. 5 which is the consideration of the September 14, 2015 NDOT Board of Director's Meeting Minutes. I only have two changes. One is at Page 15, Paragraph 12 and it says, 'and the finally' and it should say 'and then finally'. So, that's just a very slight change. And, at Page 16, Paragraph 3, it says, 'ma'am, I can take your comments here', it should read, ma'am, I can't take your comments here'. Board Members, do any of you have any changes? Member Skancke?
- Skancke: Thank you Governor, I have a change on Page 2, last paragraph. The fifth line from the bottom, 2000—2000 and then Nevada would get more than \$5M out of the dry vac. That should be DRIVE Act. Then on Page 3, second paragraph where it starts with 'I think', two lines up, again, the dry vac appears. That should be DRIVE Act.
- Sandoval: Any others Mr. Skancke?
- Skancke: None at all, thank you Governor.
- Sandoval: Thank you. Do any of the members have any changes to the proposed minutes? If there are none, the Chair will accept a motion to approve the September 14, 2015 minutes with the changes that have been noted.
- Hutchison: Motion to approve.
- Sandoval: Lieutenant Governor has moved for approval, is there a second?
- Skancke: Second.
- Sandoval: Second by Member Skancke. Any questions or discussion on the motion? Hearing none, all in favor say aye. [ayes around]
- Almberg: Governor, I will be abstaining since I was not there.
- Sandoval: All right. Those opposed say no. And, if you would mark Mr. Almberg as having abstained giving that he was not present at the meeting. All right, the next agenda item is a public hearing to act upon a regulation converting a temporary regulation to a permanent regulation in the matter concerning road relinquishments by and between the Nevada Department of Transportation and local governments. In the Agenda, that's marked for a time certain of 9:30. It's now 9:53 AM. Counsel, are we okay to commence with this given that it's 9:53?
- Gallagher: For the record, Dennis Gallagher, Counsel for the Board. Yes, Governor, it's appropriate for the Board to proceed on this matter at this time.
- Sandoval: All right, thank you. So then it is now 9:53 AM on October 12, 2015. This is the time that has been set aside to hold the public hearing to act upon a regulation

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converting a temporary regulation to a permanent regulation in the matter concerning road relinquishments as the process is mandated in NRS 233B.063, Subparagraph 3. This is an action item on the Board's October 12, 2015 Agenda. Notices have been posted at least 30 days in advance of this hearing at all locations and in the form prescribed by the Nevada Administrative Code, Section NAC 233B. Today's action will be to hold a public hearing, to take public comment and then consider the regulation for adoption by this Board. The regulation will terminate automatically on November 1, 2015 if it is not adopted as a permanent regulation. It is the intent of the Nevada Department of Transportation to follow the process of moving this regulation from a temporary to a permanent regulation in the format prescribed by the Nevada Administrative Code before the November 1, 2015 deadline. If adopted today, this regulation becomes effective upon submittal to the Secretary of State. NDOT Staff will make a presentation on this item, after which we will open the hearing for any public comment. Public comments will be taken and considered prior to any action on this item. Staff, is there a presentation?

Madewell: There is Governor, thank you. For the record, my name is Bob Madewell, I am the Chief of the Roadway Systems Division here at NDOT. Today's public hearing is actually the culmination of over three years of work between the Department and cities and counties. The efforts to revise the road relinquishment process began back in November of 2012, that relinquishment revision required that the Department work with local agencies, cities and counties to develop a regulation and a process to deal with road relinquishments.

Those efforts continued after June 13 of the Legislative Session where that revision was completed. As most of you are aware, except the new Member, in January of this year we brought forth to you a temporary regulation that was developed through efforts with the cities and counties and a Guidebook at that time. The reason it was a temporary at that time was that during the odd number legislative year, we're required to do just a temporary regulation. After the adoption in January that was filed with the Secretary of State, we submitted that regulation and the Guidebook to the Legislative Council Bureau who reviewed that, placed it in the proper format that you have before you today.

Subsequent to that, we had also made a couple of minor changes to the manual. With that information, along with the changes in the manual, the LCB provided us the document as mentioned that you have before you today, noticed as LCB No. R012-15.

There were no changes to the regulation, in context. It was placed in its proper format as you see it today so that it could be added to the NAC, the Nevada Administrative Code. The minor changes to the manual dealt with some changes that we found during the time from January of last year until the present. That

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dealt with identifying some projects that were already under discussion. It was felt that there was no need to open formal discussions, obviously, if we were already in discussions with agencies. The purpose of then providing formal letters and beginning that process just wasn't necessary.

We've made some minor changes in your manual. You've seen those in red font. Basically all we did was provide a statement of what a project is and then that process that says, if a project is already identified, you can move right into the negotiation stage, you don't have to formally open that process.

The only other change that was made in there deals with a process where we have what's called, surplus land. Many times the State takes property, as you've heard in a number of these meetings, for road projects, but we don't actually take those into the road system itself. The only formal roads that we take into the road system get a State ID Number and a State Route Number. Those roads are the ones that need to follow the full process when we're dealing with a road relinquishment. For those surplus properties, again, you've seen many of those here, they have already been discussed with either land owners or with other individuals, they were not formally instituted into the road system, therefore can be dealt with through the surplus property process. Which I might add, still requires that they meet with the local agencies, still provide resolutions and still accomplishes the goals that the regulations set forth which is to work with those local agencies so that everyone is in agreement at the time that the process is completed with the final resolutions.

With that, we're here today because after the LCB provided us with the information, we were required now to make this a permanent regulation before November 1st. Two components to that are required. One is that we hold another public hearing—excuse me, a public workshop, which was held on September 3rd, here in Carson City, was video conferenced to Elko and Las Vegas. We had only one person show at that workshop. That person was here in Carson City. Did not offer any public comment. We also provided opportunities to all the cities and counties, both in personal comment responses to them, as well as an email to each city and county representative asking for any written comments on the regulation. None have been received. We've received actually only very positive feedback in the sense of, let's move forward, we're ready to do this.

We're here today because we did hold the public workshop, September 3rd. We had no public comment. This notice was posted as is required, 30 days in advance. Other opportunities were provided for written comment and had a deadline of September 25th for public comment. We received no public comment on this matter before you today.

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We're here today to hopefully do those final steps, which is hold the public hearing, obtain any further public comment from the audience at this time and our request would be made forward to you after there's any public comment offered at that time. Thank you Governor.

Sandoval: Thank you very much. You answered my first question, whether any formal objection has been lodged by anyone or any entity with regard to this proposed regulation?

Madewell: There has been no formal objections of any kind.

Sandoval: Have you had direct communication with NACO and the Nevada League of Cities?

Madewell: Each of those folks also were sent the email notifications, as well as I've spoken briefly to the Assistant Director at NACO. We've had continuous—they've been a part of this regulation review process for that three year period, so we've had multiple conversations with the League, as well as NACO, as well as, various city and county representatives.

Sandoval: All right, thank you. Questions from other Board Members?

Knecht: Governor?

Sandoval: Let's go to Lieutenant Governor. I'm going to go to Lieutenant Governor first and then to the Controller.

Hutchison: Great. Thank you Governor. Just a real quick question in terms of just, how this works and what the past experience has been. As I went through the regulation, and again, I think this is a fine job and all parties have an opportunity to participate. My question that surfaced for me was under this conflict resolution process, which is Section 5.2, that's in connection with 5.11, which says at the end that it's truly the goal to create a mechanism for parties to work together to find a resolution that they all agree with in terms of relinquishment. It says that the resolution of any disagreement should best represent the interests of the State of Nevada. I'm wondering, have you ever had a situation where you just couldn't agree with local governments or with parties in terms of relinquishment; an even though maybe NDOT thought it was in the best interest of the State to relinquish these properties, the parties weren't able to come to some sort of agreement. Has that happened in the past?

Madewell: Mr. Lieutenant Governor, during the term that I've been involved with this, we've not had these issues. Deputy Director Larkin has been involved in those, she may have some instances, but the entire purpose of working through this process with all of those agencies was to ensure that we hopefully don't get to that point. It's

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been the Governor's and the Director's direction to us to not force relinquishments on agencies. So, we have every opportunity to resolve all these before we get there, but no, I've not had any history with any that's had that problem.

Hutchison: Okay, thank you very much for that perspective. Because the conflict resolution really does embody this, I think, policy decision where, unless there's a win-win here, there's just no deal, right? That was the idea. Win-win, no deal, even if somebody were to decide at NDOT or the State that it really would be in the best interests of the State to relinquish these roadways or whatever was the issue, if we can't get to a win-win then we're just going to walk away from that because that's what the conflict resolution says.

Madewell: That's correct and that was the intent.

Larkin-Thomason: I'd like to add that, we have never forced property on to an entity on that. We've had some heated discussions, but for the most part, it's always been—really it comes down to, generally when they see a value in obtaining it back, that's generally where the negotiations go.

Hutchison: Those are my only questions. Thank you very much for answering them. Thank you for the lengthy process that went into this. It seems like a very thorough and fair approach. Thank you.

Sandoval: Mr. Controller.

Knecht: Thank you, Governor. I agree that this seems like a well-developed process in documentation. I do have one question on Item 6, Attachment B of Page 3. That's the proposed permanent regulation, revised proposed permanent regulation. Item 2, toward the top of that page says, after the initial approval of the proposed manual by the Board, pursuant to Subsection 1, beginning during the month of October or November of each year, the Department may revise the manual as follows. Then it's a little bit unclear from there. Am I supposed to read that as revisions happen only in October or November? Or, they happen whenever in the year that the issue is brought by someone?

Madewell: Your first observation is correct. We were trying to limit your time dealing with these changes, should some occur. We will work with the local agencies throughout time, but it should only come before this Board during October and November so that we all can plan appropriately. That gives us plenty of time to deal with any issues that may be upfront. That also was something that was real important, I might add when we were having discussions with the local agencies. They too felt that there needed to be some identified time so that they too did not have to deal throughout the year with pulling away from other governmental issues. So they could say, okay this is our time to deal with these issues. It

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helped in the planning process on both sides. The Department, as well as local agencies.

Knecht: Thank you for that, Mr. Madewell. Governor, I'll just say this, I kind of took the other point of view that one of the problems government has is that it moves too slowly and ponderously with artificial restrictions on timing. It seemed to me that if there was a need at some point to modify these regulations and the manual and the procedures that we should be able to and parties should be able to raise it as needed, as perceived and when it arises, that won't dissuade me from voting for this, but I did take the other view point that, gee, why don't we just leave it open and respond to the need as it appears. Thank you Mr. Madewell, thank you Governor.

Sandoval: Thank you. Any other questions or comments from Board Members? Hearing none we'll move to open the hearing for any public comment. Is there any member of the public that would like to comment on this proposed regulation? Why don't we begin in Carson City.

Malfabon: None in Carson City, Governor.

Sandoval: Nobody from any local government there?

Malfabon: There's some here but none willing to have any comment on this. It must be acceptable. Oh, somebody is taking a seat. No public comment in Carson City Governor.

Sandoval: Is there any public comment here in Las Vegas with regard to this specific regulation, or proposed regulation? I'll close the public comment period and ask for any further discussion from Board Members. I want to thank staff for it's hard work. This is something that has been a topic of discussion for the Board for many years now. I think it's very helpful that we now have a formal process where everybody involved knows exactly what to expect. This is a product of an extreme amount of collaboration. For the local government representatives that are in the audience, in Carson City, I want to thank them for their participation in this process and working with the Department to get to where we are today. It's a great product and I think moving forward, there will be a good opportunity for exchange between the State and the local governments that will be mutually beneficial. We don't get that to happen very often. So, it's always good when we have a result like that.

Knecht: Governor?

Sandoval: Yes?

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- Knecht: Thank you, Governor, in view of all you've said and in view of the presentation, I'll move approval of Item 6, Attachment B, the revised proposed regulation and Attachment C, the Guide to Roadway Relinquishments.
- Sandoval: Well, I appreciate your eagerness, Mr. Controller, if you would hold your motion, there's one final formal item that I have to do to make the appropriate records so that we dotted our I's and crossed our T's. So, the staff will read the information in Item No. 2 of the hearing agenda, which describes the action item and staff recommendations verbatim.
- Madewell: I apologize, Governor. After the earlier comment from Mr. Knecht, I was prepared to just move forward.
- Sandoval: You better hurry before he changes his mind.
- Madewell: Governor, Members of the Board, Bob Madewell again for the record, Chief of Roadway Systems. Basically, we recommend to the Board that—Staff recommends that the Board hold the public hearing, solicit comments regarding the proposed regulation and Guide to Road Relinquishments and consider those comments. Staff recommends that the Board consider approving the permanent regulation and Guide to Road Relinquishments and authorize staff to submit the regulation and Guide to the Secretary of State as the final step in this process. That concludes our recommendation Governor.
- Sandoval: All right, thank you very much. The Controller has moved to revise the proposed regulation of the Department of Transportation, LCB File No. R012-15, relating to roadways, providing for the establishment and subsequent revision of a manual for the relinquishment of a state highway from the Department of Transportation to a county or city, or county or city road from a county or city to the Department and providing other matters properly relating thereto. Was that your motion, Mr. Controller?
- Knecht: It was, Governor, and I haven't yet changed my mind.
- Sandoval: All right. So, we do have a motion for approval. Is there a second?
- Skanche: Second.
- Almberg: Second.
- Skanche: Give it to him.
- Sandoval: We'll give that to Mr. Almberg as his first formal action. So, second by Member Almberg. Any questions or discussion on the motion? Hearing none, all in favor, please say aye. [ayes around] Opposed no. That motion passes unanimously.

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This concludes the public hearing to act upon a regulation regarding the road relinquishment process. The time is now 10:12. Thank you very much.

Let's move to Agenda Item No. 7, which is report on cooperative efforts with the Nevada Department of Public Safety.

Malfabon: Thank you, Governor. I'm very pleased to have Director James Wright and Colonel Dennis Osborn, the Chief of Nevada Highway Patrol. Jim Wright is the Director of the Department of Public Safety. If you could approach the podium and give your presentation. We work collaboratively with both of these groups in the efforts to improve highway traffic safety. I wanted them to highlight a specific program.

Wright: Good morning, Governor and Board Members. For the record, Jim Wright, Director of Department of Public Safety. With me today is Colonel Dennis Osborn who serves as the Chief of the Highway Patrol Division. We want to thank you for allowing us to be here with you, to discuss this item that we are very interested in presenting to you. I'd like to make a couple of comments before I turn it over to Colonel Osborn.

As mentioned earlier by the Director, both Departments have worked together for a number of years to make traffic safety messaging very important and carry that out. Also, day in, day out, our troopers and our maintenance workers work on our roads which we all know can be very dangerous. To add to this already dangerous situation, we have work zones, which present its own hazards, not only to our workers but to the motorists as well. Speed reductions, lane reductions, diversions, just the distraction of the work that's going on can cause crashes. We want to work together with NDOT to focus on these zones and work closely to make these zones as safe as we possibly can.

I'd like to introduce Dennis Osborn.

Osborn: Thank you, Director Wright. Good morning Mr. Governor and Board Members. For the record, Dennis Osborn, Chief of the Nevada Highway Patrol.

Mr. Governor, after your conversation with Director Wright and I on September 14th, we did some research and looked into work zone fatalities and what our options were to improve on this. I just went back to calendar year 2013. As you can see, we had six fatalities in 2013, that was in five crashes. In 2014, we had 10 fatalities and that was in eight crashes. Year to date, we have five fatalities in 2015 to date and those are our in work zones.

Our research shows that having a law enforcement officer, a uniformed traffic control officer in work zone is effective. Especially when you have it just stationary with its lights going and the radar running. It's actually proved to be

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more successful than having just traffic patrolling around the area. Our recommendation is to have a uniformed traffic control officer in work zone as much as possible.

The good news, Mr. Governor, is that there is an interlocal agreement already established and in place between the Department of Transportation and the Nevada Highway Patrol. The triggers for that are all within the Department of Transportation for when the uniformed traffic control are requested and utilized. We have that in the design phase, with the Chief Construction Engineer and the Chief Traffic Engineer or District Engineer. In the construction phase, it lies with the Resident Engineer in conjunction with the contractor. In the maintenance phase, it's the Maintenance Supervisors that make the decision on when uniformed traffic control are utilized.

This criteria is a federal regulation found under CFR 630.1108(d) with the Federal Highway Administration. The interlocal specifies that during the design phase, the decision to use the uniformed traffic controls will be made with these two triggers, either road closures or complex traffic control designs are utilized. The interlocal specifies in the construction or maintenance phase, that uniformed traffic control should be considered when traffic lanes must be closed down for any period of time, when critical intersections are complex traffic control situations, when traffic speed will be reduced substantially, or if there's significant hazard existing for workman or the traveling public.

The Highway Patrol is committed to working with NDOT to utilize the uniformed traffic control. We've actually already—DOT has briefed their maintenance supervisors and reminded them of this interlocal. I have also briefed the Command Staff state-wide that we expect an increase in requests for uniformed traffic control in work zones.

