

Minutes of Nevada Department of Transportation
Board of Director's Meeting
March, 10 2014

Governor Brian Sandoval
Controller Kim Wallin
Frank Martin
Tom Skancke
Len Savage
Tom Fransway
Rudy Malfabon
Dennis Gallagher

Sandoval: ...call the Nevada Department Transportation Board of Directors meeting to order. Can you hear us loud and clear in Las Vegas?

Martin: We can. Can you hear us?

Sandoval: Yes, we can hear you clearly as well. Member Skancke and Member Martin are attending from Las Vegas. We will commence with Item 1 of the Agenda, Director's Report. Good morning, Mr. Director.

Malfabon: Good morning, Governor, Board members. I have a few things to report today. First slide -- next slide, please. So a couple weeks ago, my deputy director from Southern Nevada, Tracy Larkin, and I were able to visit with our delegation. It's the annual meeting of the state DOT directors that can be present to attend what's called the Washington Briefing.

What's -- the best part of that is often -- it was the first time that we've heard from our new USDOT secretary, Anthony Fox. He's a former mayor, new in the position, but he gave us a good overview of some of the objectives promoting more innovation in transportation. There's been a lot of movement in the federal leadership on the transportation side. Victor Mendez, who used to be the administrator of FHWA, is now the deputy secretary for USDOT. And we also heard from many of the modal administrators in rail and transit, and some of the other areas that don't have as much presence in Nevada, such as ports and waterways.

But it gave us the opportunity, as I said, to meet one on one with our congressional delegation, and they were -- made themselves available to us. Governor, I wanted to thank you for the assistance of Ryan McInnis. He was very helpful in arranging the one-on-ones with the delegation.

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We also had a lot of discussion about the future Interstate 11, what's happening with the current construction projects. And you'll get a briefing later on that issue, on the current construction projects. But also what's the future of I-11. And Sondra Rosenberg, our project manager on that study, was able to brief the delegation as well as a large meeting of all the staffers from our delegation concurrently with the Arizona DOT director, John Halikowski. They gave a presentation. Very informative.

The big issue -- next slide -- was the -- just as we were meeting, the president and the USDOT Secretary Fox, were in Minneapolis for the unveiling of the president's budget. It's a \$302 billion budget, but they did announce that TIGER grants, the next round of TIGER grants has been released and announced. So we have, I believe, sometime in April to -- for the recipients to recommend and submit projects for that. We're generally supportive of all the Metropolitan Planning Organizations in Nevada that submit projects. A lot of the focus on TIGER grants is for multimodal projects, so if you have connections between highways and rail and transit, buses -- or bus rapid transit, it's a good opportunity to get those types of projects funded.

The significance, though, was in President Obama's budget. It's a four-year transportation bill that he's proposing. \$302 billion is a significant increase, over 20% increase. You can see some of the breakdown of highways, transit, rails and continuation of the TIGER grant program in the future in that four-year period. But what's important is that there is a gap to fill in the Highway Trust Fund. There's -- the spending levels that were authorized under MAP-21, the current highway bill -- or transportation bill, were exceeding the amount of revenues going into the Highway Trust Fund from federal gas tax.

So this bill from the President is going to propose a 60 -- the budget proposes filling that gap of \$63 billion over that period. Next slide. This shows the situation that we're currently, and we heard a lot of concern from AASHTO, from the DOTs present about the fact that the Highway Trust Fund is projected to run into the red towards the September time frame, right about when MAP-21 expires. So either there will be an adjustment to what the state's received going forward, even if Congress just passes a continuing resolution to continue the current requirements under MAP-21 without a new transportation bill. They can't just assume that the same

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amount of funding will be distributed to the states, because of the Highway Trust Fund insolvency.

Sandoval: Rudy, why does it fall off the cliff like that?

Malfabon: What Congress did was they had MAP-21, which is a little bit over a two-year bill, and they had so much money in the Highway Trust Fund, but they authorized spending levels in excess of what the revenue was coming in. So eventually it was going to occur and it just -- that's the time frame. It just happened to coincide with the expiration of MAP-21. So they knew that this was going to happen, but what's happened in the past is that there's been an infusion from the general fund from the U.S. government into the Highway Trust Fund to keep it solvent. And there's concern that that might not happen this time. Any discussions about revenue increase don't have a - - there's not a lot of appetite in Congress right now for any type of fuel tax increase.

And there's been discussion of other means of funding this gap. They've talked about tax reform, and there's been a proposal for tax reform. It's just that it's a huge issue to tackle this year by Congress, and we're going to be watching this. What we're doing is looking at ways to address our -- if the federal funds are cut, how to address that. Primarily, cutting projects. So it's a concern for us because these transportation projects provide a lot of jobs. They promote economic development, and it would be a terrible situation for us to have to cut our work program.

Obviously, we're going to keep the Board informed of what's happening in Congress and those debates. They want -- we heard both from the Senate side, Chairwoman Barbara Boxer, and on the House side we heard from Bill Shuster about their intentions to work together to try to have a mockup of the next transportation bill done around April. It's going to be a huge issue this year as they try to get that through. But they have shown the ability to work together between the House and the Senate to get a water resources bill passed recently. They're just in conference right now trying to settle on the differences and the two versions of the bill. So there is some opportunity there to work together. It's just a huge issue based on the revenue having to be raised somehow to make up that gap.

Sandoval: And it's, at least, in the discussion that I had on one of the National Governors' Committees that I sat on was that it's likely that this whole

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discussion is going go to the last moment, similar to some of the other budgetary issues that have been confronted in Washington.

Malfabon: Yes, it's -- what we're hearing is that it might be part of some larger bargain -- or budget deal between both sides of Congress and the Administration. So they are aware of it and there's -- it's just of the, probably, a bigger discussion that's going on currently with the deficit and spending and the debt ceiling. So hopefully they'll come to an agreement. What's important for us is to have some assurance. The point that we made to our delegation was we would like a long-term bill so that we know how to make those investments in some of the larger projects that we deal with.

Sandoval: But by the same token, we've got to start planning.

Malfabon: Yes.

Sandoval: Planning for if it goes there. So when will we, we being this Board, start having the discussion if those decisions have to be made?

Malfabon: Most likely...

Sandoval: When will that information be presented to us?

Malfabon: We're thinking that in May we will be bringing it forward. We're going to have a meeting later this week to discuss what are the options available in terms of cutting some costs. And as I mentioned, primarily the bulk of the federal money goes to projects, so it would be cutting projects.

Sandoval: Because we have a lot of spending in this Agenda today.

Malfabon: Yes.

Sandoval: And does that -- is that comparing apples and oranges, what we're approving today as to what's coming up?

Malfabon: It depends. Some of the things such as the research funding was state funds, so -- we try to maximize the amount of federal received by using the state funds to match it, but eventually we use all the federal funds available...

Sandoval: Yeah.

Malfabon: ...and we have state funds...

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- Sandoval: Well, we can talk about it then, but that's part of my concern is that \$20 million that we spent on research and now another million for more research, when we're looking at that and how that can affect projects.
- Malfabon: Yes. Next slide. You can see that on this slide there's a transit account that's separate from the highways account, but it's the same situation. In September, it's going to get down to the bare bones.
- Sandoval: And, Rudy, just one more thought before I lose it is I'd also like to know as we -- as we get further into the year how that funding, if whether that affects Project NEON.
- Malfabon: Yes. That is definitely -- we would want to know what's going to be happening, because by -- the timeline for Project NEON is towards the end of the year. We will have a team selected or recommended to the Board and negotiating a long-term contract. And it's going to be something that we have to consider; how much are we going to be receiving in federal, because that's what a lot of the availability payment is about on that project. So definitely has to be a consideration for the Department and for the Board later on in the year, so...
- Sandoval: Member Fransway.
- Fransway: Thank you, Governor. I would ask the same question as the Governor did relative to will it affect Boulder City Bypass funds.
- Malfabon: It's possible, and the presentation later will show you some things that are affecting the Boulder City Bypass project, the future I-11 project for NDOT's phase. Because we're talking about a delay to that project for the major portion that we were planning on doing this current federal fiscal year, it looks like an issue that we ran into is going to make it slip a few months, but that puts it in the next federal fiscal year which is not a clear picture yet. So it could affect that project, but we're hoping that it doesn't.
- And I handed out this document called The Nation at a Crossroads. It's a -- the -- what AASHTO did in putting this together was to try to make the information more graphic so that it's more readable and understandable rather than a bunch of pages of text on the issue. But obviously, as I said, the issue was what won't get done is projects and those projects affect congestion, mobility primarily in the urban quarters, jobs and economic

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development. And just an idea of what it means to the nation if this issue is not addressed in a timely fashion. So if there's any other questions on that issue for the Board.

Sandoval: Member Fransway.

Fransway: Thank you, Governor. Yes, Rudy, did you get any feel that there was any federal discussion relative to VMT?

Malfabon: They are looking at VMT. They mentioned it a few times, but it was mentioned in terms of a long-term -- very long-term solution, not for this year's issue.

Fransway: Thank you, Governor.

Sandoval: Any questions from Southern Nevada?

