

Transcript of Nevada Department of Transportation
Board of Directors Meeting
April 11, 2016

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

Sandoval: Good morning everyone, it's 9:00 AM. Can you hear us loud and clear in Southern Nevada?

Martin: Yes sir, we can.

Sandoval: I will call the Nevada Department of Transportation Board of Directors Meeting to order. I think everyone has noticed, we have a new and improved meeting environment. I'm excited. I want to make sure everybody knows that these microphones are very sensitive. There are even microphones in the back so we'll be able to hear all the nice things you say about the Board back there. I'm sure Rudy will fill us in on all of this. I hope everyone had a wonderful weekend. We do have a quorum that is present. I like this new set up. It kind of evens the odds here, between the staff and the Board. This is great. I'm looking forward to it.

So, why don't we move on to Agenda Item No. 1 which is the presentation of retirement plaques for 25 year plus employees.

Malfabon: Thank you Governor. Just to give a little update on the new audio/visual equipment. You will press the button at the bottom and you'll get a green light when your mic is on. You don't have to pull it towards you, in fact, that would—the base is a bit rigid, so don't try to pull the mic towards you, they're very sensitive and effective. I'll go over some more details later during the Director's Report.

For retirees, we have some folks we wanted to honor. Hopefully some are—I know that some are present today. Sydnie Platt-Schlachta, Transportation Planner Analyst III in Planning and Roadway Systems. Retired with 25 years of service.

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Todd Devito, IT Manager III, retired with 25 years of service. Todd and the next person, Michael Heit, IT Professional IV, worked in our Information Technology Section here in Carson City. Both had 25 years of service. On our maintenance side, Highway Maintenance Supervisor I in the Carson Landscape Maintenance Team, Dana Luterick, retired with 25 years of service on March 1st. Thomas Northouse, Highway Maintenance Worker III, Mount Charleston/Las Vegas, 27 years of service. Mike Vecchiarelli, Professional Engineer in Structures, retired with 30 years of service just recently. Let's get some of those folks up here. I know that I saw Mike. I think Dana—are there any present in Las Vegas? Is Tom there Mary? No? Okay. So, if Dana and Mike could come on up and we'll maybe do a photo op with the Board.

[pause for pictures, crosstalk while setting up, taking pictures]

We might as well stay up for the other awards. And, I wanted to mention, there are constantly retirees and some recently retired that might not—they might be confused why they're not on the list. It's a quarterly list. We'll get them next time if they were recent retirees.

Moving on to the Item on Awards. We have an Excellence in Partnering Award. I saw several of the folks in the audience. So, the Excellence in Partnering Award is something that's given annually statewide to recognize completed projects that optimize principles of partnering. With partnering, it's a more structure process of working with our contractors to make sure that we achieve all of our goals, collaboratively with the contractor. We celebrate success, share lessons learned and best practices and recognize all project stakeholders.

And the 2015 Excellence in Partnering Award recognizes the collaborative efforts between NDOT and Las Vegas Paving, to repair a section of I-15 that was washed away by extremely heavy rainfall in September of 2014. This project was eligible in 2015, because they finally completed it in 2015. The floods happened in September of '14. The project team coordinated the design, construction, administration of the repairs to open the road back to traffic within 72 hours, which is amazing if you had seen the damage. We applaud the excellent daily communication and solid partnerships between Las Vegas Paving and NDOT. I think Steven Conner, I saw Luke, in the audience, Luke Rollins, Steven Conner. Unfortunately Tommy Thompson wasn't able to make it, but I think Phil Andrews is there in Vegas?

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Martini: Tommy's here.

Malfabon: Oh, Tommy's there?

Martini: They're in Las Vegas.

Malfabon: Okay. Tommy Thompson, Phillip Andrews. Mary Martini, herself was an excellent leader during that emergency operation. She's part of the winning team as well. And, representing Las Vegas Paving, Jared Wagstaff is, I believe in Las Vegas. If those folks could come up, we'll take a photo opportunity.

[pause for pictures, crosstalk]

Malfabon: This next award is one that we're honoring a person, and as you saw with the last award, it was a huge team effort. Mary's folks in maintenance and the construction side were instrumental in working with our contractor on that project. Thanks to all the folks there. It was just a small section of the group that I'm sure worked on that project, Mary, so thank you for leading that effort down there.

The next award is the State of Nevada Aviation Achievement Award. This is one that we're actually recognizing someone that's put a lot of effort and contributed to the aviation program. The State of Nevada would like to recognize Bill Schroeder for his contribution to Aviation Safety for over 20 years. Bill serves as Civil Air Patrol Chief Check Pilot, Primary Pilot Instructor and Mission Search Pilot for the Nevada Civil Air Patrol. His proactive stance on increasing aviation safety in Northern Nevada has allowed him to effectively perform any outstanding and notable achievements, including successfully drafting and initiating changes incorporated into the FAA Regulations. Bill is an outstanding example of a pilot that inspires others to emulate his professionalism and ability. He is highly deserving of this recognition and it's my pleasure to present this award to him. Thank you for your significant contribution to aviation safety in Nevada and the United States. Bill? We have a really good aviation staff, Governor and Board Members.

[pause for pictures]

Speaker: This is from the FAA Safety Program, out of Reno. Bill is our lead representative and recruits a lot of the individuals to participate in that program. Really adds a lot to aviation safety in the State. [inaudible] We appreciate what you've done.

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[pause for pictures]

Malfabon: The last award is the Las Vegas Metro Chamber of Commerce and the Las Vegas Convention and Visitor's Authority, Customer Service Excellence Awards goes to Cory Holm, Ronald Scott, Aaron Collins and Simon Limho. The Customer Service Excellence Awards are designed to encourage above and beyond service in Las Vegas and inspire extraordinary customer care throughout Southern Nevada. These outstanding NDOT employees are recognized for their strong and positive service attitude and dedication to providing excellent customer service through quality control testing in the Las Vegas Materials Lab. Cory, Ronald Scott, Aaron and Simon, they're all from Vegas. How many were able to make it? I see the person, Jesse, that nominated them. Jesse worked in the Materials Division Lab down there in Las Vegas. Thank you Jesse for nominating them.

You've seen some of these Metro Chamber awards.

[pause for pictures]

Malfabon: We have one more. I'm sorry, I missed one. There's so many. We have the folks here and I definitely want to acknowledge the efforts, the partnership with several including the Department of Public Safety, Nevada Highway Patrol and I know that the Chief is here. This is for the Nevada Traffic Incident Management Award for Project of the Year from the Intelligent Transportation Society of Nevada, ITS Nevada for under \$2M category. We have what is called Traffic Incident Management to try to clear any crashes or incidents along the road. Definitely a huge partnership with local police, fire, ambulance services, medical services and the Nevada Highway Patrol. The statewide, Nevada Traffic Incident Management, or TIM Project has won the ITS Project of the Year. TIM uses a multifaceted approach to provide incident responders throughout Nevada with training, education, crash debriefings and joint operations policies. The project demonstrates how states and municipalities have maximized technology investments to improve safety and reduce traffic congestion. I'm looking for my list of participants. We have Seth Daniels, Juan Hernandez from NDOT and Christine Sylvester, I know that Chief Osbourne, Colonel Dennis Osbourne from DPS, is he present? If Seth, Juan, anyone representing Nevada Highway Patrol could come up?

[pause for pictures]

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Malfabon: That's it for the trophies.

Sandoval: We'll move on to the Director's Report.

Malfabon: Yes Governor.

Sandoval: Before we leave those agenda items, I'm not sure if the retirees are still here but I personally want to thank them for their service to the State. If you can imagine how much this state has changed over the past 25 years and their individual contributions through all of those times, it really is appreciated, so thank you very much. As well as the presentation of awards. Again, there are people out on the frontlines out there making things. Particularly with that flooding that happened last year and as you said Rudy, it was remarkable to get that road open in 72 hours. I was there a few weeks ago and the work continues to make that right, but to have that devastation and the way that it impedes commerce and people trying just to get home and all those things and be able to provide—to open that road within 72 hours, that was nothing short of a miracle. That really took a lot of time and effort to get that done.

Malfabon: Yes Governor, thank you.

Martin: Governor?

Sandoval: Yes sir, Frank?

Martin: Yes sir. I wanted to echo what you said. I traveled I-15 a number of times during that period of time. The progress that was made each week, even from day to day, was astonishing. My hat is off, certainly to Mary and her group and Las Vegas Paving. They all did a really great job getting I-15 back open again.

Malfabon: Yes, I know that Mary's maintenance folks are still repairing some sections of other lower volume roads. Definitely, I-15 was amazing, the effort there.

Martini: Excuse me, this is Mary Martini, in Las Vegas. I'd also like to add the Nevada Highway Patrol to it, because without Major Pat Gallagher and his troopers, we wouldn't have been able to do it as easily as we did. They were a lot of help and they were included in the presentation earlier, the awards. I just wanted to include them as well.

Malfabon: Thank you Mary. Moving on to the Director's Report. As the Governor noted, we have made some improvements in our audio/video capabilities here but it also

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supports the use of this particular room as the emergency operations center for NDOT. We do a lot of exercises in here with other agencies and just internally with NDOT to help prepare for any event that could occur, such as the one that we were talking about on I-15 and the flooding.

One of the concerns when we look at that is, wow that's a big screen there, but it does help. As you saw initially—we have a security alert already. As you saw initially, there was the side monitors could be used to look at traffic cameras, real time. You can look at maps of events. It's very—a much utility to us during an emergency and during emergency operations.

The other thing to mention is, just the configuration of the room that we can have during these exercises or during emergencies, the cords will be a lot more safer. They're out of the way of people that were walking around. That's what it looks like. You can bring up things online, real time. It's very effective, and multiple screens.

The cost, it was a little bit less than \$250,000 for the equipment and about \$30,000 or so for the installation. Very good. I think the microphones, obviously are very sensitive and much more—I think they work more effectively than the previous set up.

Sandoval: If I may, who was the contractor, do you recall?

Malfabon: Robert, what was the name of the contractor again? It was a local contractor.

Nellis: [inaudible]

Malfabon: Good question Governor, we'll get that for you later in the presentation.

Sandoval: The only reason I ask is, so far so good. This looks great and it's working well. We have some other improvements we need to make in other places. Perhaps we can look at that contractor. I apologize for interrupting.

Malfabon: No problem. We definitely want to eventually expand the improvements of our audio/visual to the district, and the video conferencing equipment because one of the problems that we have is audio tends to drop off if you're in one of the remote sites sometimes. We use this also for a lot of the outreach from the Director directly to all the employees statewide through video conferencing and through the intranet. It's very helpful for us to be a lot more stable of a system for the sound.

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The Carlin Tunnels Project was recently highlighted by the Discovery Channel. We're very proud to be picked up by a national TV show that was highlighting the improvements on the lighting. [pause] [video plays] So, very nice, national coverage of an improvement that we used recently with LED lighting to save us money and energy.

April has National Work Zone Safety Awareness Week. The theme this year is, Don't Be That Driver. It's a national theme. Recently our folks worked with one of the NHP Troopers that provides support on our construction projects to slow the traffic down in those construction work zones. They did a very good, short video that shows what to expect. You're going to have speed limits reduced when you're entering into work zones. Trooper Nick Nordyke was helpful in getting that message out there. Very good clip. We wanted to acknowledge, it's been about a year since we lost one of our own, Ron Rache, tragically in a work zone and this program, using the troopers on larger maintenance and construction work zones is very effective. It's slowing down the traffic.

An update on the two large federal grant opportunities, Tiger and Fastlane. Fastlane being the one for freight. We've hired our consultants. We're working with the Office of Energy on their application for the electric vehicle charging stations throughout the rest of the state. The due dates are there. We're working on I-15 and 215 interchange in North Las Vegas. Northwest 95 improvements. One up here, Lemon Drive and US-395 auxiliary lane, at the ramp there and ramp metering to more efficiently move traffic up there in one of the intersections of the North Valleys.

A little update on the Apex Design-Build Transportation Improvements. We provided the Board with supplemental information, last week in advance of this meeting. We're trying to fast track this contracting process as quickly as possible. We had a smaller contract to get them going on environmental work with the larger contract before you today for your approval. The negotiations summary and the scope of work were provided separately last week so you could review those in advance of today's meeting. When we put together the Board Packet, we didn't have all of that information but we didn't want to skip another month. It's such an important project to advance.

Huge day last Thursday with the Project NEON groundbreaking. Having Wayne Newton there was something that I never thought I'd see at one of our groundbreakings. It was awesome to meet Wayne Newton in person. He didn't

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sing. He sang the night before at the opening of the new arena. It was well wishes all around to the project team for a successful project. Mayor Goodman was there, as well as two members of our Congressional Delegation, Dr. Heck and Crescent Hardy. We had representatives from various public agencies there present as well. Great turnout. Typical Vegas flare with the confetti and show girls and we used that video wall behind there to show some of the aesthetics that are planned for the project and we'll have more public meetings for that project.

Sandoval: Rudy, before you move on. I want to publicly congratulate the team that was associated with putting that event together. It was extraordinary. It was important. You're right, we had the show girls and Wayne Newton and all of that. You don't want to lose perspective that this is the largest public works project in the history of our state. It is dramatically going to improve the infrastructure there in Southern Nevada. I want to make sure that doesn't get lost in the moment. Also, there was a lot of NDOT staff that was there that got us to that point. Cole Mortenson, Dale Keller, everyone associated with those teams in terms of getting us to that moment. There's a lot of work that went into that and obviously there's a lot of work that's going to happen afterwards. I thought the whole thing went incredibly well. It really hopefully punctuated the moment about how it is really going to change transportation in Southern Nevada.

Malfabon: And our communications team did a great job. Tony Illia and Adrienne Packer down in Las Vegas and the folks up there, awesome job in coordinating that event with the RTC of Southern Nevada and the City of Las Vegas. Well done. Thank you Governor, for your comments.

At the same time they were breaking ground on a major intersection improvement. This was Washoe RTC, has been leading the charge on this project with some funding from NDOT and in coordination with NDOT. Both of those roads, McCarran and Pyramid are NDOT State Highways. We appreciate Washoe RTC's efforts in improving that intersection. This one Governor, as you recall was one of the first uses of the advance buying of the right-of-way at risk that you authorized to streamline the project and get the right-of-way acquired as soon as possible so we could start construction on this intersection project through the RTC's contract. Thank you to Bill Hoffman for covering that for me since I was in Vegas that day.

A little update on USA Parkway. Groundbreaking is scheduled for June 7th. Right-of-way acquisitions are continuing. I know that when we take public

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comment today, I believe there will be some property owners that want to address the Board with some of their comments. As we always say, when there's a condemnation resolution before the Board for consideration, it doesn't mean that we stop negotiations, we want to continue. We just want to clearly stick to the project timeline and schedule to not miss any time and delay the construction phase of the project.

Down in the lower right of the graphic, you see the airport there. There is a public workshop coming up for the airport. I wanted to mention that. NDOT, just to clarify, we have coordination responsibilities for the rural airports in the state and then in the urban areas, it's not so much the State's responsibility, it's a local responsibility. We coordinate with those larger airports, but our responsibility really is to help and assist on the rural airports. There is a public workshop on their master plan for the Silver Springs Airport. They'll talk about airport management. Their consultant will present the master plan, look at traffic forecasts and some of the use of that airport. I know that it's anticipated that much development will occur as the USA Parkway connects to US-50. It's important to plan out what that airport is going to look like in the future. I wanted to mention, there is that public workshop coming up on April 15th.

Sandoval: Rudy, if I may ask a question. Part of the plan is to have an airport that can accommodate the UPS and the FedEx and those types of airplanes, that can accommodate the internet fulfilment that is going on out there? I think I talked about this last month, but at least some of the tenants out there foresee that instead of having to bring all those goods to Reno, that they would bring them to that Silver Springs Airport and it would save—they would be able to essentially continue to operate for an hour or two more which would make them more productive. As I said, maybe that's the airport's business, but I'm hopeful that that will be kept in mind as we continue—or, not we—but that Tahoe/Reno Industrial Center continues to be developed, because it's, I think one one-third full right now. There's going to be a tremendous amount of more development there.

Malfabon: Good points Governor. We have several public meetings coming up this month that I'll highlight very quickly. Cave Rock Tunnel Extension Project, Public Information Meeting on April 14th. This is going to let the public know what to expect when they go through that work zone with the crossover. We talked about the boulder that fell there in the project that will extend the tunnel, so we have more protection for motorists.

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On April 20th, we have a public information meeting on the Second Street and Arlington Safety Management Plan. Typically, our safety folks work with the local cities or the counties on safety management plans throughout the state, particularly in the urban areas. We look at all modes, pedestrians, bicyclists, motorists, all users of the system, transit, to make sure that we're providing and developing a plan that would address all the needs of the users for improved safety along that corridor.

April 21st is a public workshop. This is one that the Board has been apprised of before but it's a process of getting more public comments as we're wrapping up the draft regulations on that Commercial Electronic Variable Message Signs or digital billboards. That April 21st public workshop will be held and I believe it's video-conferenced to the other areas in the state so that public comment can be received throughout the state.

On April 26th, we have a public workshop on the State Route 28 Bikeway and Improvements Project. That's the project up in Lake Tahoe. It has some safety elements to it; some drainage and water quality elements to it, as well as the bikeway. It's a great project. Significant amount of investment up there near Incline Village.

The big Reno Spaghetti Bowl Charrette or brainstorming session, as I call it, is going to be held on April 28th at the Convention Center in Reno. We sent out an invitation, Save the Date mailer to lots of folks, getting a lot of interest built up in this brainstorming session. We'll present a lot of information about the process, about the interchange itself, so that people will have some information. Then they break out into little workgroups to brainstorm and multi-vote on some of the solutions that could be advanced through the environmental and eventually construction phases.

A little update on signs. That's the Electric Vehicle Charging Sign that was recently installed by Eddie World, in Beatty for the US-95 Electric Highway.

I really like this one. Governor, you had mentioned that it was really hard to see the existing signage for Miller Point. It's near Cathedral Gorge State Park. Very beautiful overlook there, that's probably missed by a lot of people that miss a little sign like that. We're going to put in the new sign. It's in production. I wanted to also mention that we were able to work in the Nevada State Parks logo into that. That will be more branding for people, as they're driving through

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Nevada and want to take advantage of that, they might not have known that there was a state park along there that they could rest, take some photos, even have a picnic there or whatever amenities that will be mentioned on a plaque, below those larger signs. I just wanted to highlight that.