That was the first proposed solution, both of the entities being reminded. Also, using the messaging boards more effectively in the work zones by saying, NHP and radar use ahead. Also, to continue to work together with different maintenance projects. Sometimes those are smaller scale and just a reminder that there might be striping or sealing going on in one of our combined areas. We could put that out to our troopers in that district for an extra presence. Maybe not even having to utilize the interlocal, but just in a cooperative effort. Finally, NHP Duty Station Command to advise beat officers of any NDOT activity within their jurisdiction.

So, to conclude, we feel that with this reminder of the interlocal that's already in place and an agreement between the two departments to utilize the uniformed traffic control in work zones that we feel that we can improve that safety and

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make a difference. That's the end of my presentation and I'm available for any questions.

Sandoval: Thank you Chief Osborn. That's very thorough. I guess my question would be, when you say that part of our action should be to remind NDOT to take advantage of this, does that suggest that we're not doing it right now?

Osborn: We have utilized it and I checked for the last two—well, Fiscal Year '14 and Fiscal Year '15 and it's been utilized six times. It was 580, the current project, the Golconda Summit and then also on Kingsbury, but certainly it could be used more frequently in my opinion.

Sandoval: Board Members, any questions for Director Wright or Chief Osborn?

Hutchison: Just a quick follow-up.

Sandoval: Lieutenant Governor.

Hutchison: Thank you. Chief Osborn, thank you for your presentation. I'm not familiar with the interlocal agreement, but is there an analysis just in terms of resources that are available when the request comes in from NDOT? Is that something that then your Department would evaluate or is it pretty much an automatic, if you request it, we're going to supply it?

Osborn: Yes sir, Lieutenant Governor, for us it would be an automatic. If NDOT requires it, we will make it happen. There is in the interlocal a seven-day notice that they need to provide to make sure that we have the resources committed to that.

Hutchison: Great, thank you very much.

Osborn: You're welcome.

Sandoval: And just a follow-up if I may, Chief Osborn. I saw that you referred to a federal regulation, in every man's speak, what's the threshold there where a project or a job would be eligible for the Department's services?

Osborn: Yes, Mr. Governor, it is a federal guideline like you said. Really the triggers are, any type of lane closures, substantial speed reductions, complex design, those are all triggers and obviously a lot of that is reimbursable by the federal government for those projects. They encourage us to utilize uniformed traffic control for work zone safety.

Sandoval: Would that basically mean every project?

Osborn: When you really diagnose it, and I did that. I even had a conversation with Director Malfabon, we were like, gee with the criteria, yes Mr. Governor, it would

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be where sometimes you could argue any type of work zone. You could have that request be made.

Malfabon: And, Governor, if I may add, we typically have this on a construction project. There's a contract bid item called a Uniformed Traffic Control Officer, which serves the purpose for hiring NHP or local law enforcement officers to perform this duty. I think that Chief Osborn hit the nail on the head though. We have to do it more often on the maintenance projects, as was mentioned in his presentation. We let the Maintenance Supervisors know this year at their annual meeting that this is available. As we go over the retirements and turnover and people getting into new positions, it's not as readily apparent that this interlocal agreement is out there for their use. We've impressed on the District Engineers and their staff, let's start using this on the maintenance projects. I feel that it's covered pretty well by the provision of the bid item and is federally reimbursable on construction projects, but on the maintenance projects we need to do a better job of expending all the efforts available to us to improve highway traffic safety.

Sandoval: Let me finish with the Chief and the Director before I come over to you because I do have some questions for you, Rudy. Having said that, I don't have any further questions for the Chief or the Director. Board Members, any other questions or comments?

Hutchison: Can I clarify one thing?

Sandoval: Mr. Lieutenant Governor.

Hutchison: Chief Osborn, I think I heard you right but did you say, or maybe it was mentioned by others, that this is the most effective way to reduce any fatalities, if we can reduce fatalities within construction zones is with the uniformed traffic control?

Osborn: Yes, Mr. Lieutenant Governor. I did say that and what the research shows and it's cited in the presentation is that actually the stationary patrol vehicle, with the lights activated and radar being used coming into this work zone is more effective than just patrol in and around the work zone area.

Hutchison: Thank you.

Osborn: You're welcome.

Sandoval: And Chief, in any of those tragedies and those fatalities in those past three years, has the patrol been utilized in any of those instances?

Osborn: Mr. Governor, not in those, no. Not as uniformed traffic control.

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- Sandoval: And you have the personnel and the resources to accommodate those types of requests, assuming that seven day notice that you talked about?
- Osborn: Mr. Governor, we do and again, these are on overtime for our personnel, so it doesn't distract from our regular calls for service and duties during patrol. So, it is on a contract service with NDOT. Yes, we do have the availability to do that.
- Sandoval: All right. Anyone else, any questions?
- Knecht: One follow-up to that Governor.
- Sandoval: Mr. Controller.
- Knecht: Thank you. Chief, do you have some idea of what the annual cost of implementing this would be?
- Osborn: Mr. Controller, I don't. I don't because it hasn't been utilized to the discussion that we've talked about today and over the last month really. I do not have an actual number of what that would cost.
- Knecht: At some point, it would be of interest to me to hear such a number if with reasonable efforts you could come to one. Thank you Governor.
- Osborn: I guess just for a little bit of an answer for that, I can give you what it cost us for the I-580 total, just to give you a little bit of an idea. With the Q&D Construction on I-580, this was for calendar year '14, it was \$14,507 that was 391 hours. Then, I know there was a larger one in there. [pause] Here's a good example. Q&D for Kingsbury and this was calendar year '14, it was a total of \$97,608. That was 2,379.5 hours billed and that was with 169 shifts. Just to give you a ballpark.
- Knecht: Thank you, Chief, and thank you, Governor. That is helpful. I believe this is an informational item only and it's helpful to have that information. I'll just say that I agree with you 100% when you say that seeing the car there before you get there with the bubblegum machines going is very effective, at least with me and I think with most people. The costs your talking about seem reasonable given the probability that it will save a life somewhere. Thank you.
- Osborn: Thank you Mr. Controller.
- Sandoval: Member Skancke.
- Skancke: Thank you, Governor. First of all, Chief, I'd like to commend you and your Department for the outstanding job you do for our State. I will give you my license plate number however and any time you can ask your folks to leave me alone, that would be great, but...

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- Sandoval: Strike that, there was static there, I didn't quite hear that.
- Skanske: The Governor is a former lawyer of mine, he knows exactly what that is. Anyway, in all seriousness, about how many officers—like, on a project like Project NEON which is a huge project or some of the projects that are happening up on the 395 up in Reno, how many officers in your Department would probably be needed on a project like that? On like the 395 in Reno, I've seen one officer at the front end of the project if you're heading north or one—are there multiple officers that are needed, is it just one on the beginning of the project to kind of deter or is it throughout the project to remind people that it's a constant practice of being cautious in a construction zone?
- Osborn: Yes sir and thank you, first of all, for those comments for the men and women of the Highway Patrol. I will pass that on and we appreciate that. To answer your question about the construction zone. Typically, yes, it's just one uniformed traffic control officer as you enter the project. Then, if it was both directions, then yes, one each way.
- Skanske: Thank you.
- Sandoval: Do we have an officer on that 580 project right now that's going on?
- Osborn: Mr. Governor, at this point, no, but we have throughout the project when it was at its initial stages, but currently they're wrapping that project up and there is not.
- Sandoval: I want to make sure we're talking about the same thing but the concrete project that's going on within the Reno City limits, that basically goes from essentially the airport to the Spaghetti Bowl or to the 80.
- Osborn: Yes sir, correct. We have had, throughout that project, we have had some but as of currently, the last few weeks, we have not.
- Sandoval: All right. Any other Board Member comments or questions?
- Savage: I have a comment Governor.
- Sandoval: Yes, Member Savage.
- Savage: Thank you Governor and Director Wright, Colonel Osborn, my sincere thanks to you both, very much, for taking the time today, as well as, thanking the men and women of the Department of Public Safety. I think this is a very good wake up call for everybody to stay on top of it from NDOT's perspective with the collaboration of DPS. I think we're on the right track. I think it's a point where you know the public safety, we know the roads and together we can make it better. I think we have to meet, whether it be monthly, with maintenance crews,

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again, to remind the contractors and the maintenance people that we can do better jobs. I appreciate your time very much and have a good day.

Osborn: Thank you Member Savage.

Sandoval: All right. Thank you. I do have some questions for the Director. I heard your comments, Rudy, but I guess it begs the question, why haven't we been doing this?

Malfabon: Well, I think it's telling the people in Maintenance that it's available. On construction it is, it has been used on 87 projects according to the facts gathered by the Construction Division. We want to make sure that it's available on every construction project as what was stated in the presentation by Chief Osborn. These types of criteria that are the federal guidelines, just about every project will meet those criteria. There is no excuse for not having it as a bid item. I think it's just promoting it more, having it used more and having the districts have their maintenance staff collaborate with the local office of the Nevada Highway Patrol to have it set up on the maintenance contracts.

Sandoval: But is that money for this protection, isn't that included in every bid?

Malfabon: Nearly every project has that bid item in it and that's the projects that are state funded. There's also federally funded projects where the Federal Highway Administration reimburses us. Most of the larger projects are federally funded, so we would get reimbursement. The cost is really not a reason not to use it. We would have the money available for either state funded; whether it's construction or maintenance operations and federally funded construction projects.

Sandoval: I just want to know, has the money been in there, but not utilized?

Malfabon: Yes, it looks like we've used about 60% of the funding available for it. We're going to impress on our construction folks, use it more often. There's no reason not to use it.

Sandoval: Well, it's not impressed upon and it's not encouraged, it's we do. Why wouldn't we do it if it's part of the bid and/or if we get reimbursed by the federal government?

Larkin-Thomason: Governor, there's one point I'd like to make. In the past, there has been the past few years there have been some resource issues where we have tried to get them and have been unable to. I also want to point out that any time during flooding or any emergency things, they have come without an agreement and helped. There has been some attempt on some to get them and have been unable to.

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Sandoval: Well, that's contrary to what the Chief reported, but I guess the point being that, in my mind we're approving a bunch of contracts today and we need to protect our people. No questions asked. Every man and woman who works for this Department should be protected and should have that NHP out there with the flashing lights or whatever it takes for traffic control.

What has brought this up is my conversation with the mother of that NDOT employee that was killed out there in Battle Mountain. It just brought to my attention an issue and that's what the conversation that the Colonel alluded to. As I said, we can't change what's happened before but we can certainly change what's going to happen moving forward. In my mind, if there's an opportunity and there's money in there then we should be doing this. It kind of like reminds me, unfortunately, of these crosswalk issues and such. We need to put this number one priority, the protection of life and safety has to be the number one priority of this Board and this Department.

I'm not going to lecture, but I want to make sure that my belief is crystal clear here. When we approve these contracts today, I'm going to ask, is there money in there if this is a project that qualifies for funding to protect the safety of the NDOT employees and the construction workers that are out there.

Board Members, I don't know if you have any questions or comments. Member Skancke.

Skancke: Thank you, Governor. I would just echo what you said and would probably add this, that we always seem to be able to find money for other things that have come down the pike, I think it should just be almost mandatory that every contract that this Board awards, there's got to be money, whether it's state funds or federal funds, regardless. You just said that the public safety of our employees and our team here at NDOT is number one priority and our contractors. If it's \$97,000, I would probably guess that there's probably \$97,000 sitting around somewhere, whether it's state funds or federal funds. We should be proactive in this and not reactive. You're right, we can change the future, we can't change the past. I would say that if it's not in every one of the Agenda Items, then there will be a question from the Board where it is, but I think every project that is on the road today should have a CHP Officer on there.

Sandoval: NHP.

Skancke: I mean, I'm sorry, NHP. Sorry.

Hutchison: Strike that one too.

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Skanke: Right, I quit. That NHP—I spent a lot of time with CHP. With NHP that we have the money to do it today and that every project beginning today should have it. Thank you Governor.

Sandoval: You're welcome and I appreciate your comments. If we've got \$2M to spend on landscaping on an off-ramp, on the 580, we have got \$97,000 or \$14,000 to put down on safety. Perhaps they're in different buckets but as you said, this is a massive budget and to me, that is—given the amount of contracts that we approve on a monthly basis, the amount that it would take to put NHP out there to provide this protection and safety is nothing. It's just nothing.

Any other Board Member comments? Mr. Lieutenant Governor?

Hutchison: Just last comment, Governor. I would suggest that if there is an issue with requests going unfulfilled that that be reported to the Board, if there is a problem with resources. We heard Chief Osborn say that that shouldn't be a problem and it hasn't been a problem; maybe there's a little conflict here. I would suggest if there is, I mean these are all state agencies that we're talking about and we've got to know that otherwise I think we should be able to safely assume that these resources are being deployed as we just described, as the Governor has directed. Thank you.

Sandoval: I got to believe that there's a lot of troopers out there that would like to get the overtime.

Hutchison: Yeah, right.

Sandoval: All right, Board Members, any other comments or questions with regard to Agenda Item No. 7? All right, let's move to Agenda Item No. 8, which is Approval of Contracts over \$5M.

Nellis: Good morning, Governor, Members of the Board. For the record, Robert Nellis, Assistant Director for Administration. In your packet there are two contracts that can be found under Agenda Item No. 8, on Page 3 of 17 for the Board's consideration.

The first contract is a resurfacing project located on State Route 593, Tropicana Avenue, from Eastern Avenue to Boulder Highway in Clark County. There are three bids and the Director recommends award to Aggregate Industries in the amount of \$7,669,990.

The second project is located on US-95, south of Tonopah in Esmeralda County to widen shoulders, flatten slopes, construct two passing lanes, widen roads for right and left turn lanes and resurfacing. There was one bid and the Director recommends award to Road & Highway Builders in the amount of \$14,141,141.

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Governor, that concludes Agenda Item No. 8, and based on the previous discussion, I assume there are no questions.

Sandoval: You brought your sense of humor with you today, Mr. Nellis. Again, here we go. We've got safety money in these contracts, right?

Malfabon: We'll confirm, Governor, and if that uniformed traffic control officer bid item isn't in there then we'll direct the staff to add it by change order. That's typical on these paving jobs that it is in there.

Sandoval: Right. And then, both of these bids are higher than the engineer's estimates, any comment on that?

Nellis: Governor, I can take a stab at it before Assistant Director John Terry comes up, but at least on the second item, that's a remote location where there's labor issues. There's also a significant amount of earthwork, so it's difficult to estimate on these rural jobs. If you'd like a more thorough explanation, Assistant Director Terry is here to provide answers to your questions.

Terry: John Terry, Assistant Director for Engineering. The first job is on Tropicana Avenue, that's kind of a difficult urban job. Yes, our engineer's estimate is lower than all three bidders. The bidders seem to be, well relatively consistent, although the low bidder is quite a bit below the other two. We did get three bids and the BRAT team does recommend approval of that one.

I assume the question that is going to come up on Number 2 is, we only had one bidder. I can't think of the last time on a contract of this size that we've had that situation. We did analyze the bids. We saw no evidence that the one bidder had any indication that they would be the lone bidder. It was done by electronic bid. We analyzed the bids and we feel it's in the best interest of the Department to award. We don't think that by rebidding the project that we would get more bidders or any better bids on the situation. That was a difficult analysis to do on Item No. 2. With that, I can answer any of your questions.

Sandoval: Thank you Mr. Terry. Your comment was right on. It shocked me that we only had one bidder on that project. I don't know if that suggests that people are busy now and there's a lot of things going on. I mean it's not as if it's that remote, right? It's Highway 95. I don't know what else to say, but I would just be curious if you could chat with some of the contractors out there, the major contractors and find out why there wasn't any other interest on this project. I don't mean right this minute.

Hutchison: Just real quick follow-up.

Sandoval: Yeah, Mr. Lieutenant Governor.

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Hutchison: Thank you. Thank you Mr. Terry. I appreciate your efforts here as well. I'm wondering, is this a reflection of, as the Governor said, more work? Maybe contractors being at bonding capacity or I mean, what's your best guess? And, are you telling the Board that you're comfortable with this one bid contractor coming in \$1.7M above the engineer's estimate, that this is in the best interest of the State? It's a concern, it sounds like, for others that we've got one bidder and it's substantially above our estimates.

Terry: Again, we did analyze the bids. It is our recommendation to approve. It was a difficult one, but we do not feel that we would get better bids, nor necessarily more bids were we to rebid the project. Yes, it was over the engineer's estimate but as you've seen in many of these meetings, that much over the engineer's estimate on these rural jobs is relatively typical, lately.

Hutchison: Thank you.

Sandoval: Member Skancke.

Skancke: Thank you Governor. John, were the bid documents prepared—sometimes it's timing. So, were these estimates done a while ago or were they done recently and could that be some of the problem? Because I know right now, there is today, material costs are going up because people are busy. The cost of projects is increasing a bit because there's a lot of projects out there. Were the bid documents done, or were the estimates done recently, the engineer estimates done recently?

Terry: Again, I'll answer that our estimates tend to do their estimates based on prices received recently on similar NDOT projects. I believe you are correct. Right now there is a lot of work in Las Vegas. Not just through us, but through many of the locals because of the Fuel Revenue Indexing. If you have seen on our various agendas, we have bid a significant amount of work lately. I believe on Item No. 1, yes, there is a lot of work in Las Vegas, perhaps were seeing prices going up and our estimators have not chased that increase quite as quickly.