Malfabon: Okay. You can forward to that blank slide. And I wanted to mention that we do have, this week, a settlement going to the Board of Examiners for their consideration. It's associated with Warm Springs Bridge over I-15, which was part of the I-15 South design-build project. So it's been through negotiations. We did reach a, what we consider a fair settlement that will meet the needs of both parties. It is in the amount of -- the settlement is -- the total amount that we're paying the property owner is \$125,000 for the easement on their land. We had to do some acquisitions and move a power line over as part of that bridge construction at Warm Springs. But about half of that was additional negotiations with the property owner, and we feel it is a fair settlement. And a lot more detail is being presented tomorrow to the Board of Examiners on why we felt that that was a fair settlement.

The other thing I mentioned is we -- there's been a delay on what's called the rulemaking process. Under MAP-21 it was about a two-year bill, but it had a lot of new policies related to performance measures. The first one coming out is on safety. So we -- as we report on a monthly basis to the Board on our fatality statistics, that's the type of measure they're looking at on the national level. But the rulemaking is important, because we want to know what effect does it have on funding or any kind of policy requirements from the Federal Highways Administration or National Highway Traffic Safety Administration.

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The schedule is off a little bit. They wanted to get these rules, the potential rules out last year -- late last year, but they missed that deadline. So we're anticipating that in a few weeks we should have the first of those federal rules out on the safety performance measure. What we'll do is discuss that with the Board and in concert AASHTO does a lot of getting some of the feedback from the states and how they're affected by those potential rules.

Next slide. I wanted to talk about some issues, and my sense is that, definitely, we want to keep the Board assured and informed of certain activities and items. We had an issue to talk about last month with interlocal agreements. And you'll see that interlocal agreements are actually provided for your information and there's another -- an Agenda item later to discuss about how we address that.

But it's important for us to have transparency as an agency, I think, and to have the Board's confidence. So what we're going to propose bringing back to the Board for your approval is trying to look at hiring through a request for proposals, competitive process, hire an outside auditing firm to come in and look at certain areas to be discussed. But what I looked at in consideration was we had the issue with interlocal agreements and the fact that there's a lot of money that we enter into associated with these agreements. They're primarily associated with projects, but also could be related to research programs and other service types of -- where we're talking between two public agencies.

Also, there's issues. Recently, I attended the mandatory class on internal controls. And we have a lot of money that goes out through purchasing through the stockrooms. Obviously, we use state purchasing for the large items, but there's a lot of money that goes out through these purchase cards that we have. And that's another area that we could look at; a significant amount of cost associated with purchasing. And there's a lot of other operational issues. I had a good discussion with the three district engineers and Equipment Division about some other areas that we could look at.

Equipment is typically one of the fairly frequently audited items at the Department. And we really want to focus in on some other areas where we might gain some efficiencies and improve the way that we manage certain contracts, for instance. Do we have the proper controls in place when we're managing service contracts? Often there are given to some folks that might

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not have the training on what to watch out for or what's a reasonable amount of documentation. We don't want to wait until the end of an agreement to go back to that service provider and say three years later, okay, we audited your contract and you didn't give us enough information, although we paid the invoices. So we want to perhaps look at that area as an area to improve efficiency and perhaps provide more training to the people that administer contracts.

But more discussion is required, and I just wanted to make it a point that we definitely want to be transparent in what we do and look for efficiencies and improve the way we do business at NDOT. So more to come in the future. Probably in a couple months we'll bring this back for more deliberation and consideration and direction from the Board.

Sandoval: Who do you have in mind to conduct the audit?

Malfabon: We've heard of some firms that are able to do efficiency audits for government agencies. We want to, as I said, make it competitive proposal, an RFP. So we did get the name of one firm. The name escapes me, Governor, but we could provide that to the Board.

Next slide. That was it for the -- I wanted to kind of keep it short and sweet because I have a full Agenda, but I'm willing to have any other questions. I wanted to mention our Blue Diamond Signal project is on schedule, and we're looking at just combining it as one project. The group that was doing the design felt that it wasn't necessary to split it up into two. My concern was that we could meet the schedule and not delay having the installation before the beginning of the school year. But they feel confident that they can meet that schedule. We'll have a very quick advertisement period that's the minimum allowed by NRS. So we feel that we can meet the schedule and do the acquisition of the poles through state purchasing so that we can provide them to the contractor and still gain time on that schedule.

Sandoval: Any questions from Board members for the Director on the Director's Report?

Skanccke: Governor?

Sandoval: Yes.

Skanccke: Tom Skanccke.

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Sandoval: Please proceed.

Skanske: Good morning. I just wanted to back up for a second. Tracy and Frank had to pick me up after the -- off the floor after the comment on the trust fund. And now that I've recovered, I had a couple of questions and a couple of comments. The fact that we're \$51 billion short, potentially, has a significant amount of impact on our state and our nation as a whole. And to conversations that have happened in the past, and I'm not suggesting that we do anything, but just to shed some light on the process.

You know, the federal government has had conversations for years on how we collect the trust fund dollars and what's the future of the trust fund. My instincts tell me there's not going to be any of these discussions in this next authorization, because they've kicked this can down the road for so many years. But I think it's important for us as a state to take a look at the impacts of -- I was just talking to Tracy -- the impacts of electric vehicles, hybrids and the new café standards to get more miles per gallon. And what the state is going to need to do in the future -- and I'm not suggesting that we take a look at options. I think we have to take a look at impacts first and then have a conversation about solutions. We don't know the full impact of these new standards and these new vehicles.

If, for example, you take the Tesla manufacturer, Mr. Musk's, comments seriously about his increased production of the Tesla vehicle and providing a \$38,000 product that's going to make that car more affordable. That's going to be -- have a significant impact on the trust fund, both here in our state and across the county, and I think we as a state need to be proactive to find out what the impacts are today so we can have a serious conversation about what's going to happen tomorrow. It's significant, Governor.

Please keep in mind that -- I know you've had conversations in the past about VMT. The federal government and the Federal Highway Administration that has said -- and there is conversation after conversation about this -- it will take the federal government 17 years -- 17 years to implement a new Highway Trust Fund account or implementation, if you will, of a VMT or any type of other funding mechanism. And so if that is true, we're already 17 years behind the ball here.

So my suggestion to the Department would be to be a little more proactive on impacts. So I think you as the Governor and the Chair of this Board and

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us as members can actually see what those are going to be so we can make really good educated decisions and not emotional, irrational things based upon a crisis. Thank you.

Sandoval: Thank you very much. Any comments? Mr. Director.

Malfabon: It is definitely a long-term issue that we're going to have to address. Part of the discussion in Washington, D.C., a couple weeks ago, was about that issue of fuel efficiency and the trends that we see. So definitely moving away from the present method of cents per gallon that's charged for the federal gas tax was discussed. One of the options is looking at a -- like a sales tax, a percentage of the sales price, but that doesn't address the issue of fuel efficiency in the long-term. So definitely discussions about a distance-based fee are being held and considered in Congress, but it is a long-term solution and has to be addressed eventually.

Sandoval: Madam Controller.

Wallin: Okay. Thank you. Just to kind of follow up on Member Skancke's comments. I think it was December, or maybe it was November, but we talked about the VMT and we talked about joining the consortium...

Malfabon: Yes.

Wallin: ...and we put it off, and we said that we would bring it back. Do you know when we're going to bring that discussion back to the Board?

Malfabon: It's at the direction of the Board. We can bring it back either next month or the month after, whatever the Board's pleasure is.

Wallin: Okay. All right. Because it think it's something that we should have the dialogue and...

Sandoval: Yeah, and although we haven't joined that consortium, it's my understanding that we are still participating with other states in looking at this and...

Malfabon: Yes, we have our current study.

Sandoval: Yeah, and we have a study that's being conducted by one of the universities on the issue as well.

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- Malfabon: Yes, we help up one -- the next phase of the study, which you were trying to accelerate, but it's best to just wait for the information to come in and build off of that current study which is about halfway complete before we go forward with our next phase.
- Sandoval: Mm-hmm. Okay.
- Wallin: Then I just have follow-up for your hiring an outside auditing firm. I think that's a great idea. I know that my counterparts, comptrollers from other states, a lot of other states have done that and stuff. And what I'll do is -- and I can't think of the names of the firms that do that, but I will get you a list of names as well.
- Malfabon: That'd be great. Thank you, Madam Controller.
- Wallin: Actually, their conference is here in Reno this week, so that'll be perfect so...
- Malfabon: Oh, and I -- that reminds me, Governor and Board members. I wanted to mention that our annual bike and ped conference is going to be held the next two days, Tuesday and Wednesday, in Reno. So I'm going to be giving opening comments, but definitely a good opportunity to talk to folks that are looking at more bikes sharing the road with cars and buses and those issues. Definitely something that we're focused on improving in the future and looking at sidewalks and Americans with Disabilities Act compliance at the Department.
- Sandoval: If there are no further questions or comments, we will move on to Agenda Item No. 2, public comment. Is there any member of the public here in Carson City that would like to provide comment to the Board? Is there anyone present in Las Vegas that would like to provide comment to the Board?
- Martin: None, sir.
- Sandoval: Okay. Thank you. Agenda Item No. 3, February 10, 2014 Board minutes. Have the members had an opportunity to review the minutes and are there any changes? If there are none, the Chair will accept a motion for approval.
- Wallin: Move to approve.