Sandoval: Rudy, I personally want to thank you for getting that done. It was one of those things. I toured all 20 state parks in a year. There is the most phenomenal scenery that you could imagine. Frankly, people don't know it's there. With proper signage, I think we could get a lot more activity at some of those remote state parks. If you've never been to Cathedral Gorge, it really is something to see. It's like Nevada's little mini-Grand Canyon. Not very many people know what Miller's Point is. They don't know that it's connected to a State Park. At ground level, you can't tell that it's there because it dips down. It really is a beautiful opportunity. It's my understanding, Rudy, that we're going to sign all the State Parks, similar to this one. I'm hopeful that will increase the visitation at those State Parks as well. Thank you very much for getting that done.

Malfabon: Thank you Governor. Yes, we are doing the assessment of all the State Park signage to get it more uniform and larger so people can easily see that there is a State Park there. As you mentioned, you don't see them from the highway very well. You have to drive up a little ways or it's hidden. Anything that we can do to help tourism and usage of State Parks would be on our agenda.

I wanted to give an update, just very briefly and say that you will receive a more comprehensive presentation. We kind of took this item off the agenda because we're so chalked full today. The Transportation Asset Management Plan is under development at NDOT. We're just about done with the draft of our plan. We'll be presenting that to the Board. It is something that's required under the previous Surface Transportation Bill Map 21, from a few years ago. Then we will be asking for Board approval of eventually the actual system development of the Transportation Asset Management System. The plan will come first and then the system will be built and will collect a lot of the data, help us to manage our assets. Right now, we do a very good job with bridges and pavements, but we need to do better with some of our other assets such as guard rails, signs; the various assets along the roadway, infrastructure related to lighting and ITS devices, for instance. We can manage the whole system and system of assets better.

Recent settlements and verdicts. There is one smaller settlement relatively speaking, associated with Project NEON, going to the Board of Examiners this

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week. It's for Lisa Su, two residential parcels on that project. Additional \$190,000, roughly is being requested for a total of \$500,000 for those two parcels. There also will be some in the coming months, a smaller one for McCarran widening. A very small settlement that's coming in and then perhaps a larger one. Las Vegas Golf was recently settled. That will be in May, going to the Board of Examiners. And more information to come in May to this Board on those settlements.

I wanted to also mention that the Board will be asked to establish a policy or update a policy related to pavement smoothness. We have what's called the International Roughness Index or IRI. Federal standards have a number that roads are considered in good condition for that pavement smoothness factor if it's an IRI number of 95 or less. NDOT, years ago, established a threshold of 80 or less, more of a stretch goal, but it's time to be in alignment with the federal limits so that we're talking apples and apples here on comparisons of pavement smoothness. Pavement smoothness will feed into the pavement condition reports that we periodically hear from federal reports or other entities that may be get that data and compare states and rank states. You might hear that we're in the top five and IRI is one of the main measurements that feeds into that pavement condition report. We'll bring that to the Board next month for your approval of that policy change. Just wanted to give you a heads up that we will be asking for that.

That concludes the Director's Report. I'm available to answer any questions from the Board.

Sandoval: Thank you very much. Any questions or comments? Mr. Controller.

Knecht: Thank you Governor. Rudy, thank you for your report. I had an experience recently that caused me to ask you to add something to your next report or put it on the agenda. I was driving on Highway I-80, west of here, to a basketball game Thursday. There was a major accident this side of Sacramento, which took over an hour and 10 minutes to get passed. Just a few miles. While I was doing this, I noticed that at the beginning at least, the traffic in the HOV lane was whizzing by at 60 and 70 and the traffic in the lane right next to it was virtually stopped. Fortunately, at no time did I see anyone pull out into the HOV lane and suffer any kind of a problem, but it sure looked a few times like that might happen. It was certainly something very risky and difficult. I wondered, do we have statistics, do we have information on how often those kinds of accidents happen on Nevada roads where the difference in speed between the HOV lane at a given time and the

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lane or lanes next to it is a precipitating factor in an accident? If so, could you give us information on that? Thank you Governor.

Malfabon: I'll look into that Mr. Controller. It doesn't come to mind, but I think they're able to do a search of the data. Typically our data is kept—so our HOV lanes are in Las Vegas on US-95. They might have to do some digging to find out if that was the actual cause of the crash, but I'll check with our safety folks to see if they can collect that for a future update.

Sandoval: Member Skancke.

Skancke: Thank you Governor. This is kind of an unrelated topic but, how many people know where Miller's Point is? Exactly. This Governor has been in every corner of the state. So, where the hell is Miller's Point, that's the question I have.

Malfabon: It's on US-93. You're kind of going up from Vegas, past Alamo and on your way to Caliente. It's up, I think Panaca.

Skancke: I've never been out there. I just wanted to know. The item that I wanted to talk about actually was—

Sandoval: Just another infomercial there.

Skancke: I have no idea where that is.

Sandoval: I know we're at NDOT but there is a State Passport Program, where you can get a State Passport from our State Parks and you get a stamp for each State Park that you visit. If you visit 15 of them, you get a free annual pass for that. It is remarkable to be able to see these parts of Nevada. I'll make sure that somebody sends you a passport.

Skancke: Strong letter to follow. Okay, I'm going to hit every one of these parks. Actually, in all seriousness. I wanted to go back to last month's meeting and have a conversation about the report that Mr. Nellis made on the financial structure of where we are today and where the department is.

First of all, superb presentation. Again, I thought the information that was presented to us was very thorough and well presented. As I try to look out three to five years, I think it's really important for us to take a look at a couple of things. One, I've drilled down through that report and I've done my own research which is probably a little dangerous, but I'm very concerned as I always am about

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the federal government's reliability on getting things delivered to us. First of all, we robbed a bank to pay for the Fast Act. We don't have another bank to rob if the Fast Act dries up in three years; which is what the predictions are.

I think this Board has done such a superb job of making sure that we're fiscally responsible and solvent that we really should take a look at the what-if question. I don't think Congress is going to let the Fast Act die. I think we need to be prepared if there are any type of cuts or if there is no intestinal fortitude for any type of new revenue. I think we should take a look at what happens. Those what-if questions. We've made a lot of commitments to the public. We have a rather large project, the largest project in the history of our state in Clark County. I think we should take a look at those what-if questions around what if the Fast Act doesn't make it.

I think we personally should take a look at how many electric vehicles have been registered since 2000 in the state. I think that number is growing. And, what that impact that has on the trust fund. And if there's a way for us to take a look at hybrids, electric vehicles and those combinations and what those projections are, I think it would be important for us to take a look at that. Primarily, long term sustainability and predictability for the State Trust Fund.

I've mentioned before that Southern California has passed regulations that there is a cutoff and a timeline for when—I think it's by 2017 now, one in seven new cars in Southern California, south of Bakersfield, has to be electric. That's just a progression of when those cars have to be electric. California is probably going to say by 2030, every new car needs to be electric. We've started the Electric Highway, so at least we can charge those vehicles. But, what are the systemic impacts on the trust fund and what those impacts are for us.

Then I think there should be some type of a fallback position, Rudy, as to what the recommendation for the Board would be, in the event these certain circumstances occur. I'm not suggesting that they are. I just think as we look down the road, so to speak, we need to be prepared for what that could be.

I would just like to know what our numbers are as far as registrations on electric vehicles and hybrids are. I think it's only going to increase. I personally am in the process of looking at an electric vehicle. I want to know what those systemic impacts are to the trust fund, so that we can make sure that what was presented last month is real.

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And, if we could have that by May, that would be really good. Thank you.

Malfabon: We'll do our best to bring that and collect that information, present it to the Board. It might take longer than May but we'll do what we can.

Sandoval: Any other questions or comments? One other from me Rudy and not answer today or even next month, but as we proceed with the construction of Project NEON and this is something I was visiting with Member Skancke about is, there's some other large projects that are taking advantage of technology in terms of apps and traffic management so drivers can get immediate information to be able to alter their route and give them a suggested route to try to spread the traffic as we start to build that. We can provide you with that information or I'm sure Member Skancke can. I know we're taking some very advanced measures in terms of traffic management for this project, but there may be some others out there that we could use as well.

Malfabon: Tina will quickly speak about the Waze App that I mentioned last month to the Board. Specifically about what it means to Southern Nevada and try to get more people signed up to that application on their smart phones so they can have that information real time. Definitely, Project NEON with the impacts or changes in traffic control work zones being initially on the local streets and then eventually in a couple of years on I-15, people will want to know what's happening that day. Tina will give a good plug for the Waze App in her presentation on the business plan coming up.

Sandoval: Any further questions or comments with regards to the Director's Report. Frank, did you have anything?

Martin: No sir, thank you.

Sandoval: Okay. All right. We'll move to Agenda Item No. 4, which is—

Martin: Hold on.

Martini: I'm sorry Governor, this is Mary Marini in Las Vegas. Tony Illia was just letting me know that there is some additional information regarding what the Director was saying if you'd like to hear about what they're working on.

Illia: We're going to be installing ATM signs later this fall, Governor, prior to major construction, a dozen of them. That gives real time information to help mitigate those traffic impacts during the construction of Project NEON. In addition, our

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team is developing a free downloadable app this fall that will give live traffic updates that we look to connect with Waze as well. Just wanted to bring that up.

Sandoval: I appreciate you bringing that up because what I would envision is, before somebody leaves their house, that they can look at an app and see what the preferred route is. With those traffic management signs, when you see them, sometimes it's too late. If you can use a route as you leave, but that sounds like that could be really helpful.

Malfabon: Definitely. We're going to do both, the real time on highway messaging through the Active Traffic Management System, the ATM. That will be a series of overhead sign structures with video monitors. The speed limit can be changed if there's an incident ahead that requires us to lower the speed limit on the fly. Let people know when lane closures are happening in advance. Definitely, the type of application that people want before they leave work or leave for work or to the airport, whatever it is, that they know what is the best route to take and the Waze app will be very beneficial for that.

Sandoval: Thank you. We'll move to public comment. I know that I have several individuals that are signed up for public comment associated with Agenda Item No. 11. The first two, here in Carson City, Michael and Anne Watts.

Watts: Governor, Board, thank you for this opportunity to address you. My name is Michael Watts. I'm here to address the Agenda Item No. 11, the Condemnation Action 454. My wife and I, we are the owners of 3095 Opal Avenue, the property slated for condemnation. The USA Parkway Project has required us to tackle a project of our own. That project of our own is to reestablish a suitable home for our age in place plan—we're planners. I'm a project management professional and a metallurgical engineer. I've been planning a lot. We've put significant resource and thought into setting ourselves up. We're responsible. We wanted to take care of ourselves as we age. We set up a circumstance that would allow us to do that.

What we're looking for is a comparable, an honest comparable. Not a two to three year old comparable. DOT's current offer does not give us the resource, nor make us whole. We will be irreparably damaged. We've counteroffered a sum that would allow us to reestablish our home and our age in place strategy. We're getting too old and too unhealthy to be able to go and pour the concrete slabs and

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wreck the buildings and make the infrastructure changes that we would need to make to provide for ourselves.

I'm ready to sign today. We're here to negotiate. We're ready to go. I want to congratulate this Board on building an infrastructure that is going to take Nevada into the 21st Century. It is exciting, what's happening here. It's going to make this a whole new state. It's awesome.

This letter—I'm entering a letter—I would like to enter the package I gave to you into the record. One of the letters in there is from a friend of mine, Jerome George, professional engineer. He is a 36 year senior executive with DOT in Alaska and he has helped me review this material. His letter supports the counteroffer and provides a detailed risk assessment of NDOT's current offer. NDOT's current offer places all the burden and risk on our shoulders to be able to come out whole. We're not looking to win anything. What we want is just to be made whole. To be put in a place where our age in place strategy will be effective. Currently, NDOT's current offer doesn't do that.

It's not acceptable to us. We're contesting the project. This project is going to change Northern Nevada and we're excited about that. We're excited about what it's going to bring.

If I could direct your attention to the first blue tab in the items you have here. I'd like to show you what we're talking about here. The first blue tab, you'll see a page that says, 3095 Opal Avenue, five acre homestead. Okay. Got some pictures. I am—besides being a metallurgical engineer, I'm a secondary science teacher. I taught in Lyon County, in Fernley. I love the natural sciences. I teach math and science. What you see here is an amazing place where we could even bring students in to look at the wildlife and the flora in this area.

Turn the page please to where it says, handicap accessibility needs. My wife of many years, we're both veterans, US Air Force Veterans, but Annie was in a wheelchair for a number of years and these photographs show how long she was in that chair. Those children sitting there are all grown adults and she's still sitting in that wheelchair. It's a miracle she's walking around today at all, with a cane. We put a lot of work into the Opal Avenue place. I put in a well design that was the only well that didn't freeze in the Valley when we hit that minus 20 temperature and you see us pouring the slab for that. It's a design I used on the

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north slope of Alaska. It's a beautiful place. We love Nevada. We looked for years to find this home and this place.

Turn to the page that says, the Animals. We're here for the animals. That's our front yard with the mustangs in it. We have a special place on Opal Avenue. We searched long and hard for it. Spent a lot of our resources and gold to find it.

The other last bit I'd like to say is that, Annie's dad, his ashes are interred there. He never wanted to leave that place. He spent his last years there. The house is set up to accommodate handicapped. It's also got the ability to accommodate live-in care. It's special. It's not your standard home. It's stick built. It's well thought out. It's going to be hard to find a comparable that will meet that.

Anyhow, I want to thank you for the opportunity to speak to the Board today and thank you again.

Sandoval: Thank you Mr. Watts. One question just to make sure, are you represented by counsel as well?

Watts: Yes.

Sandoval: Okay. I think I saw a CC on here, Mr. Williamson.

Watts: Yes, Your Honor.

Sandoval: I just want to make sure, we have to be careful in terms of communication when you're represented by counsel, so I want to be sensitive to that.

Watts: I completely understand.

Sandoval: I appreciate your presentation today, this is very helpful for us. As you know, it's on our Agenda and as the Director said, we're going to be moving forward but that won't be the end of the opportunity to continue to speak with you and reach a mutually beneficial conclusion.

Watts: Well, we are—we've got our pants. We're ready to go.

Sandoval: Thank you sir.

Watts: Hi, I'm Annie Watts. I'm the other owner of the property. Michael and I have been married a long, long time. Our kids are in their mid-40s. So, I'm a 64 year old, 100% disabled Vietnam Vet. I suffer from a variety of diseases, including

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MS, lupus, rheumatoid arthritis. I'm also a cancer survivor and have progressive severe hearing loss. Over the last 40 years, I've been bedridden in a wheelchair and dependent on mobility aids like canes, crutches and walkers. There's no question that as I age, I'm going to be more and more dependent on mobility aids. Not many of you gentlemen are in your 20s, so you kind of understand the aging situation.

I know that I'll probably end up back in a wheelchair if the Lord decides I'm going to live that long. I have to have a home that accommodates my needs. My husband and I are both very well educated and we understand what planning is required in order to do things. That is what we did with this house.

Now, in the last year, Michael has had a stroke, five TIAs, which are mini-strokes. He's been cardioverted twice for A-fib and two days after we get back to Alaska, he's going to have heart surgery. So, we're not talking about him even being in very good health. Because of these medical conditions, Mike was on disability leave for 123 days last year. He also suffers from post-polio syndrome and he has brittle diabetes. He's been laid off from his job now, and his job will end in September.

So, as we were looking for this house, we went all over the country to find something that met our medical and our retirement needs. We decided that the house had to be handicap accessible or made accessible very easily. It needed to have appropriate living space for a medical caretaker to live in the home if necessary. It had to be stick built and well insulated. It needed to be quiet and have the capability to go off grid. It needed to be large enough to keep small food animals. It needed to have low light pollution. We love to sit out and watch the stars. We really like astronomy. It needed to be rural, close to good medical care, within 60 miles of an airport and near an institution of higher learning. We have all that and more at our house in Silver Springs.

After the economic collapse and the job layoffs, we had to go move temporarily to some place where there was a job. Silver Springs is still our home. That is where we decided we would live and we did live there for many years, until we had to leave. My dad moved in with us and continued to live with us until his death. He's still there. After he died, we had some real close friends, Bob and Bev, they moved in as caretakers of the house. We came to stay, at our house, even when Bob and Bev were the caretakers and we came to stay at our house for a minimum of two weeks a year—I'm sorry, a minimum of two times, at least two

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weeks each time. When we came down, we stay in our home. We stay in our bed, with our own furniture, our own kitchen and our own bath supplies. We've never considered it a rental. Not once have we considered it a rental, or we would've deducted it as a rental on our taxes. We never did. And, who buries their dad on a rental property? It just isn't done.

So, these are sure indications that we do consider ourselves to be members of the community and we've never considered our home a rental. We have deep and lasting relationships with the people in Silver Springs and we're emotionally and we're spiritually attached to the community. Our church is there, along with our dearest friends. The love we have for the people in this community can only be described as being close family.

We've put major improvements into the house. We planted trees in the desert and planned the rest of our lives in this home. We would never have sold it. We're at a retirement age and we expected to move back this year. Now, Mike is laid off and we have no place to go. No place to go.

The State of Nevada is taking our home, offering us less money than we bought it for and kicking us out. We're a couple in bad health and in our 60s. This is wrong on so many levels, I can't even begin to describe it. I appeal to you guys to do the right thing and make us whole. We don't have the time, the energy or the money to take on the burden that you guys are placing on us. We both served the nation in war time, raised four wonderful and productive children. We've volunteered to help others who have chronic or emergent needs whenever possible. We make a difference whenever we can, wherever we can. We worked hard and we planned for our retirement. If you must take the house, please don't make our old age miserable. It will kill us at a very young old age. We were responsible and we made plans for our old age and we've been placed in an untenable situation because the taking of our property and the lowball offer from NDOT. We know it will take more time, more effort and more money to be able to replicate what we have and to resettle. At our ages, and with our diminishing physical abilities, we stand here ready to settle for the amount of money that we believe is necessary to place us back in the same position we were in, as if the project never happened.

Thank you guys very much for listening to us.

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Sandoval: Mrs. Watts, thank you for being here. I should've said it previously, thank you for your service to our country.

Watts: Thank you.

Sandoval: To both of you. I would encourage, if there's an opportunity for NDOT staff to sit down with the Watts today while they're here. We can talk more about that during the Agenda Item, but while they're here, perhaps we can make some progress.