Sandoval: Any further questions from Board Members with regard to Agenda Item No. 8?

Knecht: Governor?

Sandoval: Mr. Controller.

Knecht: Thank you Governor. I would've asked the question on the overruns, both of them if the Governor hadn't and I share the concerns. I will say this, as someone who made that drive eight and 10 days ago, going down and back, Tonopah really is that remote. I can easily see how the costs can be a lot higher. It's the halfway point, essentially. Especially making the drive back eight days ago, in a series of

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thunderstorms, rain storms, I have to say that while those are unusual, the drive is very treacherous under those circumstances and I very much welcome the construction of two passing lanes, widening Silver Peak Road, etc. with a turn lane. It seems to me that it will make material difference in the safety and navigability for drivers. I understand Mr. Terry's explanation, so I'm good with this one. Thank you.

Sandoval: Thank you Mr. Controller. Any other questions or comments from Board Members? Mr. Almborg.

Almborg: Yes, I've got a quick question. I don't believe it will have any bearing on how we vote for this today, but just to try to get me up to speed and understanding of some of this. On Contract 3605, we did have three bidders on that. When we're looking at the bid items breakdown here, there's the actual bid amount and then there's also an adjusted bid amount. I haven't seen anything in the packet to help me understand how you get an adjusted bid amount. This does not affect the low bidder, it's only the second and third bidders.

Terry: Once again, John Terry. What you're seeing is a partial. That spreadsheet is prepared for our BRAT Team that reviews all the bids. That spreadsheet is just the items that—because there were differences in the bids between the first, second and third, is how much difference it would have to be in the quantities in order to reverse the bid or influence the bid. That is not all of the bid items. That is only the bid items that they have specified could've caused reversal of the bid and it's part of the analysis we do. Just as a reminder, these are highway projects. Even though there is a final bid amount listed, we pay by the actual quantity actually measured in the field and that's part of why this analysis is done. I hope I answered your question there.

Almborg: Actually John, I think you didn't. I understood the spreadsheet and what you just explained there, but if you go back several pages in that packet, it has actual bid and adjusted bid. The second bidders have adjustments.

Malfabon: Member Almborg, I could respond to that. Adjusted bid amount has to do, I believe, when there's corrections, mathematical. What our rules are is that the unit price rules and we extend that mathematically for the quantity. Sometimes a contractor has inadvertently made a mistake, but that's the only thing I can think of is that adjusted—yes. Okay, we have an explanation.

Eyerly: Jenni Eyerly, Administrative Services Division Chief. The adjusted bid amount happens when there's a bidder's preference on a project. It's the 5% adjustment that occurs to those bidders who do not have the preference.

Malfabon: Oh, these are state funded.

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- Almberg: Thank you.
- Malfabon: Why would Las Vegas Paving have an adjustment?
- Eyerly: Again, Jenni Eyerly. Las Vegas Paving typically does have a bidder's preference and a certificate showing such. At the time of this bid opening, their certificate was not current. We did get in touch with their office and let them know this was going on. I think I checked about a week ago and we still had not received the update.
- Malfabon: Thank you.
- Sandoval: Does that answer your question, Mr. Almberg?
- Almberg: It does, thank you, Governor.
- Sandoval: Thank you. Any further questions with regard to Agenda Item No. 8? Mr. Nellis, does that complete your presentation?
- Nellis: Yes sir, it does. Just to note for the record, there are no uniformed traffic controls on any of the projects, including these two contracts as well as any of the rest on the agenda, for the rest of the day.
- Sandoval: There are not?
- Nellis: There are not, no sir.
- Sandoval: All right. Before I take a motion approving these, what do we do?
- Malfabon: Governor, we'll direct staff to add that in by change order and get a price from the contractor.
- Sandoval: Member Skancke?
- Skancke: So, in the motion, would it be appropriate to add that, that the Department has to create a change order?
- Sandoval: Yes.
- Skancke: You let me know when you're ready for a motion.
- Sandoval: Any further questions or comments from Board Members?
- Savage: Governor, I have one comment.
- Sandoval: Member Savage?

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- Savage: Determining the value of the safety between DPS and NDOT, I would recommend an allowance amount be discussed between DPS and NDOT, rather than leaving it up to the contractor. Because of the timing, the resources, and the length of the project, I think between NDOT and DPS, we'd be better off rather than having the contractor come up with the amount. That's my only comment. Thank you Governor.
- Sandoval: All right. If there are no further questions or comments, the Chair will accept a motion to approve Contracts 3605 and 3607 with the safety issues to be considered. Member Skancke.
- Skancke: So moved, Governor.
- Sandoval: Well, I want to make sure I'm clear. I was being a little vague there. If you could be more specific.
- Skancke: Sure. My motion would be that we accept Items No. 1 and 2, under Item No. 8. It's Item No. 8, correct? Okay. That we would approve those two contracts and that the Department would work with the Department of Corrections—
- Malfabon: Public Safety.
- Skancke: I'm out of here. You know what—I'll see you all next month. Let me try that again. My motion would be to approve Item No. 8, both of those contracts; work with the Highway Patrol and NDOT to include in those contracts the necessary safety provisions to provide for an NHP officer on these two projects.
- Sandoval: Thank you. You've heard the motion, is there a second?
- Martin: Second.
- Sandoval: Second by Member Martin. Any questions or discussion on the motion? All in favor say aye. [ayes around] Oppose, no. That motion passes unanimously. Let's move on to Agenda Item No. 9 which is the Approval of Agreements over \$300,000. Is that you again, Mr. Nellis?
- Nellis: Yes, thank you, Governor. Again for the record, Robert Nellis. There are three agreements that can be found under Attachment A on Page 3 of 50 for the Board's consideration. The first line item is Amendment No. 3 with CH2M. This is an increase in authority by \$18,700,000 and extending the termination date by four years, five months, to 12/31/2020, for design engineering services, construction administration and onsite management services. This agreement is eligible for federal reimbursement.

Also, Line Item No. 2 is with Kimley-Horn and Associates in the amount of \$1,022,000, to upgrade central system software to Kimley-Horn integrated

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transportation system. This includes yearly maintenance, system support and system enhancement.

Finally, Item No. 3 is Amendment No. 1, with Biological and Environmental Consulting, LLC. This is to increase authority by \$1,288,000 and extend the termination date to 06/30/2018 for biological oversight and threatened endanger species compliance of construction contracts in Clark, Nye and Lincoln Counties.

Governor, that concludes Agenda Item No. 9. Are there any questions I may answer for the Board or direct to the appropriate person?

Sandoval: Thank you. I know there are Board Members that have a lot of questions with regard to the first contract so I'm going to defer to them on that one. I just want a little more detail on Item No. 3, for the desert tortoise surveying, why does it cost another million?

Malfabon: Governor, since the desert tortoise is a threatened species, we have a requirement that we have to have biological oversight on our construction projects. We install tortoise fencing along our right-of-way, but occasionally with floods and other issues on our right-of-way, sometimes the fence gets breached and the tortoises can get into the right-of-way. This is a requirement that we have. NDOT also has biologists on staff, just not enough to cover all of the paving projects in Southern Nevada, which are tortoise habitat. We are looking at our options to reduce these costs, but it is a necessary obligation of the Department because of the issue of Threatened and Endangered Species Act compliance.

Sandoval: I'm not suggesting that we don't need to do it. I understand that this is an important component of the contract or of construction and what we do here in Southern Nevada. Again, just for a million dollar bump, that's what I was curious about.

Malfabon: Reid Kaiser will also address some other measures we're taking to try to reduce those types of costs.

Kaiser: Governor, Reid Kaiser, Assistant Director of Operations. This agreement covers only two contracts. It will complete the Boulder City Project Phase 1 and also the project out on State Route 160. We are looking at other methods to take care of this requirement using a separate agreement in the future. This agreement here will, again get us through two contracts. We work with Park Service and the Federal Fish and Wildlife and they requested that we keep this group on board for these two jobs.

Sandoval: All right, any other questions or comments on Item No. 3? Mr. Lieutenant Governor.

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Hutchison: Just an observation Governor. This underscores the point that we talked about in our last agenda. We're trying to scrape together and look for \$100,000 or less than that to try to protect human life and we're going to spend a million dollars protecting a tortoise. I'm not saying that we don't have to do that, I understand federal law, but sometimes a stark contrast like that underscores the point. We can find the money to protect our folks on the road if we can come up with a million dollars to protect these tortoises.

Kaiser: Lieutenant Governor, that's why once we get out of these two projects, we're looking at a better, cheaper method to take care of this situation.

Sandoval: Thank you, Board Members, questions on Items 1 or 2? Oh, I'm sorry, Mr. Controller, please proceed.

Knecht: Thank you, Governor. I'll just ask that when it comes time to take a vote on these three items that we vote separately on each of the three. I share the concerns that have been expressed and I'd like to share them with the world with a no.

Sandoval: All right, thank you Mr. Controller.

Savage: Governor?

Sandoval: Member Savage?

Savage: Thank you, Governor, I just have one comment and it pertains to Item No. 3 and No. 2, last month we'd asked for more support documentation for consultant agreements here at the Board Meeting. We also requested that at the Construction Work Group Meeting. I think it's very evident in Item No. 2 for the Kimley-Horn contract. The substantiation and the support documentation that the staff administration had put together was substantial. I think we need to make every effort in the future to have that on every item for consultant agreements moving forward. That would be my suggestion. Thank you, Governor.

Sandoval: Thank you. Board Members, questions or comments on Items 1 and 2? Member Martin?

Martin: Item No. 1 of this Agenda, the extension for CH2M, of \$18,700,000 and extending their contract termination date out to, I believe it is 2020. I'm uncomfortable with this amount of money in one lump sum as a change order and an extension for another five years. What I would put forth to the staff and to the Board is that this amount be reduced to \$5,000,000 and the time extension be reduced to one year. At that point in time, after some evaluation, that you come back to this Board with an evaluation and with a request for additional funds, rather than doing this in one swoop.

Sandoval: Can we have staff comment?

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Malfabon: Yes, John Terry is approaching the podium.

Terry: Again, John Terry, Assistant Director for Engineering. As we discussed with this Board before, I mean, this is our method for doing design-build is we do phase them—we currently have them on board until award, which is essentially next month. We would like to get going on the construction phase. I understand that is a bigger number than I believe we've ever had an amendment for any consultant agreement in the past.

We're willing to work with this Board, if that's their desire to phase this over time, but I would say, we would like the program to know that as this program progresses we have the consultant on board to help us with a lot of really important tasks as a part of the NEON Project and continuing forward. There's a lot of work to do. I guess I would ask that, are we approving this for a lessor amount, or are we approving this for the full amount with the direction to this Department to monitor CH and bring back to this Board before we continue on and with that, I will add, this is essentially a time and material type of agreement with the Department having an out any time they want to. We would like to have this consultant on board through the duration of the contract. We could go either way at this Board's direction, but we do need to proceed with this agreement.

Martin: For me, the way that I was wanting to present this is that, it is an approval to move forward for now. I became aware of this thing last Friday. A \$19M change order to only a \$4.9M contract, it doesn't happen in my world very often. I would appreciate a little more warning so that we have some time to discuss and research and talk about these kind of things. In this instance, I found out about it four days ago. For me, that's not enough time to spend \$19M. I understand the project has to move forward, that's why I made the suggestion of the \$5M, which is basically, a hair over a third of it, but at this point, the \$19M is just sticking in my throat John and especially for this firm.

Savage: Governor, I have a couple of comments I'd like to add to that.

Sandoval: Member Savage, please proceed.

Savage: Along those same lines, last week I had a chance to meet with Bill Hoffman, Cole Mortensen and Dale Keller. They were kind enough to come over to my office to discuss NEON. It was a very informative discussion at a very high level, for several hours. Very constructive dialogue. My concern was, as well, with CH2M, with some of the issues they've had up here in Northern Nevada. I looked him in the eyes and I asked him one on one if we were going to get CH2M's A Team on the largest project that the State of Nevada has ever done. They reassured me time and time again and we went back and forth several times

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and at the end of the day, I was satisfied because of Cole, Dale and Bill Hoffman's response.

I too, along with Member Martin, agree that they need to prove themselves to ensure that they protect NDOT, watch our backs, communicate and get their A Team on this project in Las Vegas, because this is the biggest project that the State has ever had. So, I'm along the same lines as Member Martin, and John Terry, time is of the essence. I think we need to move forward with the revised amount and a revised timeline to ensure the project is on schedule and within budget. That's my first comment.

My second comment, in the Board Packet, within this amount, it says that there is \$300,000 on Page 24, denoted as part of the CH2M's amount to be paid to Nossaman. I need some clarification from possibly Dennis Gallagher or John Terry. In my mind, if that's the funding mechanism through the engineer, there could potentially be a conflict at a later time and I'd like to avoid that now. Maybe it is a separate funding mechanism, but I wanted to approach that for a question.

Thank you, Governor, thank you, Mr. Terry.

Terry: I'll start with the answer on Nossaman that, I believe, we are following the model that we've used getting to this point and that is, on this project, for the design-build procurement, not for the P3 Procurement that Nossaman was a sub to CH and we're just continuing that. This is one of those areas we hope we don't have to use the money, but if we do get into contract language, related issues and claims, we feel we need to have Nossaman involved in order to deal with those.

Savage: And, I'm not a legal guy, I'm a construction guy. Wouldn't that be a conflict, potentially, if we were to need legal advice on the consultant?

Terry: I was corrected there. Nossaman was a separate contract. It is only on this one that we are adding them as an amendment. So, I was incorrect in what I just told you. Our Chief of Project Management informed me of that. So, are you asking me, could we keep it separate? We could if we needed to.

Savage: Yes, according to the Board Packet, the \$300,000 is within the amount of CH2M.

Terry: That is correct.

Savage: I would think it might be better if we worked directly with Nossaman rather than through CH2M on the legal issues. That's my only comment. Thank you.

Terry: I believe we could do that. It would mean we may not have Nossaman on board as quickly as we would like but we could accommodate that.

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Sandoval: Member Skancke.

Skancke: Thank you, Governor. Relating to Item No. 1 as well, I had some similar concerns. This is a rather large change order to someone's contract. It's substantial. I, too, learned about it on Friday and have similar concerns as my colleagues. What just gave me a level of comfort on the contract itself was that it's for time and materials and that there is a departure clause at any time we want to leave. That gives me a little more comfort in that the Department and the Board has a little more latitude. I agree with the comments on making sure we have the A Team.

What I would like to recommend is maybe a bridge here to the comments and the concerns is, I think this is a large enough project and it's the largest public works project in the history of our State. I'd like to recommend Governor that we review this project almost monthly. There's got to be data coming to this Board every month. I think in that update that there should be an update on what the contractor is doing and what the engineers are doing and the program managers, because we can't make a mistake. I also will tell you that, if we don't work with this particular company then we're going to have to rebid the contract which puts us behind schedule in getting the whole thing out.

I'd like to have a little more accountability. If CH2M has guaranteed Cole and our internal folks that they're going to have their A Team, then I think it's incumbent upon this Board knowing every month that the A Team is on the project. Maybe we approve the full amount with the contingency that we have monthly updates and we have authority as a Board and Department to part ways if we don't feel that they're doing the right job. So that it doesn't slow the project down. I'm not real comfortable with a \$19M change order, but I get it. This is a really large project so I'm just trying to offer up some other comments and some suggestions.

Sandoval: Member Martin has a comment and then the Lieutenant Governor and I believe I saw Mr. Almborg, no, okay. Mr. Martin.

Martin: So, my major concern is that historically every time we approve one of these consultant agreements and we hear from staff every single time that it is a time and material arrangement. We all know that. I've been on this Board now for almost 10 years. I've heard it many, many times. The key is, we never ever hear anything about accountability. Once we have spent the money, we forget it. This is \$19M, I don't think we can spend \$19M and just forget it. My problem is that, once we vote on this, if it goes to \$19M, we'll never hear about it again. Good, bad or indifferent, we'll never hear again what the performance is, because we never have before. This is a high water mark for this State, to pay this much money in one fell swoop as a change order. You're tripling the size of the

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existing contract. As long as there is an accountability measure put in there some place so this Board continues to hear what goes on with this particular vendor, I'm good with where we go, but there has to be an accountability measure.

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you, Governor. A couple of questions and just comments, but one is, is the idea that we're going to have the A Team which seems to be a pretty material element to our approval here, has that been reduced in writing? Is that a contractual term? I mean, we do this all the time in professional services. If they want Frank Martin on the job and Frank Martin wants the job, if Frank Martin dedicates in writing that he's going to be on the job. Is there anything other than just sort of oral assurances that we're going to get the A Team? That's one question.

My next question has to do with delay. We don't want to be delaying this at all. I know there are contractual incentives for the contractor built in. We don't want to be blamed for any kind of delay. I know that's one of the reasons that we wanted to have this amendment. Is there any concern about delay if we are going to structure this differently than Member Martin has just described, which I tend to agree with, but are we worried about delay in any way?