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Sandoval: Controller has moved to approve the February 10, 2014 meeting minutes. Is there a second?

Savage: Second.

Sandoval: Second by Member Savage. Any questions or comments on the motion? All in favor, say aye.

Group: Aye.

Sandoval: Opposed no?

Martin: Aye.

Skanche: Aye.

Sandoval: Motion passes. Move to Agenda Item No. 4, Briefing on the university transportation center.

Malfabon: Thank you, Governor. I'll just present this item. The university transportation centers are centers that -- where universities combine together in groups to compete for USDOT research funds. We've been doing this for several years. University Nevada of Las Vegas previously had been selected through an earmark under the -- I think it was SAFETEA-LU, which was the transportation bill before MAP-21. So it's something that's been common, but we feel that it's important to bring it to the Board for your consideration in currently and going forward with this type of expenditure.

It is significant, but we feel that we are doing -- we're getting some benefit out of the research, and we have a very good process with the university. The members of this consortium of universities and this UTC are the University of Nevada, Las Vegas, University of Nevada, Reno, Desert Research Institute, Arizona State University and University of New Mexico.

The name of this consortium is names SOLARIS, and Dr. Zong Tian from the University of Nevada, Reno is here today to answer any specific questions you may have. But the idea is that these groups of universities receive the funding. And because it's federal funds, you have to match with (inaudible) services -- labor, for instance, or local funds. In the case of this Agenda item, we're requesting the funds to be matched using state highway gas tax revenue. The total amount that they -- that SOLARIS received is

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\$1.414 in \$100 per year for two years. And they would be conducting the research between this year and up to September of 2017.

They did ask for support from other states, as I mentioned Arizona, New Mexico have universities that are involved in this group. And in the case of those agencies, they didn't have -- the DOTs, at least, didn't have any funding in the current fiscal year available. The timing of these grants doesn't align with our regular research program, and that's why we gave you the -- in your Board packet you have kind of the research cycle as shown as Attachment B. So right around this time, we start -- are starting the process so that by the time that the new federal fiscal year starts we have an approved research program.

What we anticipate doing in the future is to bring that research program to you so that you're informed about the research program that we fund on a regular basis through a certain portion of the research funds -- of the federal funds that we receive has to be set aside for research specifically. But this in addition to that, and it's state funds, as I mentioned, because you have to -- you can't match federal funds to federal research funds.

So in general, our process is for research we have an advisory group that consists of certain division chiefs at NDOT. So Materials Division, Bridge Division, Roadway Design and Construction, as well as others. The more technical divisions review these research proposals, they rank them and then they're approved by the assistant directors and deputy directors at the Department. So there's a process and that second group is called the Research Management Committee. So there's a process in approving the research program. It's just that we want to be more transparent in the future; bringing that to the Board on an annual basis as that cycle continues. This is not in that funding cycle because it's -- they often don't receive the grants on a -- same time every year. It's a competitive process this time around. I mentioned the UNLV grant. That was actually earmarked through actions by our delegation in a previous transportation bill. This one was a competitive process. So they don't know if they're going to receive it when they apply for it, and they just received notice late last year that they did -- were successfully selected as a recipient of these federal research funds through the RITA program.

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So I wanted to basically make the request to the Board to use the state funds to match the federal research funds available to this university transportation center called SOLARIS. Any questions?

Sandoval: No, and thank you, Director. I mean I'm going to look back to my comments before, which is if we're looking at not having -- of having to make decisions later on of whether we're going to have to eliminate some road projects, is it prudent for this Board to be putting money towards research?

Malfabon: And Governor and Board members, I believe it is because as just with a business that is looking at improvement, some of the things that the research program provides to NDOT is new products, new methods that can gain us efficiencies or save us money. In some cases, it would be study materials where we can use more advanced materials that could actually save cost in the long run because of longer performance. In other cases, it's how to have -- how to improve safety for pedestrians or motorists. How to move freight better was one item. The issue of materials also is both from the concrete side, asphalt, cement -- any kind of innovative use of materials that we're looking into, research usually gives us the answers; with our materials in Nevada, will it work; will it give us the results that we want to see.

So definitely there is a process in ranking the proposals that we do receive from this -- from SOLARIS. And it involves several people at NDOT to make sure that we're selecting projects that give us some bang for the buck. It's not just a waste of money.

Sandoval: Well, and I -- and I'm not suggesting that it's a waste of money, but we have just spent \$20 million in research over the past two years. And I don't have those in front of me, but vaguely I recall us having studied asphalt, having studied safety; and are these studies going to be redundant?

Malfabon: No, they're usually -- some of the new changes, for instance in asphalt, has to do with new products that they do, new additives to asphalt. So it's constantly changing and improving, and we want to make sure what we receive -- because say, for instance with asphalt, we are supplied by this region's suppliers. We constantly are doing research, yes, on materials that we receive, but they're also constantly changing. Sources of crude oil changes. So we do have to look at things from time to time to make sure that we're looking at the current state of materials and what have you,

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whether it's a useful tool, software programs that are new that we can apply. We do -- things are constantly changing in our transportation world, so...

Sandoval: Well then what good are those other studies.

Malfabon: Well, they -- I don't want to downplay the benefit of some of the previous studies, but things are definitely -- you can see the same subjects being looked at, but it's always something that's new or significant in programs or materials. In looking at some of the items, for instance, if we were going to be looking at -- let's see -- some of these are very technical and may not have been studied before. We talked a lot about asphalt and definitely a lot of studies have been done on asphalt. And it's one of those cases where -- I don't want to say we've wasted money by studying things previously and then continuing to study them. I think that each research project is ranked based on what it can give us as an agency; what benefits we can receive.

So we're not -- we definitely do consider if it's something that's not going to be a benefit to NDOT, we have turned down certain problem statements that don't make sense for NDOT. Maybe they're more in line with a provider of transit services, for instance, that they could fund those things. And in the past, the RTCs have funded and currently funding research, as well, through these types of initiatives. I know that Dr. Tian gave a presentation to the Regional Transportation Commission of Washoe County for some of the safety research projects that they've been doing associated with pedestrians and bus stops. And that's just an example where NDOT is not the only one that's funding some of the activities at the universities.

Sandoval: Member Savage has a question.

Savage: Thank you, Governor and thank you, Mr. Director. I too have concerns. I know that we're all very conscientious of the dollars spent and this matter comes up. So I do have a few questions for you, Mr. Director. The \$1.4 million, is that passed through the Department or was that from the university directly to a recipient of a grant?

Malfabon: Yes, that is direct to the university, the group of university SOLARIS.

Savage: Okay. My second question is, I guess, how much is enough? You have the \$1.4 from the feds and the request of additional dollars. How much money is needed in order to adequately study this specific topic? Has that been

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determined? Was there a specific budget request and was it documented and substantiated as to what dollars would be spent how? And what is the administration fee? We had talked about this, I think, last month during some of the interlocal agreements on what those administration fees would be with the different universities and the Department. And lastly, the last question would be it looks like the other schools are not contributing financially. Are they still able to participate in the study without any skin in the game? Thank you, Governor.

Malfabon:

In response, the -- it seems SOLARIS -- this consortium is focused on promoting safer and more efficient and economic movement of goods and people on our roadways. To answer the question of how much is enough. Definitely in the process when these grant opportunities are available to the universities they team up together to be competitive. And so it's a case of they do have a history of asking the DOTs, the RTCs for support in finding the matching funds, but at the time when they apply they don't really know what they'll receive and if they will actually be selected for the grant.

So we try to do our best to -- they do approach us but we don't make a commitment until we see that they are actually successful in receiving a grant. And it's only been -- because of the -- in interest of transparency and getting Board approval of these types of expenditures that I started bringing it forward.

The administrative fee, I think Dr. Tian can respond to that. But the -- definitely we -- that was one of my questions and we researched that about what are those other DOTs perhaps or other MPOs in those other states forwarding. Most of the research, if we're doing the matching funds then we're selecting projects that make sense to our agency, so not doing it in the interest of those other states. So we select what's important to NDOT in the research projects that we will fund.

Dr. Tian, could you respond to the issue of administrative overhead at the -- at the podium, please, and state your name for the record?

Dr. Zong Tian:

Thank you, Board members for giving me the opportunity to talk a little bit about this UTC. To answer your question, for the federal portion the university charges the standard overhead rate, (inaudible) rate 43.5%. For the NDOT's matching portion, we have the agreement which is 23%. So if you want to reduce that I will be happy, because we're going to have more

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money to spending on products on research instead of, you know, paying for the administration.

I think the university usually agrees on that if the funding agency asks them. You know, this is the kind of an (inaudible) rate we want you to go with. Usually, the university is willing to work out with that requirement, so that's the current rate we have, 23% with NDOT's matching.

Savage: And, Dr. Tian, thank you. One of the questions I'd ask the Director was the original request for the amount of dollars for this particular study and how that might have been substantiated.

Dr. Zong Tian: The requirement -- okay. There are, you know, there are different type of centers so we are Tier 1. For Tier 1 the minimum requirement is 50% non-federal dollar match. For other type of centers actually requires 100% match. Is that what you're asking?