Malfabon: Yes Governor, we have folks from right-of-way that are involved in the process, so they can meet with the Watts.

Sandoval: Is there any other public comment? Yes sir.

Howle: Thank you Governor. My name is Earl Howle. I've known them since about 2007. I originally met them at the Silver Springs Church. They were both on the worship team. He was a teacher and she was a board member. They're very, very fine people. I hate to see them lose their home. I was involved in making a monument for her dad when he died. He was a guitar player, a very good one and very good singer. I made him a guitar and we hung it out on the tree closer to where his remains resides. Then the horses decided to use that as a rubbing stone and they broke it, so I had to go back and repair it, but anyway. These people are real good for the community and I'd hate to see them have to relocate anywhere, but unfortunately, I guess they're going to have to. Anything you can do to help them out, I would appreciate it. Thank you for your time.

Sandoval: Thank you Mr. Howle.

Schmidt: Hi there, my name is David Schmidt. I'm the Pastor of Lighthouse Assembly of God Church in Silver Springs. I'm also here on behalf of Annie and Mike Watts. They asked me to come and just communicate a couple of things. First off, they've kind of been characterized as absentee landlords, I guess, by NDOT and I just wanted to assure all of you here that that is not the case even though the term may apply. They have remained involved in the church, financially. As Annie said, when they visit their community several times a year, they always show up. We spend time together. They're very involved in the community and have many friends and so, I just wanted to bear witness to the fact that indeed, they are not— even though they may be living in Alaska, they had planned on coming back.

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Mike had told me a couple of years ago that his window of opportunity was shrinking to make some money. He was a junior high school teacher at the time and so they were moving to Alaska for a couple of years to make some money and then come back and retire in Silver Springs.

Basically, that's all I wanted to share with you today. Thank you for your time. I appreciate it.

Sandoval: Thank you Pastor.

Deetz-Clark: Thank you Governor, Board Members. My name is Vivian Deetz-Clark. I'm a right-of-way professional. I've been doing right-of-way work as a right-of-way section manager, project manager, program manager. I set up the right-of-way section, 10 years ago [inaudible] and then we set up the one in Washington and I set up the one in Oregon. Over the years, I'm kind of a dinosaur in this industry, I've dealt with hundreds of property owners and acquisitions and relocations and displacements and settlements. I have to say, in all these 35 years, I think I can count those that actually went to condemnation on one hand or maybe less. I'm sure that would be the case here too, I think we can reach an agreement.

I've worked with numerous clients, of course. I've worked for the Municipality in Anchorage for many years and when I did that, I did that during a time that we worked on the first ice peak projects and so we worked very closely with DOT who managed those federally funded programs for us. Clients have included Alaska DOT, Nevada—not DOT, this is the first time I've done anything with Nevada DOT. Oregon DOT, Washington DOT, cities throughout Alaska. Consult with other right-of-way people through our network at the company where I worked for 10 years.

I'm here helping the Watts with the acquisition and relocation of their Opal Street, Silver Springs home. [audio out, 01:12:30-01:13:51] –and State of Nevada requirements. Nevada's Revised Statutes 342.045 mandates the duty to adopt the policies to provide relocation assistance and make relocation payments in a manner substantially similar to and in amounts equal or greater to then provided by the Uniform Act. I've worked with the Uniform Act many times on many projects. It does tell us what we need to do to help purchase and then to relocate people and it does not set a limit on what the state can pay. This is, as I understand it, primarily a state funded project. I don't know if there are any federal funds involved in the right-of-way acquisition.

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To sum up, the Watts are contesting NDOT's offer as proposed, because it doesn't allow them to be adequately compensated and receive relocation benefits sufficient to make them whole. That is to put them back in the same position that they are now. They're willing to sign an administrative settlement today or any day soon for an amount that puts them back into a comparable replacement home.

We've been looking for replacement homes. Unfortunately, to find a five acre, four bedroom, two bath, two car garage, shade trees, all of the amenities that they have today, there's a very small number of those properties. There are four of them available today, or at least as of yesterday, that were finding and the price range for those properties is higher than what NDOT is offering them.

I know that you know even better than I do that Silver Springs is a small community. It does have a huge market of properties to purchase. We've been looking for properties that we found are in Dayton, Fallon, Stagecoach, nothing today in Silver Springs, but who knows what tomorrow will bring. It's a very unique market with all the exciting things that are happening in Nevada. We're being told by real estate people and information and articles that we're reading that many people who own properties are holding them right now, anticipating that Silver Springs will catch up with the boom that Reno and Sparks are starting to experience. It's a very dynamic, interesting market, making it more difficult for them to find that comparable property today when they need to vacate.

Their complex medical issues, their age, their age in place requirements and the scarcity of what's available as comparable replacement properties, all exceeding NDOT's current offer, necessitate their position of requiring an administrative settlement to allow them to reestablish their home. Again, as if the project had not occurred.

In conclusion, let's reach a win-win resolution that meets the age old standard of greatest public good for the least private harm. Thank you very much for listening to the Watts today and those of us that are supporting their effort. When you're driving by and looking at some of those parks [inaudible] and have some tea in their backyard when they have that new property that gives them what they have today. Nothing more, nothing less. Thank you very, very much.

Sandoval: Thank you very much. This has been very helpful. Thank you. Is there any other public comment here in Carson City? Is there any public comment in Southern Nevada?

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Martin: None here sir.

Sandoval: We'll move to Agenda Item No. 5 which is consideration of the March 14, 2016 Board of Directors Meeting Minutes. Have the Members have an opportunity to review the minutes and are there any changes? If there are none, the Chair will accept a motion for approval.

Knecht: So moved.

Sandoval: Controller has moved for approval, is there a second?

Savage: Second.

Sandoval: Second by Member Savage. Any questions or discussion on the motion? Hearing none, all in favor please say aye. [ayes around] Oppose, no. That motion passes unanimously. We'll move to Agenda Item No. 6 which is an update by the RTC of Southern Nevada regarding the TIBP.

Malfabon: Yes Governor, just as an introduction. Tina Quigley is the General Manager of the RTC of Southern Nevada. I wanted to remind the Board, we presented some of the elements in the Transportation Investment Business Plan that were associated with NDOT and HOV and freeway improvements. Tina and David Swallow from RTC of Southern Nevada will present more of the broader perspective of the business plan and what it means for Southern Nevada. Tina?

Quigley: I'm going to do the easy part and then I'm going to turn over the technical part to David. The TIBP, you guys have heard us talk about it before. Thank you, Rudy, for allowing us to come and also big thank you to NDOT for being such a great partner in this. I know we had a lot of meetings, a lot of technical discussion, a lot of financial discussion. I appreciate all that you put into it.

A lot of discussion in Southern Nevada regarding how are we going to continue to stay competitive, recognizing that other destinations are starting to market themselves as convention destinations where you can get around. Rossi Ralenkotter, President and CEO of the LVCVA first realized that his competitors were starting to target Nevada and specifically go after the fact that it is challenging to move around. We have a lot of stuff that we can market ourselves on, but the ability to move easily between the airport and the resorts and the convention center is not one of them.

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We pulled together a group of us at NDOT, RTC, LVCVA, the airport, the monorail, the taxis, limos, convention organizers, the Chamber, the City, the County, the resorts themselves, to start having a conversation about, in the next 10 years we know we're going to see another 25% in visitorship. We know we're going to see another 25% in residential growth. So, what are we going to do collectively? What is our plan collectively and collaboratively for making sure we can accommodate that.

We spent about two years coming up with the Transportation Investment Business Plan. I can tell you, there were times when it was really fun to work on and there were times when I think people went home and just hit their punching bag. In the end, we came up with a plan that collaboratively, everybody can agree on. There were 65 different recommendations that we can categorize into five different categories. High capacity transit, light rail is one of the things we talked about. Pedestrian improvements, surface streets and roadways and also with NDOT, freeway improvements.

With that, I'm going to turn it over to David Swallow who is going to go into a little bit more detail about the projects in each one of those categories.

Swallow: Good morning Governor, Members of the Board. We took the different project types here and we organized them on specific connections that we wanted to make throughout what we call the core area of the valley. These different groupings are called Suites, or Project Suites.

The first one was focused on the key linkage for our visitorship and that is getting from the airport to the strip and to downtown Las Vegas as quickly and efficiently as possible so they can enjoy their stay and have a positive experience. Going through this, I think this photo illustrates some of the challenges that we have with moving visitors when they're in Las Vegas, particularly on Las Vegas Boulevard. You can see here, we just have a lot of folks relying on our surface transportation network to get from their hotel to convention facilities to other destinations throughout the area.

One of the Waze that we're looking to add capacity is to implement what we call, Higher Capacity Transit, via light rail. This is a system that would extend from the airport and what you see with the blue asterisks, from a multi-mobile center that we would construct at the airport. Then looking on here, the dashed lines reflect a few different alternative alignments. Then of course, as we got this

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project in greater detail, other alignments may be considered. What you see here is a definite connection from the airport to the strip itself. Movement along the strip, along Las Vegas Boulevard, into and through downtown Las Vegas; where we would make those other connections, not only for visitors but also for our regional workforce and the mobility that they require.

Another concept was, given that over half the visitors arriving at McCarran airport take taxis to get from the airport to the strip, Clark County had proposed an elevated, express airport connector or couplet system that relies on using Swenson Avenue, going northbound, which is on the right side of the screen and then Koval Lane on the left side of the screen coming southbound, with segregated lanes along Tropicana Avenue; again, providing direct access. To further this access, they were talking about—initially we were talking about grade separations at Tropicana and Swenson, to really help move a lot of the cabs and other vehicles that are coming out of the airport. Clark County actually is proposing to come in with an elevated structure, limited access structure, from the airport all the way to the resort corridor, both northbound as well as southbound.

The second Project Suite was focused on pedestrian mobility, particularly along Las Vegas Boulevard. This is not only for the pedestrians themselves but also to help minimize the conflicts between pedestrians and vehicles, particularly at driveways to the major resorts that can really inhibit movement in and out of those properties. One of the concepts that was proposed was what you see here on the screen. That's a circular type pedestrian bridge. This was proposed at the Sahara Avenue/Las Vegas Boulevard intersection, to not only pull the pedestrians off the street level, enable more traffic movements but also to create something a little bit more iconic or a gateway between the strip itself and downtown Las Vegas. In addition to this, there were six other pedestrian bridge locations proposed along Las Vegas Boulevard.

The third Project Suite was looking at how do we better connect our convention facilities. Our convention market represents over 5,000,000 visitors a year to Las Vegas and it's a growing market and one that fortunately Southern Nevada is very well positioned, relative to the rest of the country, as far as convention destinations. We were looking at Waze, how do we better connected our facilities. In fact, we have three very large facilities between the Las Vegas Convention Center, the Sands Expo Center, as well as the Mandalay Bay

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Convention Center. All three are in the millions of square feet. I think they're within the Top 10 of Convention Facilities in the US.

What we're looking at is, how do we connect the hotels that visitors are staying to those properties, as well as providing a better connection between the major facilities, enabling Las Vegas to attract a different type of convention market. One that uses multiple venues for a single event. Even today there are large events that have what they call, sister shows. You might have a main event at the Las Vegas Convention Center and a sister show at Mandalay Bay. It's quite a challenge though, given the crush loads of people sometimes wanting to go from one venue to another. This Suite was really focused on that.

The Las Vegas Monorail, when it first proposed, it was meant to be that transportation solution for the resort corridor. I think given its location at the back of house along the east side of the strip, it was sometimes criticized for not providing that solution. It is very well located though, for connecting our convention facilities. In fact, it has a station at the main convention center. It literally goes right by the Sands Expo Center and with an extension, a relatively short extension, could connect to the Mandalay Bay Convention Center. With this Suite, we are proposing to extend it over to Mandalay Bay and add a station at the Sands Expo Center. Taking a system that can provide a ride within 10 minutes of any given venue to millions of square feet and tens of thousands of hotel rooms there.

The fourth Project Suite was focused on what we call our workforce mobility. This is meant to kind of bolster what we already have in Las Vegas. Particularly through more improved connections via the freeway express routes. We operate on a number of—we have four express routes today that use Boulder Highway, I-515, US-95 and I-15, so very successful. We are looking to expand that network to better connect the larger part of the valley to this main core area in the center.

In addition to the freeway based express routes, we're looking at either bus rapid transit or light rail type lines on Maryland Parkway and also one that was proposed by the City of Las Vegas on Charleston Boulevard. The Maryland Parkway study is actually underway. We are on the environmental assessment for that, so that is progressing.

In addition to that, we would like to implement more park and ride facilities. Many of these are where we've partnered with the private sector to locate, say at a

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hotel property or shopping center, that becomes an established Park and Ride, where we provide service, but also has the beneficial use to the property of having a lot more foot traffic come to their front door.

Another project that's underway thanks to our partnership with NDOT is the Flamingo Road corridor. That is actually under construction right now. Thanks to the Department for advancing some of the maintenance money that allowed us to compete for federal funds and bring that project to fruition. That project has been under construction since last year. It will be wrapped up later this fall.

Finally, working closely with the Governor's Office of Economic Development, Steve Hill has some very innovative ideas that he's bringing to this transit mobility solution. We're looking at maybe enabling testing of different technologies on some of our high capacity transit corridors where we have established lanes already, such as Sahara Avenue.

Going into the fifth Project Suite, I'm sure the Director has spoken about the Tropicana/I-15 interchange in the past and a number of these other efforts. I think what's important here to note is the importance of advancing the Department's HOV Master Plan on to I-15 and then further enabling connections from the freeway to the resort corridor at some of these secondary access points, such as at Hacienda Avenue or Harmon Avenue, where we have existing bridges but being able to tie into those bridges with the HOV lanes and have the secondary access points from the freeway, drawing traffic away from the major interchanges and diffusing it a little bit more on these other interchanges.

Of course, the other things we're looking at is possibly extending Martin Luther King Boulevard south ward to Mead Avenue. And, the County is looking to construct an interchange between Valley View and Harmon Avenue to go over the existing Union Pacific Railroad where today they both dead end.

Project Suite 6 is focused really on access to and through downtown Las Vegas. The City of Las Vegas has a number of proposals that we have included in the recommendations, including pedestrian bridges over the Union Pacific Railroad Mainline. Also, implementation of a downtown circulator trolley type service to connect some of the key destinations throughout downtown. From the Department's perspective, I know they are proposing a new interchange at either City Parkway and/or at Maryland Parkway. Something to be considered in further detail. Of course, we think it's really important with what is already going

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on through Project NEON with extending Grand Central Parkway across to Industrial Road and providing that connector.

The last Project Suite is focused on programs and policy actions that are not capital projects per se but can really leverage the assets that we have in place today and kind of turbo charge some of the recommendations that we are including here.

One is the Resort Corridor Mobility Association. Interestingly, as we started talking to the various stakeholders, particularly the event organizers, the hotel properties and the convention facilities, a number of them noted that there isn't a coordinated effort to really examine upcoming events and collaborative decide how you're going to—everybody wants to use the same infrastructure at the same time so, how do you balance those demands? And then also, keep away activities such as construction or maintenance activities that can stifle that access during really critical periods of time. What this Association would be is a group to actually consider these types of issues and coordinate on an ongoing basis, upcoming events and demands on the infrastructure assets.

The second one, regarding meeting demand for private transportation, it's more in the age of technology. We should be able to better anticipate when we're having kind of crush loads of demand. Whether it's taxis being available at the airport when a large number of flights come in at once. Same thing at a convention property. Really trying to leverage the existing private transportation services; whether it's the ride sharing to the shuttle services and charter buses, all to be available to meeting these demands.

The third is the parking management. The City of Las Vegas is already implemented a parking app where you can see where parking is available throughout downtown Las Vegas. Of course, as demands increase in the future, we think this needs to be expanded to other parts of the resort corridor.

Finally, looking at a transportation navigation or wayfinding program. One that includes everything from, putting signage on the strip, to direct visitors to key destinations and help them anticipate how far they might have to walk. Also, to use smart technology; whether it's on your mobile phone or other applications to plan your trip ahead of time, to figure let our visitors make informed decisions.

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Leveraging technology is an important point because as was eluded to earlier, the RTC, with the Department and others is looking to get the information out to the public about construction. We created what was called the Seeing Orange Campaign. I think—okay, go ahead. She does this so much better anyway.

Quigley: I like this part. This is a little story but I won't take too much time. The Legislature, when they enacted the Fuel Revenue Indexing Initiative, they were very clear with us. They said, you need to get this work out. We want to see you creating jobs. The County Commission, when they passed it at an ordinance level, they said, we want to see you get this work out. We want to know there are jobs being created.

We took that to heart and I tell you, we were like high-fiving ourselves, right, because we got the Public Works Directors out there, NDOT's out there, everybody is out there doing some work, right. Then one day, you're driving to work yourself and you realize, every road along your commute is torn up. Your friends and neighbors are calling you. So we said, we have got to create one central phone number, one central website that everybody can go to, to let us know what roads they're frustrated with, so they could also find out when those projects are going to be done and why they're there, who is in and just let them vent and share as much information as we can.

We create this one-stop-shop, you don't have to call the County or the City, you just call one number. What we learned was that most of the projects that were out there, that were frustrating people weren't even ours. It turns out that there's a lot of work out there. Water Reclamation has got a huge project out there. The Utilities have got projects out there. Master Developers are starting to develop again, which is great. They've got work out there.

We realized that we have got to convene everybody together to start creating a database, a master database of all the projects that are going on and we need to put it in a GIS Format, a map based format, so we can very visually see where all this work is going on. We've been working for a few months to collect all this data. In fact, we've been meeting on a bi-weekly basis. We meet with Utilities, the City, the County, barricade companies, inspectors, construction companies; on a bi-weekly basis, to be collecting and coordinating this data. Then what we were able to do is take that data and partner with an existing—well, first we thought, what do we do with this data? How do we get it out to the public? We thought, maybe we need to create an app. That's a lot of work. It's a lot of work to create

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an app and it's even more work to market that app and get it out to people and getting them using them.

We found an app, a crowd source app that America has already fallen in love with, Waze. If you haven't downloaded it, I encourage you to do it. It will help you find the most direct expeditious route from where you are to where you need to go. We are going to be feeding our data to Waze, so they put it in their foundational logistics software, which helps in calculating travel time. And likewise, they're going to be sharing their data with us. Waze is a crowd sourced application which means, when you are driving, if you are a passenger, or if you're using your voice activated system, when you see orange cones or if you see an accident or if you see a cop, you can share that information with other users. They will be sharing with us the data they're collecting from their users. What's particularly interesting and important to us is the collection of accidents. The more we can collect information on where accidents are occurring and when and tie it into our data, for planning purposes, we have data that very accurately helps us identify strengths and weaknesses in our roadway planning.