My final question has to do with just some wording. On Page 24 of the detail, to Item 1, that is the assumptions provision that was included in here. It says that, and I know we were talking about this a little bit before. All Nevada legal issues to be handled and supported by the Attorney General's Office, local counsel will not be secured under this Scope of Services, what does that mean? I think I know what it means, but I'd like to hear what NDOT believes it means.

Thank you Governor, those are my three areas of concerns and questions.

Terry: John Terry. I'd like to address a couple of these issues. If I could pass it on to Cole Mortensen to answer in more detail. I do believe we would like to get this and a good portion of this approved at this Board for the reason that you're going to hear later about NEON, is after the announcement of the award, we would really have the conformed contract negotiated and finalized and presented to this Board at the November meeting to keep this Board on schedule. We believe that some of the Nossaman and the CH would be valuable in getting that moving forward. As well as, getting going with the project office down in Las Vegas and getting the project moving forward. I can address that for delay, but I'd like to have Cole here answer some of your questions.

Mortensen: Good morning. For the record, Cole Mortensen, Project Management. To address the initial concern about whether or not we're getting the A Team on this group, we've gotten commitments from CH2M that they'll have the same staff

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that they've had on the project and that we've worked with in developing the RFP and the contract in moving forward here and that they're committed to continuing to provide us those services. As a testament to what they've been able to do for us, they're by and large the reason we've managed to hit all our dates and our deadlines in this procurement moving forward. They've been a great team to work with and throughout the history of their contract they've continued to strive to innovate and bring down the price of the contract and the overall project itself. Not only for the portions of the project we're moving forward with now, but for the overall program of improvements, including the later phases.

Since they've been on the project, they've reduced the overall cost of the program of improvements for Project NEON from \$2.61B down to where it's at right now with a 70% confidence of about \$1.5B. They've reduced the overall program cost about a billion dollars in the process here over the last five years. I can't stress enough how their expertise with how the technical provisions have been put together, as well as the RFP, the conformed contract language is worded and our need to have them on staff to be able to guide us through the next several months of getting this project kicked off. Through the next month and coming before you in November, their services along with Nossaman's are going to be critical in putting together the conformed contract. As we've gone out and are going to announce today the preferred proposer, over the next month, we'll be working on that we include all of the commitments that they've provided in their proposal into that contract and we need to have their staff on board making sure that we're getting that language and the appropriate locations to help move the project forward to make sure we are indeed actually getting what was proposed in the proposals that we were given.

At this point, unfortunately delaying the agreement will hurt us from meeting those schedules with the selected proposer in that, we anticipate being able to issue NTP1, considering successful negotiations occur and we're able to get a contract before you in November. From NTP1 to NTP2, they'll be developing a lot of their plans and approaches to deliver the contract as well as scheduling, along with cost load and resource loaded schedules; all of those things need to be referenced and cross correlated back to contract conformance; which of course, that's where the legal assistance comes in as well.

I think that overall... If the wish is of the Board is to limit the initial shot at this agreement, what I'd like to have the opportunity to do is actually go back and look at the budget that we prepared. I'm not sure that the amount of effort would line up from what Board Member Martin is suggesting, because the first year of the contract is going to be so labor intensive on the design end of things that we want to make sure that we have those design individuals in place so that they can go ahead and support our team. When we have a proposal, or when a submittal is submitted by the proposer, we're going to have a 10 working day turnaround. If

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it's a large enough submittal, we need to make sure that we have the resources backing our team to be able to meet those deadlines and those dates to keep the project moving forward.

Sandoval: Mr. Controller?

Knecht: Thank you Governor. Until today, along with the Lieutenant Governor, I was the new kid on the block, the rookie on this team and for that reason I thought it appropriate to listen to my elders who have a lot more experience with this one and it's been very helpful. Let me start by saying, I appreciate the briefing I got last Wednesday, a very thorough and extensive briefing from Messrs. Hoffman, Nellis and Mortensen; very good job guys. I also greatly appreciate the observations, the thoughts of Members Martin, Savage and Skancke, as well as, the questions of the Lieutenant Governor. Frankly, I agree with just about everything that's been said.

Having said that, I guess I'm in the position of trying to decide where between the proposals of Members Martin and Skancke, I'd like to come down. I recognize this is very important and that time is of the essence in this and we have to do something. I'm prepared to support a motion here that takes into account the comments just now of Mr. Mortensen and takes into account the concerns that Members Martin, Savage and Skancke have voiced. I'm prepared to support something less than an unqualified approval of the project as it was presented today. Thank you Governor.

Sandoval: Thank you Mr. Controller. I guess we probably should get to the nub of this. I think one of the biggest issues, at least from what I'm hearing is the accountability piece and the fact that some of the Members have indicated they didn't know or weren't aware of the details until less than a week ago. It really isn't adequate time to properly analyze this. I think, and I don't want to speak for you Frank, but that's the genesis of your concern here. At the same time, there's a lot at stake here. I want to make sure that this project can move forward. And as Member Savage said, that we have the A Team and I don't want to create an artificial barrier that prevents that. What I'd like to hear from you Frank is if there is an accountability component to the motion, if we could approve the amount here but then have that reporting because there is language within that contract that allows us an out or gives us some flexibility as we move forward. As you said, what happens is, we approve contracts and then they go into a black box and we don't know what's going on. Given this is, as Member Skancke talks about, the largest public works project in the history of this State. There are two million people here that reside here that are counting on us not to also talk about the amount of commerce that passes through, the economic development and the tourism and all of that, that is going to be affected about the outcome and the performance on this contract. This is a big deal. I guess Frank, you're having had

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the benefit of listening to some of this discussion where you are right now. Like I said, I support you, but at the same time, I don't want to create a situation where suddenly CH is saying, we can't get this done or we don't have the budget now to perform all this upfront work as Mr. Mortensen talked about.

Martin: All right, so my intent was to instill a motivation for CH to have that A Team. Sometimes when you pay everybody or vote to pay everybody upfront the motivation for an A Team goes away because they've got a contract in their hand and are no longer pursuing. It never ever was my intent to slow the project down, please understand that. And Cole, you and I talked about this on Friday. I do not want to slow it down. I've looked at all the schedules of approvals that you had in the packet, and you are right Member Savage, they have done an outstanding job of providing the back-up. All I'm interested in is the fact that we get a level of performance for the people of the State of Nevada, the City of Las Vegas, that guarantees this project is going to be a success. We cannot step out of line at all when it comes to the execution of this thing. Cole, I trust you beyond all doubt and I think everybody on this Board trusts you and your judgement on this project. We still have to have the level of accountability. As long as we can install a level of accountability, we'll get a report maybe not every month, but maybe every 90 days, because we're really talking about a five year project. If we can get a report or a debrief from your team, Cole, on the performance of CH and also on the eventual winner of the construction contract, I'm good with moving forward with the \$18,700,000. It has to be a max of 90 day reporting and so that we know what the key performance results are supposed to be.

Mortensen: Governor Sandoval, if I may. For the record again, Cole Mortensen. I'd be more than happy to come before the Board on a quarterly basis or sooner depending on maybe what's going on with the project to make sure that the Board has an understanding of how we're moving forward and how we're performing. What I'd also like to point out too is that at any point in time, it's not just one individual overseeing the work of the consultants. We've had upwards of six and eight project managers at any point in time and I guess where I'm going with that is along with this is accountability on our side of it as well. I want to make sure that you guys understand that we will have several individuals on the oversight of the CH2M Hill Contract. As I mentioned, I'm happy to come back before the Board and update you on their performance as well as the overall project performance.

Sandoval: Cole, can I ask you, is there anyone from CH there in attendance?

Mortensen: Yes, there is.

Sandoval: Can we have them come up?

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Taylor: Thank you so much for offering that, I can't say thank you enough. My name is John Taylor. I am the Consultant Project Manager. I happen to be employed by CH2M, but I represent many, many consultants that have worked for me and I have an unbelievable staff.

Hutchison: He's a consultant.

Taylor: I am a consultant.

Sandoval: The microphone picks up whispers.

Hutchison: Sorry about that.

Taylor: And I got to tell you, I do have fantastic staff and with the exception of one [inaudible] in the last seven years that we have been working with you guys, we have had a consistent staff. They are unbelievably committed to the project and we take our responsibilities to the public very seriously. You can see that, even today, in this amendment. It's the third amendment, it's the first time we've asked for money. We've had two extensions of time without any requests for additional funds and I think that speaks volumes to the way that we take care of our budgets and we deliver our projects. We're very, very proud of the work we performed for the State. I'm a Nevada resident, have been 16 of the last 18 years. Raised my kid here and I'm thrilled to death to be here today. Thank you.

Sandoval: Thank you Mr. Taylor. And, we have complete confidence in you. I don't want you to interpret that in any way, but I think you've heard what's at stake here. I want your dream team and because there are a lot of folks that are counting on you and it sounds like that's what we're going to have, is that correct?

Taylor: Absolutely. 100%. As a matter of fact, just to also put your mind at ease in case—since you've never met me before, I actually think that's great, because I'm supposed to be in the background. You're not supposed to know who I am. I just want to say, it is I believe part of the contract or embedded in our contract that if one of our key personnel departs, the State has the authority to terminate us if they think that that's that critical and certainly the authority to approve whoever it would be that we would install in their stead. And so, again, I want to say, we've had many, many contracts on this job and you've had the same team with the exception of one person throughout the entire duration. They're all very, very proud to be part of the team. We are like family. We consider our counterparts in NDOT as the same.

Sandoval: And then just finally, I want to thank you for saving us a billion dollars.

Taylor: Very happy to do it as a taxpayer myself.

Sandoval: Mr. Lieutenant Governor.

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Hutchison: Mr. Taylor, thank you very much and the reason I made the comment about the consultant was just to make sure that the record is clear and you are here speaking on behalf of the company CH2M and with full corporate authority and the ability to bind the company, correct?

Taylor: I'm the Vice President of the firm. Yes sir.

Hutchison: Okay, great. And that firm has all the authority necessary to make representations on behalf of the company?

Taylor: Yes.

Hutchison: Okay, that's all I needed to know, thank you.

Savage: Governor, I have one comment.

Sandoval: Member Savage.

Savage: Thank you Governor, just a follow-up Mr. Taylor. I appreciate you coming to the podium and speaking. As you can see, if you were in our shoes, you'd probably feel the same way.

Taylor: \$18.7M is a lot of money.

Savage: We're looking for reassurance, consistency, because five years is a long time. Consultants have the tendency to change people, people move, lives are lives, I understand that. The company is always bigger than the people. You're paid to watch out for NDOT. It's a design-build contract. Our expectations of you working closely with the other designers to be top level and I'm very confident that your team can have the dream team, the A Team and the best communication and we can have a project with very little issues moving forward. I thank you for your time and thank you Governor.

Sandoval: Member Skancke.

Skancke: Thank you, Governor. John, first of all, thank you for being in Carson City today and I think the work that you all have done on Project NEON to date has been outstanding. Often times engineering firms, because they are behind the scenes don't get the credit for that work. I also am aware that your company does a lot of other work for the Department and I think you guys do a very good job, but I hope you understand that our concerns here on the Board is, this is a very big project for our State. It is a vital link to our economy here in Southern Nevada which is a vital link to the freight and goods movement for 17 western states. We're just trying to do our job which is make sure that we're going to get the best and make sure that we're going to have a project that is delivered on time and on budget. I've known you for a number of years and I know you will make sure

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that that happens. It's a big change order. It's a lot of money and we have to have these types of conversations because as Frank pointed out, we award contracts and then we don't hear back again. I think it's important for your company as well as for the Department and this Board that we hear from you every 90 days. I think that will help you and help us as well. Thank you Governor.

Sandoval: Thank you. Any further questions with regard to Items 1, 2 or 3? I am going to take individual motions on each. Why don't we proceed with Agenda Item No. 9, Item No. 1.

Martin: I would like to make the motion that we accept the \$18,700,000 change to CH2M's contract with the provision that every 90 days CH2M and NDOT staff provides the Board with a complete briefing on the scheduling and capabilities of the staff.

Sandoval: You've heard the motion, is there a second?

Skanche: Second.

Sandoval: Second by Member Skanche. Any questions or discussion on the motion?

Hutchison: One comment, I think that we heard this already. Every 90 days or sooner if the Board would need that or sooner if the Board would request that.

Martin: Or sooner.

Skanche: I'll amend my second.

Sandoval: All right.

Savage: Excuse me, a comment, can we add that the Nossaman provision be separate from the CH2M?

Sandoval: Let's do this. Member Martin if you would withdraw your motion and your amendment to the motion and Member Skanche, if you would withdraw your second to each.

Skanche: Yes.

Martin: I will withdraw the motion and the amendment to the motion.

Sandoval: Start all over again, if you would.

Martin: I would make a motion that we accept the \$18,700,000 amendment to CH2M's contract as it exists today with the provision that the \$300,000 for Nossaman be removed from that award amount and with the provision that CH2M and NDOT

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staff directly connected with the Project NEON be accountable to the Board on a 90 day rotation or sooner, if requested by an individual Board Member.

Skancke: I'll second that Governor.

Sandoval: We have a motion and a second. Any discussion or comment? Hearing none, all in favor of the motion, please say aye. [ayes around] Oppose, no. That motion passes unanimously. We will move on to Item No. 2 which is with Kimley-Horn and Associates. Is there a motion for approval?

Hutchison: Motion to approve.

Sandoval: The Lieutenant Governor has moved for approval, is there a second?

Savage: Second.

Sandoval: Second by, I believe that was Member Savage or was that the Controller?

Savage: Yes, Savage.

Sandoval: Okay. Second by Member Savage, any questions or discussions? All in favor say aye—oh, I didn't see you, Mr. Controller.

Knecht: Thank you, Governor, I just want to say that I've reviewed this very carefully, very skeptically, especially given the sole source nature and continuing nature of it. I've reviewed it in the context of having to deal with similar software based projects in my own office and my aren't they are a problem. I'm going to swallow really hard here and say that because as Member Savage pointed out earlier, because we have a thorough detailed presentation on this I'm going to swallow real hard and say yes, but I always have a lot of trepidation dealing with software projects. Thank you.

Sandoval: Any further questions or comments? Hearing none, all in favor say aye. [ayes around] Oppose, no. That motion passes unanimously. Let's move on to Agenda Item No. 3 which is the Contract with Biological and Environmental Consultant, LLC. Is there a motion for approval?

Martin: I'll move for approval of Item No. 3 of Agenda Item No. 9.

Sandoval: Member Martin has moved for approval of Item No. 3 within Agenda Item No. 9, is there a second?

Skancke: Second.

Sandoval: Second by Member Skancke. Any questions or discussion on the motion? Mr. Controller.

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Knecht: Thank you Governor. I'm going to vote no on this one because it is \$1,288,000. We had discussions earlier on the opportunity cost and the way we allocate resources to needs. This one just is not the least bit compelling to me. I do understand that there are federal requirements, but at some point, we have to provide some push back to the federal requirements or they'll just continue to metastasize and so my push back is going to be to vote no on this one. Thank you for the opportunity to explain that.

Sandoval: Any further discussion, Mr. Lieutenant Governor.

Hutchison: I'm going to vote yes on this but it doesn't mean that I don't have very serious concerns about the Endangered Species Act and the billions and billions of dollars that we spend in this country on the efforts required by the Federal Government. To me, this is not the time and place to push back on this contract. We can't go forward without these contracts that are affected. They're important contracts we've already approved. I'm going to express my concern on that issue in a different way. I'll be voting yes on this motion, thank you Governor.

Sandoval: Thank you, Mr. Lieutenant Governor. Any further questions or comments? Hearing none, all in favor say aye. [ayes around] Oppose, no?

Knecht: No.

Sandoval: Motion passes. We marked the Controller as a no vote. Thank you. Mr. Nellis, does that complete all presentation with regard to Agenda Item No. 9?

Nellis: Yes, Governor, it does.

Sandoval: Are you ready to proceed on Agenda Item No. 10?

Nellis: Yes sir.

Sandoval: All right, please proceed.

Nellis: Thank you. There are three attachments under Agenda Item No. 10, for the Board's information. Beginning with Attachment A, there's seven contracts that can be found on Pages 4 and 5 of 29. I'll go through the first three and then pause for questions from the Board Members.

The first project is to replace a bridge on Nordyke Road over the East Fork of the Walker River in Lyon County. There are three bids and the Director awarded the contract to Q&D Construction in the amount of \$792,700.

The second project is located on State Route 160 in Clark County for installation of emergency median crossover and placement of cable barrier rail. There are

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three bids and the Director awarded the contract to Las Vegas Paving Corporation in the amount of \$794,000.

The third project is on Interstate 80 at the Lockwood Interchange from the Granite Pit to Lockwood Drive in Washoe County. This is a resurfacing—partly a resurfacing contract and to reconstruct the crossroad and repair bridges. There are two bids and the Director awarded the contract to Granite Construction in the amount of \$816,816.

Governor, are there any questions I may answer or direct to the appropriate person on these first three items?

Sandoval: Board Members, any questions on these first three contracts?

Almberg: I got one.

Sandoval: All right. Mr. Almberg.

Almberg: Thank you, Governor. Just a quick question, it says here, the apparent low bidder was non-responsive and so I'm just wondering what, for informational purposes, what was missing?