Savage: But this is not a 50% match.

Dr. Zong Tian: Well, 50% match -- see, we get \$1.4 million, right?

Savage: Right.

Dr. Zong Tian: \$1.4 million, but there are so many will go to the other two states. So Nevada will keep about \$1 million. This is per year. We are -- we are going to get two years of funding, so we're requesting NDOT to match 50% of the \$2 million, which is about \$1 million.

Malfabon: So it was -- Director Malfabon here. It was \$250,000 per year anticipated up to four years term so...

Dr. Zong Tian: Yeah, the...

Malfabon: ...\$1 million total.

Dr. Zong Tian: ...it's a two-year grant, but they allow us to spend over four years. So the other part of matching, like we have Arizona State University, we have University of New Mexico -- they need to come up with their own matching.

Savage: But according to this document, they are not funding or contributing to this research...

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- Dr. Zong Tian: They are. It's just no commitment from their DOT, because they are not the leading university here. We are the leading university. It's very important actually to have the DOT's support. They are not the leading university. When we pursued this program two years ago, each state DOT actually contributed, committed the matching because they also wanted their university to lead. So this year they didn't make the commitment, but in the future I'm hoping the DOT will contribute. But they still need to come up with the minimum 50% match, either from their own university or from some other agencies.
- Savage: I'm confused.
- Malfabon: So just in response for clarification. The backup says the University of New Mexico is providing \$280,000 in match and Arizona State University is \$140,000 but definitely significantly less than what Nevada Department of Transportation is providing, but...
- Dr. Zong Tian: But they're also getting -- they're not getting the same...
- Malfabon: Right.
- Dr. Zong Tian: ...amount. The (inaudible)...
- Malfabon: They won't receive the same amount of funds for research as our state's universities.
- Wallin: Governor?
- Sandoval: Madam Controller.
- Wallin: Thank you. Okay. So right. Nevada is going to be getting basically \$1 million per year for two years.
- Dr. Zong Tian: Yeah.
- Wallin: And we get to pay our million, our match, over four years, correct?
- Dr. Zong Tian: Yes.
- Wallin: Okay. All right. So as far as those other states, there's only \$400,000 left and one's putting in \$280,000; the other is \$140,000. So they are getting less. I can see that. I can see our match part. To follow up on some of these things, as I, too, have concerns as the numbers get tight and we have

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less and less funding, where do we spend it. I think research is important because it does make us more efficient, but I think that we need to have some type of a report with here's the research; here's the savings that we're going to realize now that the research is done here's the savings so we can start identifying it, because I think that as you go forward and we have more and more of these research projects come in this is a question the Board's going to be asking. What are the savings that we're going to realize so we can start having confidence that the research we do does create those efficiencies and at least -- at least we get back the money that we invested in in savings out there and hopefully more. So I'd like to see that.

And then I have a question for you. This research that you're doing, are you going to be hiring any subcontractors to do it or are you just doing it within the university itself?

Dr. Zong Tian: It's mostly university professors with the grad students. If there's a need for, let's say, for a particular subject and there's no expertise within the university, I think there's no policy to prohibit hiring some contractors. But mostly will be university faculty and the students.

Wallin: Because I know that this Board, in the past, we had a situation where, yes, we went to the university but then a chunk of it was going to a subcontractor. So I just...

Dr. Zong Tian: Yeah, this one, you know, the federal has very strict policy. We also need to provide a kind of quarterly report, a progress report -- annual report. They want to know how the dollar -- each dollar was spent. So we really have to focus on our mission, make sure we go -- meet what the requirement -- the federal requirement.

Wallin: But you're pretty much trying to do it in-house?

Dr. Zong Tian: That's pretty much -- yeah. They -- that's how I see it so...

Wallin: Because that's something else I would like to see on this project, you know, if they do go outside.

Malfabon: Governor, Board members, in response to Controller Wallin's question. We are putting together that list of subcontractors on the previous university-type research agreements, and we will continue to do that going forward. I wanted to make a point about very excellent point about making

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sure that the research is actionable, that it's going to give us some benefit. And it ties in, Governor, with your budgeting process of tying to performance and making sure that if we're going to spend money on any initiative that's it's paying back dividends to the agency that's going to be taking that initiative.

The thing that we've done in the recent past was to identify technical leads at the Department so that the research program is simply not kind of a burden of the research group at the Department. We have subject matter experts in safety and materials and in structures. And if it's a research project related to those programs, somebody in those technical divisions is monitoring the research, making sure that it's going to give us some benefit and then putting -- taking the steps to put those research findings into -- basically to take action on implementing those research findings.

So we definitely have to do more, I think to see that we are getting performance out of our research funds and that we are getting the benefit for the payment.

Sandoval: Because that's a question and then, at least, my rudimentary math is a third of this is going away to overhead.

Malfabon: In any kind of service contract that we do, it's -- the unfortunate case is that a lot of it is going to overhead.

Sandoval: And what is overhead?

Malfabon: Overhead is what's typically allowed, so a consultant, say, for their facilities, for the -- basically we have overhead for buildings, for utilities, for whatever the -- obviously, you're paying for labor, but there could be some indirect cost associated with the administrative cost. I don't know, Dr. Tian, if you have any more specifics about what's included in overhead, but it is something that's compensable by the federal rules whenever we hire service contractors with federal funds.

Dr. Zong Tian: (Inaudible) research office. They have many staff to manage different aspects of projects. So their salary -- I think their salary will be covered mainly from kind of -- this kind of income from research at the university. And the other part like purchasing materials, let's say a computer, like we know federal -- particularly NDOT does not allow using research money to

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purchase a computer, printers and those kind of things. So those operating costs will be covered through this kind of overhead.

Sandoval: I guess I'd want some more clarity because, again, this is an issue that came up with Board of Examiners on other university contracts, because essentially we're paying the university's rent for their own buildings to do our research. We're paying for their computers to do our research. We're paying for a lot of things that I always thought -- I didn't -- I should say I didn't know that we were paying rent and electricity and all these overhead costs for the right -- for them to do our research, if that makes sense.

So anyway, I -- you know, this -- I guess we need -- I need more answers before I am prepared to support this. Number one and number two, I'm really concerned about spending money now and then come September or August, and we're having this report that this federal money hasn't been approved and then suddenly we're having to tell the contractors out there we don't have money for their projects; we're having to tell our constituents that we don't have money for their projects, but back in March we spent a bunch of money on research. So that's the issue I'm having.

Malfabon: Governor, we'll note that. I wanted to mention that a standard clause in our contracts of this nature is that we can unilaterally say we don't have -- it's subject to available funds. So if there were that issue with a lack of federal funds and we were in that decision between do we create jobs and put projects out or do we do research, we would definitely bring that back for consideration on ending an agreement earlier than anticipated. So we have that option in our contracts.

Sandoval: Member Fransway has a question.

Fransway: Thank you, Governor. First of all, I want to say that the information that's provided us in the packet, to me, is very vague and from the discussion that I'm hearing I don't think I'm the only one that feels that way. And so I'm going to ask some questions and maybe I can understand it more.

For one thing, to me, the burden of research should be shouldered a great amount by private enterprise. If they want to sell NDOT or any entity their products that's going to make the roads last longer of something then they need to market that to us. And it's -- I assume that they do research also. And I'm vague on the Tier 1 grant that apparently went to the University of

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Nevada, and where it says that 1.4 million will be funded by the federal government for SOLARIS. Am I to believe that the \$1.4 million is the Tier 1 grant, and is that the match that we're being asked to come up with, the \$250,000? And I see here where it's a two-year program and then later it talks about \$250,000 per year for four years.

Malfabon: Yeah, I can explain.

Fransway: And so I...

Malfabon: That is confusing. As Dr. Tian had mentioned, it's a -- it's a two-year grant but they are allowed to spend that money received over a four-year period. So the \$1.4 million is what they're receiving and they're asking for \$1 million from NDOT for our share, but it would be \$250,000 a year for four years, so that's the million dollars that we would contributing for their support for the research projects that we select.

Fransway: So the Tier 1 grant and SOLARIS is the same thing?

Malfabon: Basically, the grant was given to SOLARIS, which is this group of universities.

Fransway: Okay. And then I'm hearing about a 50/50 match and \$250,000 for \$1.4 million doesn't, in my arithmetic, that's not 50%. So once again I certainly can understand the Governor's request to bring this back so that we can understand what we're -- what we're being asked to contribute. And I think that everyone on this Board realizes that our main emphasis is to put the black stuff on the roads. And, of course, we want them to last as long as we can and everything, but we need to be assured that any of our spending, any of it, is not frivolous. That's my comments, Governor. Thank you.

Malfabon: And, Governor, if I may just to clarify that, because it is confusing as far as the math. You have a \$1.4 million grant, a million dollars being requested from the Department and then there's the other balance, \$420,000 from those two other state universities, Arizona State University and University of New Mexico, would contribute the \$420,000 match. So that total is approximately \$1.4 million for the \$1.4 million grant, so 50/50.

Sandoval: Why are New Mexico and the other university contributing?