That is one of the things that came out of the recommendations as a result of the TIVB, for the Transportation Navigation and Wayfinding Initiative under the policies. I'll turn it over to David now.

Oh yeah, so we had, on Friday, we had our media event. This was really cute. This lady, do I have a pointer—Waze actually came out. The blond lady next to me, Paige Hamilton, came out from Waze in Silicon Valley for this very exciting partnership. They have got partnerships with about 60 different communities across the United States and we're the newest one. Although, I understand that CalTrans, the entire state has recently signed on with Waze as well. Which is really important because the more people who use Waze, the more accurate it becomes. It actually reads your travel time as your traveling and contributes that into its logistics software.

Swallow: Thanks to Director Malfabon for taking that picture. In the end, we were talking about some particularly large numbers. This reflects a 30-year outlook of not only what it would cost to construct the various recommendations but also to add in there the operations and maintenance costs, because often we tend to drill down on just the construction, but are these projects ones that we could support. We included that here. This is not to say it's all funded. There's a variety of funding

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sources that have been identified as potentially available for some of these recommendations, but definitely there is a gap there.

To put it in perspective, I think it's important to know, \$7B to \$12B over a 30-year period, if you looked at just the incremental growth between now and that 30-year period, it would reflect less than half of a percent of the annual GDP, \$56B to \$178B in other economic impacts and close to a 17% reduction in the costs of congestion.

Moving forward, we have a few steps that we'd like to highlight. One is to have the RTC Board adopt the final Transportation Investment Business Plan document. We are presenting it to them this week for adoption. More importantly, it's the collaboration that not only went into this document but also would be necessary going forward to see these projects come to realization. The lead agencies who are identified for specific projects would need to consider whether or not they could incorporate those into their respective and actually implement them.

From the RTC's side, we're looking really focusing on what is in with our purview. That being focused on the transit side. The different transit projects from flight rail connections from the airport to the strip to downtown to the Regional Workforce Express Connections and other modes.

We'd also like to partner with the LVCVA in helping to create this Resort Corridor Mobility Association. I think what we found with the Seeing Orange Campaign and what we heard throughout the development of the business plan was that we all need to be collaborating continuously to understand the different needs and anticipate those needs and develop plans around those.

With that, be happy to answer any questions.

Sandoval: Thank you. Great presentation. I understand it's the same presentation that you made to the Tourism and Infrastructure Committee? This is real helpful. It gives me some perspective and perhaps Ms. Quigley you can help me. That's a big number and I get it. That's the type of investment we have to make. My question is this, at some point in the future, will you be seeking a state contribution to the projects that you talk about?

Quigley: Yeah, absolutely. The projects—of all the projects that are listed there, actually only the transit recommendations and some of the policy recommendations fall

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underneath the RTC's purview. Each one of our other partners, so NDOT, the County and the City, the airport, have got pieces of this overall puzzle as well. Certainly, the projects that have been identified that are considered freeway are NDOT projects, will be under Rudy's, under this Board's prioritization. You will be working with Rudy in prioritizing those projects.

Sandoval: I just want to make sure that we don't have an awkward situation in the future that everything gets approved at your RTC level and then it comes over here and—

Quigley: No, we don't have any jurisdiction over that. It truly is just—this is a puzzle and each one of the agencies has got a responsibility piece. If those projects can come to fruition, they'll fit into the overall puzzle.

Sandoval: I just want to make sure I'm clear and again, I think this is great and we need this. I said the same words for Project NEON. We need this for Southern Nevada. You talk about 42 million visitors, set a record last year. 13th largest county in the country. I think Clark County is one of the Top 10 Fastest Growing Communities in the country.

Quigley: Is it again?

Sandoval: Yes. Things are moving. I just want to be sure that again, we're not put in an awkward situation where you said, well this has been decided, this has been approved, and State, if you don't do this—

Quigley: No. No, it truly is a guiding blueprint for prioritization and projects. It is by no way prescriptive.

Sandoval: I just—and it sounds like you're already doing it. I just want to make sure that NDOT is part of the beginning conversation so that this Board can be socialized with what's going on. As I said, I don't want this to be interpreted in any way that I'm not supportive. I just want to make sure that we're part of the discussion.

Quigley: That would not make you unlike any other Board that's participating in this as well. The City and the County have had similar conversations.

Sandoval: I mean, all of it. What you presented here is remarkable. The things that we're doing now in terms of that Seeing Orange and making sure all the stakeholders come together. I really like the point about using that information, not just for traffic management, but also for planning in the future where we can perhaps say, oh we didn't quite do that right. Let's do it in a different way. That's extremely

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helpful and that's the only way, frankly, this is going to work for all of us to come together and make that happen. The State wants to be a partner, I want to be a partner. I think I'm speaking for this entire Board. I want the best transportation infrastructure in the country. We're in a unique position to perhaps accomplish that. It will happen if we continue to work together.

Quigley: We recently toured Denver. We took a group of people to Denver to kind of learn about their economic successes they've seen, especially as it relates to transit and transportation. One of the lines that we heard that stuck with us is, never let a good crisis go to waste. Certainly the economic crisis that we had and the downturn that we had in Southern Nevada, I think has built a new—a different culture where you are seeing a lot more collaboration, recognizing that we really don't want to go back to where we were before.

Sandoval: An expression that I heard, we were fighting a war and then peace broke out. [laughter] I don't want to get—I want peace right away in terms of working together. I look at this little piece, speaking of Denver, they built that rail from the City all the way out to the airport, which is miles and miles and they got that done.

Quigley: And you should see the economic development that they're starting to see along that corridor.

Sandoval: Yes. And so, to me, what we're trying to accomplish here, although much more concentrated in terms of the strip and that tourism area, etc., and the airport, but it's a fraction of the size and the scope and the price. We can do this. Again, I appreciate this and look forward to continuing to work with you.

Quigley: Thanks.

Sandoval: Other questions or comments from Board Members? Mr. Skancke.

Skancke: Thank you Governor.

Quigley: I was hoping you'd have something.

Skancke: Well, you know, I couldn't let this go by without a comment or a question. First of all, superb presentation. Both you and David and I think David, the team that you assembled to put this presentation together for our community in Southern Nevada is outstanding work, so congratulations. It's a career changer for you because this is a legacy project for our community. This is something that our

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town has been talking about for the 27 years that I've lived there, about light rail connectivity in our community. You've elevated that conversation.

Quigley: He doesn't mean like, it's a career changer like you're going to leave. You're staying.

Skanke: No, no, no, no. Let me say, game changer. I think it's really important to point out a couple of things. If you look at what's happening with our competitive communities of Orlando and Chicago and now San Francisco and you look at what's happening in Shanghai and Beijing and other places in Hong Kong; with direct transit mobility from their airport to their convention districts, that's the new global competitiveness.

I appreciate whoever came up with an elevated expressway. I think that's 20th century thinking, in my opinion. 21st century thinking is being multimodal. I think the more we can convince the community in Southern Nevada that both in the tourism and business community the difficulty with elevated roadways is, once you're out of capacity on that roadway, you're out of capacity and to get back in there and widen lanes and make changes and maintain those things it's very difficult and very challenging. While I think it's good to look at those things, in my opinion as someone who has spent nearly 30 years in this industry, where we have to go is more light rail and more transit.

Tina and I put together a tour of Valley Metro in Phoenix. The CEO of the Convention and Visitors Bureau came in and made a presentation to us and said, just want you all to know from the LVCVA, we got two conventions of 50,000 delegates because we have transit and you didn't and it was part of the proposal. We lost 100,000 delegates in Las Vegas three years ago because we didn't have direct transit connectivity from our airport to our convention facility. We will continue to lose that market share to Orlando and San Francisco and other destinations around the world.

One of the first presentations I made when I was doing economic development was to a group of international travelers who were in town for CES. The first question I received was, why did I have to stand in a taxi line for two hours to get to the convention center, I could've walked there quicker than I could've taken a taxi. Nothing against the taxi industry or McCarran Airport, it's a cultural thing. People from around the world are used to getting on transit and trains, not getting in rental cars.

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I think we have to keep in mind that the rest of the world moves differently. I noticed this morning that LVCVA put out a tweet that we now have 33 international destinations that people can choose from, from the Las Vegas market. That means 33 different countries that we're reaching to and those people don't travel by rental car and they don't travel by taxi. They travel by transit.

In order for us to continue to be globally competitive and drive those 42 million visitors, Governor, and the goal is to get to 50 million, I—Rossi talks about 50 million. Jim Murrin, just last week talked about 50 million. That's the magic number. If we're going to do that and get there, then we need this. We need XpressWest. We need transit. And all of those things.

I think the work that you're doing and I see Lee Gibson here talking or here today and he's talked about transit in Reno, these things just have to happen. They fundamentally have to occur.

Congratulations for raising the conversation. I don't suggest we raise any more roads. I think we raise the conversation.

Quigley: I will share with you Member Skancke, there is certainly—shortly after that elevated roadway was unveiled by the County, there has been a lot of discussion by the community about, is this really the right infrastructure investment. It's been referred, exactly as you said, communities are tearing down elevating roadways and instead they're investing in at-grade because that's where the economic development comes. I'm sure it will be an ongoing conversation at the County as to whether or not that is the proper long-term investment and does what we need long-term in terms of economic development.

Sandoval: Any other questions or comments? Member Almberg.

Almberg: Does some of the RTC funding come from Room Tax?

Quigley: No. Sales Tax, Motor Vehicle Fuel Tax and grants, for the most part. Oh, and Fair Box Recovery.

Almberg: Okay, that's my question, thank you.

Quigley: But, if you are offering. Thank you.

Sandoval: Frank, did you have any questions?

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Martin: No sir, I don't, thank you.

Sandoval: All right, thank you very much. Agenda Item 7 is the XpressWest project report.

Malfabon: Thank you Governor. Staying on the same thing of some of the major transportation improvements coming to Southern Nevada. We have Andrew Mack, Chief Operating Officer from XpressWest to give a presentation and update to the Board on this project for high-speed rail in Southern Nevada and Southern California.

Mack: Thank you Governor, NDOT, Members of the Board for the opportunity to come here and brief you on the status and progress of the XpressWest Project. Just as a reminder of the need which probably the folks in this room don't need any reminder of the need, I'll take Member Skancke's forecast of 52 million for that first bullet of how many people visit Las Vegas annually and where we're headed. What's really interesting about that visitation, which probably also doesn't come as any surprise to folks in this room is, how much that visitation comes from Southern California. Either residents who live in Southern California or out-of-state visitors who come into, or international visitors who come into Southern California for vacation and then make their way up to Las Vegas or vice versa.

What's also very unique about this corridor is the split between air and driving. A vast majority of the visitation and the travel between Southern California and Las Vegas happens on the I-15, which makes it incredibly unique as compared to any other high-speed rail program and frankly, any other really city pair with this distance is the dominance of car travel.

We established XpressWest as a solution to aid in that problem. We were selected in November by the Nevada High-Speed Rail Authority as a franchisee to address this problem between Southern California and Las Vegas. Work has continued since that point. One of the most significant developments and I'll speak to it in a little bit more detail further in the presentation is the work that's happening in California as well. We've partnered with the High Desert Corridor Joint Powers Authority, the California High-Speed Rail Authority and the San Bernardino Association on Governments to fund an investment grade ridership study to look at the connectivity between LA Union Station, Anaheim, over the High Desert Corridor, through Palmdale, Victorville and into Las Vegas.

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It's a very unique opportunity that we have with public and private sector, really partnering at the outset of a project to look at what the financial economics of what this connection into California really looks like.

For those of you who aren't familiar with the High Desert Corridor, there is a Joint Powers Authority in the State of California. It's formed between the counties of Los Angeles and San Bernardino with representation from the cities, along the 60-mile corridor between Victorville and Palmdale. It was established as a highway corridor initially and with the development of XpressWest and the development of California High-Speed Rail, in 2010 they added rail, high-speed rail, into the purpose and need of their environmental document and are currently conducting an EIS/EIR for the project, as a multipurpose corridor including highway, portion of it to be potentially a toll road, high-speed rail, a green energy generation component and a bike path. It's quite a progressive project. Unique in the state to have all of those elements as a multipurpose corridor.

We've been supporting the EIS/EIR technically and we've established a working relationship with the High Desert Corridor Joint Powers Authority. LA Metro who is the Regional Planning and Operating Transit Agency in Southern California is managing the work and CalTrans is conducting the work for the EIS. We have in place now, memorandums of understanding with the High Desert Corridor, LA Metro, the High-Speed Rail Authority and Metro Link to all talk about and to work together, to facilitate this connection between Palmdale and Victorville which then connects us into the existing rail network, with the existing Metro Link Station at Palmdale.

To give you a bit of the orientation. We're looking at this as a phased approach where the first phase is between Las Vegas and Victorville which you're all familiar with and I think I briefed this Board before on, on our progress there. Looking then to the second phase is the 60-mile extension to Palmdale, which then connects us into the existing Metro Link system. In the outset, you would have existing rail-to-rail connection with a cross platform connection between the existing Metro Link Commuter Rail Service and the High-Speed Rail Service from Palmdale to Las Vegas.

Phase 3 looks at integrating with the proposed California High-Speed Rail Infrastructure, which in EIS is currently underway between Palmdale and LA Union Station, broken up into two phases. One between Palmdale and Burbank and the second between Burbank and Union Station. We've been coordinating

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and cooperating with California High-Speed Rail to ensure that our systems are fully interoperable. Both from a train technology perspective, from an infrastructure perspective, so that once these systems are built, trains can operate on either system and you would have what we call a one-seat ride, from LA Union Station all the way into Las Vegas. Meaning, you wouldn't have to transfer at any point along the route.

The Investment Grade Ridership and Revenue Study that I spoke of on the first slide is evaluating this phased implementation in the incremental additional ridership that each connection will bring. That will fuel into our financing program.

To talk briefly about the first phase. Las Vegas to Victorville, 185 miles. It's primarily within or adjacent to the I-15. It's all new, double track. No existing with the existing freight system. No other trains or systems would be on the system. There are no at-grade crossings either with vehicles or pedestrians. An end-to-end travel time of under 80 minutes from Victorville to Las Vegas. Going back to that first slide and the dominance of car traffic and the auto driver between Southern California and Las Vegas, we knew that in order to be competitive, we had to provide very frequent service.

All of our ridership studies and the current study that's ongoing now, they all point to the same thing. The primary reason people drive to Las Vegas isn't so that they can drive around the strip. It's because they want the flexibility and convenience to leave whenever they want, to come and go whenever they want. Not having to deal with the airport, airlines changing flights, change fees, that's the primary reason why they drive. We know that's our primary competition is the private car.

One of the key things to compete with that is to provide a level of frequency that's unlike any other long-distance inner-city passenger service and to be competitively priced. Roundtrip fare of under \$100 is competitive with driving. Then we do it with fully electric standard gauge, what are called multi-unit trains. Every car within a train consist has its own power. They're all electrically powered, so the EIS has proven tremendous environmental benefit to diverting the vehicles off of the highway and on to a fully electric train.

As I mentioned before, the trains would be fully interoperable with the California High-Speed Rail System and its infrastructure.

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And the status of that current project is that we are a fully federally entitled project. We're under the exclusive regulatory authority of the Surface Transportation Board. That's where we derive our authority to construct and operate. In order to get to that point, we had to complete an environmental impact statement. We completed that in 2011 with the Federal Railroad Administration as the lead agency. The BLM, Federal Highway Administration, Surface Transportation Board, National Park Service were all cooperating agencies with NDOT and CalTrans, both working through FHWA in providing comment and working with us on the project.

Then in October of 2011, the STB issued their certificate of public convenience and necessity which would be analogous to the Public Utilities Commission issuing a similar right to a utility company.

In December, we executed a lease with the BLM for all of the federal land required for the project. Which interestingly is a good portion of the I-15. Over 50% of it is actually federally managed BLM land, with FHWA easements for highway purpose. The lease that we have with the BLM is for a complimentary use within the transportation corridor that complements the use that's currently existing with the freeway. We achieved that through extension coordination with both State DOTs, that resulted in a Highway Interface Manual that was incorporated into our environmental document that really described each of the various different treatments of the rail within the existing freeway infrastructure. Whether we were right up against the travel lanes in some cases, like at State Line, where there's a 500 foot right-of-way, we're 200 feet away from the existing travel lanes. What that design treatment looks like, in some cases, in the urban areas, we're elevated. So, where are the columns located and how does that work from a safety and from a maintenance perspective? We were able to work out all of those details. Great thanks to NDOT for supporting us through that.

Then in September of 2012, the US Army Corp. of Engineers issued its nationwide 404 permits. Interestingly enough, although we're running through a desert, the US Army Corp. of Engineers does regulate the waters of the United States and all the drainage ways through the Mohave River. They were a significant part of the approval process.

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In summary, with respect to the first phase of the project between Las Vegas and Victorville, we have the federal environmental permits in place, our federal authority to construct and operate is in place. Along with that comes the power of eminent domain and condemnation through the STB, so to the extent that there is private property, which is a minority portion of the right-of-way, we'll be going through similar process that the State does in acquiring that right-of-way.

We've completed the Investment Grade Ridership and Revenue Studies for the first phase of the project between Victorville and Las Vegas. The second phase between Palmdale and Victorville and down is underway now. We've selected a joint venture partner, China Rail International, which you may have read some news reports on back in the fall, that has incredible experience, financing capacity and are equally as committed as we are to the success of the project.

Another interesting point is the Buy America Provisions. So, the FRA has a Buy America Policy, although it's not a statutory requirement, and that was one of the issues that came up through our loan application. Since that time, in fact in November, the FRA has issued waivers to Amtrak for their high-speed rail technology. California High-Speed Rail is currently applying for similar waivers and so there's been a realization at the federal level that there is no current domestic capacity to build these high-speed rail trains, while we all intend and would like to build that capacity over time, it's not reasonable in the short term. They've recognized that and so Buy America Waivers have been issued and we'll be looking potentially to that as well.

Going on then in a little more detail to the extension over to Palmdale. I talked about the High Desert Corridor. The project purpose and need specifically states, providing high-speed rail connectivity between Victorville and Palmdale, connecting into the California High-Speed Rail system which will have a stop in Palmdale, and initially, with the existing Metro Link system.