Nellis: Yes, I can answer that. Again, for the record, Assistant Director, Robert Nellis. There's a DBE requirement of a 4% goal on this project. The non-responsive bidder did not submit the confirmation letter for each DBE within the required time frame set by the federal government.

Almberg: Thank you.

Sandoval: Mr. Nellis, please proceed.

Nellis: Thank you Governor. Project No. 4 is on State Route 115, Harrigan Road, of the L-Line Canal in Churchill County to replace an existing bridge structure. There are three bids. The Director awarded the contract to MKD Construction in the amount of \$622,000.

The next project, Item No. 5, this is for the Reno Maintenance Yard in Washoe County to improve yard drainage and install a new wash station and a sander rack. There were four bids and the Director awarded the contract to Q&D Construction in the amount of \$715,006.15.

Item No. 6 is on Interstate 15 from the California Stateline to north of the I-215 Interchange in Clark County to replace a faulty high mass lowering system and to upgrade existing high pressure sodium fixtures to LED fixtures. There were five bids and the Director awarded the contract to Acme Electric in the amount of \$1,247,920.

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Finally, Project No. 7, is a resurfacing project on Nugget Avenue from Pyramid to McCarran in Washoe County. There were five bids and the Director awarded the contract to Granite Construction in the amount of \$786,786.

Governor, before proceeding to Attachment C, are there any questions I may answer or direct to the appropriate person?

Sandoval: I have a question on Item No. 5, which is the improvement to the Reno Maintenance Yard. I have a vague recollection that we had a significant contract for repairs there within the last year, is that accurate?

Malfabon: Yes, Governor. We had installation of a storm interceptor for the storm drain system so that it could remove any pollutants from the storm water before it was discharged. This contract is for the wash station and the sander rack in a different part of the maintenance station yard.

Sandoval: All right, thank you. That's all I had. Board Members, any other questions?

Knecht: Governor?

Sandoval: Yes, Mr. Controller.

Knecht: Just a quick observation. I suppose we could tell Granite Construction that their signature method of bidding a project with the last three digits being the same as the previous three digits was successful two out of three times.

Sandoval: A little construction humor there. All right. Mr. Nellis, please proceed.

Nellis: Thank you, Governor. Moving on to Attachment C in your packet, oh I'm sorry, B. Skipped over a big section. Attachment B. There are 62 executed agreements that can be found on Attachment B. On Pages 14-18 of 29 for the Board's information, Items 1-25 are acquisitions and cooperative agreements; 26-35 are facility agreements with two grants; 36-38 are two interlocal agreements and a lease. Lastly, Item 39-62 are right-of-way access and service provider agreements.

Governor, before moving on to Attachment C, are there any questions I may answer or direct to the appropriate person to answer for the Board?

Sandoval: One is just a typo, Mr. Nellis. On Contract 33, it says Washoe, that should probably say Clark, in the notes.

Nellis: Thank you Governor. We'll make that change for the record.

Sandoval: I don't know if that's material, but I just thought that we'd make sure we had that. All right, Board Members, questions on these contracts within Attachment B.

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Martin: I have one.

Sandoval: Member Martin.

Martin: On Item No. 48, Chatman Law Firm, you're asking for an increase of \$20,000. Is this on the—this is on the South Point deal which I thought we got settled.

Gallagher: For the record, Dennis Gallagher, Counsel to the Board. Board Member Martin, I believe you are correct, this is South Point and it is settled. This will just clear up some outstanding invoices for various costs associated with this litigation.

Martin: Thank you Dennis. When I go back to the back page where you outline or towards the back of the Agenda, unless I'm mistaken, there's \$80,000 left in Chatman's account right now or as of whenever this document was produced. I was just questioning, if it's closed out, why we need the \$80,000 and another \$22,000.

Gallagher: For the record, Dennis Gallagher, Counsel to the Board. Board Member Martin, I believe if you're looking at Item 16 Attachment A, the report of Outside Counsel Contracts, if on Page 2 of that, you go down to the second to last entry, you'll see Ad America versus NDOT/South Point and it would indicate that we had \$20,000 remaining contract authority.

Martin: Right. My bad, it was \$80,000 on the NEON. So you need \$40,000 to finish up and close that item?

Gallagher: And close it out and get it off of your report.

Martin: Understood, thank you.

Gallagher: Thank you sir.

Sandoval: Other questions, Mr. Controller?

Knecht: My question goes to Item 37 on Page 16. The second amendment to the contract with State Public Works Division to extend and to increase by \$300,000. This contract was originally passed just about four years ago and updated two years ago. I'm just wondering if pushing this out another five years, this probably the only vendor for this, I'm pretty sure, but do we have any concerns about just continuing to extend this on the same terms? Is there any way to look at this one closely and skeptically and see if we're getting full value or whether there's some way we can get better value for the money or get the same value for less money?

Kaiser: Reid Kaiser, for the record. Assistant Director for Operations. We actually sent this requirement to the AG's Office and got an opinion on it to see if we were following the letter of what the law wants and this is what we have to do. We really don't have a choice. We have some upcoming projects in the next couple

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of years, the fuel system and the rest areas that are going to require additional looks by the State Public Works Board. To follow the law, this is what we have to do.

Knecht: Thank you Mr. Kaiser. Thank you Governor.

Sandoval: Other questions from Board Members?

Savage: Yes Governor, I have one.

Sandoval: Member Savage.

Savage: Thank you Governor. Item No. 56. We talk about partnering at all the Construction Work Group Meetings and we believe in partnering because it mitigates the potential legal expenses. I'd just like someone to explain the \$280,000 expense for a conference with best practices for partnering. If you could expand on that, Mr. Kaiser.

Kaiser: Again, Reid Kaiser for the record. This is money that we applied for through the FHWA and it is to hold a national conference locally and to bring in all the 50 states to Nevada, to discuss best practices in partnering. We hired this consultant to arrange and take care of all the details to contact the states, contact contractors to arrange this meeting. It's supposedly going to be taking place in the Fall of 2016.

Savage: So does this price include travel expenses for people attending?

Kaiser: I couldn't answer that. I would have to assume it would not. I would have to assume that those expenses are usually associated with the people getting here. This price is just for the consultant to get this meeting taken care of.

Savage: So maybe what we can do, if you could speak with Lisa Schettler, possibly, and get some more back-up information for me, to justify that \$280,000. I'd appreciate that.

Kaiser: Jeff Freeman might be able to answer your question.

Freeman: For the record, Jeff Freeman, Assistant Construction Engineer. There are some travel costs associated with that, that is for any panel member, any speaker/presenter. It's to house it, it's to bring in the panel members, the speakers. Any state official from other states coming to this, because this is a national event, will be required to pay for themselves to come here.

Savage: Does it look high to you guys?

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- Freeman: For a conference, a national conference, not with all the costs that are involved with travel and bringing them in. Like I said, we're bringing the expert panels from across the country and so we are expecting travel for, I do not remember the number, but it is quite a few people that will be paid for travel. There will also be pre-meetings beforehand where we're going to bring them in. It's not just travel to the conference, it's travel to get the best practices put together as well.
- Savage: Thank you Jeff, thank you Reid, thank you Governor.
- Kaiser: Len, we can meet with you and go through that. It's not a problem to do that.
- Savage: That'd be helpful, Reid, if we could get some support documentation. Thank you.
- Sandoval: Thank you. I do have a question, Mr. Nellis, on Item No. 60. It's \$188,000 for landscape design.
- Nellis: Assistant Director John Terry will answer that one.
- Terry: John Terry, Assistant Director for Engineering. I believe Director Malfabon talked about the I-15 and Starr Interchange which is a project that we are moving forward with and I would point out that most of this design is really not landscaping. It's mostly aesthetic issues, essentially to make the Starr Interchange look like Cactus Interchange, Silverado Ranch Interchange and the other ones that are up I-15. It is mostly for those elements and this is to hire the consultant. We also have to go through the public process where we give the public the opportunity to give input on the landscape and aesthetic design and to hold that public meeting.
- Sandoval: I get it and actually I think our public art and the landscaping is magnificent, it's beautiful, but I just want to make sure that we always balance those costs with some of these other demands that we have. As I said, I hate to keep whipping on the \$2M we had up north, but just given what we hear during these meetings and the priorities that we have, I just want whoever is involved to have that in the back of their minds. Thank you.
- Savage: Governor, I have one comment on your concern about landscape. It was voiced a couple of meetings ago at the Department of Transportation and we have it on the agenda for December at the Construction Workgroup Meeting to thoroughly review the landscape allocations, requirements and drill down a little bit as to where we can go with that. Just wanted to let you know.
- Sandoval: I appreciate that Member Savage. I did not know that. Thank you for taking the lead on that issue. All right, any other questions on the Contracts described in Attachment B? All right, Mr. Nellis, you want to move to Attachment C?

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Nellis: Yes sir. Again for the record, Robert Nellis. There are two eminent domain settlements that can be found under Attachment C on Page 20 of 29 for the Board's information. The first line item is the amount of \$4,000. This is a temporary easement for sound wall construction for the South McCarran Widening Project. The second line item is in the amount of \$2,685,000 for the acquisition of two parcels of real property located on the northeast corner of Martin Luther King Boulevard and Alta Drive in Las Vegas for Project NEON.

Governor, that does conclude Agenda Item No. 10 and questions regarding these two settlements may be directed to Mr. Gallagher.

Sandoval: Any questions from Board Members on the settlements described in Attachment C?

Savage: Just one comment, Governor.

Sandoval: Yes, Member Savage.

Savage: Thank you, Governor. My sincere thanks to Dennis Gallagher, Joe Vidala and the rest of your AG personnel for the time and effort on the MLK for saving the Department of Transportation and the State of Nevada several million dollars. We appreciate it very much. Thank you Governor.

Sandoval: Thank you. Anything else to present, Mr. Nellis, on Agenda Item No. 10?

Nellis: No sir, that concludes that agenda item.

Sandoval: All right, before I move to 11, any questions from Board Members? All right then, let's move on to Agenda Item No. 11, which is Condemnation Resolution No. 452.

Malfabon: Governor, I would like to make a revision to this item to rescind the Southland Corporation from this Condemnation Resolution. We have a requirement to provide proper notice and we azenized this item and missed by a few days giving the proper notice. We'd like to bring this back for later action by the Board.

The Condemnation Resolution No. 452, for the Roundy Revocable Family Trust, we'd like to go forward with this to keep the project on schedule with the anticipated direction from the Board to continue discussing this with the property owners. I think that it was positive that we're working directly with the property owner, not lawyers to lawyers. We should consider that but we still request to maintain the project schedule by having this resolution of condemnation approved, but continue looking at whether we would look at the option of a total taking of the property or other options as far as compensation and continue negotiations with the property owner.

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Sandoval: As you all know, Ms. Roundy was the one who presented in public comment today. She's still present here. She indicated that she didn't really feel there was any meaningful exchange with the Department and I suppose, what would it harm to continue this for another 30 days to allow for Ms. Roundy to have further discussions with the NDOT Representatives on this issue.

Malfabon: I'm going to defer to Cole Mortensen. If that's acceptable Cole, we can continue this for 30 days and continue those discussions with the property owners.

Sandoval: I see you Mr. Controller, I just want to get an answer to my question.

Malfabon: Governor, in response, we can live with deferring this for 30 days and then bring it back at a later date to the Board. So, we will pull Item—

Sandoval: Well, before we do that, the Controller has a question or comment.

Knecht: Thank you, Governor. My question was going to be just that, can't we delay this for 30 days, but in particular, when you bring this back, as I heard Ms. Roundy today and maybe I missed something but I thought there were three issues on the table. First, the use of inappropriate comparables or non-comparable comparables. Second, more damage to the property than merely the reduction in percentage area, 20%. That is that reducing the property by 20% as proposed would essentially reduce its value and it's usage possibilities much, much more than 20% of the value of the current property. Third, a request for alternate project configuration to eliminate any damage. What I would request Governor is that, when Mr. Mortensen and Mr. Malfabon at all bring this back, that they address specifically each of those issues and anything else that Ms. Roundy may have raised and give us particular answers on each of those three issues or particular modifications that they bring forth as part of this issue. Thank you.

Sandoval: Thank you, Mr. Controller and I appreciate your being detailed on that. Frankly I agree, this is a classic case of a stitch in time saves nine and if there's a way to reach an agreement and have some good discourse with Ms. Roundy, I'd like to see it accomplished now. Maybe at the end of the day there isn't an agreement but right now I don't feel like it's sufficient in terms of the exchange that's happened between the Department and Ms. Roundy and her property. If you can get all that done in 30 days, great Mr. Director, if not, take the time necessary to make sure that there has been that exchange with Ms. Roundy.

Malfabon: Will do so Governor. I stand corrected in discussions with Chief Counsel Dennis Gallagher. We still have a third portion of this Condemnation Resolution associated with Clark County Treasurer's Office. That would remain and we recommend that Condemnation Resolution No. 452 be amended to eliminate the Roundy Revocable Family Trust and the Southland Corporation but maintain the Clark County Treasurer's item in this Condemnation Resolution.

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Sandoval: Board Members, any questions with regard to this Condemnation Resolution concerning the Clark County Treasurer? Hearing no questions then the Chair will accept a motion to approve Resolution No. 452 excluding the Roundy Revocable Family Trust portion and the Southland Corporation.

Knecht: So moved Governor.

Sandoval: The Controller has moved for approval. Is there a second?

Martin: Second.

Sandoval: Second by Member Martin. Any questions or discussion? All in favor, please say aye. [ayes around] Oppose, no. That motion passes unanimously. Let's move on to Agenda Item No. 12 which is Approval of Equipment—

Malfabon: Steve Merrill will present this item to the Board.

Merrill: Thank you, Rudy. Good afternoon, Governor, Board Members. For the record my name is Steve Merrill. I'm the Chief Location Engineer for Nevada DOT. I'm here today to request the purchase of a digital aerial camera system to replace our current film system which we purchased 18 years ago.

We've started doing our aerial photography in 1959 and almost every Division within DOT has used our aerial photography for one reason or another. It goes from planning, design, environmental, pretty much all of them have used it at some point in time.

The camera that we had was the Zeiss—I know these names are really long, Zeiss RMK TOP 15 large format metric film camera. It's been a very good camera but it's coming to the end of its design life. The camera was specifically for our plane was specifically modified to have that camera fit into the plane. One of the things that occurred last year that we weren't aware was going to happen was Kodak Film quit manufacturing the colored film for the camera system. Then, this year, the other company quit making it as well. Now we're on a limited amount of film that we have for the camera system which is approximately about a year is what we have.

Here's the camera system that we would like to purchase. It's a Z/I DMC IIe140 Large Format Metric Digital Camera System. There's a lot of good benefits to the system. We can do black and white, color, infrared simultaneously as we're flying. It requires no additional aircraft modifications. For us, that was a big issue. It meets the design standards. There are other camera systems but the problem is with them, they don't have a large sensor on them. They take several sensors and stitch them together and we can't get the accuracy out of them that is required for our mapping. Just a couple of them that we looked at, Microsoft

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Ultra-Cam was one and the other one that we looked at was Soft Nav, Phase 1, IXA-R80, which is a medium format type of camera. Both of these cameras, the industry has been having a hard time with them.

The benefit for us with the digital camera that we're requesting is that we can fly higher. When you're looking at only flying at 1,500 feet, if you can get up to another 700 feet, it's a big safety improvement for us. The other thing that it does too is by flying higher, we get better fuel efficiency and the rest of it. The film now, we no longer will have to scan the film. Right now it's taking us about two weeks from the time we take the photo until the time we get it back and it's digitized, it's about a two week turnaround period.

Fewer survey points and I'll try and explain that as well as I can. By having the GPS mark where these photos are taken, you don't need as many tack points on the ground. Those tack points, I think everybody has seen them at some point in time, they're the white X's that's the control that we put out before we fly. Again, it's just reducing—actually, with this last one, what that is actually doing is reducing the amount of time it takes for us to process the actual surface once we have the pictures taken.

Like I said, we have about one year of film in stock. The contractor that we currently have has about one year in stock as well. The problem is that with the consultants that we have or that are available, they have those other types of cameras and it's not accurate enough for the type of flying that we're doing. We did end up finding one vendor down in Southern California that has the same camera system that I'm requesting that we purchase today. It's a very limited amount.

I just wanted to mention with the drones, they're a very good option for bridge inspection. You look to the Octocopter on the right. They have a whole bunch of different types of those type of copters. The other one that you're looking at, it's good for mapping but the problem is for the DOT, you can't fly these things over State Highways right now. Not only that, it requires a pilot's license to fly them. You can only fly them within line of sight and you have to be 300 feet or lower to fly them. We're very limited. In the future, I think they're going to be outstanding for doing stock pile kind of stuff, even like what you see out here with the freeway, you can get a weekly update on your volumes by having one of those.

Just to mention a little bit about Washington and Oregon. They've had the other type of camera systems that I was mentioning and they've had problems. What they've had to do in order to correct that is they use a device called a mobile Lidar unit and it gives them more control on the ground to get these things into the accuracies that they really want to use. Arizona, they're going forward with

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acquiring a new system. We didn't know which one, they didn't tell us which one they were going to buy right now but they're definitely going into the digital. Just as an example so you guys know, I think there are 16 DOTs that have their own in-house systems. Half of those or approximately 12 of those have the digital camera systems now. Six of them, which is Florida, North Carolina, North Dakota, Ohio and Illinois, have this camera system that I'm requesting. They've already purchased them.