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- Malfabon: Basically, they're contributing in order to do the research to match the funds they received from the federal grant. So they...
- Sandoval: But what's that have to do with our -- you just said that they're putting in...
- Malfabon: It's just making up the difference of the \$1.4 total that the SOLARIS received. They have to basically do the match, and those other universities are coming up with their match for their research projects.
- Sandoval: So how much would we get out of it then?
- Malfabon: We would get, basically, \$2 million of research. So for the million dollars that we kick in over the next four years, we would get \$2 million worth of research projects that we would select. And they typically -- how much is the typical research project individually on average cost, Dr. Tian?
- Dr. Zong Tian: The range is somewhere between \$60,000 to like \$120,000 a year, depending on what type of projects.
- Sandoval: Okay. Are there any questions from Southern Nevada?
- Skanche: Governor, Tom Skanche. So a couple of things. One, these research grants and the funding mechanism that we go through in the conversation, I'm not certain that we fully understand the process. And so my suggestion would be, and I was talking to Member Martin about this as well, is that if the research that's being done, not to stop the universities from doing research and providing research, but if the research that's being done does not contribute to the goals and objectives of the Department of Transportation and the state as a whole then I think the Board has the -- should have the authority or the input as to what those grants look like, one.
- Two, to your point of the administration fees and not fully understanding kind of, you know, how this is all coming together, my suggestion would be that we tell the academic community that these are the five or six things that the Department is working on this year and next year. And if the research contributes to those goals and objectives those are the grants that we should be going after. But to have an application, in my mind, that is just trying to get funding for USDOT to go to a university, and if that research does not impact the goals and objectives of NDOT, for what we're dealing with today, I'm not certain that that we should be considering that.

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It looks as though we have dollars coming in from USDOT for grants for faculty and then we decided arbitrarily and capriciously how these grants are administered and how we give out the money. I think -- I hate policy. I've spent 25 years getting around policy in my previous life. But I think we have to set a policy of how these grants are going to come in and if they meet the objectives of NDOT. I haven't seen the list, but I certainly would be interested in seeing what that list looks like.

My final comment is that there was a comment earlier about duplicative research. I'm not certain if there is a policy in place or some type of review policy in place to make sure that we're not doing a grant that we did 10 years ago, when nothing has changed in the environment. If there is a way to pull some of these out or review what might have been done in the past to reduce that duplicity that would be great. And if anyone could answer that question for me that would be helpful. Thank you.

Sandoval: Do you keep a library of all the research that's been done?

Malfabon: Yes, we have a research library.

Sandoval: Because, again, we've done \$20 million, and is that the right figure, in the last two years.

Malfabon: Well, Governor, I wanted to make the point that some of the -- those large projects were associated with the VMT studies and larger studies like that. That was kind of on top of our regular research program. Kind of the cost of most of these research projects are typically in the \$100,000, \$60,000 range as Dr. Tian had indicated. And I really don't feel that -- because we're bringing it forward to you, we don't have a list of the projects that are proposed at this time, and I think that what I'm hearing because you don't see what we're getting out of it we need to be more clear to the Board about what the benefit is of the research.

The list that I was talking about was one that was for an existing one with UNLV. And I can assure the Board that through our efforts we do select projects that are not arbitrary and capricious that there's no -- basically, we're trying to focus on things that benefit the Department and not another agency or just research for research sake; that we are trying to make sure that it's beneficial to the Department and it can make some operational improvements or it can be enacted and put into place to give us the benefits of that research and not just somebody's thesis that's theoretical.

Sandoval: All right. Any other questions or comments? I...

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Malfabon: And, Governor, if I may. Our head of research wanted to approach the podium and make a comment in response probably. Please identify yourself.

Chambers: Thank you, Governor. Ken Chambers, Chief of Research here at NDOT. Excuse me. I just want to back up and address a few quick questions, if I may. Member Savage, to your question about how much; there is never enough. I don't know where the \$20 million figure came from, but I do want to clarify a little bit. Our annual federal apportionment for research is about \$1.7 million. We have to match that 20% with state money, so we're talking about an additional \$300,000-\$350,000. We get a couple million dollars a year for our annual research program. About 10% of the problem statements that are submitted to the interdisciplinary two committees that select those projects, about 10% are approved and funded.

We select the cream of the crop. We support those and that research helps not only our department, but we share that information through the Transportation Research Board with the nation and the world. So there is a real benefit to that. In fact, I believe that the requirement to do research, the federal requirement to spend a quarter of our 2% of planning and research money on research is an indication that even at the national level the value of research is appreciated even if it's difficult to quantify. So it is a good investment. I can tell you that those -- that the subject matter experts that rank these problem statements that tell us this is either a good idea or it's not a good idea, when they get these programs in hand, these projects, they appreciate the results that we are able to provide for them.

The indirect cost rate, I'm surprised to hear Dr. Tian say we'll even negotiate further with that 23%, because I know that hurts. I -- for example, we have an agreement through TMCC to do some work for us. The university charges TMCC a higher rate than TMCC is able to charge us. So they do have skin in the game. As far as savings goes, concrete's been around for a couple centuries -- or millennia if you'll put it that way. But every few years, when we send out or problem statement solicitation it may -- it may still be concrete. It may still be asphalt. There are a lot of other areas aside from the chemistry, the operational benefits, the strategic benefits of how and when do we dispatch snow plows. The technology that's available to do that much more effectively and better is phenomenal.

To respond to our local partners in developing guidelines for what is an appropriate speed limit in a rural town in Nevada. Those are areas where, my opinion is, NDOT should answer those questions. And we have great partners to do that rather than hiring contractors to tell us what those are. I think I'll stop there, but I'd be happy to answer any further questions.

Sandoval: No, and thank you. And I'm a little confused, Rudy, because, you know, there's a representation that there's only \$2 million. Yet, again, I know that specifically it

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wasn't \$20 million, but I just recall us having \$20 million worth of research over the past two years.

Malfabon: And part of that, Governor, as I mentioned was some of the VMT studies, some of which did not -- one is on hold. That was significant expense for some of those studies. I don't know what -- the \$20 million is probably other areas. But as our director of research had mentioned, the core research program, which we gave you that chart that shows the cycle, is funded at a much lower level. When we want to go above and beyond that such as the VMT studies were much more costly to proceed with and that's kind of on top of our regular research program.

Sandoval: And no one's -- and I want you to be clear, no one is questioning the value of research. And there are some very important issues that need to be done. But, unfortunately, we're in a time now because of the Director's Report, that we're having to make some really difficult decisions here, where we're going to put the money. And if we're going to do research, at least I'll speak for me, we're going to need a little more comfort that there's going to be, you know, a specific issue like speed limits and things or there will be a savings because the asphalt will last longer or the concrete will last longer. But as I said, there was a tremendous amount of money moving through this Department without the knowledge of the Board. And that's the issue here, is at the end of the day this Board's responsible for how we expend the money.

Chambers: Absolutely.

Sandoval: And so it's making these meetings a lot longer, and I don't think there's any intent on micromanaging things, but at the same time we have to be good stewards of the public's money, because it is the public's money.

Chambers: Yes.

Sandoval: And we want to make sure that every dollar we spend is being spent well. And so I -- I'm not trying to chide anybody. I'm not trying -- we're just trying -- as Member Fransway said, as we get these presentations and sometimes we don't -- it doesn't really show how that money is going to be spent and what the need was from the Department and how the two connected up, so it leads to some of these questions that haven't been asked before.

Chambers: And, Governor, those are excellent questions and I welcome them. One thing I would like to point out is that when this application was submitted to NDOT to pass on to FHWA, we recognized at the time that that input was critical. This application was done with the understanding that there would be heavy involvement. In fact, the deputy director, Tracy Larkin-Thomas, will be the chairman of the executive committee and as will Member Skancke is one of the

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members on the review committee that will help identify and select projects for funding. So that's...

Sandoval: You know, it's just, as I said, six months ago, we wouldn't have seen this, right?

Malfabon: Yes, this would have been considered (inaudible).

Sandoval: Yeah.

Malfabon: We're changing.

Sandoval: So as I said, I -- you know, I don't know if there is a deadline here that if we don't fund it at this meeting if that would jeopardize this grant.

Malfabon: Dr. Tian?

Dr. Zong Tian: Sort of because the federal really wants to see us selecting the projects. We need to make good progress to show them that we can perform and get us prepared for future competitions. Right now, we already collected the proposals but has not been reviewed and (inaudible) because we need to get approval from the -- from the Board before we move on to the next step.

Sandoval: Member Fransway.

Fransway: Well, if that's the case then you should have come before this Board before you put in for the grant if it was necessary for this Board to approve the match. I don't want to be put in the position to where we have to fund \$250,000 because if we don't we're going to suffer. No, I don't want to be put into that position. And with response -- your response to Member Savage's question of how much is enough was there's never enough. And to me, the Research Division of NDOT does not have an open-ended budget. There has to be enough and it has to be spent wisely. And being asked to just put \$250,000 out there because there's a line in the sand for time, with all due respect, I kind of resent that and I'm not ready to make that decision until I know more. And so I'm hoping that if we don't make a decision today it doesn't cave in your grant.