The final EIS/EIR is scheduled to be released very soon. In my 16 years working on this project, I've stopped forecasting when environmental documents will be released because I'm never right but it should be coming shortly. Work is under way with Metro Link, under our MOU to determine capacity and operational requirements for enhanced rail service.

As I mentioned before, that's conventional commuter rail service between LA and Palmdale. There are a number of infrastructure constraints in that corridor, it's

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called the Antelope Valley Line. You may be aware of Measure R in LA County, which has funded millions of dollars' worth of light-rail projects and other transportation improvements under the purview of LA Metro. There is a follow on tax measure that's being considered now and a lot of the work and connectivity to Palmdale and high-speed rail connectivity is a catalyst for earmarking or designating certain dollars to be committed to the Antelope Valley Line for infrastructure improvements in order to increase the speed and frequency of trains between LA Union Station and Palmdale.

Phase 3, again this connecting into Los Angeles and Anaheim on high-speed rail service. This is really dependent on California High-Speed Rails' progress. The Authority is completing an EIR/EIS for the dedicated high-speed rail service between Palmdale and Anaheim. Their current schedule is to complete those approvals by 2017. That's just next year. Then again, our Investment Grade Ridership and Revenue Study that's looking at the revenue that could be generated from that, will be complete in 2016. So, with those two elements in place, we'll have a full and complete picture of what the cost and revenue looks like in order to complete a financing plan that will take us all the way into LA Union Station.

Maps are always easier than words to explain. I don't have a pointer but I'll just go over here if you can hear me. So, this shows Las Vegas to Victorville is the first phase and then the extension is this 60 miles over to Palmdale. Palmdale is where the existing Metro Link service is. You can see, this rail service, we talked about Anaheim or LA to Palmdale, but in reality, it serves all the way down to San Diego, all into Orange County, Ventura County, San Bernardino County. Really, this Palmdale connection opens up a full and complete rail to rail connection between, really all points in Southern California and Las Vegas. Then it's improved by dedicated high-speed rail service, once California High-Speed Rail is built down into LA and Anaheim and over. It's also worth noting that a northern connection would be facilitated by this rail piece. Not only would the train be able to go south, but we'd be able to pick up Central Valley, Northern California, visitors as well by rail.

Project benefits are tremendous. It's a huge job generator. The train technology itself only makes up a small percentage of the total project cost. The majority of the project cost is in labor which is American and local labor. 88,000 direct and indirect jobs during the five-year construction/testing/commissioning period.

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2,100 long-term, permanent jobs. We've estimated with the help of UNLV \$7.8B in economic output associated with the project.

As I mentioned before, because the train diverts drivers, primarily drivers, there are huge environmental benefits. The carbon reduction is significant.

Of course, this is about commerce. At the end of the day, it's about connecting Southern Nevada with Southern California and where you have that connection, you have that connection by rail, it generates commerce. There's a huge economic benefit just in that, in facilitating that travel where somebody could actually live in Southern Nevada and work in Southern California or vice versa. With an 80 minute commute time from Victorville to Las Vegas, or two hours from downtown LA to Las Vegas, I mean, there's no reason—people drive two and a half, three hours to work now in Southern California. It opens up a complete, bidirectional easier way of traveling.

Then diversification of Southern Nevada economy, we're looking at building the capacity for domestically producing these trains. That will happen in Southern Nevada, as well as in Southern California.

Just in summary and as a reminder, no federal, state or local dollars have been spent to date to develop the XpressWest project. We've invested over \$60M to date to get the project to the point where it is. We're continuing to work with China Rail International to get to the implementation approach and to get to where we can break ground and start turning dirt on the project. It is subject to multiple—that relationship is subject to multiple levels of governmental approval. We're taking the project and the partnership through that process now. It's unclear how long that will take which is what makes forecasting construction start dates very difficult.

I'd also add to that, given where we are and all of the success and progress that's been made in California and the connectivity to Palmdale and LA, we've also tasked our financial advisor to confirm all other potential sources of funding that would be complimentary to our existing relationship. Both foreign and domestic, to make sure that we have a complete and thorough understanding of all the financing opportunities that are available to the project.

So, quick timeline. Don't hold me to it, but this presentation wouldn't be complete without some dates. Investment Grade Ridership and Revenue Study

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for—I call it the High Desert Corridor, but it's really that complete phased approach that includes LA, Anaheim, also connectivity to Northern California and Central California will be complete this summer. That I can say with confidence.

The High Desert Corridor EIS, we're anticipating summer/fall, that that document will be issued. The key there is that then gives us the design parameters that we can then put to cost, exactly what that Palmdale to Victorville segment will cost and how it will be designed and how it will function.

The California High-Speed EIS, Palmdale to Burbank and then on to LA is scheduled for completion in fall of 2017. California High-Speed Rail, the Board is meeting tomorrow in Anaheim, they'll get an update on the status of that project. By all accounts, it's currently on schedule still for a fall 2017 completion.

Then, project financing and implementation approvals for the Victorville to Vegas project, we're looking at early 2017.

With that, I'd be happy to take any questions.

Sandoval: Thank you. Another great presentation. In your perfect world, when would be the first time that somebody could step on a platform, step on a train and first go to Victorville, then Palmdale, then LA?

Mack: It will be 2022, because we're five years to design, build, test and commission. From 2017 to five years to opening for the first phase, Victorville to Palmdale. If the High Desert Corridor EIS stays on schedule and if the Investment Grade Ridership and Revenue Study demonstrates what we believe it will, then there's an opportunity there to have continuous construction, all the way on to Palmdale with our existing design-build team and financing team.

Our goal would be to try to package that together so we, getting all the economies of scale and efficiencies of having continuous construction. There's potential that the system to Palmdale could be built in that timeframe.

Sandoval: Where would the termination point in Las Vegas be?

Mack: The EIS approved two station locations in Southern Nevada, in Las Vegas. We looked at four total. The two approved stations are what we call the Southern Station, which is across—it's on the west side of the 15 at Russell Road on that approximately 60 acre parcel across from Mandalay Bay. The second is just

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south of the Rio, between the Rio and Panorama Towers, there's a 30 acre site there. So, those are the two approved station locations.

Sandoval: Great. That's all I had. Other questions, comments? Member Skancke.

Skancke: Thank you Governor. Andrew, thank you for a great presentation. Just by way of a little history here. Governor, you and I were 10 years old when high-speed rail discussions talked about connectivity between Las Vegas and Southern California. So, I hope I live long enough to actually see this completed, because it's been a long time coming.

Andrew touched on this but I think it's important for everyone to know that the High Desert Corridor and Measure R, through LAMTA, they've put as one of their top projects, \$123M in their next measure, should it pass, for acquiring rights-of-way along the High Desert Corridor for high-speed rail specifically. That's a bit deal for this project because that puts this project ahead of highways and everything else in the corridor. For the supervisor in that district and all the representatives on the MTA Board to see the need for this is a really big boom for this project as well as for our connectivity to Southern California.

I think it's also really important for us to understand that a road today, there's lots of talk about building a new highway or widening the highway between Las Vegas, or Primm and Barstow. I recently had some people look into the cost of that in today's dollars, it would be about \$900M. It will be 10-15 years for an EIS, at the cost of around \$100M plus for that EIS. You're looking at the earliest a new road could probably start between Primm and Barstow would be in 2030. At that time, the cost of the expansion and the widening of that road would be around \$1.8B, just to get started. The question that I think we have to ask as a region is more, not should we expand the road, but should we be making those investments when we have an alternative here to move people? We have to become a more multimodal society and multimodal economy in order for us to compete.

It's really important for us to support this project for Southern Nevada's economy. Creating a High-Speed Rail Authority, Governor, to actually have this conversation and elevate this to a level where we can have these types of conversations and have these presentations is really important. Thank you for doing that and Andrew, thank you for your perseverance and please tell Tony and that whole team that \$60M is a lot of private sector dough and we appreciate that.

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Because in my opinion, if this would've been driven by the public sector, we wouldn't be as far along as we are today. This is very, very encouraging and for the first time I see a light at the end of that tunnel and it's a train going in the right direction.

Finally, remember it took 50 years to build to the interstate highway system and people always say, and get this right, those of you that are writing this for a headline tomorrow: It's not a train from Vegas to Victorville. It's not. It never has been and it never was. It is a train connecting two global economies. The interstate highway system took 50 years to build. High-speed passenger rail has to be built in phases and segments just like the interstate highway. This is not going to be built overnight. Just like Project NEON will not be built overnight. It's going to take time to do. We have to have a little patience. This is very encouraging and thank you very much. Thank you Governor.

Sandoval: You're welcome. Any other questions or comments? I guess on a personal note Andrew, it sounds like—not sounds like, you have been working on this a long time.

Mack: I just graduated kindergarten when I started it.

Sandoval: I was wondering, yeah.

Mack: My parents are real proud.

Sandoval: You've always been ahead of your time. From a personal perspective, as Tom said, I've been following this discussion and this dialogue about high-speed rail and frankly, I was a little intimidated by it because I had never ridden one. I had the opportunity to ride one in China. I was chatting with a high government official in China saying I was going to go on my first ride on high-speed rail and said I was a little nervous about it and he laughed at me. When I got on that rail, now I know why. It was an amazing, pleasant experience. It was a smooth ride, an enjoyable one. For passengers to have that type of transportation experience, between Las Vegas and Southern California would be incredible. As I said, we don't have that here, in the US anywhere. It's just normal there, at least in the system I rode in China. Going on these platforms and these incredible stations. To think that we could have that type of infrastructure first, right here in Nevada really, again, fits in with this other conversation that we had with the RTC to have this amazing infrastructure unlike anywhere else in the nation. We've got

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catching up to do and that's one of my takeaways that I had when I was there is, what is normal over there seems like a fantasy for us and we've been working on this for years and years but we're getting close. That's why I asked you that question about 2022 is not that far away. We do have to build this incrementally and start to socialize this with people who will be the ridership on it. The day will be here when this will be normal for us. We have to keep those types of thoughts in perspective. It's just like everything else, 20 years ago we were holding cell phones, or 25 years ago and now we have these little computers in our pockets. This type of transportation will be standard. And, we need to be ready for that and we need to be able to not just accept the status quo and have that courage to really look into the future and see what it can do. I really appreciate this presentation because I've seen parts of it, not all of it, and I wasn't aware of your status, but I really want to congratulate you because I know this has taken a lot of hard work and it's hard to convince people because this is new. I just want to encourage you to keep it up and look forward to working with you on it.

Mack: Thank you, appreciate your comments.

Sandoval: Any other questions or comments with regard to this Agenda Item? Thank you again Andrew.

Mack: Thank you.

Sandoval: All right, let's move to Agenda Item No. 8 which is Approval of Contracts Over \$5M.

Malfabon: Robert Nellis will present this to the Board using this new format sitting at the table. He had to get the controller though.

Nellis: Thank you Governor, Members of the Board. For the record, Robert Nellis, Assistant Director for Administration. There's one contract under Agenda Item No. 8 on Page 3 of 10 for the Board's consideration. This project is located on US-50 from Cave Rock to State Route 28, Spooner Junction, Douglas County to construct water quality and erosion control improvements and extend the westbound tunnel. There were three bids and the Director recommends award to Q&D Construction in the amount of \$5,687,013. Governor, that concludes this Agenda Item.

Sandoval: Thank you Mr. Nellis. To the question I'm sure you anticipated is, the first being that the contract is \$1M above what the estimate was, but also noteworthy is that

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Q&D's bid is \$2M less than some of the other bids. If you could provide some background with regard to the bidding process.

Terry: John Terry, Assistant Director for Engineering. I guess the simple answer is, it's Lake Tahoe. Construction in Lake Tahoe is challenging and it's also somewhat unusual contract in that it has this cap over the tunnel, traffic control route through the tunnel. Frankly, we struggled to estimate the work, just because of the challenge of it. I guess all I can say is, our BRAT Team evaluated the bids and found it acceptable and we feel like we have the money to pay for the higher contract amount and are recommending award.

Sandoval: I just wanted that piece for the record. There's also a part of this contract that includes some improvements on the 50 by Glenbrook for environmental improvements. Could you chat a little about that as well?

Terry: We decided to add what really developed as two separate projects. One was kind of our ongoing water quality projects that we've done a number of at US-50, over the years and you've seen many of those. That is what that project is, kind of water quality and erosion control project on US-50, which we chose to combine with kind of the rock fall and other improvements that happened at the tunnels. Really, they were two projects that we added together and this is a continuation of the water quality projects that we've been doing in Lake Tahoe.

Sandoval: Finally for me, I'm sure the contractor understands and appreciates this, but Cave Rock is a very, very sacred place for the Native Americans. I just want to ensure that the Native American Tribes are included every step of the way in terms of what the construction process is and us being sensitive to those concerns.

Terry: Yes Governor, they have been involved to this point and the contract is set up in a way that they'll continue to be involved as the project develops.

Sandoval: Board Members, Mr. Controller.

Knecht: Thank you Governor, Mr. Nellis and Mr. Terry for that presentation. I'm comfortable with this project as proposed, but looking at Page 10 of Item 8, the big spreadsheet, the last page there. When I tried to review these and analyze these projects and see how it is that we get a difference of over \$1M between the engineer's estimate and the low and another one and two-thirds between the low and the second. I have to say, frankly that the format of this table, the way it's presented right now isn't that helpful. We have the three columns there in yellow

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and I get the idea behind them, that we want to know what difference would it take to make a change in something. To me, the thing that would be most helpful and you could add this or you could substitute it for something would be, if we had a total dollar amount for each of the items over there in the left hand column, a total dollar amount in the engineer's estimate, a total amount in the low bid and a total dollar amount in the second bid. That way, you could go right away and see where the dollars are. With this current format, I'd almost have to plug this into a spreadsheet of my own and compute those things. As you all know, I just might do that but I prefer to have you do it. So, if in the future you could do so. I understand it's a busy chart, as is. There's a lot of information there. You could format this so that you make the columns narrower or something or do a substitute of one thing for another and give the total dollar amounts, that would be really helpful. Thank you Governor.

Malfabon: Mr. Controller, we do have a separate document that we will provide in the future that has that information on it. It's a lot easier to read. I think that we'll leave the price sensitivity analysis the same but give you that additional information so that you can see the extensions for those major bid items, for the first and second bidder.

Sandoval: Mr. Terry, I have another follow-up. The construction window on this is three months, four months, so are there some pretty strict guidelines in terms of making sure that the contractor finishes on time? Are there penalties for not finishing in a timely manner?

Terry: Governor, I'm almost sure that there are. I could follow up and answer that question. I'm sure there are. And yes, Tahoe has a tight construction window and we need to follow that window. I can respond later with the exact amount and how we structured any damages for non-completion.

Sandoval: Bottom line for me is to make sure it finishes on time. Obviously, that construction window is in the summer and that is the peak visitation. So, ensuring that everything goes smoothly is incredibly important.

Any other questions or comments? Any questions, Frank?

Martin: No sir, thank you.

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Sandoval: If there are no further questions or comments, the Chair will accept a motion for approval of the contract identified in Agenda Item No. 8, for construction associated with the westbound tunnel at Cave Rock on the US-50 at Lake Tahoe.

Martin: Move for approval.

Sandoval: Member Martin has moved for approval, is there a second?

Knecht: Second.

Sandoval: Second by the Controller. Any questions or discussion on the motion? Hearing none, all in favor please say aye. [ayes around] Oppose, no. That motion passes unanimously, thank you. Look forward to seeing that project happen.

Let's move to Agenda Item No. 9, Approval of Agreements over \$300,000.

Nellis: Thank you Governor. Again for the record, Robert Nellis. There are seven agreements under Agenda Item No. 9, they can be found on Pages 3-4 of 67 for the Board's consideration. The first item is with CA Group, Inc., in the amount of \$503,452. This is to provide project management, risk management, value engineering, constructability reviews, bid analysis, construction estimates and scheduling and public involvement for the widening of US-95 from Durango Drive to Kyle Canyon Road in Clark County.

The second item is for engineering services in the amount of \$5.1M. This is for Project NEON.

The next two items are both for engineering and design services. Both in the amount of \$456,000 to develop project alternatives, safety analysis, hold stakeholder meetings and presentations and design services through final design of future projects, improve traffic safety.

Item No. 5, with Atkins is in the amount of \$391,400. This is to provide appraisal, appraisal review acquisition and relocation services for easements and to obtain permission to construct agreements for ADA improvements along Tropicana Avenue in Clark County.

The final two items, Item No. 6 is Amendment No. 1 for legal services, to increase authority by \$1.4M and extend termination for complex litigation expected to last through June of 2017. This is also for Project NEON.

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Finally, Item No. 7 on the next page, this is for the record, since we had a to be determined amount in there before Governor. The actual amount is \$4,909,323. This is for project management scoping, environmental, public involvement, outreach, preliminary design, landscape and aesthetics, traffic analysis, right-of-way utilities and storm water services with the Garnet Interchange, I-15 north and US-93 in Clark County.

That concludes Agenda Item 9. We'd be happy to answer questions the Board may have.

Sandoval: Thank you. Lieutenant Governor isn't here so I'm going to bring up No. 6 for him. In any event, I'll be real brief with regard to that. This is to hire an outside law firm for litigation is, there is a huge potential exposure here. I think it is important that we have, not to suggest that the Attorney General's Office is otherwise, but we have to have the bandwidth and the expertise to be able to be adequately represented in that case because—no pressure, but if we have a bad outcome, it could really affect our numbers in terms of property acquisition. The Watts aren't here but we want to be fair and do what's right, but there is a really big number, I think a \$75M figure, if I remember seeing it. I'm in full support of that.

The last item with regard to this Agenda Item, is that associated with Apex and what we're doing there in terms of putting in the adequate infrastructure?

Malfabon: Yes Governor, it's for all the support that we need to develop the design-build package and procurement and then we'll hire a design-build team, a contractor and their designer eventually. This is the first large contract to develop that procurement.

Sandoval: That's important to note here, because that is something that was sorely lacking at that site in terms of economic development and getting Apex going. We're going to have a groundbreaking this week for Faraday. Things are going to start happening out there and we need to have the infrastructure to match. Not only what's happening but what will happen. I thought it was important to point that out. I have no further questions or comments. Board Members, we'll start over here. Mr. Almberg?

Almberg: Thank you Governor. No. 3 and No. 7, is that the same company, Parsons? Are they affiliated?