There's one model left right now. The next year's model goes up to that other price that you see, the \$637K is what we want to get right now. We have enough money in the budget, in the Highway Fund. This was due to the Fiscal Year 2015 Equipment Budget. The equipment that came in was at a lower cost and so we had an additional \$487,367 from last year's budget. Then this year's budget, the 2016 Equipment Budget, we have \$126,124. That's how we were planning on funding the purchase of this system.

Just as a really quick kind of a—try and make sense of this. For our plane, that's what it costs an hour, the personnel for the two people that are flying in the plane for photogrameters that are doing this. To try and make a little more sense out of it, we had 22 flights last year. We spent \$28,000 just on film and processing the film last year. If we were to have contracted that out, it would've been approximately \$117,000 in costs for the Department. If we were to have done it ourselves, it would've cost [inaudible] with this new camera system it would've cost us \$34,400. There would've been an \$82,600 savings or approximately 70% savings when we're going out with a consultant.

I'll do another really quick one and you guys can read this. For Kietzke Lane, if we would—we did do this one, I believe. If NDOT did it, \$995.80. Contractor costs, we get the bid from them, it was \$4,420. Just for that one job. So, it's a 77% savings.

I figure you guys would probably want to know, is there a leasing option on these? Well, the manufacturer does not want to lease these cameras, but never the less, if you give them enough money they'll lease it. The deal is with that one, \$35,000 a month, half of that would go towards the purchase price of the camera. Then at the end of the year we would have to come up with the \$390,000. If we go this way, the camera system is going to cost us \$810,000. I don't think that's a good value because it's approximately another—a little bit less than \$200,000 if we were to purchase it.

In conclusion, Location Division, after doing the analysis on all this, the time is right right now to get this camera system. We're never going to be able to purchase one at a lower rate than what this is. This is like the end-of-year model but it does exactly what we need it to do going into the future. We can get a

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really good deal on it. Again, the price will never be lower for the caliber of camera system and the increase in safety and the survey flights is immeasurable.

One of the things I didn't really point out is our survey crews, as well, putting out these tack points. By getting a camera system like this and having that technology built into it, we reduce our tack points by about 60%, a little over half of what we have to put up. Those are the tack points that we sometimes have to put out in people's fields, getting permission and all the rest of it. It would really help us out in that as well.

With that, I am done, are there any questions?

Sandoval: Thank you and incredibly thorough presentation. Just a real basic question for me, have you seen the quality of photograph?

Merrill: Yes. With all the camera systems that were looked at, they had the digital format to come so they could actually try it out in through our process. So, yes.

Sandoval: Questions from Board Members?

Martin: I have one, sir.

Sandoval: Member Martin.

Martin: You made the statement that the camera you wanted to buy, there's one available.

Merrill: Yes.

Martin: Is that because they're not manufacturing them anymore or is that because there's just one available on the market and they continue to manufacture this camera?

Merrill: No, that was last year's model camera. What they did in this coming year's model, they changed one of the sensors in it. This camera is the last one they were going to sell and they still have it in stock. It was approximately, I think a half million dollars more for next year's model camera compared to the one that we're going after.

Martin: What's the approximate life of this camera sir?

Merrill: I would venture to say it would be at least another 18 years, but not really knowing, you know, I can't directly answer that question. I can find out.

Martin: Thank you.

Sandoval: It kind of begs the question, if I may follow-up with Member Martin. If we get this camera, we basically have to use it for the next 10-15 years, yet if the drone

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technology emerges to allow us to do it that way, we wouldn't be able to take advantage of that drone technology.

Merrill: No, Governor, because when we're flying as high as what we do in these aircraft, you can get a much larger area that you're mapping in comparison to the drone technology. Not to say in the future if they lift the height of what we can fly with the drones and the camera technology, it's kind of like looking into a crystal ball, maybe it would catch up, but for right now, we're not seeing that.

Sandoval: I understand where you're going. None of us have that crystal ball and we just don't want to put a bunch of money into something that's going to be obsolete in five or six years but we just don't know. At this point, I think you've made a really good case that we can benefit from the enhanced quality of this photography and how it would be beneficial to the Department. Mr. Controller, I see you have a question.

Knecht: Thank you Governor. Actually my question follows on yours which follows on Member Martin's. I think your looking in the right place and I think also NDOT did a good job by raising the issue of alternate models but more especially of drone technology or UAV technology. As you said Governor, we don't have a crystal ball. What we do know is that UAV technology is one of those things like IT Technology, the technological progress is galloping. Things are going to be available in a year that we almost can't imagine now. While we don't have a crystal ball, it turns out that the State of Nevada, The Governor's Office of Economic Development does have a unique resource in Mr. Thomas Wilczek who is one of the experts in the country on this technology, the regulation of it and what's happening. I haven't had the chance to talk to him at all about this but I'm curious as to whether NDOT has been in touch with Mr. Wilczek and the Governor's Office of Economic Development because, I'll go back to what you said, we save \$80,000 a year but it takes 18 years of accumulated savings on a present worth. Yeah, you'll beat that \$600,000 cost, but the breakeven point, especially on a present worth basis is somewhere out there beyond the first few years and it's possible, in my mind, that we could spend that \$80,000 a year for three years and then switch over to the developing drone technology, if we have some reason to believe that it might be available on the terms that you mentioned a few years out and we might do an even better job. Have you been able to talk to Mr. Wilczek and the Governor's Office of Economic Development about this?

Merrill: I don't know if my employees have talked to Wilczek directly himself but I do know that they talked to the Governor's Office of Economic Development. We actually did have a pit set up down in Vegas for them to fly it. Again, it's right next to the highway and then you have a 500 foot clearance issue for us to have flown it. They could only fly a portion out of the pit at the time and then they

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had—I know they had a couple of glitches. There was wind one day and I don't know what happened the other day with it.

Knecht: I guess Governor, I would feel a lot more secure about basically spending \$630,000-\$640,000 a year to save \$80,000 a year, if I felt for sure that we were going to do that for 10 years and in so doing we wouldn't incur a big opportunity cost for something that may well develop. I don't know if we can put this off for a month or not, but I just think while they did an outstanding job of developing this presentation and this proposal, there's that one last option left unchecked.

Sandoval: I will say this, and I'm familiar with what's going on with the Governor's Office of Economic Development and the UAV. Right now, I believe there's some Knowledge Fund money that is being used to put out to the UAV industry to find solutions for issues such as this. For example, wildlife surveys, pipeline inspections, those types of things. GOED is putting forth the problem to the private sector for it to come forward and there are several vendors who are out there that are trying to find those solutions so that that technology can be created right here in Nevada. The dilemma that we have is, again, if we don't buy this camera now it's going to be gone, I would assume. I guess we could just basically, you know, pardon the pun, be in a holding pattern with the camera that we have now.

Hutchison: Except for the film, right? Was that an issue?

Sandoval: Wasn't the film, we're good for another year, is that right?

Merrill: Yeah, we have approximately one year of film in stock.

Sandoval: Is this the standard sales pitch, if you don't get it now, it's gone?

Savage: Governor, I have a couple of questions.

Sandoval: All right, Member Savage.

Savage: Thank you, Governor and Mr. Merrill, thank you for your very thorough presentation. Very informative. I do have a couple of questions and you might have answered them, so be patient with me if you could please. How long has this specific camera been on the market?

Merrill: Do you know John? You don't. I don't know that answer.

Savage: That's an important question.

Merrill: Okay.

Savage: Because this is the last one, is what you told me.

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- Merrill: Uh huh.
- Savage: Concerned about the parts and the pieces. How about the warranty on this new camera? What's the warranty on this camera?
- Merrill: I don't have that either.
- Savage: The projected annual maintenance?
- Merrill: Do you have a number on that John? Sorry, I don't.
- Savage: Okay. So, 0-3 on those. Number 4, what's the manufacturer's name on this specific camera?
- Merrill: On that one I think it was the Zeiss.
- Savage: Zeiss was the old one.
- Merrill: Zeiss was the old one. This is a Leica—thought I had it in here. Z/I DMC IIe140 Large Format Metric—
- Savage: So, is that the manufacturer's name or is that an acronym for—
- Merrill: That's the camera name but Leica is the manufacturer.
- Savage: Oh, Leica is the manufacturer.
- Merrill: Yes.
- Savage: Okay. And you said, there was one statistic you said, 12 out of the 16 DOTs have a digital camera similar to this camera but there was only one jurisdiction in Southern California that had this specific camera?
- Merrill: Yes.
- Savage: Or, did I misunderstand that?
- Merrill: No, that was a consultant that had that camera down there. The states that had it, I forget, I'd have to find the slide, it was Florida, Ohio, South Dakota—there were six of them that had this camera system.
- Savage: How many?
- Merrill: Six states.
- Savage: Six states have this specific camera?
- Merrill: That's what I was told, yes.

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- Savage: And is this federally reimbursed?
- Merrill: No. Most of the stuff that we do is because we're upfront before everything gets funded. Our budget is a pretty low amount that's actually funded by the feds. 20% is usually where we usually end up in my Division.
- Savage: And would there be any other jurisdictions or any other RTCs or counties or anybody else that would utilize this camera besides NDOT?
- Merrill: No, but we could always fly for them. Especially during floods and things like that. In the '97 flood, I know they were flying at that point in time.
- Savage: Thank you Mr. Merrill. Thank you Governor, I'm a little bit unclear on some of these questions. I hate to see us always buying the last one. I can appreciate the comment but at the same time, there's a couple of flags that come up. I don't know where I really stand on this one at this point. Thank you Governor.
- Sandoval: Thank you Member Savage. I'll be blunt. I got to know what kind of warranty we have on that camera.
- Merrill: Go ahead and introduce yourself.
- Burgess: John Burgess, NDOT Location Division, for the record. This particular camera comes with a one-year warranty on software and manufacturers warranty.
- Savage: One year warranty—
- Sandoval: So what happens after the one year?
- Burgess: We could pay for extended warranties.
- Savage: How much would that be?
- Burgess: I believe it's \$55,000.
- Sandoval: If I may, Member Savage, we're doing this just—I shouldn't say just, but to enhance the quality of the photography. The camera we have still works and then the film is, we only have film for one more year, is that?
- Burgess: That's correct.
- Sandoval: Is there a way—do you partner with other states, can we use their camera?
- Burgess: There's no other states that are local that have that particular camera set up, within the Western United States.

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- Sandoval: We're looking at a lot of money for an extended warranty because I'd be really afraid to get this system for a year and pay \$600K and then not have anything after that and so we're looking at an agenda item each year for \$55,000.
- Hutchison: Can I ask a question?
- Sandoval: Mr. Lieutenant Governor.
- Hutchison: Have you checked all sources for film? It sounds like the reason you're bringing this—one of the reasons is in addition to just wanting to upgrade the digital, is that there's a film issue. Is there really just no other source around for this film so we can continue to use this a little bit longer and see what technology does and maybe have a little bit more comfort in that end?
- Burgess: Traditionally there has usually only been two manufacturers of aerial film. If you're familiar with it, it's a large format film. It nine inches by nine inches and it comes on large rolls. Typically the film alone costs \$2,500 for the film. I think the idea is that, they're just not going to support it, there's not enough money in the market for them to continue to support it with the digital cameras coming online.
- Hutchison: So anybody with this camera now, any state or government entity now is going to have just a supply problem with film and there's nobody else in the country or the world that supplies film apparently.
- Burgess: That's correct. It's not just the supply problem with this particular film. The parts are becoming very hard to find too, for this old metric film camera. That's another issue that we're facing is that all these moving parts for this traditional film camera are becoming out of date, hard to find. In fact, we're not even sure we can calibrate this camera anymore. Every three years we have to send it back to Virginia to be calibrated by USGS and they may not do that for much longer. It's become problematic with the technology running out of date. I can understand the concern with the digital camera and the \$55,000 warranty issues, potentially down the road, but one thing with a digital camera too is there are less moving parts with it, less things to go wrong with it and this particular camera can be upgraded in the future if something were better to come along.
- Hutchison: Do we have maintenance expenses with the old camera and what would that look like? Are these cameras a problem that way?
- Burgess: We did have it under maintenance for quite some time and then we just couldn't—they wouldn't support it anymore. So, we are flying with an unsupported camera right now.
- Sandoval: Member Skancke.

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Skanche: Thank you Governor. It appears as though that over the last year, we've had a lot of things that are really just old and outdated. I mean from snow removal equipment to graders to trucks to radios. I mean, we just flat out have old technology and in my opinion, while I've bought a lot of cars at the end of the year and I get a really good price and I think what's happening here is that we're buying a car at the end of year and we're getting a really good price. I'm not certain that this is a model that's outdated, I think they're just coming out with a different model. They might change the grill and maybe put a different set of interior in there but it's basically the same vehicle. While it's a lot of money, if you amortize that over the last 18 years of what we haven't had to spend, I think it's not that big of a cost at the end of the day. I think we need to have couple of questions answered as it relates to, if we can get a better deal on the warranty and I think a couple of Member Savage's questions need to be answered, but I think we just have to bring a lot of our technology into the 21st Century. I mean, I jokingly said over here when the item was introduced, was it a Polaroid Camera that we were using in the past? That's kind of where we are, which is, we've got to bring ourselves forward.

I actually would support this item. We don't know what's going to happen with drones. I've worked in that arena for 33 months and every report I got back from the FAA is they just can't move fast enough. I think we have to do something. If we have to hold it 30 days, I guess my question would be to get some answers, do we lose this deal with this particular company if we hold it 30 days or do we have to move on this quickly and we lose the deal and if we lose the deal, what's it going to cost us in the end to do the other camera. We're at the end of the year and we've got the opportunity to buy last year's model or 2015 model, can we get the answers for these questions and get back to the Board? Do we have 30 days or do we need to move today?

Merrill: I think we need to move as soon as possible but we'll try and get back to you.

Skanche: Do we lose the deal? My question is, do we lose the deal if we don't act today?

Merrill: Well I know that Lucy had told Leica on the system was that we were going to go to the Transportation Board today and we had a good chance of being approved. Other than that, I don't know if they would sell it or not.

Malfabon: Steve, going through State Purchasing to purchase this, is that factored into the time frame for the end of the year sale here?

Merrill: No, I didn't—do you mean going—no, Rudy.

Malfabon: Do you have to go through State Purchasing is what I'm asking, I guess.

Merrill: Okay.

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- Malfabon: Do you?
- Merrill: No, I didn't look into that.
- Malfabon: Oh, okay.
- Sandoval: Well, having listened to all this, I agree with Tom, even given the questions I had. I mean, this camera that we've had has reached it's useful life. We've actually gotten more than its useful life out of it. We need to move forward. There are, I think, too many negative consequences if we don't. It also sounds like if another DOT approaches them and wants to buy it then suddenly you're back asking for next year's model which is \$1.3M or what have you. I'll support this, but I would like to see some of that information that Member Savage had sought, provided at a later time. I don't want to lose the opportunity to purchase this last camera.
- Skanche: Governor, I'd make a motion for approval of this purchase with those contingencies of knowing the answers to Member Savage's question on the warranty. I'm going to forget what they are now, but I would make a motion for approval for this item.
- Martin: I'll second.
- Sandoval: We have a motion and a second. Member Savage, I know you may have some input so I'll take it now with regards to questions or comments on the motion.
- Savage: Thank you, Governor. Comments would be to answer the questions of the warranty, the annual maintenance, the other western state DOTs and also, most importantly, if there's a 30 day return, 60 day return, if there's a return policy if these answers are not adequate for the Board's approval.
- Sandoval: Yeah and do you know, I mean, I didn't ask this question, Mr. Merrill, do you know, is there a return policy?
- Merrill: No, I don't know that answer, what that policy actually is, no.
- Sandoval: So what if we got a lemon?
- Merrill: Yeah—
- Knecht: Governor?
- Merrill: --this type of equipment, I don't think we've ever had any problems with something like that, on a purchase like this one.
- Sandoval: I'll go to the Controller but it really, I know I keep flip flopping here, but it makes it hard when I don't even know whether if it doesn't work, whether we can return it or not.

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Knecht: Thank you, Governor, and let me make the problem a little bit harder. Mr. Merrill, did you say that six other states already use this model that you're proposing that we purchase?

Merrill: Yes.

Knecht: Only six?

Merrill: Sixteen total states that still do their own photogrammetry. Twelve of them have digital cameras, six of those are using with this model of camera. We could probably even call up those states and find out how it's been working for them, plus we could call up the manufacturer as well.

Knecht: The reason I ask that is, with 16 states, currently doing photography of this sort, four of them apparently not digital, 12 of them digital and half of those with this model. I'm not really persuaded and I appreciate Mr. Skancke's analogies, I like them. I too like to get a great deal on an almost new car. I've done it with my RX-7 about 30 years ago. Having said that, I'm not convinced that this one will get away. I'm in the same position that Member Savage, the Governor and others are, but at the moment, I'm not leaning towards supporting this. I'll certainly agree that it's a tough close question. Thank you.

Sandoval: Other questions? Mr. Almberg.