Dr. Zong Tian: No, it's not going to, you know, kill the grant. We would like to see, you know, to move on as quickly as possible, but I know your concerns and understand your concerns. I certainly am willing to sit down with any of you to answer any questions if you have or through the Department. So I think -- I'm not sure whether we made -- I made it clear. You know, the -- we are requesting matching from NDOT only for those projects that will benefit NDOT and have the Board specifically select those projects. But -- and also Rudy mentioned there are other agencies like RTC, they are probably interested in some other subjects. If they are

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willing provide the matching, and then we can also use the federal dollar to work on their projects.

Sandoval: Well, I think we've...

Larkin: Excuse me, Governor.

Sandoval: Yes. I think we've covered this. If there are any other questions, I'd be glad to allow the members to do so. But I kind of see two options here. One is to continue this so that the members can -- I don't feel like anyone feels like they're in a position to make an informed decision on this today, but if there's -- we can also put it up for a vote. And, you know, I can only speak for me, I'm not in a position to vote favorably for this given the information that I have in front of me and the responses to the questions that I've received today.

Chambers: Governor, may I suggest the...

Larkin: Excuse me, Governor.

Sandoval: Yes.

Larkin: This is Tracy Larkin, Deputy Director in Southern Nevada. I'd like to make one comment on here, is that it might be beneficial to move forward with evaluating the proposals and bringing back any that we thought were worth moving forward at another meeting. That would allow the proposals to be evaluated, which would allow other transportation partners the opportunity to also provide matching funds, because some of these will be matched by funding partners in Arizona. Also, I think DIR has potential match and also New Mexico has potential match. And then anything -- and would be -- you still have the opportunity to look at the projects because they would be coming back. So it wouldn't be arbitrarily approving for \$250,000 at this time, but it would be moving forward to look at the value of the projects that have been submitted.

Sandoval: Well, and I -- my preference is to do option one, which is to, again, have some more information before I make a decision on this. You know, and if -- it just -- you know, again what Member Fransway said, to put us up with one second to go in the game to have to make a decision today based on inadequate information I don't think is fair to the Board. So I, you know, I'm willing to hear any other comments from members, but my preference would be to continue this matter.

Fransway: I concur, Governor.

Sandoval: Member Skancke, do you have a comment?

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- Skanccke: I just wanted to know, Governor, if you wanted a motion to that effect or if you just wanted us all to concur with your comment?
- Sandoval: Well, I think given that I would be more comfortable to have a motion.
- Skanccke: So moved.
- Martin: Second.
- Sandoval: We have a motion by Member Skanccke to continue this matter to a future meeting so that the Board can be provided with more specific information with regard to the nature of the research and how the money would be spent. Second by Member Martin. Any questions or comments from Board members? All those in favor, say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes. Thank you.
- Dr. Zong Tian: Thank you, Governor.
- Sandoval: Let's move on to Agenda Item No. 5, Consideration of additional work for Kyle Canyon Road.
- Malfabon: Thank you, Governor. Assistant Director for Engineering, John Terry, will present this item.
- Terry: I'd like to point out right away that this item has no research involved and, in fact, will put pavement down very quickly. Through quite an extensive process, NDOT entered into an agreement with Central Federal Lands, who builds roads in federal property and most of this -- or I believe all this property falls within federal lands. And it was to build this Kyle Canyon road project from the junction US 95 to 158. And this agreement was entered into a few years ago.
- The current project consists of four-foot shoulders and bike lanes in both directions, pavement reconstruction but not total reconstruction, pavement overlay, safety improvements as well as two roundabouts that are currently underway. And this is a construction project that is currently underway.
- So we signed an interlocal agreement. So we're kind of in this area here of what do we do, what do we take to the Board. And we felt like this is obviously a significantly enough issue. We signed an interlocal agreement. The original agreement was signed in 2012 and amended in 2013, but it will note it was under development for quite a period before this. And we contributed \$2 million in state funds. The rest of the funding was federal through the Central Federal Lands

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project. So we kind of made the match in order to proceed with this project. It's about a \$20 million project.

And we're, right now, asking this Board to approve an amendment to that agreement to add five-and-a-half million dollars in state funds to really change the pavement reconstruction strategy from what was originally proposed. So there's a map and this is the revised scope. Full depth reconstruction of the pavement from 157 down to about three miles of the junction of 95 and just a two-inch mill and overlay on the stretch close to US 95, where previously had been mostly a two-inch mill and overlay.

And the reason is, essentially, when the project was developed -- and I go back to the project was developed, even though the agreement was 2012, was kind of developed before that thinking that the mill and overlay would be successful. And the time has gone by and the construction started some severe weather that's happened out there -- there was the rains last year, et cetera -- the cracks now go full depth. And we feel like the mill and overlay won't be successful. But in some of the stretches, we think we can still get by with a two-inch mill and overlay.

So what are we -- so say upfront here five-and-a-half million in state funding is available. Now, a little bit different than the issue of the continuing federal funding. When I say state funding is available, a highway fund is relatively higher right now than it was. Many of our overlay projects have, in the last year, come in under engineer's estimate and are lower. And in our '06 budget for this year, we feel like this additional five-and-a-half million can be absorbed. But when I say that, this is five-and-a-half million that not only would we authorize to spend, but they'd be out there, bulldozers moving within a month. And almost all of this money would be expended in this fiscal year, so before July 1st. But the pavement has deteriorated to the point that we feel the original strategy would not be successful.

This project was high on our 3R pavement condition, so we would have had to address this pavement. We feel -- and I will say this project developed through the project team. In other words, through Central Federal Lands, through our resident engineer that's overseeing the project, through the district. Asked for our lab to come out and look at it. Our lab concurred that the original strategy wouldn't be successful, and we were involved in the change order process between the contractor and Central Federal Lands to develop this.

And our recommendation to the Board, and I've got people down in Las Vegas that can answer your questions as well, is to approve the amendment to spend an additional five-and-a-half million dollars in state funds to kind of do the right thing

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for the pavement reconstruction added as a change to the interlocal agreement. And with that, I'll take any questions.

Sandoval: Okay. And thank you, Mr. Terry, and well done. I mean this is exactly what I'm looking for, is you've made the case. The need is there. The circumstances have changed. If we don't do this it could be catastrophic if we were stick to the original plan. So I shouldn't use the word catastrophic, but it could be really bad conditions if we were to stick with the original plan rather than go to this amended agreement. So...

Terry: Yes, sir.

Sandoval: ...I have no questions. I think your presentation was thorough and the information that was provided to me has put me in a position where I'll be supportive of this matter. Member Fransway.

Fransway: Thank you, Governor. And thank you, Mr. Terry. I agree exactly with what the Governor just said that it's a good presentation. You did say that there was an initial agreement and then did you say that it was amended once?

Terry: Yes, and that had little to do with the pavement strategy. It had to do with the roundabouts and the right-of-way and some other things. So, yes, it was amended once, but really the main agreement was back to 2012, when the agreement of how much we would pay to the match was a part of it. Yes, sir.

Fransway: Okay. So it wasn't a fiscal amendment?

Terry: No, sir.

Fransway: Okay. And Paragraph 4, let's see...

Terry: Of the agreement or the write-up?

Fransway: Let's see, let me -- Paragraph 4. It states that it's going to be funded with state funds.

Terry: Yes, sir.

Fransway: It mentions earlier that it's going to be state gas tax funds. And so I would...

Terry: Same thing.

Fransway: ...well, I don't know. Is it? Perhaps it should state, state gas tax funds rather than just state funds.

Terry: Okay.

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- Fransway: Okay. That's all.
- Skانعke: Governor, Tom Skانعke.
- Sandoval: Yes, please proceed.
- Skانعke: Thank you, Governor. I'd make a motion for approval of this project.
- Martin: Second.
- Sandoval: Member Skانعke has moved for approval of the project. Member Martin has seconded the motion. Any questions? All in favor, say aye.
- Group: Aye.
- Sandoval: Opposed no? The motion passes unanimously of the members present. Thank you.
- Malfabon: Thank you, Governor, and John Terry will stay up for the next briefing as well.
- Terry: This one's a little more complicated. So we said we would give an update on the Boulder City Bypass project, and there's some various parts to this project. And I think you've -- could you advance it, please. Okay. So this slide shows kind of the overview of the Boulder City Bypass project. So NDOT is doing the part to the -- to the west or to the north that's shown in yellow, and we're calling that phase one. And then RTC, with NDOT, involvement is doing the part that's outlined in the red over there, and that's phase two of the project. And, of course, it ties into the Nevada approach we call it to the Hoover Dam Bypass project that was completed a number of years ago. Next please.
- So when the RTC bond issue passed and lot of the money was dedicated towards the Boulder City Bypass phase two, NDOT entered into an interlocal agreement with the RTC of Southern Nevada about the Boulder City Bypass project and had many parts to it. Essentially, they were going to give NDOT \$31 million towards phase one. And -- but what we did instead was we modified the limits between phase one and phase two. Originally, phase one limits were set up as though phase one were complete and it could be a number of years before phase two was done, so we built half of the interchange to tie to US 93. That didn't really make sense now that both projects were supposed to be completed together, so we moved the limit and put the entire interchange within phase two. And so we valued that at \$21 million and they gave us \$10 million towards phase one. So that's how we're proceeding.
- There is \$51 million in federal funds that are going towards their phase two. That is really \$51 million that they have control over. Those are STP local funds that they have control over, but it is an impact because they're federal funds that they're

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trying to program towards that project. And so that's in the agreement. NDOT has an oversight role, a pretty significant oversight role in their design-build project. And critical is NDOT's going to assume maintenance of the entire route when it's completed. So obviously you've got a role in seeing that it's built to our standards, because we're going to take it over pretty much the day it's completed. Next please.