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Speaker: No.

Almberg: No. Another question that I have Governor, refers back to No. 2. I want to disclose something in there. One of the companies that are listed here, I am not a client of theirs but they are a client of mine occasionally. I just want to disclose that, what's going on.

One thing that did come across during my discussions, I did talk to Reid this weekend and so, I thank him for any information he provided back to me. I had some questions. He came back and assured me that any information or things that I had questions about would have no bearing on the selection of who they have chosen for this project.

Sandoval: All right. Member Savage.

Savage: Just real briefly, thank you Governor. Compliments to both the NDOT staff and the CA Group on Agenda Item No. 1, originally CA was \$938,000 and they arrived at a \$503,000 contract. I thank CA Group and the NDOT staff, that's all I have, thank you Governor.

Sandoval: Go to Las Vegas, Member Martin, any questions?

Martin: Yes sir. On the CA Group, there was an 8% DBE Goal, and according to the document, submitted information, they met that goal, can you tell me how they did that as an engineering firm?

Terry: This is John Terry, Assistant Director for Engineering. By their use of sub-consultants and I'm looking up which sub-consultants they actually used. If I can't find it, we can get back to you on who those are.

Martin: As a follow-up question, I thought I had seen other agenda items in previous meetings, that a DBE goal was not a part, or generally was not a part of engineering agreements. I was wondering why this was different.

Malfabon: I can respond to that John. They are part of the—under the federal program, which we have a state program for DBEs as well, we look at engineering and construction both as programs that are a significant size and provide opportunity to DBEs. They are part of that goal setting process Frank.

Terry: This is John Terry. Occasionally because of the specialized nature of a specialty smaller engineering contracts, the goal is set at zero because of the specialized

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nature, but other than that, we have had goals on all of our major engineering procurements.

Martin: Okay because when I take a look at the next one down, I didn't see one prepared. It said the DBE goal for this agreement has been established at zero.

Terry: Again, John Terry, for the record. That's what I was saying, on certain, especially the smaller or the ones where there isn't subcontracting opportunities, the goal is set at zero on engineering procurements. We still meet our overall goal. On those procurements, our DBE people set the goal at zero because of the nature of the contract.

Martin: If I remember correctly, this one was for like \$5.1M? Or am I mistaken? I've got to go back. Yeah, it's \$5.1M, that's not a smaller contract.

Malfabon: This one, the second contract that's over \$5M is for testing of materials. I think that they—usually the people that establish the DBE goals look at, is this specialized work. There possibly could've been subcontracting opportunities to another lab, but when we are doing materials testing, we typically have some specific requirements on that lab and certification of that lab has to meet national standards. They could've taken that into consideration. I can't speak for them on why they didn't have a significant goal on this one. I think they saw this inspection and testing services as specialized for Project NEON. This is a smaller—in terms of the magnitude of the project, it's just that it's a multiyear duration that it's significant in the consultant fee for those services. But it is sort of the same work. I think we can take those comments to heart, Member Martin, in establishing goals in the future to see if there's additional capacity for DBEs that provide materials testing services. I think Aztec is a woman owned firm. I don't know if they're a DBE, but they're a woman owned firm.

Martin: I've just been informed locally that they are a DBE. I stand corrected.

Malfabon: Okay, the entire contract went to a DBE firm, in this case, although we didn't have a goal. That's one of the good things that we see is, even when we have a zero percent goal or a relatively low goal, we do still see DBEs provided that exceed the goals we establish. That's good to know and congratulations to Aztec on that.

Martin: Thank you. No further questions.

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Sandoval: Member Skancke.

Skancke: Thank you Governor. Just a quick question. Last month you guys made a presentation on engineering firm backlog and I'm just trying to stay on top of that issue. All of these companies that are here, that have ongoing projects, we're confident and comfortable that they have the ability to do all this work that's outlined here. It's going to be my standard question so you can just say, this month is the same, but I want to make sure that as we commit all of these firms, that they actually have the wherewithal to do the work that we're putting out.

Terry: Yes and we continue to have that as part of the evaluation criteria. We make them commit to people that are on the project to doing that.

Skancke: Thank you and one final question. Are some of these on-calls or were these all bid contracts, for the engineering services? Did I miss that?

Terry: Nos. 3 and 4 are Master Service Agreements, which is really like an on-call format. The others are specific projects.

Skancke: Thank you very much. Thank you Governor.

Sandoval: Mr. Controller.

Knecht: Thank you Governor and thank you for pointing out the scope of dollars at issue in No. 6. What would be helpful to me is if Mr. Gallagher would give a short representation for the record detailing that just a little bit more in two or three sentences.

Gallagher: For the record, Dennis Gallagher, Counsel to the Board. Controller, I would like to think I could give a summary in two to three sentences but it's against my professional oath. [laughter]

Sandoval: Your lead in was longer than what he asked for. [laughter]

Gallagher: Very quickly. This matter involves a take of under two acres with the Walker Furniture property. It's a number of parcels that are needed. The State had valued the take at just over \$5M. The property owner has come back and indicated that their believe their losses are over \$75M. They also recently disclosed the number of expert witnesses that they intend to call at trial. Which is 10. Typically in a case like this, we would expect to see two, three, maybe four experts. In the next couple of months as this matter is set for trial in September,

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we've got a lot of work to do to peel away their claim damages and get it down to a more realistic figure.

I also would like to note, for the Board, to date, the Office of the Attorney General has spent over 760 hours on this case, working alongside with outside Counsel. I currently have six Deputies working on various facets of this case. I'm sorry those were long, run on sentences Controller.

Sandoval: If I may add or if you could add Mr. Gallagher, this isn't all attorney fees. This is costs associated with retaining our own experts.

Gallagher: Yes, thank you Governor. Approximately one-third of the amount requested is designated for experts for the State on this matter. About \$400,000 to \$600,000 is designated for expert fees.

Knecht: I'll just add one thing real briefly, when I was a consultant almost about 20 years ago, to the City of San Francisco, doing a valuation of the electrical system there because they were thinking about taking it over. We ran into a range of a factor of 10 or 11 so, at 15, from 5 to 75, you've now exceeded the largest factor I've ever seen in valuation difference. Thank you for that explanation Governor and Mr. Gallagher.

Sandoval: I don't want to bring up old memories, but what happened on 580, it's really important that we have equal experts in terms of presentation when we go into litigation. I think this is incredibly important given the spread. A positive example of in the past is associated with the Boulder City Bypass. The initial demand was \$100M and that case ultimately settled for \$3M if I recall.

Gallagher: I believe the ultimate settlement was \$4.5M, but you're absolutely correct. Their initial demand was well over \$100M. Then they came down to \$80M. Then \$30M something and ultimately \$4.5M.

Sandoval: It really is important, as the Controller talked about, when we have these huge gaps in terms of what's going on that we have the appropriate representation and expertise. All right. Any other questions, Board Members, associated with Agenda Item No. 9? Mr. Almberg.

Almberg: One of the things that Member Skancke just brought up was the workload. This is something that's been questioned quite regularly in these meetings and so I'm thinking maybe we could include this in the packet. If it's already brought up

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during the evaluation, what's going on, then maybe we can come in here and just have it inserted in the packet and say, hey this company is also working with us on this, this, and this project. That may avoid some questions. It may bring up some additional questions. I think it would be valuable information to put in while we're evaluating this. And, one last point is, and I've expressed this in the past. I think when we were looking at USA Parkway is, I believe if we can do this, as a part of our selection process, our qualification process, we definitely do this for contractors, preferential for being a Nevada company, I do believe that should be a part of our ranking as far as Nevada company because it's my belief that the reason Nevada allows that, or preferential status is, the belief that those people are located in Nevada, live in Nevada and by keeping them busy and working, that gives back to Nevada and so we make up for that difference. I believe that it should be a part of our evaluation process and as part of our scoring system that we support our local companies. That's it Governor, thanks.

Sandoval: Thank you. I don't deal with these entities like you do and we are on this construction process that is unlike any other in the history of the department. I think I can fairly say that. I see all the NDOT folks nodding their heads. As we see these same contractors, I just want to make sure that they're not, as Mr. Almberg said, they're not adding people from outside their offices to do the work to have them fly in and then we're suddenly paying transportation expenses associated. And/or answer the question, are we at capacity in terms of the amount of individuals that are able to do this. Then, I get it, we have to go look outside and get extra help. I just want to make sure that if we have qualified entities that can perform the work, that we ensure that their getting that work.

All right. If there are no other questions or comments, the Chair will accept a motion to approve the agreements over \$300,000 as described in Agenda Item No. 9.

Savage: Move to approve.

Sandoval: Member Savage has moved for approval. Is there a second?

Martin: Second.

Sandoval: Second by Member Martin. Any questions or discussion? Hearing none, all in favor say aye. [ayes around] Oppose, no. That motion passes unanimously.

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We'll move on to Agenda Item No. 10, Contracts, Agreements and Settlements.
Mr. Nellis.

Nellis: Thank you Governor. Again, for the record, Robert Nellis. A quick update on the Cave Rock Agenda Item. My understanding is there's both a carrot and a stick on that project, so there's a \$15,000 per day incentive, up to 20 days for the contractor, if they complete early, can earn up to \$300,000 for completing early, but if they go over, that's \$15,000 per day.

Picking back up on Agenda Item No. 10. Governor, there are two attachments under this Agenda Item for the Board's information. Beginning with Attachment A, there are four contracts that can be found on Pages 4 and 5 of 18, for the Board's review.

The first project is located on State Route 160, Blue Diamond Highway at Fort Apache Road and El Capitan Way in Clark County to install a signal system and pedestrian facilities. There were two bids and the Director awarded the contract to Las Vegas Paving in the amount of \$2,373,106.

The second item is a resurfacing project located on US-93, north of McGill in White Pine County. There were three bids and the Director awarded the contract to WW Clyde and Company in the amount of \$3,612,781.22.

A third project is at multiple intersections in the City of Las Vegas, for signal modification, flashing yellow arrows. There were two bids. The Director awarded the contract to Acme Electric in the amount of \$390,983.

Item No. 4 is located on State Route 431, Mount Rose Highway in Washoe County to construct a truck escape ramp. There were four bids and the Director awarded the contract to Q&D Construction in the amount of \$4,669,566.69.

Finally, an emergency contract for emergency stabilization and replacement of windows on Floors 2-4 in the NDOT Headquarters Building. The Director awarded the contract to Custom Glass in the amount of \$411,205.

With that, we'd be happy to answer any questions the Board may have.

Sandoval: Thank you Mr. Nellis. On the first one, is that associated with our safety efforts in Southern Nevada with regard to pedestrian crossings?

Speaker: Yes.

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Sandoval: That's good to see that that money is starting to hit the street. Then, I think it's important, Mr. Nellis, and perhaps I'll do it, but in terms of that last emergency contract, that is as a result of a window blowing in because of high winds. I can't imagine being in the middle of a work day and having shards of glass blow in.

Speaker: It fell out.

Sandoval: Oh, it fell out. Okay.

Speaker: [inaudible, off mic]

Sandoval: I think it raises the natural question without further investigation, but in terms of why this was an emergency and needed to be done is that you had a catastrophic incident happen that could've been deadly. I think that it's important to make a record as to why this is an emergency and why it needs to be done right away.

Questions from other Board Members? Mr. Controller.

Knecht: Thank you Governor. Looking at the fourth item, the truck ramp up there on 431, just happens that last evening, we were driving in the fog, that route from Reno to Incline Village and there's a truck ramp, almost down there at the roundabout already and there's signs there saying in two miles, in one mile, in half a mile, is this an additional earlier truck ramp? The reason I ask is, we were making little jokes about it that if you could just hang on for the next one mile, the next half mile, you can get to where you can get off, with the idea of careening madly down there without any brakes. Is this to supplement that? The existing ramp, or in addition to it or what?

Malfabon: Yes, it's to make some improvements to the existing ramp. I think that when we had a crash there before—the improvements that we're putting in are going to be more effective at stopping a vehicle. Also, if somebody gets in there, we have to go back in there and make some improvements, so we'll actually have the ability to look to their insurance to help pay for any damage that they caused to our truck ramp, escape ramp too. It's going to improve safety, make improvements to it and be more effective.

Knecht: Will it make the ramp longer?

Malfabon: Bill, do you know if it makes it longer?

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Hoffman: Hi, Bill Hoffman for the record. My understanding is that this is a replacement and what we're doing is putting in newer technology. We've looked at other states like Wyoming and Idaho and they have cable restraint systems that make them much safer and a lot more efficient.

Knecht: I can understand that. I just looked at that ramp and I said, it isn't really that long. It will probably do the job, I guess, depending on the exit velocity of the truck, but the other thing you might focus on as you finish this project or replace it is that to a car coming down that roadway, toward that ramp, it almost looks like the natural continuation of the roadway is on to the ramp. It could in fact mislead a driver and you could have a problem there. If you could make it clearer to the drivers who don't want to get off on the rocks on the ramp, that would be helpful, I think.

Hoffman: All right. So, Bill Hoffman, Deputy Director for the record, we'll make sure to look at that Mr. Controller. Sure.

Sandoval: Other questions from Board Members on these agreements?

Malfabon: Our District Engineer wants to make a comment on the Controller's question.

Dyson: Yeah, thanks. Thor Dyson, District Engineer. Members of the Board, Governor, this truck ramp is a very critical component. Like Deputy Director Bill Hoffman stated, it's a replacement. This particular truck ramp has had various people, trucks, that have lost their brakes for one reason or another and it has failed in one or two cases where the truck went all the way through the truck ramp. It uses old technology. It's a very special type of rock that's in that truck ramp. The theory is that the truck comes in, hits the gravel and the gravel gets deeper and deeper and it slows them down. It has worked. It has worked effectively. There have been other times where it's gone all the way through and hit the house at the bottom of the truck ramp and caused a fire to the house and a lot of issues. I want to add that the house was built after the truck ramp was constructed.

That being said, this new system, there's been a lot of effort put into the safety and the technology and it's kind of like an aircraft carrier in a way where the truck will come down in and will in between two different types of barrier rail. It will come right on in and starting hitting these different types of restraints. Not one, not two, not three. I've watched video of it. It's very effective. It's state-of-the-art technology. We think it's going to work really well. It's not the same. It's

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going to be different. It's going to be in that location. It will be far, far better for the citizens of Nevada and truck drivers that are going down there.

Sandoval: Just one question. Obviously I'm naïve to this, but that's a road that is used by the locals a lot. As the Controller said, sometimes if there is—locals and visitors. If there's a visitor and that looks like an exit to them, is that cable system further down the line so that if you're in a passenger vehicle, that's a little different than being up in a truck. If there's a cable system, I'd hate to see somebody in a passenger vehicle hit that at eye level, versus a truck that would hit it in a way that wouldn't be a risk to the driver.

Dyson: Governor, this new system will very well delineated through signage and then physical barrier. You're not going to go in there thinking that it's an off-ramp or another road. You're going to go in there with the full intention of it being a runaway truck ramp, secure place. Hopefully a functional and survivable situation for a truck that's going through there.

Sandoval: I'm thinking like a lawyer, sorry, but if it's a passenger vehicle that is a runaway vehicle and not a truck, there's no risk to a restraint system harming the driver in a passenger vehicle versus a commercial vehicle?

Dyson: It's for all vehicles, trucks and cars. It's a metal tennis court net. It essentially will catch these vehicles, bread trucks, delivery trucks, large semis, passenger trucks and—there could still be a lawsuit.

Sandoval: That's fine. When I listened to Mr. Hoffman, I envisioned this cable across—

Dyson: It's a mesh net. We can provide you information and show you how this thing has worked. I have watched it on YouTube and it's pretty incredible.

Sandoval: It's fine. I probably talked way more than I should have already. I just was curious because I had never seen a system like that before. Usually, you just see that deep gravel and that's it. That's good that we're going to be contemporary in terms of the technology used with this.

Dyson: We're going to be not only contemporary but in the forefront. Nevada has four truck ramps, of which three of them reside in District 2, the one I'm responsible for. If this goes really well, we look forward to some other options or putting this option on US-50, coming down off of Spooner's Summit, out of Tahoe. I think

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you'll be very pleased once this thing goes in. It's actually very exciting. We're very excited to have this. It needs to be done.

Sandoval: The only other thing while we're talking is, \$4.6M seems high, but that's what it costs to put one of those in?

Dyson: Yes. Again, there aren't very many systems out there. We looked, like Deputy Director Hoffman stated, and other parts of the country, Wyoming and Idaho and other parts where we feel this is the best system to put in there. It's very—once a truck goes through there, hits it, whatever vehicle, we can get—it's very imperative to NDOT maintenance to get that truck out and the system back up and running because trucks are coming all the time. Not just locally, Governor, but also from out of state. One of the last horrible horrific accidents that occurred there on that runaway truck ramp was an out-of-state driver.

Sandoval: Thank you very much Mr. Dyson. Any questions? All right, let's move on Mr. Nellis.

Nellis: Thank you Governor. Again for the record, Robert Nellis. There are 50 executed agreements that can be found under Attachment B on Pages 12-18, for the Board's information. Items 1-15 are acquisitions and appraisals. 16-18 are cooperative agreements and an event. 19-32 are facility and an interlocal agreement. 33-37 are leases and a property transfer. Lastly, 38-50 are service provider agreements. Just a couple of things for the record, Item 40, we'd actually like to remove that item for this meeting and then bring it back next month with a corrected amount and termination date. That's one item to remove from this Agenda. Also, Item 45 is for the system—the new system in here. The name confused me because it's DSI, they were recently bought out by Delta Fire Systems, but we've got both Patrick and Aaron from DSI helping us making sure everything runs smoothly on our first meeting. Appreciate them. With that, we'd be happy to answer any questions.

Sandoval: Thank you very much Mr. Nellis. 32, the research. Can you just help me with structural design procedures for cold-in-place recycling is? Is that useful research?

Kaiser: This is Reid Kaiser, Assistant Director for Operations. What we're doing with that is we're using a new material for our slurry seals here in Nevada. This is an engineered emulsion so it has some history, some additional additives from what

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we've used in the past. What we want to do is, we want to create a mix design, so we'll know how much asphalt or how much oil to put in it with how much rock. If you get too much oil in it then it bleeds and tends to present a slick surface that could cause some safety issues and if there's not enough asphalt in it, then it will just rattle off and end up in the shoulder in a matter of about six months. We create a mix design to make sure it gives us the best combination of asphalt and aggregate.