Almberg: Thank you Governor. I think I agree with those questions. I'm also concerned, is this a model that is changing or this strictly a new year that's coming out? My thing is coming back to any parts or maintenance that would be involved in that. Are they still going to manufacture those parts of anything that may go wrong? I am in support of this. I understand this and I work in this in my field and so, I'm going to go back and look at the positive aspects of this. The fact that it does run GPS on there and reduces our number of targets that we need to put on the ground. That is going to reduce our man hours. It's safer. Don't have to get out in all these areas that they're going to be.

Going back to the other question that has been raised a bunch is concerning the drones. With the present drone technology, I'm not going to be so naïve as not to say that it won't be in the future, but I think presently the drones would be used best for infill and for little tight areas because of the lack of being able to fly at any elevation. I think the drone would fill in the infill areas that were needed. I just wanted to express my point of view on this.

Sandoval: Thank you, any other questions or comments on the motion? All in favor of the motion, say aye. [ayes around] Oppose, no.

Knecht: No.

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Savage: No.

Sandoval: The vote is 5-2, the motion passes, please mark the Controller and Member Savage as having voted no. If you could still provide that information that's been sought, Mr. Merrill, we'd appreciate that. I don't think it needs to be a formal agenda item, but if it could be provided in writing to the Board Members, I know we'd all appreciate it.

Merrill: I will get that to you.

Sandoval: All right, thank you.

Merrill: Thank you.

Sandoval: Well move to Agenda Item No. 13, which is Approval of Equipment Purchase for a Wheel Loader.

Malfabon: Thank you, Governor. The information is provided. I don't know if Tracy has any additional information to add but just to move the agenda along. The wheel loader attachment is to mow vegetation alongside the highways. It will improve the site distances for approaches, vehicles approaching from the side streets and driveways and approaches on the side of the highway. And it reaches hard to reach—since it's articulated, it will reach hard to reach spots with the flail mower, so behind guardrail posts, for example, on slopes, where it'd be difficult to get a mowing piece of equipment in there. Just to move the agenda along, if there's any questions from the Board, we're respectfully requesting approval of this purchase estimated at \$64,194 for the attachment to the wheel loader that will have a flail mower.

Sandoval: I have no questions, Board Members? Is there a motion for approval.

Skanccke: So moved.

Martin: Second.

Sandoval: Member Skanccke has moved for approval of the equipment purchase as described in Agenda Item No. 13. Member Martin has seconded the motion. Any questions or discussion? All in favor say aye. [ayes around] Oppose, no. That motion passes unanimously. Let's move on to Agenda Item No. 14, Announcement of Apparent Best Value Proposer to Design and Build Project NEON.

Mortensen: Good afternoon, Governor, Members of the Board. For the record, my name is Cole Mortensen. I am a Project Manager for Project NEON. Today, we'd like to go over a couple of things but I guess most importantly, I'd like to mention that we do have a uniformed traffic control officer in the RFP for Project NEON.

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In moving forward, we've got a timeline up here as far as what we've done to this point. We've hit those deadlines that we've committed ourselves to. Last September we had an RFQ issued and we short-listed three teams in December of 2014. In March of 2015, we released our final RFP. We received proposals in August of 2015. We then evaluated those proposals for a best value proposer. I'd like to add that this process followed the NRS 408 and the Department's Pioneer Program Guidelines.

I would like to thank the three short-listed teams. Once again without them, we wouldn't have had the ability or the opportunity to deliver the project in this fashion. The three teams were Kiewit Infrastructures West, Las Vegas Paving Corporation and NEON Mobility Contractors. NEON Mobility Contractors was a joint venture between Granite and Skanska.

In the best value determination for this particular procurement, we decided early on that the price component of the procurement would be 60 points and the technical proposal points would be 40 points for a total of a 100 point scale. The proposals were evaluated by not only NDOT staff but our partners, City of Las Vegas, we had Mike Jansen in on the evaluation as well. We had over 35 NDOT individuals evaluating each of the proposals and we allowed observers from the FHWA and the Attorney General's Office.

As part of the process we had five basic groups involved in the best value determination. As I mentioned, the observers, we allowed the AG's Office as well as the FHWA to sit in to make sure that we're following all of our processes and protocols. As well as a Procurement Administration Team. The Procurement Administration Team consisted of Mark Stewart and Jenny Eyerly of Agreement Services, Lou Holland with the AG's Office and actually Dale Keller kind of served a member of the Procurement Administration Team. The Technical Evaluation Committees were all made of subject matter experts for each of the technical disciplines. And then, the Proposal Selection Committee, essentially after each of those technical disciplines made an evaluations, it rolled up one level to the Proposal Selection Committee. They made a recommendation on the technical scores of each of the project teams to the selection official who is Rudy Malfabon. Through this process, no one was actually made aware yet of the price component of the proposal so there wasn't any biased based on a lower bid or a higher bid. When the selection of the technical team was presented to the Selection Official, it was presented without any identifying marks. So it was Proposer A, B and C.

A little bit more about that process. Early on in the process a recommended group of individuals for the committees was presented and approved—presented to the Selection Official and approved by Director Malfabon. We developed an evaluation selection plan and that was put together and then trained, or used to

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train the committees reviewing the proposals. Basically what that was is, essentially, aligning each of those committee members as to what the project values were and how to come up with their evaluation.

Those teams then, the individuals, after we received the proposals on August 21st went to work. They had two weeks to review those proposals and they sat down with not only each of the individuals within those disciplines, but we also had CH2M Hill's counterpart who is most familiar with those technical aspects sit down with our staff. When they came to consensus at the end of the review period for each of those groups, they sat around a table, they gave their opinion of the proposals and then gave positives and concerns based on what they'd seen reviewing it. The entire group and the entire committee, during the consensus then basically decides what they want as a group to move forward with as far as the evaluation and the comments for both positives and negatives and then those were presented to the PSC.

At that level then, the PSC was basically responsible for an overall view of the proposal and then based on the evaluations and the presentations of the technical committees, they come up with an evaluation and rankings for each of the proposals. Then, that was presented to the Selection Official for final review and recommendation.

It's not every day that somebody gets to announce the winner of a construction job that's over \$500M in value. It's certainly the first time we've done it in the State of Nevada. So, with that in mind, I'd actually like to turn this over to Dale Keller.

Keller: Good afternoon, Governor and Members of the Transportation Board, my name is Dale Keller for the record, Senior Project Manager with the Department. One of the project goals for Project NEON was to obtain the best value for the cost to design and build this project through competitive procurement. To us, that value meant improve the safety and mobility of the I-15 and US-95 corridors for the traveling public, seek innovation as well as efficiencies and encourage effective design. Also with that produce productive and proactive public management plan. Also to, at the end, produce a high quality, aesthetically pleasing, durable and maintainable facility. That really drove our team and our approach to the technical proposal criteria as well as the evaluation.

First, we want to understand from the proposers their project management approach. What's their management style, their quality organization, their safety and environmental compliance. DBE performance and so forth. Number 2 and Number 3, design approach and traffic operation; illustrate to the Department your technical solutions to design this facility and once again, provide and produce a high quality, aesthetically pleasing and durable and maintainable

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facility. Number 4 was our construction approach. Tell us how you're going to build your design. Come up with an approach to how you're going to successfully deliver the construction of work. With that, with Number 5, the Transportation Management Plan, tell us your plan and how are you going to minimize impacts to motorists, to the bicyclists as well as pedestrians and how are you going maintain access. In addition, public involvement approach. Tell us how you're going to communicate your plan and collaborate with the Department for effective communication and public information. Last and most importantly, Number 7 and Number 8, tell us how long it's going to take you to do the job. The team with the lowest and shortest duration receives the maximum points and the other team's point allocation was delta off that lowest date proposed.

Now for the results. I'll give everybody a second to digest the scoring. As you can see, Proposer C clearly distinguished themselves as the best technical proposer with the shortest duration. I'd also like to note at this time that proposals were evaluated based off the evaluation criteria set forth in our Evaluation Selection Plan. They were not compared to one another.

As Cole mentioned, the price proposal, this occurred after the evaluation of our technical proposals. This was done independently of any knowledge of their technical proposals or schedule. Here are the bid results. You see Proposer C provided the lowest proposed price with roughly \$560M. Proposer B provided the highest proposed price of \$600M. [inaudible] about \$40M and Proposer C was roughly 5% lower than the second lowest proposal price.

Now, our best value determination is based off the combination, as Cole stated, of both our technical, as well as price. With that, the best value proposal is clear. Proposer C provided the highest technical score with the lowest price. There's a clear number one ranking.

At this time, it's a privilege to announce, Kiewit Infrastructure West as Preferred Design-Builder to construct—design and construct the State's largest and highest profile infrastructure project, Project NEON. Now, Kiewit is one of the largest contractors in the world. In the past 10 years they have delivered more than 1,000 transportation projects, totaling more than \$30B. Kiewit has performed public works projects in the State. Most recently they've completed the first phase of the Southeast Connector for the RTC Washoe. They do so six months ahead of schedule. They also have an active Las Vegas office.

What separated Kiewit from the other two proposals? Here's some examples. Overall they minimized the impacts to the public. They've created a very effective design and they understood our project goals. Here's some examples for the first. They reduced what we anticipated as a mile long HOV connector, which connects the HOV lanes on US-95 to the Express Lanes on I-15. They shortened

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that by over 2,000 feet. Also, they enhanced our reference design and eliminated over 40% of NDOT's approved design exceptions from FHWA by increasing shoulders and reducing sight distance.

One of the things that really distinguished themselves was their plan for construction. They provided an efficient three phases. First, was to construct the local streets, the local parallel network first and get that done by Fall of 2017. Next, Phase 2 was to construct the I-15 corridor in one construction season. That's the third bullet point here, early completion I-15 milestone. That was one of our major goals and they nailed it. They're going to do that within less than 200 days and allowable closures and put this in reference as roughly 300 days sooner than the next best proposal. They are committed to hire local craftsmen from local union halls. Also, their plan reduced number of permanent closures by over 50%.

To provide you some more specifics. Kiewit had 750 fewer ramp disruption days than the next best proposers as well as over 1,100 fewer local road disruptions, to local businesses and the community than the next best proposer. Their schedule was developed in a way where it was a non-linear blocks allowing accommodation for NDOT's right-of-way schedule, as well as opportunity for accelerated construction. They are committed to achieve substantial completion by the fourth quarter of 2019, which is roughly 10 months sooner than what NDOT anticipated and also six months sooner than the next best proposer.

What are the next steps? After today's announcements, the project management team and Kiewit have meetings to finalize the contract documents. We will discuss certain aspects of the contract as well as possibly include some of the other unsuccessful proposers work product. We do have an aggressive schedule but we do have the key pieces in place to meet our deadline and get this conformed contract to the November Transportation Board. This is after FHWA concurrence.

I'd like to say, this investment with Project NEON in Southern Nevada's most busiest stretch of freeway is definitely going to reduce congestion. It's going to improve safety, create jobs and really lay that foundation of that new Nevada. There's no doubt in my mind that the Department has selected the correct contractor to successfully deliver Project NEON and make this a successful project. At this time, I'd be happy to answer any questions. In follow up, we'll do a quick right-of-way status update.

Sandoval: Any questions from Board Members? I think part of the lack of questions is this is a lot of information in a short amount of time, but truly an impressive process. I think everybody can feel like it was fair. This piece with being able to operate it, what did you say, 300 days, or get it open 300 days sooner than we had

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thought. I mean, it obviously saves the State money, but when you think about the opportunity costs and how helpful it is that it's 300 less days that people are confronting construction, that's a huge benefit as well.

One question, so Kiewit is not based in Nevada but has an office in Nevada? Will it be—and perhaps this is premature to ask this question, but how much of that workforce will be from Nevada?

Keller: That is a great question Governor and at this time I do not have an answer for you. I will find that out for you.

Sandoval: Okay. There was something in here about hiring craftsmen from local union halls, what does that mean?

Keller: My understanding is, from their proposal, they're committed to hire labor and skilled labor out of the local union halls. That includes anywhere from your equipment drivers to your carpenters to your steel workers, those types of labor.

Sandoval: Selfishly, I want as many Nevadans on that project as possible. I would hope that in the course of these final negotiations that we can get a little bit more information on that. I know that that can't be a component of the bid, but it really would be interesting to know how many Nevadans we can expect on that job.

Keller: Yes sir.

Sandoval: Mr. Controller?

Knecht: Thank you Governor. First of all, again I want to thank the gentlemen from NDOT who gave me a briefing last Wednesday, Messrs. Mortensen, Nellis and Hoffman. It was a thorough briefing. It was detailed. Obviously like everyone else on this Board, I'm going to reserve judgement on this matter until we have the final materials in front of us and all the information in front of us a month from now, but at this point, I just want to say I'm greatly encouraged by what NDOT has done. The process by NDOT was good. The approach taken by Kiewit was thoughtful and creative and different. Because it was, the technical rating for them was strongest in the areas that I think count most. I salute NDOT for the fact that they counted those the most. That's Items 4 and 5 and 1 and 2. Those are the key areas and that's where Kiewit showed up best.

In addition, as you pointed out, we're getting the best price by a decent margin over the other two. You kept the technical evaluation separate from the price evaluation, but we still get the best of both worlds. What the Governor said about the schedule and early completion is really important to me. Minimum closures, minimum disruption for people in the Las Vegas area is really important.

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Finally, I'm encouraged by the good, long-term, world-wide record of Kiewit. I look forward to seeing this a month from now, even as I say, we reserve judgement. I think we're moving in the right direction here and I'm greatly encouraged by both NDOT and by the proposed contractor. Thank you.

Sandoval: Thank you Mr. Controller. Mr. Lieutenant Governor.

Hutchison: Thank you Governor. Just a quick follow-up, and first this is a preliminary matter. Great job with the NDOT team that came and briefed me on this as well. Top flight analysis and information. One thing I think is important for the public to know and it certainly was impressive to me was something you had said earlier which is Kiewit is going to get the I-15 Corridor construction done within one season. Can you just expand on that just a little bit, in terms of what you meant by that and what the comparison was to the other bids in terms of that critical construction period for I-15.

Keller: Yes sir, Lieutenant Governor, great question. In our contract documents we allowed two seasons of permitted construction closures or lane reductions on I-15 Corridor. We limit this in our contract between the months of March to November. We know there's a lot of special events in the Las Vegas area, especially around downtown. Also, getting out to the Speedway for NASCAR weekend. We have a very key stakeholder to our right which is the Premium Outlet Malls for the winter and the Christmas time for holiday season.

What the Q-Team did, one of our goals is we said, we are looking for a contractor that can get this done in one construction season. We threw it out there as one of those big goals to go grab and this team went and grabbed it. They are committing to only closing I-15 for one construction season and that one construction window. It's going to be a great impact, minimizing those community impacts to the traveling public, to our businesses and also to the residential areas on the west side.

Hutchison: Thank you. I just don't think that can be underscored enough in terms of the importance of that element of the construction. Congratulations to NDOT on a great process and what seems to be a great selection here in terms of the overall project and the time in which you'll get this done. Thank you for following up on that for me.

Keller: I want to be clear as well. There is going to be construction that's occurring along the project corridor for this three and half, four year time period. I just want to make sure that the reduction of lanes is only going to occur for that small window of time. They also have reached the milestone of that completion of having that done by Fall of 2018. So the improvements, they're going to reach the I-15 milestone completion in Fall of 2018.

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Hutchison: Thank you.

Sandoval: Questions or comments from other Board Members? Member Skancke?

Skancke: Thank you, Governor. This is a very exciting day for our State. This is a remarkable process that I think our NDOT team led. I personally have been involved with this since 1999 when Project NEON was a conversation. In 2000 we had an opportunity to move forward and because of the economy and certain things that occurred, Project NEON wasn't able to happen. You Governor mentioned this in the State of the State Address that Project NEON was a priority for our State. Like everything else you've done since you've been Governor, you've delivered, and I don't—I mean that very seriously. This is going to be put thousands of Nevadans to work. We've attracted two global companies to bid on this and a local company. I think we've had some great responses and I'm looking forward to getting this project under construction. I think the entire Board and the NDOT team should be commended for a well delivered process. Cole, you and your team have done an outstanding job of working with the Board and everyone inside of NDOT to make this happen. So, gentlemen congratulations and I'm very excited about seeing the completion of this project but more importantly, being out there for a ribbon cutting to get this thing going, or groundbreaking to get it going. Congratulations. Thank you.

Keller: Thank you.

Sandoval: Other questions from Board Members?

Savage: Just a comment Governor.

Sandoval: Yeah, Member Savage.

Savage: Thank you, Governor. Sincere compliments to Cole, Dale, the entire NDOT team, Rudy; it's all about confidence and consistency to the contractors. The process that I believe this Department has provided for this project had the checks and balances, had the understanding, had the confidentiality, it had everything lined up to ensure that the integrity and the honesty was never questioned in my mind. I'm very thankful for your leadership, the leadership we have here at headquarters and the people on the ground there in Las Vegas, as well as, CH2M. It's a good day, it's a work day and we have a lot of work days in the next four years. I compliment the staff. Thank you Governor.