So this is phase one. And it's kind of hard to see between kind of reddish-colored and black-colored, but that's the portion on the far right of the slide that was given to the phase two project so they could complete the entire interchange. Right-of-ways is underway. We've had some discussions at this Board about that issue. The tortoise fencing has been completed. Package 2-B, which was the frontage road and a lot of utilities, was advertised and that project has been cancelled. Utility relocations are underway and then Package 3 is currently scheduled for a dock date in the summer of 2014.

If I could go back to -- Package 2-B was cancelled. It was advertised for construction.

Sandoval: Well, let's get into that.

Terry: Yeah.

Sandoval: So why don't you go ahead.

Terry: It was advertised for construction. It was in the middle of the advertising period when we found out the natural-occurring asbestos issue. We went to the mandatory pre-bid conference, discussed it with the contractor, said we're not sure quite how we're going to deal with it, and at first we extended it for four weeks.

Sandoval: Yeah, but that natural-occurring asbestos study was a complete blindside, was it not?

Terry: Yes, sir.

Sandoval: And that was a study that was conducted by UNLV?

Terry: Yes, sir.

Sandoval: And there was no notice from UNLV that this research was being done?

Terry: I can't say there wasn't any notice, but certainly at my level at the DOT we weren't aware of it until about the Christmas time period.

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Sandoval: Okay. And, you know, I had never heard of natural-occurring asbestos before. Is this something that is new? Is this something that in the history of the state of Nevada road construct that this has ever been brought up before?

Terry: We've never dealt with it. Since it's come up we've researched it. California has dealt with it. Cal Trans has dealt with it. There are some other states that have dealt with it, but we only knew that after doing research after this issue came up. We have no construction specifications or anything of how to deal with it and that's part of the reason why we cancelled that contract. And if I could move a little further into the presentation, I'll kind of talk about the other impacts of it.

Sandoval: Well, and that -- as you do that because is that a show stopper?

Terry: It's a show slower downer. We hope it's not a show stopper.

Sandoval: Well, and that...

Terry: And that's what I...

Sandoval: ...that could be a show stopper. And...

Terry: We hope not.

Sandoval: No, and neither do I. And that's why, you know, I guess what we need to talk about today is what is -- I mean is that a legitimate study? Is there going -- you know, we just finished talking for an hour about studies and research. But this could have -- this is a study that was conducted without letting the Department know, and there's already been a pretty substantial expenditure of monies and a commitment to get this project done. And now given that this is out there, we need to have a discussion or a strategy if there's a workaround. I mean is it even possible to fix that if you have naturally-occurring asbestos? What do you do?

Terry: If I could move into the rest of this...

Sandoval: Okay.

Terry: ...then I'll show you how we're trying to deal with it, but we don't have the answers yet...

Sandoval: Okay.

Terry: ...if I could. Okay. So the next slide, please. So on phase two -- and they were here, some people from RTC were here -- they'd issued a draft RFP for a design-build contract with a final RFP in April, so they're well along on a design-build contract. They have already received proposals from teams with a

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notice of intent, and you can see their various schedules. So the impact isn't just on us, it's on that project which is \$200 to \$300 million, a bigger project even. If we go to the next one.

And their project, of course, goes around Boulder City, but if you look in the far upper right corner of the slide you can see they go through very hilly terrain, extensive cuts and fills. I've heard as much as 200-foot cuts in some of those areas. So a big earth moving job in what could be the soil. Next please.

So I'm just going to throw in one thing before I get to natural-occurring asbestos, and that is I-11. We feel there's a lot of reasons why this should be designated as I-11 the day it opens. Of course, Congress designated I-11 from Phoenix to Las Vegas, not really the specifics. We would like to and are proposing to designate I-11 from the Arizona border to I-215. So actually beyond the limits of this job -- of the construction job. That'll be in the construction phases for one and two, and that will put out a separate contract to deal with the signing of the stretch of 515 that will change over to I-11.

We feel we've got -- and there's a little bit of debate about this -- but we feel we've got to go to the AASHTO outnumbering committee and then to the FHWA for approval. We don't really need approval to designate it I-11, but we need approval to designate just that little stretch as I-11 as a part of the process of developing it. So that's another part of the project. If you'd go to the next one, please.

So this is the report that came out. Now, the date on the report was in about November, but I will say most people became aware of it when it was published right after Christmas. So we've been kind of dealing with this issue ever since. Next please.

So what did we do? We immediately...

Sandoval: Let's back up.

Terry: Yeah.

Sandoval: Who did the study? Who...

Terry: Okay. I'm sorry.

Sandoval: ...what was the genesis of the study?

Terry: The study was done by researchers from the University of Nevada, Las Vegas. I've heard various reasons for why they did the study, but they suspected it was out there because of the rock types. They're kind of geologists. And so they followed through and went and did sampling, not specifically where this project is, but we're

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in the middle of it in a large area surrounding Boulder City. And the report was published in a scientific journal that I hadn't heard of but, you know, in a scientific journal. And we became aware of it right around the Christmas time.

Sandoval: Okay. And the conclusion of the study is that there is natural-occurring asbestos...

Terry: In the soils, in ever sample they took in this general area. Now, they specifically took the samples based upon rock areas that they suspected it would be in and alluvium, they call it, or soils that float off of those rock areas, but they showed -- if you could go to the previous one, that map. Every one of those white dots showed positive for some level of asbestos. So this project kind of goes right through and around them. So go to the next one. Sorry.

So we formed an internal task force. We talked about it. Mostly what we dealt with originally was what to do with that contract that was advertised, and we made the decision to delay, to go to the pre-bid and eventually to cancel that contract because we didn't have special provisions to deal with this issue. We decided we need outside help. We need specialists. We have to get -- we have to get specialists to deal with this. They're out there and we put out an RFP for that issue.

And we put out the RFP for additional sampling, testing and analysis. And while we have that agreement for approval in Item 9-A, it's not done. We haven't made the selection. We're kind of in a gray area here with the Board. We're now, you know, putting up major interlocal agreements for approval, but it's not -- or this would be a consultant agreement for approval. We think it'll go over the \$300,000 limit. We're asking for up to \$400,000 so that perhaps we could execute the agreement before the April Board meeting, because we're trying to hurry. But we're not done yet.

So we have worked with the FHWA. A reevaluation of the EIS is required. In other words, if new information comes available after an EIS is approved, per CFRs you have to evaluate it.

Sandoval: But we had already done an EIS in this area, correct?

Terry: Yes, sir. And we didn't find this. We didn't know what to look for.

Sandoval: So we went out and hired an expert to do soil samples as well?

Terry: But we did soil samples in the terms of geotechnical. In other words, how big to make our foundations and how strong to make our pavements and what the soils were and whether we had to blast or not. We weren't looking for asbestos. It takes specialized equipment to find it, it turns out. So it is a new issue to us. A reevaluation of the EIS is not, timewise, a really big deal. If it turns into a

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supplemental EIS that's a much bigger deal. We feel, right now, where we're at we've got to get more testing done out there and determine what we have to do in terms of EIS.

I think at a minimum, an absolute minimum, we have to do extensive dust control, of course, Clark County area because it has air quality issues, has extensive dust control on construction projects anyway. We've got to go, probably, beyond that. The issue is not allowing it to become dust. And so extensive dust control and other constraints, and we're really worried about blasting and how to control dust on blasting. Those are the issues we're kind of trying to deal with, but until we know how much is out there, at what depths and whatever, they only have a couple samples within our project area. We're talking about doing dozens of them.

Skancke: Governor?

Sandoval: Member Skancke. Yes.

Skancke: Thank you, Governor. I think RTC is actually out doing some study out there. Is Tina Quigley in Carson City?

Terry: Yes, and the next slide...

Sandoval: No, and that's going to be my next series of questions. So why don't we allow Mr. Terry to get through his presentation. I would like to hear from Ms. Quigley as how the RTC is responding to this issue as well.

Terry: Okay. So...

Skancke: Thank you.

Terry: ...I'm talking first about impacts to phase one. We cancelled contract 2-B we called it, which was Contract 3528. We sent out the notice to contractors. We cancelled it. All utility and other work is on hold. There's big gas lines that have to be relocated. We're on hold because we don't have specifications for how to deal with excavation and such in these soils, but we're working on it. And we need to get going on those utilities. Phase one, Package 2-B, we're just going to combine with the bigger Package 3. That kind of means that utilities -- some utilities that were going to go on that frontage road have to be put in the bigger package, but we think we can write that into the specifications in an attempt to keep it on schedule. We wanted to do it first then give them a period to relocate the utilities and then do the bigger contract. We don't feel we can do that, but we think we can incorporate it within the bigger contract. That helps the schedule.