Sandoval: Thank you. That's very helpful. Move to 37 and the Sculpture Donation. I've never seen anything—we receive donations before. I was just curious what type of art that is that we're accepting.

Malfabon: I don't know if we were able to get a photo. I asked for one but I don't think we received it in time. We will show you next month Governor, and the Board Members. A lot of folks are admiring what we're doing along our corridors and I think they see an opportunity to donate, give to the community some of their sculptures and public art. We definitely would support that, as well as the Board would. It helps us save money but it also gets some good looking public art out there in our corridors.

Sandoval: I'm strong supporter of public art. I just want to make sure that it's consistent with what we have out there.

Malfabon: Yes, that would be one of the requirements to even accept it in our master plan. A lot of aesthetics have to follow a certain theme of wildlife or what's native for that area.

Sandoval: All right. I have nothing further. Board Members? Why don't I start with Frank, Frank, if you have any questions?

Martin: No sir. They all seem to be pretty straight up.

Sandoval: Wow. Okay.

Martin: Sorry to disappoint you. [laughter]

Sandoval: Mr. Almberg?

Almberg: I got a couple of quick questions here. On 33-35, that's a lease to our employees. Long-term leases, those are obviously located in areas that are probably very hard to staff, being in the middle of nowhere. I guess my question is, why can't we

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incorporate this as a part of their compensation package that's provided as far as taking on a job in the middle of nowhere?

Malfabon: I might need some help on this one but usually we go for what's reasonable. As you see, some leases are a lot less in value than others. For instance, one at Mount Charleston is a little higher than the others. As far as that, I think I would kind of—I might need some help from Ruth on that. Typically we see it as an additional benefit. Obviously, it's a win-win for both of us. We have our maintainers that are watching the site and providing additional security, if you will. Also, being more responsive and able to get in the equipment and get out there and plow snow. It is a benefit that could be considered as part of the negotiations. It's getting more and more difficult, as we get retirements, to attract someone to live in some of these remote locations where our maintenance stations are located that, that could be something we could consider.

Almberg: I just believe that we should consider it. I mean, when you look at the long-term lease on there, it's a very, very low monthly lease in the first place. Is it worth the trouble where it might be just a benefit to our employees.

Another question. On 7 and 8, those Commercial Movers, what exactly—is that a part of properties that we have obtained and were assisting these people in moving?

Malfabon: That is correct.

Almberg: On No. 6, those are the gentleman and his wife that spoke earlier this morning. As a part of that condemnation that is coming up, is a part of that price—will we still assist in their movement, so that will be above and beyond the price that we've currently offered them?

Malfabon: Definitely. This is a separate issue, so they don't lease out their property. We've done these protective rent agreements for Project NEON as well in the South, so say an apartment owner, we're acquiring their apartment building, we don't want them to lease out and then have just a constant influx of new residents that we have to relocate. We enter into these lease agreements to lower our costs and help offset the costs of rentals, lost rental revenue to the owners.

Almberg: My question wasn't so much specific about the rental agreement, it was about the moving of them. If in fact we can move them.

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- Malfabon: It's a separate issue.
- Almberg: Will we be back here in the future paying for a mover for them? That will be above and beyond our initial offer for their property?
- Malfabon: The offer included relocation expenses, so the mover and all that are trying to—so, there's the acquisition of the property and the valuation of all the associated elements of that, but there's also relocation expenses which is a separate, in this case, what was before you was, we had combined it altogether, I believe. Ruth, you can correct me if I'm wrong.
- Borrelli: Ruth Borrelli, Chief Right-of-Way Agent. What you saw, the offer, the original offer to them was for the real estate only. The relocation benefits are separate. It's a spend to get program. We do estimate and try to give them some idea of what they'd be getting for relocation. These individuals, although they state they are not landlords, we did enter into a rent-to-hold vacant agreement, that's what you have there, because there was a tenant living there. We did pay for the relocation of the tenant.
- Sandoval: Let me be careful because we're going to be going into that Agenda Item next.
- Borrelli: All right. Did that answer your question?
- Almberg: You did.
- Borrelli: Thank you.
- Almberg: Thank you very much. Thank you Governor.
- Sandoval: Member Savage.
- Savage: Thank you Governor. Just one brief question. Item No. 47, for the charrette that's coming up April 28th, which I'm very happy about and I'm looking forward to attending briefly during that day myself. I really commend the Department for having this charrette. I know the CA Group, I believe, is doing a traffic study through the Spaghetti Bowl, which is in progress. I'm just wondering—and I hope we get this back 100x, but \$180,000 for the cost of this charrette seems a little excessive. Maybe I'm not reading this correctly, but again, I hope we get it back 10x, because I think it may be very worthwhile. Please try to explain the cost of the high...

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- Malfabon: In order to communicate a lot of the specifics about the process, what we can get out of the charrette, there's a lot of advanced work in developing some concepts to show people that are from elected to public works engineers and just the general public has been invited in some instances for the charrette. To develop those concepts, put them in graphic form and presentation format, a lot of lead in time is needed to prepare for the charrette. It's not just the effort of putting on the one day charrette, but it's all the advanced work. After the charrette, they have to look into those, what's been voted and supported by the group, develop some final reports so the Department can hand off that stuff and integrate it into the traffic study recommendations for the interim improvements in the same area on our freeway system in Washoe County.
- Savage: Thank you Rudy. Has the Department done charrettes in the past, on other projects?
- Malfabon: We've participated in them, but this is the first that I know where we've held one ourselves. As we developed our landscape and aesthetics master plan, they were somewhat a brainstorming format but this is the first one of more recent years that I'm aware of.
- Savage: That's good to hear. Again, I'm looking forward to attending and time is of the essence on the Spaghetti Bowl Project. I'm glad to see the Department moving forward. I know the CA Group's traffic study is due here this fall. Some of the response, so time is of the essence. Thank you Governor.
- Sandoval: Before I move, traffic was backed up from the Spaghetti Bowl all the way to Virginia Street over the weekend. I've seen a couple of rear enders on the way there because of the traffic patterns there. I appreciate that we're moving on this charrette and going forward with the process. No further questions. Mr. Nellis, does that complete your presentation?
- Nellis: Yes sir, it does.
- Sandoval: This is an informational item only. We will then move on to Agenda Item No. 11 which is Condemnation Resolution No. 454.
- Malfabon: Thank you Governor. As you saw, the property owners definitely have some great substantiation on their side, some points that they made. As Ruth Borrelli had mentioned, our offer was for acquisition of the property but they made a counteroffer that included the relocation expenses in that. There are some things

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that we normally want to see from the property owner, as justification which we're not provided. Comparable sales. They mentioned that they're looking for comparable properties to show us that information.

In this case, there's just a desire to maintain the schedule. As I committed to the Board, we will continue negotiations with the property owners. I think you get more of a sense of where they're coming from. We just need more back-up so that we can reach a reasonable settlement with them. If they're struggling with getting comparable sales, I think we need to get out there.

The other thing is the data valuation is based on a certain process. If they're looking at rising property values, that's something that we look at the appraisal at that date of evaluation. They're looking at it, what's it going to be worth today or in the future and we have to take that into consideration. We are restricted by following a certain process. It's just that now as we're negotiating, we can take that into account and into consideration.

Definitely we want to—we prefer a settlement with them as well. I think that they definitely have made some compelling points today in addressing the Board with their representatives and supporters. We'll continue to work towards a reasonable settlement with them.

Sandoval: Communication is key. I don't know how much communication has gone on between the Department and the Watts, but I have the impression that they got this cold offer—I shouldn't call it cold, but an offer and really didn't get any back-up in terms of what it included or what it was not including. They're not here now but—I see someone nodding their head. In any event, just so we keep those lines of communication. A perfect example was the lady that appeared in Southern Nevada. I recall there was some issues associated with her property acquisition and it ended up a great resolution. It was just a matter of sitting down and communicating with them.

I do have a question though. Perhaps this is for Mr. Gallagher, or you Mr. Malfabon. We announce a project and suddenly property values soar. Where do we find that balance where there was a property value, but those property values increase as a result of what we're installing? How do you take all those issues into consideration?

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- Gallagher: For the record, Dennis Gallagher, Counsel to the Board. That's the reality of the world. The appraisers have to deal with that because under Nevada law, the impact of a project shouldn't favor or disfavor the property owner. The appraisers try to strike that balance of, this is what the property is worth. It's not reduced in value, because now there will be this project, or we can't on the other side, increase its value because of its proximity now to the project. They try to neutralize the effect of the project when they come up with their appraised value. And, appraisals, so the Board knows, are always furnished to the property owners. They get a full copy of the appraisal report and all the exhibits et cetera. Often times, they're encouraged, if they don't like the number, which some don't, they're encouraged to get their own appraiser. Certainly staff will take into consideration if the property owner delivers their own appraisal and it's different.
- Sandoval: I will say this, I was incredibly impressed by the testimony that Mr. and Mrs. Watts gave. He even said, he understands that this is progress and development. He just—they want what they, in their hearts, is fair and that should be what we want as well. I think it is what we want. Just to work with them. I was really impressed, I'm not sure staff had seen this. In defense of staff, this was something that was presented today. They also said that they had a realtor out there that I think will provide those comps and things that will be necessary in order for us to reach a resolution. I would hope that we could find one sooner or later to give them a little bit of peace of mind.
- Malfabon: We respectfully request approval of the Condemnation Resolution No. 454 and then with the acknowledgement that we are going to continue to try to find a reasonable settlement with them.
- Sandoval: The Controller had a question.
- Knecht: Thank you Governor. Mr. Gallagher, I appreciate your explanation there about the timing, the need to essentially isolate a point in time where the valuation is made and to make the valuation in a way that doesn't reflect any change in the value of the property due gains or losses due to what the State is doing. My only question in this, just so I understand it better, under Nevada law, is the valuation one that reflects only a kind of original cost idea of existing investment in the property or past investment in the property or does it also reflect essentially the efforts, the expenses that they will have to incur to replace that property. To essentially restore them to—in a different location to their status ex-ante.

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- Gallagher: For the record, Dennis Gallagher. Mr. Controller, it really depends on the nature of the property. If it's, let's say residential, as the case before the Board now. In addition to compensating the property owners for the property, a good portion, if not all of their relocation expenses are paid separately. If it's a business, the same thing, if they move, sometimes there are no relocation expenses because the property owner chooses to take the money and invest it somewhere else. It's really property specific, to answer your question.
- Knecht: It does and it helps. The essence is that, if a market type valuation will cover the circumstances, fine. If there are specific investments that they've made or are going to have to make as a consequence of being required to move when they've already, as the Watts have suggested, made a long-term plan and long-term investment in the property, then that can be recognized. Thank you, that's very helpful.
- Sandoval: Member Savage has a question.
- Savage: Thank you Governor. Briefly, is the Department in other negotiations for right-of-way, specifically to USA Parkway?
- Speaker: Yes.
- Savage: And how many do we have in progress at this time?
- Borrelli: Ruth Borrelli, Chief Right-of-Way Agent, for the record. We have one other property owner that we are negotiating with currently, in addition to the Watts.
- Savage: So, other than that, everything is on schedule as far as right-of-way acquisition?
- Borrelli: We are just entering into a settlement with another property owner, just came to mind, but it's settled. We just have to have the signatures.
- Savage: So we're on schedule for right-of-way acquisition?
- Borrelli: Yes. Yes.
- Savage: Thank you Ruth.
- Borrelli: Thank you.
- Sandoval: I'm going to drift a little bit. Are we good with the BLM as well, Rudy?

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[crosstalk off mic]

Sandoval: Okay. One point, I don't want to go too much, but that the Watts made is, we're all going to be there not long from now. If you've made an investment and in order to—the cost of replacing that exceeds what you have and you can't get into another place, that's something I'm sure we will take into consideration as well.

Gallagher: For the record, Dennis Gallagher. Yes, the Department takes into consideration when it's valuating what it refers to as an Administrative Settlement. So, an amount above let's say the appraised value but they take into consideration various factors such as those that were raised by the Watts today.

Sandoval: Mr. Almberg.

Almberg: Just reiterating back—thank you Governor. Just reiterating back to the point that you just made, when we appraised this property, did we in fact enter that property? Are we just going and making comparables? I don't want to put them in a situation that there is handicapped or accessible items built within that home that we may not have been aware of. If now we're coming back and making them an offer that's saying, hey we can get a comparable home, same acreage, half a mile down the road for this price, but we are excluding the fact that now they need to come in here and make improvements to that home for their accessibility.

Borrelli: Once again, Ruth Borrelli, Chief Right-of-Way Agent. Yes, the improvements are considered in the appraisal. Yes, there was an inspection. I've been told that there aren't ADA access points now, they did have a ramp but they took it with them to Alaska. If changes need to be made to a replacement house, the Department will get bids for the cost of that work to be done and that will be part of the compensation. We need to put them back in the same position they were in.

Sandoval: I think you just said it all right there, thank you. All right, if there are no further questions or comments, the Chair will accept a motion to approve Condemnation Resolution No. 454, as described in Agenda Item No. 11.

Skancke: So moved.

Sandoval: Member Skancke has moved for approval. Is there a second?

Almberg: Second.

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- Sandoval: Second by Member Almberg. Any questions or discussion? Mr. Controller.
- Knecht: Thank you Governor. My only question is, we would be approving this subject to seeing further compensation proposals or settlements coming from the Department, right?
- Malfabon: Yes, this gives us the authority, if we need to, if we're at an impasse still after further negotiations, we could file it with the court. This just gives us the opportunity but as was illustrated with a previous example, we were able to settle before we even had to go through those expenses of filing with the court. It's just in case.
- Knecht: So, we're expediting this, we're not closing off the valuation.
- Malfabon: Right, we're going to continue negotiations, for them to look into all those factors that they raised.
- Knecht: Thank you.
- Sandoval: Any other questions or discussion?
- Knecht: Move for approval.
- Sandoval: No, we were in questions. We already got the motion and the second. If there are no further questions or discussion, all in favor say aye. [ayes around] Oppose, no. That motion passes unanimously. Let's move to Agenda Item No. 12, Direct Sale.
- Malfabon: Governor, this is for direct sale of a parcel off of I-580, US-395, east of Emerson Drive in Carson City. It's irregular in shape at about 3.64 acres. You have the sketch maps available. I wanted to also mentioned that in the Old Business Item, we had a summary that we'll get to later, but on Item 18, Attachment E, the Board had requested information on, how did we do on some of these sales. As you can see, there's several that sometimes we receive no bids on them. We request Board approval to proceed with the sale of this parcel.
- Sandoval: Board Members, any questions with regard to Agenda Item No. 12? Hearing none the Chair will accept a motion for approval.
- Savage: Move to approve.
- Sandoval: Member Savage has moved for approval, is there a second?

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Skancke: Second.

Sandoval: Second by Member Skancke. Any question or discussion on the motion? Hearing none all in favor say aye. [ayes around] Oppose, no. That motion passes unanimously. Let's move to Agenda Item No. 13, Resolution of Relinquishment.

Malfabon: Governor and Board Members, this is more of a housekeeping. As you saw last year, I think the agreement to relinquish it was brought before the Board. It's something that's been in the works for several years. This is the final culmination of that, with the legal descriptions of all the parcels between Second Street and Seventh Street, that the City of Reno is taking from NDOT. This formalizes that process by Board action.

Sandoval: It's too bad Tom's not here.

Skancke: I was going to make a motion just to hold for another month just for fun.

Sandoval: We're good on this, right Rudy? All right. I have no further questions. The Chair will accept a motion to approve the resolution of relinquishment as described in Agenda Item No. 13.

Martin: So moved.

[crosstalk]

Sandoval: I'll give that one to Frank. Member Martin has moved for approval, Controller has seconded the motion. Any questions or discussion? Hearing none, all in favor say aye. [ayes around] Oppose, no. That motion passes unanimously. We'll move to Agenda Item No. 14, another resolution of relinquishment.

Malfabon: Thank you Governor. The City of Las Vegas has requested that NDOT dispose of a portion of our right-of-way next to I-15 between Owens Avenue and Bonanza Road. I know the portion that's next to D Street is delineated on Exhibit A and then there's more of a linear, kind of park area that the City maintains currently, James Gate Park and it makes sense for us to not have any further liabilities in ownership and relinquish those to the City. I believe they want to do some things that will be a nice gateway to the West Side, there at D Street and develop those plans for more landscape and aesthetics in that area.

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- Sandoval: It sounds like a win-win. I have no questions. Board Members? Hearing no questions, the Chair will accept a motion for approval of the resolution of relinquishment as described in Agenda Item No. 14.
- Skancke: So moved.
- Sandoval: Member Skancke has moved for approval. Is there a second?
- Savage: Second.
- Sandoval: Second by Member Savage, any questions or discussion on the motion? Hearing none, all in favor, please say aye. [ayes around] Oppose, no. That motion passes unanimously. We'll move to Agenda Item No. 15 which are amendments and administrative modifications to the STIP.
- Malfabon: I'll hand this over to Sondra Rosenberg and Joseph Spencer.
- Rosenberg: Good afternoon, Members of the Board. For the record, Sondra Rosenberg, Assistant Director for Planning. This is our quarterly update of amendments and administrative modifications to the 2016-2019 STIP. As you recall, this Board accepted that document back in September and we provide quarterly updates on changes to those projects. Typically it's an adjustment in schedule, moving from one year to another, changes in funding. There's a lengthy change in there for Project NEON. It's really just lining up our bond repayment schedules to the latest information. With that, I'd be happy to take any questions.
- Sandoval: Questions from Board Members? Anything else that is significant that we should be aware of, Ms. Rosenberg?
- Rosenberg: Mostly it's just our ongoing changes, changes at the MPOs request, with the use of the e-STIP everything is much more easy to understand, transparent. Everyone is aware of the changes that are going on. We really don't anticipate much discussion on this item.
- Sandoval: Thank you. If there are no further questions or comments, the Chair will accept a motion for approval of the amendments and administrative modifications to the FFY 2016-2019 STIP as described in Agenda Item No. 15.
- Knecht: So moved.
- Sandoval: The Controller has moved for approval, is there a second?