Sandoval: Thank you, Len. I'm going to echo some of these comments of the members. For Dale and Cole, as I sit here in my almost five years on this Board, at least in this capacity, and then my few years as Attorney General, I don't know if I've ever seen a more transparent process. The amount of detail that has had to go into this is incredible. Some of you weren't here, but if you recall that we had to shift

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gears from that PPP process and go to where we are now. We're still on time to the day. I think this has been on our schedule all along. Is that right Cole? I see you nodding your head.

Mortensen: That's correct sir.

Sandoval: You hit this on the button. Often we have confidence problems with the public in terms of overpromising and not delivering and we've met this promise with regard to being on time. That's critical with regard to how we're doing, but at the same time, we've moved forward and everybody's known what's going on every step of the way. I know that's been a lot more work for all of you but at the same time it has kept this at such a high level and such a great confidence level that really puts us on great footing, as Member Skancke says, as we start to break ground.

Let's talk about these efficiencies and these cost savings, I mean, in terms of efficiency on getting this project done 300 days sooner than we thought and spending a billion dollars less than we thought we were going to and getting a better project. I don't know how else—how many other positive levers you could pull to get that done, but that's something that needs to be commented on that. In any event, there's some—there's a lot more presentation to be done as the Controller says for next month.

Cole, one thing I don't think you need to answer today, but we're all assuming that this is going to be done on time and we do have a global or an entity with a global reputation and actually a local reputation as well, given what happened with the project in Northern Nevada. I'm going to be curious as to what some of the consequences are for non-performance and making sure that there's a bit of carrot there or stick in terms of making sure that we stay on time.

Rudy, I'll ask you, you've been in this Department for a couple of decades, have you ever seen a project of this magnitude move forward in such a transparent and efficient and on time way?

Malfabon: It's unprecedented, Governor. I wanted to echo the comments. I'm really proud of the team and especially Cole Mortensen's leadership, Dale Keller's. The team has been, not just the engineering side, but also the financial, the right-of-way folks that had a heavy legal and definitely our consultants CH2M have been a big part of this successful project delivery process. It has been transparent. It has been above board and fair. I'm very pleased and congratulate Kiewit on being the proposed design-build team for this project. I know that the Board will conduct its due diligence in the coming weeks as we bring that forward to you for final approval next month.

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Sandoval: The only thing I ask, Rudy, is you get it to us more than a week before the meeting.

Malfabon: Definitely.

Sandoval: All right. Other questions or comments. Cole, do you have any concluding remarks that you'd like to make?

Mortensen: Yeah actually, Cole Mortensen, Project Manager. We actually have also prepared a right-of-way update, if the Board is interested in that. Overall, I'd like to echo basically everybody's sentiments. It takes an army to move a mountain and we had a great group of people to help us come to this point. I think that the last stretch here with the evaluation was most impressive from my standpoint that when we actually got everybody involved, when we opened those doors for the proposals and people filed in there, it was like you kicked an ant hill and everybody got after it, they got the process done and we were able to just move smoothly through it, but it took everyone to do so. I want to thank everybody that was involved as well.

Sandoval: All right. Did you want to provide that—are we doing all right on the right-of-way acquisition, Cole?

Mortensen: Well, this is largely the same information that we've been presenting to you on a quarterly basis. For Phase 1, we have ownership, legal occupancy or condemnation authority for 59 of the 60 parcels. We have one parcel outstanding. Seven relocations remaining for Phase 1. One is a large business and then three billboards. 39 parcels that settled through normal negotiations. 22 parcels have been referred to condemnation. Of those 12 property owners, eight have reached settlement, one has gone to trial and three are pending legal settlement. Then we have six parcels with the City of Las Vegas that we have the right to construct on through the cooperative agreement.

For the design-build phase and the remainder of the parcels, we've made 83 offers for 102 acquisitions. 57 property owners reached agreement or are in process. 10 property owners have been referred to condemnation and NDOT has occupancy from four of those properties. We've relocated 136 occupants and an additional 215 relocations are in process. We anticipate having all of our offers presented by the first quarter of 2016.

Along with that, to this point our Phase 1 expenditures are at \$127.5M which is just a little more than what we'd originally programmed for the right-of-way acquisitions, alone I believe that the originally programming for that was \$120M. We've spent \$30M on the design-build phase for the expenditures. Then we've got \$3.7M demolition work that's happened out there. That comes to a grand total of \$161M spent to date.

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That concludes the right-of-way update.

Sandoval: Questions from Board Members on right-of-way. All right, thank you very much.

Mortensen: Thank you.

Sandoval: All right. We'll move on to Agenda Item No. 15 which is the Update on the Replacement of the Radio System.

Malfabon: Thank you Governor. Denise Inda will present this to the Board. Very quickly.

Inda: Good afternoon Governor, Members of the Board. In recognition that this meeting has been very, very long today, I will try to step through this very quickly. We just wanted to provide you with an update of where we are on the replacement of the Nevada Shared Radio System. I would like to recognize that Director Jim Wright from DPS is still here with us this afternoon in support of the progress and the efforts that we're making.

Background, I'm not really going to cover this in great detail. We have this existing 800 MHz trunked radio system. It's been in place since the early 90s. There are three infrastructure partners NDOT, NV Energy and Washoe County, comprised of 16,000 users statewide. The manufacturer support for the system is going to end in 2017 and so we need to replace the system. We want to do it using a competitive vendor neural process. The three infrastructure owners have been working together to identify the best way to move forward with that. All three partners have signed a memorandum of understanding stating that it's in everyone's best interest for the continuity of the system, for cost and reducing the costs to all of the partners and just for continued interoperability throughout the State. It's in everyone's best interest to move forward with a uniform replacement of the system.

This is a map, you may have seen it before, showing there are over 110 sites statewide. NDOT owns and maintains about 60% of those with Washoe County maintaining about 10% and NV Energy about 30%.

Here's the meat of what I want to talk to you about today. The project phasing. The replacement process, which was Phase 1 is complete. It consisted of a needs assessment that identified alternatives and effective cost options for the system replacement. It's based on the system constraints as well as the user requirements. The final report was completed in March of this year and it's been accepted by all three infrastructure owners. That leaves us at Phase 2, which is exactly where we are. It's underway. We issued an RFP to select a firm to assist with the development of the detailed system requirements and the RFP documents. The three partners evaluated the proposals and have selected Federal

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Engineering Incorporated. The scope for this work has been finalized and negotiations are complete.

The agreement for the work will be coming to the Transportation Board for approval, possibly next month, at the November Board Meeting. We're expecting, there's just a few fine tuning on some of the accounting costs that have been added on. We're expecting that agreement to be approximately \$650,000. Each [inaudible] will be entering into a separate agreement with the same firm for the design of the replacement of the microwave system. That microwave system, as we've explained in the past, provides backbone communications for a number of statewide systems including the radio system. It's critical that this microwave be compatible with and in place prior to the replacement of the radio system. There's really close coordination between the partner agency for the radio as well [inaudible]—just an aside, the RFP that went out where we selected Federal Engineering, there was scope included in it to take care of the needs of [inaudible] and then they'll move forward with their separate agreement in that area.

That's where we are. Phase 2 is underway and we'll be talking to you ideally next month when we have an agreement here for your approval.

The next step will be Phase 3. What that phase will do is, the RFP will have gone out and there will be a thorough evaluation of those proposals that are submitted and then a selection of the system provider. At that point in time, each of the infrastructure owners is going to enter into a separate agreement for the deployment of the equipment that they are responsible for. Federal Engineering will continue to support the Department in the role of procurement support, vendor proposal review and post vendor selection support; so that means during construction and installation of the new system, we'll have those experts still supporting and assisting us with all of those technical details.

The one thing that I do want to bring to your attention because I know this is something that you look at very closely, the efforts for continuing on during Phase 3 by Federal Engineering, those were all included in the RFP. When it came time to negotiate for the current Phase 2 portion of it, we started talking about the costs and the requirements of FE to provide that continued support during Phase 3. We realized that if we were to agree on a price today, to include in the agreement that you're going to see next month, it would be a very conservative amount and by conservative I mean a high amount because there is a lot of information and details about the new system that have yet to be determined. To play it safe on the consultants end, they would be making some pretty high estimates on what that would cost.

What we would like to do is once the vendor has been selected, once the RFP is issued, a vendor for the new radio system is selected, we will then be negotiating

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on the costs and the level of effort that will be required by Federal Engineering to continue us through the installation of the system. We really feel like that will be a cost savings and a benefit to the Department and that we'll get really a better result. Federal Engineering was pleased to do it that way as well because we'll all be working from a known place instead of sort of making some estimates and guesses at this point.

What will happen is, when we get around to Phase 3, that's going to require an amendment to the existing agreement that you will be approving next month. I just wanted to lay that out. I know that you like to know all of the costs upfront and truly we would like to bring you those today but there are too many unknowns and we just felt like it was best to give you a good price for the portion that we have finite information at this time and then move forward when we have more information in the future.

We're going to work really closely with the State Budget Office, with our Financial Management Office to plan for the Department's share of the costs as we continue to move forward. What we are expecting is that the first part of the replacement will occur during the Fiscal Year '17-'18 biennium. Let me say that again, the Fiscal Year '17-'18 biennium. So we'll make sure that we put in our request the best known amount of funds for that. Then this replacement, through the Phase 1 evaluation of the system, it was recommended that we would be able to do a phased approach at replacement. By doing that, it reduces our initial costs or our initial outlay, we can break it into phases. Based on that recommendation from the Phase 1 report, we expect that it will take five or more years to replace the entire system statewide and then have our next generation radio system.

Those were the points I wanted to cover today. I'm more than happy to answer any questions today or if any of the Board Members would like more detailed information, more thorough review and explanations, we're more than happy to come and meet with you at any point along this process.

Sandoval: Thank you. I know it's late in the day, but the estimate for this project I'm told is \$124M, or what is the estimate for this project?

Inda: Good question, Governor. In the Phase 1 analysis, there were some high level estimates that were put together for the replacement of the system. If the State and the partners were to go out and replace the system straight up, buy all the equipment, the entire system would cost about \$177,000 total.

Sandoval: You mean million, right?

Inda: I need some zeros. I need some zeros in there. Yeah. \$177M. The State's portion of that would be \$95M. Purchasing all of that equipment outright is not really the current way that public agencies or even private industry moves forward

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with technology. Technology changes so quickly that the State owning all that infrastructure that will then be obsolete in some shorter than we would like timeframe, that doesn't necessarily make sense. What we had asked the consultant to do in developing those initial recommendations, we're looking at some alternative procurement processes where we could perhaps lease to own or even just lease a system that would provide the necessary requirements for the State. Those options will cost—well, I'm not going to go into any details of that, over time, if you're leasing to own, you might pay a little bit more but it does break up and break down your initial costs. The same with just a lease portion. You might end up paying a little bit more than you would but you don't have to replace the entire system in a short time frame, it's more upon the vendor to be keeping up with technology and making those advances and changes. Not having the burden put back on the State or the other agency partners. Did that answer your question Governor?

Sandoval: Not really. I don't want to weaken our negotiating power, but what kind of a budget are we looking at? So you just said, if we had outright purchased it, it would be \$177M of which \$90 some would be the State's share. A lease to own would be an option. I'm looking for some boundaries here on what we're looking at in terms of an expenditure and then would that be Highway Fund money or General Fund money?

Inda: Let me answer the question about the costs first. At this point, we don't have estimates for what these other options would cost. We have some very high level thoughts but we don't have anything concrete. Part of the reason is because in this current phase, this Phase 2 of the project, we're going to be developing more specific system requirements and user requirements. That's really going to help identify what the system is going to look like and then from there, we can identify what those costs might be. We will be able to provide more detailed information as we get a little further on in this project. We know that the worse-case scenario and a very conservative high estimate for that would be approximately \$90-95M for the State's portion of it.

The second part of your question, could you repeat that please, Governor, I'm sorry.

Sandoval: Where is the money going to come from, is that Highway money?

Inda: I think that would need to be determined. If the Department is moving forward with the replacement of the system, it is currently our system, then those funds could be Highway Funds, but I think there could be discussion and I would defer to Director Malfabon on if whether or not the legislature might allocate funds for that from other parts of the State budget.

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- Malfabon:** Governor, we were thinking that it would be State Highway Fund revenues to pay for the replacement of the system. I know that it's not lost on the Board how important to public safety this radio system is. We feel that it's better to maintain control with the Transportation Board and the State Highway Fund to address the delivery of this new system.
- Inda:** I will add on that, as a part of the development of the new system and the user requirements and system specifications, we are also going to be looking very closely at system governance. Looking at how the radio system is managed and governed today and looking at opportunities and areas where we can improve and fine tune that governance. I think part of that will make sure that all of the user agencies that participate in the shared radio system, making sure that they are compensating the owner agencies for their use. There is a fee currently, a yearly fee, per unit that all of the agencies pay. We'll be making sure that as we move forward, the concepts and the pre-requisites that are laid out move along forward with our new approach or our revised approach I guess I should say.
- Sandoval:** I don't need an answer today, but right now we're looking at having our own standalone systems, does this RFP include consideration if there are other systems that we can join or piggyback on, or is there such another system that perhaps we can share rather than having to have our own?
- Inda:** Absolutely, the RFP will take those situations into account as the proposals come in, that will be a part of what is within the proposal itself. If there is existing infrastructure within the State, maybe even existing infrastructure from our current system or other systems that are compatible with the type of system we're looking to deploy which would be a P25 Phase 2 System which is the appropriate technology for the kind of system that we're using. Yes Governor, those sorts of things will be taken into account. Just as we discussed, Cole Mortensen discussed on NEON, we will have a very similar evaluation of this where we do a qualifications based evaluation for the system as well as the cost based evaluation. They'll be separated and then they'll be combined to figure out the best solution for the Department and the rest of the State.
- Sandoval:** Okay. Well and again, I think we can talk some more later, but the budget process is going to be starting very soon in earnest. These are questions and answers I'm going to need as I build that next budget. Certainly I'm not—never would I want to suggest that I would undermine public safety and its ability to communicate with one another but this certainly is something that we've got to do just like we did on Project NEON and find the best solution at the best price. That isn't to suggest that you're not doing that already, but what I'm hearing is that it's tens of millions of dollars, regardless of what we're going to do. That's going to have a significant impact on the budget or the Highway Fund. One of the two or maybe both.

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- Inda: Yes sir.
- Sandoval: All right. Other questions or comments on this agenda item? Thank you very much. The next Agenda Item is No. 16, Old Business. Mr. Director.
- Malfabon: Governor we have the Report of Counsel Costs on open matters, the Monthly Litigation Report, as well as Fatality Report and an update on Freeway Service Patrol. If there are any questions from Board Members, we can refer them to the proper person to respond.
- Sandoval: Questions from Board Members on Agenda Item No. 16.
- Hutchison: Just a real quick question.
- Sandoval: Mr. Lieutenant Governor.
- Hutchison: Thank you. Rudy or Dennis, maybe you can answer this, I saw that there was red print for our Monthly Litigation Report regarding condemnation matters, I don't see any red print on the Outside Counsel Contracts, does that mean that there are no new matters and no new cases since last Board Meeting. I think that's what it means, right?
- Gallagher: For the record, Dennis Gallagher, Counsel to the Board. Lieutenant Governor, your assumption or observation is correct.
- Hutchison: Great. Thank you very much. I don't have any further questions. Thank you.
- Sandoval: Any other Board Members have questions on Agenda Item 16? All right, let's move to 17, Public Comment. Is there any member of the public in Carson City that would like to provide comment to the Board?
- Malfabon: Yes, there is Governor.
- Quigley: Thank you. For the record, Tina Quigley with the Regional Transportation Commission of Southern Nevada. I would like to extend again congratulations to NDOT and to Kiewit, we look forward to seeing this project. I know my Board is very anxious to see this get going.

I would like to plant two seeds of thought with you. One is that, I was pleased to see that we were able to cut back some of the construction time and some of the disruption to the public, but I share with you that we have created a campaign in Southern Nevada, we call it Seeing Orange; that is an effort to have one number or one website that anybody from the public can go to to learn about any construction project in Southern Nevada. The public doesn't know whether it's a utility, or care whether it's a utility or an NDOT or a RTC or Public Works or a sewer project. I would like to plant the seed of thought very early with NDOT

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that we be included as part of your communication effort on all of your barricade plans so that we can answer those—by us answering those phone calls, you don't have to answer those phone calls.

The other seed of thought I'd like to plant is that we would look forward to the NDOT Project Management Team living in Southern Nevada for the duration of the project. That way, by having people on your project team who actually live in the community that they're having a major infrastructure project in, they get an understanding for the feel of the project by driving it, by listening to their friends and their family and their network of social—their social network, as to what is going on with that project. There's an aspect that comes with actually living where you're doing your work. Thank you.

Sandoval: Thank you, Ms. Quigley. Any other public comment from Carson City?

Malfabon: None Governor.

Sandoval: Any public comment from Las Vegas? I'll close public comment, is there a motion to adjourn?

Skanche: So moved.

Sandoval: Mr. Skanche has moved for adjournment. Member Martin has seconded the motion, all in favor say aye. [ayes around] Motion passes. This meeting is adjourned. Thank you everybody.



Secretary to Board



Preparer of Minutes