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- Almberg: Second.
- Sandoval: Second by Member Almberg. Any questions or discussion? Hearing none, all in favor please say aye. [ayes around] Oppose, no. That motion passes unanimously. We'll move to Agenda Item 16, Equipment Purchase.
- Malfabon: Thank you Governor. Kevin Lee, District Engineer for District III will present the item to the Board.
- Lee: Governor and Board, I'm Kevin Lee. I'm District Engineer for District III. Here today to request Transportation Board approval to purchase water trucks for the Department's Environmental Program. It's a total purchase of vehicles is approximately \$570,000 from the FY 2016 budget. This was part of our biennial legislative budget for the environmental program. We're talking about two water trucks. One for District I and one for District II. One truck that I'm going to call a hook lift truck because it's sort of a more utility truck for District III so we can use this truck all year round with a water tank.
- Then, Attachment B in your handout is the cost benefit analysis that we did actually, probably a year ago with a higher estimate. These water trucks range from anywhere from around \$180,000 for the water truck, to around \$210,000 for the utilitarian, hook lift truck for the water tank. Any questions?
- Sandoval: I got to figure this button process. Anyway, it seems like we could get a lot more use of those multi-utilitarian trucks than you could exclusively a water truck.
- Lee: And we are looking at that, more often throughout all the districts. In this particular one, they were wanting theirs for some of the flushing needs, where they have the water up front and the utilitarian hook lift truck doesn't have that. We're both looking at our various needs and trying to make those decisions.
- Sandoval: Any further questions, Board Members, with regard to this Agenda Item? Thank you, if there are none, the Chair will accept a motion to approve the equipment purchase described in Agenda Item No. 16.
- Skanche: So moved.
- Sandoval: Member Skanche has moved for approval. Is there a second?
- Martin: Second.

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- Speaker: Second.
- Sandoval: Second by Member Martin. Any questions or discussion? Hearing none, all in favor, please say aye. [ayes around]
- Martin: Governor, I do have one question on something we approved in February of 2015. We approved about \$5M purchase of equipment. I need to know, have we taken delivery on any of that yet?
- Sandoval: Before you answer Mr. Martin's question, I just want to say for the record, motion passes unanimously. And, if you could respond to Member Martin's question please.
- Lee: If the—I'm trying to remember which one that was Frank, or Mr. Martin. Was that for the storm water or was that for—
- Malfabon: Kevin, that was the normal heavy fleet replacement, I believe it was.
- Lee: Okay, I'll let Kenny respond to that, sorry.
- Lee, Kenny: For the record, Kenny Lee, Equipment Superintendent. A good portion of that equipment has been delivered. The dump trucks are in the process of being built right now in Sacramento and Salt Lake. We should take the delivery of the first truck from Sacramento within six weeks. We also have a number of grooms coming in or street sweepers starting May. We also have the culvert cleaners coming in starting in June. Most all of that has been here, other than the very large pieces of equipment.
- Martin: Is the delay in the delivery—I mean, it's been a year, over a year now, almost 15 months, is the delay just in the fabrication or is it in our purchasing system, what's the—
- Lee, Kenny: The delay is in the fabrication. What it is, the bodybuilder will not start putting that together until he has all the components so he can get the truck situated the way it should be so that they're not doing things two and three times. When the truck has a sander mounted in the body, they have to have the sander there when they mount the body so they get the spacing right, so everything fits the first time.
- Martin; Okay, thank you. No further questions.

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Sandoval: Thank you very much. Agenda Item No. 17, Update on NDOT's Storm Water Program.

Malfabon: Thank you Governor. Deputy Director, Dave Gaskin will present this item to the Board.

Gaskin: Good afternoon Governor and Members of the Board. First of all, I wanted to thank you Governor, for the book you gave me last week on the Civil War. Unfortunately, noticed a lot of frightening similarities in trying to build a new program at NDOT with the Civil War, in terms of conflict and logistics and communications. Hopefully, as I get through it, I'll learn some good solutions.

Sandoval: There's some good strategy tips in there.

Gaskin: A lot of strategy involved.

Sandoval: Always have the high ground.

Gaskin: Just a little background, not so much for you that are familiar with the program, but some of the legislators and others that I give presentations to, need to be reminded a little bit how we got here, just with the EPA Audit in 2011 and the Senate Bill, budget amendment and now working forward to build the program and get it implemented.

Speaking of conflict and pain of suffering at the USEPA. Parties have reached conceptual agreement on the settlement terms. That's sort of general but I think we all agree to the technical details in there and the arrangements now, we're just waiting for the attorneys and others to get everything wrapped up. Those legal steps are ongoing. We do have a meeting next week to discuss that in further detail. Not with the EPA but with all the state parties. We're hopeful, I hate to put out a date, but I've heard maybe June or July for signing of the consent decrement. Don't hold me to it.

Just a general status update. We've got the basic managers hired and in place now. We did lose some of our IT folks for various reasons in turnover but now we're getting those hired back. Hiring of the additional staff under the managers is ongoing, including a lot of the compliance and maintenance personnel out of the districts. As you know, about half of the positions are out in the field. Tracy Larkin has been helping very much, coordinating with the District Engineers and getting those positions filled.

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As you heard from Kenny, the major equipment from FY '16 is on order and we've already been receiving some pick-ups and sedans and then the major equipment, we hope to come in, in the next few weeks and months.

Program Development, you've heard that general term but I just wanted to show you some of the subprograms that go into storm water. It's got a lot of different pieces to it. It is fairly complicated, putting it together and so that's a lot of what we're working on now is refining those plans and programs that make up the overall storm water program.

Maintenance yards are a big part of our image. We really want to show our employees and the public that NDOT is being very responsive to storm water, as well as showing NDEP and EPA. If we were able to go out the backyard here, you'd see a lot of improvements continuing to be made on the Carson City Yard, the Reno Yard is an excellent example, some of the improvements up there. We're continuing to look there. A lot of yards out there in Nevada, something very old and most of them in need of help in terms of overall condition, but in storm water in particular. We're continuing to really be aggressive in addressing those.

Next, just a part of a lot of my workload is meetings and presentations. We're working with a lot of different parties in the storm water world. The Advisory Committee that was set up by SB 324. Interim Finance Committee, I go before on Thursday, to give them an update. SQMC, Storm Water Quality Management Committee, the jurisdiction down in Southern Nevada, we are coordinating with them. Associate General Contractors have frequent meetings to communicate what our program is doing, what it will do and how we can work better together, as well as Nevada Contractors Association. A lot of different parties we're talking with.

As well as internally, the resident engineers, the ones that are out making the construction projects go for NDOT, we had an RE meeting in Elko in March and Wednesday of this week, we'll be talking at the RE Academy, up in Reno. Just to make sure they're familiar with storm water and the detailed requirements for that.

Now I'd like to ask Kim Smith, our Storm Water PIO to give you a little update on public outreach and social media.

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Smith: Hi there, and thank you. Kim Smith, NDOT, Public Information Officer with the Storm Water Division. We've been pretty busy with the communications team, building our outreach program. One of the platforms that we're really focusing on is social media. As you can see, we're doing weekly posts and between January and March, we've done Twitter and Facebook; we've done storm water focused posts. 63,000 plus impressions on Twitter and over 9,000 people reached on Facebook, which is pretty great.

Also, with the help of our Digital Media Specialist, Chalay, we've been producing NDOT Storm Water News Videos and the one that we're going to watch right now is the latest update from Deputy Director Gaskin. [video plays] The videos are posted on our YouTube channel and also on social media. They're open to the public as well as employees. The goal is, internal and external communication, back and forth so we can get some feedback as well.

In your packet, you should have some facts sheets, on the left hand side. What you see here. These fact sheets were created by our Program Manager, James Murphy, along with Stantech, our consultants. These are available on our website. They're sent to business owners or home owners who may have had an illicit discharge issue reported on their property. The purpose of these fact sheets is to provide tools and education to help the business owners or home owners correct the illicit discharge issue with best management practices. We provide them tools, education and the goal is so that we can focus on utilizing compliance steps and measures. These again are available on our site.

On the right side of the slide that you see here, we created a new storm water brochure geared towards kids. We wanted to present storm water education in an informative yet fun and engaging way. Barron in our media department with his NDOT team, he created our Clean and Happy Water Drought character named Drip. You can see him featured here in our brochure, he's also on our website. Drip is a Nevada Water Drop and you can see that he has a Nevada watermark stamped on him. As one student said to us at a recent outreach event, he looks so happy because he's clean. We don't want Drip to be sad, so we have to make sure that we don't pollute our waters. It's kind of a neat way for kids to kind of engage with us and understand clean water but in a fun way. In the inside of the brochure, we have a fun interactive map, with kind of a game that we call, Name the Hydro Regions. Carl Yonkers, who is in our mapping and cartography Department, he created this map along with Barron and our Media Department, it

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includes the Nevada State Map, all the of the Hydro Regions. Then we have some cartoons in there that have some fun and educational storm water lessons.

We've been busy doing some public outreach and meetings. I recently went to the STEM Steam night and this is the Science, Technology, Engineering Arts and Math event at Eagle Valley Middle School here in Carson City. We had a little storm water display and the Program Manager and myself and our training department went and talked to the kids about the careers in sciences and also storm water information. We just did the Nevada Environmental Association Conference that was here at the Nugget in Reno. The I-15 Project in Las Vegas, we attended the public meeting there. We'll be attending the K-Rock Meeting as well as SR 28 and partnering with other NDOT groups at different events in all of the districts.

The website updates, you heard about those updates from Deputy Director Gaskin in the video. We've included quite a few things here so we can make the information really easy for the public to get. We have educational information, illicit discharge reporting form and a comments form. Frequently asked questions, emergency contacts, public involvement information, educational materials, resources and documents for consultants and contractors if they need them. We plan to continuously add and promote all of this information and add new media items as well.

Gaskin: Thank you Kim. This is Dave Gaskin again. I don't want to dwell on Lake Tahoe but I did want to let everybody know that we're really using Lake Tahoe as sort of an experimental ground for storm water to see what new technologies and modern methods really work and are most effective. We're pushing really hard to get storm water out to the rest of the State, not to the same level as at Tahoe, but using those lessons we've learned on what really works well, we can get that to the important parts of the rest of the State.

As I'm sure you know and I managed the Lake Tahoe programs when I was at NDEP and I come over here to deal with Lake Tahoe issues, it's hard to get away from, but a lot of great success stories up there and a lot we can do, just as a Department of Transportation, on our own and working collaboratively with the other jurisdictions up in the Tahoe Basin. It's a lot of effort, but there's a lot of benefit as well. A lot of current projects continuing to go on.

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Asset management, you heard a little bit about from Rudy before. The consent decree with EPA requires quite a bit of modern automated inventory and mapping capabilities. We really are required to be able to locate and track all of our storm water components, all the culverts, all the ponds. Everything out there, throughout the state and in an integrated fashion address those. Make sure that they are inspected. Make sure they are maintained at an appropriate interval. Make sure that they are repaired. It takes a lot of IT horse power to do that. I think this is really good timing for us to come in, kind of at the ground level with what is really needed. Right now, NDOT has a lot of standalone inventory systems that don't really work with each other, but an integrated asset management system can really help pull it all together throughout the Department.

I mentioned, unfortunately we don't have that today but we are working jointly with all the other divisions and particularly with our IT group to develop the enterprise asset management system, which pulls together all the assets of the whole department and allows them all to be automated and integrated so we can work a lot more efficiently and effectively and work with each other. So that storm water can work with maintenance that can work with construction, inspectors. Everybody works together with the same information and it's all in one place and well organized.

In the short term, to meet the consent decree, we're going to have to develop or borrow a number of interim asset management strategies but hopefully, as I said, this is good timing for us because we can be in on the ground floor. Storm water can be part of that overall asset management system for the Department. You'll be hearing about the [inaudible] System in the upcoming meetings in the very near future.

Just to summarize. We are building a dedicated storm water division. We really focus on meeting and exceeding all the requirements. It's been a great experience working with all the divisions at NDOT and we're making a lot of good progress and look forward to continuing that in the future.

Sandoval: I appreciate your report. I was just thinking to myself, I want to thank you and your team and everybody at NDOT. Where we were when that inspection happened and where we are now is light years. I want to pass on a really kind complement that I received from EPA in terms of your leadership and what NDOT has done and what the state has done in terms of turning this whole storm water issue around. Essentially, they hadn't seen anything like it in such a short

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amount of time. We really have done well. We'll get this case resolved, hopefully in the very near future. Frankly, what I know about it, it's a very good result for everybody. This is something to be proud of, really proud of and it's Tahoe-centric in terms of what's happening here, but we're making improvements throughout the State. It is the right thing to do. When it comes to drinking water and water quality, at all levels. I'm really impressed.

In terms of the media presentation, it really is great to have professionals in terms of the presentation and the camera work. It really is good. That is something else that I think is really going to help the messaging in terms of what we're accomplishing.

With another hat that I wear, in terms of up at Tahoe, we've improved water quality dramatically up there. This really continues that momentum. Maybe it will be back to that day like Mark Twain talked about it. You have that 100 feet of clarity. We're what, at 70 feet now? Four or five years ago, it was only 60 feet. We're seeing some really incredible improvements. I really think it's going to improve even more dramatically given the storm water projects that are included as part of the construction. Really good stuff, thank you Mr. Gaskin.

Any other questions or comments from Board Members? Frank, anything from you?

Martin: No sir, thank you.

Sandoval: All right. Thank you very much.

Malfabon: Home stretch.

Sandoval: I'm going to lose my bet. I said 1:00, but—

Malfabon: You might still win. Who bet against you is going to ask questions. [laughter]

Skanche: I would like to state for the record that Member Savage said 11:30.

[crosstalk and laughter]

Sandoval: I've got a little bit of an advantage though because I get to run it. Let's move on to the next Agenda Item. Rudy?

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Malfabon: Thank you Governor. It's under the Old Business. We have the Outside Counsel Costs and Open Matters Monthly Litigation Report. Dennis Gallagher is prepared to answer any questions from the Board Members.

The Fatality Report, unfortunately shows a trend in the wrong direction for motorcyclists. It really pops out at us with the nine additional fatalities compared to this time last year in Clark County. Pedestrians also, and as you noted Governor, we had that project on Blue Diamond Road that provides a couple more traffic signals which will help pedestrians crossing that arterial road in Las Vegas.

The other thing is we have an update on Naturally Occurring Asbestos and one of the key takeaways is that we're deferring the testing outside of the Southern Nevada area until after we do the geological mapping. So we're not doing a lot of extra effort that's unnecessary until it's appropriate, after we do the mapping, we'll do some additional testing. We wanted to make that point clear and give you an update on where we're at with that statewide study.

As well as providing the summary of the Auction Information. You see there, 15 properties, eight didn't receive bids, but we are going to have some interaction with some real estate brokers and put some for sale signs up there because often, if we don't put that notification up there, people that are driving in those neighborhoods might have an interest in that property and they'll see that sign and know who to contact. Hopefully we'll continue with those eight that did not sell. Six of them sold and one also had a future sale, after the auction. At least nearly half of them were on the right track of getting the offers made and getting those parcels sold.

Any questions for the Board, on these items that are Old Business?

Sandoval: Just on this asbestos testing, so I'm still not clear. I thought we were going to limit the scope of that contract to down there and I see in here that testing in Northern Nevada commences.

Malfabon: Go ahead John.

Terry: Once again, John Terry, Assistant Director for Engineering. At the Board Meeting we asked that you approve the study so we can start on our critical projects in Las Vegas, specifically the material sources that were being used on other projects down there. And, we went ahead with that, with the expectation we would come back this month, to say where we're going before we move forward

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with testing in the North. What we're saying now is, there is not going to be any testing in the North until this geologic mapping as well as the stuff in Northern Nevada continues. We will come back before any testing in the North happens, if it does need to happen, with a full presentation from our consultant group on the results of the geologic mapping as well as what's happened in Southern Nevada. I feel like, we're doing what we said, we're not doing any testing up in the North. That part of the scope has just been set aside. We won't do it until a presentation has been made to this Board on the overall results of the NOA. We just are making that presentation a little later than I had anticipated when we sat at this meeting.

Sandoval: Okay, I just want to make sure that we all have a mutual understanding with regard to the scope. I'm curious what we're finding down South, because RTC's piece of this is much larger. Ms. Quigley is not here but I did read her quote that said they found more desert tortoise than they have asbestos fibers. I just am curious about what we're—

Terry: I would like for our consultants to give a more detailed examination, but as you said, we're not finding the naturally occurring asbestos outside of the Boulder City Project, the pits that we have tested in the area for the most part have been clear of it. The findings in the Boulder City Projects have been at or below what was anticipated to be found out there.

Sandoval: So this is important. We didn't know this but I want to make it crystal clear for the record, what we know as we sit here today, there is no public safety, health and safety risk or hazard out there.

Terry: We believe we are dealing with it with the Boulder City projects and we believe that we are being proactive and looking at other material sources, before we clear them for use on our project specifically putting landscaping rock. We're not finding it, but we think it's due diligence to be out there testing for it before we bring it into the City.

Sandoval: I'm not questioning that, but at this moment in time, there's no risk. There's no public safety hazard out there.

Terry: I believe that's true, yes.

Sandoval: Any other questions or comments, Board Members, with regard to Agenda Item No. 18?

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Martin: I have one sir.

Sandoval: Member Savage. Oh, let me go with Frank and then Member Savage.

Martin: Back in the Monthly Litigation Report, you have got listed AdAmerica under Inverse Condemnations, I thought that we had settled that case, or that it came to some kind of a fruition, didn't it?

Gallagher: For the record, Dennis Gallagher. Board Member Martin, at one time we had three separate litigations involving AdAmerica. We have resolved one, the other two are proceeding.

Martin: Okay, I guess I missed that piece, thank you.

Sandoval: Member Savage.

Savage: Thank you Governor and Mr. Director and Ruth, I want to thank you for the summary on the auction unsold items. I thought that was very beneficial. It looks like there's about a \$3.9M unsold properties within the last year. I'm glad to see the Department is being aggressively marketing, in these economic times that we're in. I would think that we'd be able to sell that property and use that \$4M for some roads or some safety equipment. Again, I thank you for the summary and I look forward to selling that property. Thank you Governor.

Sandoval: Any other questions on this Agenda Item? Let's move to Agenda Item No. 19, Public Comment. Is there any member of the public here in Carson City that would like to provide comment to the Board? Any public comment from Las Vegas?

Martin: None here sir.

Sandoval: Is there a motion to adjourn?

Skanccke: So moved.

Sandoval: Member Skanccke has moved, is there a second?

Martin: Second.

Sandoval: Second by Member Martin, all in favor say aye. [ayes around] That motion passes unanimously, this meeting is adjourned. Thank you.

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Secretary to Board



Preparer of Minutes