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So that is scheduled to go out in August of 2013. The key to August of 2013 is that's as late as we can go in this federal fiscal year. Even though the RTC is giving us money, we have \$40 plus million in federal funds that we want to spend on this project and obligate this year. If it moves past September, it will fall out of this fiscal year so we have to have a backup project in case it doesn't. And so we have backup projects so we could spend the federal obligation this year and then do that one in the next year if that's what happens.

So that's where we currently stand. We're doing our best by cancelling the first contract, moving with the consultant to help us deal with it, hoping we can get that information so we can advertise in August, but having a backup plan if it moves out farther. Go to the next slide.

Phase two, the RTC is currently maintaining their schedule for the design-build. They have already contracted for a consultant throughout and they have started getting testing in their area.

Sandoval: Yeah, and why do...

Terry: The trouble is we'll have to do one giant NEPA for both.

Sandoval: Why wouldn't we -- and I guess Ms. Quigley could answer this. Why wouldn't we piggyback with them and use the same consultant?

Terry: We were headed down that path and then we chose not to because we wanted to get an independent consultant and consult -- and put out an RFP. One of the people that submitted the RFP is the same one that they're using, but we felt like we should put it out.

Sandoval: Okay.

Terry: And, you know, that would have been a pretty big just add-on to an existing consultant agreement and that was strongly considered. They will definitely have to add additional dust control and other measures, and they are starting to do so. One of the key lines is we have to coordinate with them to get the NEPA done. We need their consultants' results. We need our consultants' results. We need to submit through the FHWA whatever level of NEPA update has to be done. I guess then the other big piece is what do we have to add to both ours and their construction documents to control the dust once we know the level of this asbestos in the soils. That's about all I have. With that, I'll take any questions you've got.

Sandoval: No, and thank you. And I don't want it to be lost. We're all concerned about health and safety. No doubt about it. But had we known -- I mean had UNLV or whoever is responsible for the study collaborated with us a little bit we could have

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incorporated that as part of this project and perhaps had a little bit more time so that now we're not looking at perhaps forfeiting \$40 million in federal funds on this project?

Terry: Well, yeah. We won't -- the reason for the backup is so we don't forfeit the \$40 million. Now, moving it into the next year puts it into the risk of the federal appropriations and that issue. That's kind of the different one. Yeah.

Sandoval: We won't lose the money, but we'll lose the money for this project?

Terry: We'll just put it in the next -- I mean the projects that we had in the next year were going to be funded in federal fiscal year '15. We're moving them to '14 and moving this one to '15, assuming that the federal bill passes, et cetera. But that was the best we could come up with. We have to have a contingency plan.

Sandoval: No, I understand.

Terry: That's a good way to put it.

Sandoval: And, again, I want it to be healthy and safe and all those things. And the whole point of this is to work together. And NDOT didn't know, I'm sure. The RTC didn't know (inaudible) incorporated that as part of our original study...

Terry: To make this...

Sandoval: ...(inaudible) we're having (inaudible) because this was delivered after Christmas...

Terry: Yes.

Sandoval: ...in December of 2013.

Terry: Yes.

Sandoval: Other questions from other Board members? Member Fransway.

Fransway: I don't even know where to start. I'm wondering if this latest development is going to delay the approval of the RFP in the next meeting. We were expecting to have an RFP before us.

Terry: That's...

Sandoval: That's on the Project NEON.

Fransway: (Inaudible) here?

Terry: That's the NEON one.

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Sandoval: Yeah.

Terry: Their RFP is under their control. I believe, currently, we have an agreement with the RTC of Southern Nevada. I believe we are still meeting the terms of that agreement. Even if our project were to move in November, we would still complete our phase one in a period that would pretty closely match their completion of phase two. So so far we're still meeting the terms of the signed agreement with the RTC of Southern Nevada. The concern is if there are delays any longer or the environmental process where they really find higher levels of this NOA out there and it delays the project further, we'd have to look at it. But so far we're still meeting our obligations in terms of finishing phase one using their money to help us finish phase one, and cooperating with them on phase two, but we haven't gotten through all the issues.

But we aren't going to come to this Board for their approval of the RFP. Now, Dana could come up here -- they've got to go to their Board for the approval of the RFP probably. But all we've done is sign an agreement with them that I tried to outline what we're doing. So it's a delay. We think we can deal with it, but we don't know the answers yet.

Sandoval: Have we asked for a copy of the study and all the science behind it?

Terry: Mm-hmm. Yes, sir.

Sandoval: And has it been provided?

Terry: Well, I don't know how much more there is that we would -- we've got to find somebody that knows what they're reading. I've read this thing and I can't make much sense of it. So we need these experts onboard so we can have them read those studies, because it doesn't mean much to us.

Sandoval: Okay. All right. And thank you. And, Ms. Quigley, did you have a presentation that you'd like to make on...

Quigley: I don't have a presentation. I'll just comment.

Sandoval: Yes, we'd love to have your comment.

Quigley: First of all, I just want to say I really appreciate the questions that the Board is asking on this. We, too, thought it rather ironic that just recently we learned about this study; that this research was going on. We are trying very hard. We had conversations with FHWA and NDOT to keep our portion of the study going as quickly as just as we had originally planned and to not overreact to the results of -- or to the presence of this study.

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So far -- we initially did ten samples just as part of our normal coring, and of those only two came back with any presence at all of any naturally-occurring asbestos, and both were very low levels which would not require anything more than just normal dust mitigation that you would do at a construction site anyway in Clark County. We are moving forward with the collection of -- as a result of this study, we are moving forward with collecting 200 plus samples along our portion of the corridor. We will get the results of those -- of that study by the end of May, May 23rd. And if there is any additional addendum required to our RFP, our design-build RFP, then we'll incorporate it into that. But at this point, we do not -- we don't believe that we are going to find results that are going to hijack the process.

Sandoval: Member Fransway.

Fransway: Okay. Thank you, Governor. I notice here where you talk about the different packages involved in phase one, and I'm seeing that Package 2-B is \$12 million, Packet 3 is \$62 million, and then down below in the next paragraph it mentions another \$13 million in utility relocations. My question is is that \$13 million part of combined total of 2-B and 3 or is that additional?

Terry: It is additional, and those are -- what those would be is, you know, if a gas line which is the biggest part of it -- power lines, WAPA lines -- if they had prior rights over us, in other words we want to widen our road and they were there kind of first, we have to pay for the relocations. Most of those agreements are already underway, and in the case of the gas line they'd be out there started already if we hadn't kind of put them on hold. So these are direct payments to the utility companies for their utility relocations and they are additive to the cost of the phase one project.

Fransway: Thank you, John.

Sandoval: So we're moving forward with all due speed. I mean the RTC is out there collecting samples...

Terry: Yes.

Sandoval: ...right now and doing the studies. So we're going to have to wait until the contract comes before this Board to approve...

Terry: Well...

Sandoval: ...before we can get someone out there to do the same?

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- Terry: I guess what we'd like to ask, when we get to the later Agenda item, is ask this Board's approval to select an NOA consultant up to the amount of \$400,000 so we don't have to wait for the April Board meeting.
- Sandoval: Okay. That'd be my preference too. All right. Any questions, further questions? Does that complete your presentation on...
- Terry: Yes.
- Sandoval: ...Agenda Item No. 6? Mr. Skancke, did you have a question?
- Skancke: I did, Governor. Thank you. John, my only comment would be that you went through a couple of items that you're considering, which is I-11 designation, this environmental process that we're dealing with. I'm not certain if this would be the case, but if getting I-11 designation from Federal Highways or USDOT needs to be like a separate item that doesn't hold the project up, I would just recommend that -- how do I say this right -- that we streamline that process as best as possible so that any of these -- any one action doesn't slow the project down. I'm sure you've thought about that. I just wanted to see if that's going to cause us any problems.
- Terry: I mean I do not believe that the Interstate 11 designation is controversial. I guess the only issue is that we only want to do from the Arizona line to 215 for now. And I just think we need to go through the process. We're going to put in the construction plans the I-11 signs, so I do not see the I-11 designation as changing what we're doing or slowing it down. And I think kind of politically and whatever, we want it designated as I-11 when it opens and that's why we're doing that. But I don't think it should slow down the other processes such as NEPA reevaluation or construction packages.
- Skancke: Thank you.
- Sandoval: Thank you, Mr. Terry. We'll move on to Agenda Item No. 7, Consideration of the guaranteed maximum price on the State Route 207 Kingsbury Grade Construction Manager At-Risk project.
- Malfabon: Thank you, Governor. Our project manager, Pedro Rodriguez, is going to present this item to the Board.
- Rodriguez: Good morning, Governor. Good morning, members of the Transportation Board. For the record, Pedro Rodriguez, Project Manager of the Kingsbury Grade Pavement Reconstruction Project. Today, I'll be presenting Contract 3564 for your consideration.

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Back in June, we approached the Board. You select -- you approved the selection of Q&D Construction for this CMAR process. Since then the design has progressed. We've negotiated G&P. We've gotten FHWA concurrence and will be presenting the G&P today.

The project is located in Stateline, Nevada. It begins at US 50 and extends approximately four miles to the Summit. Coring of this roadway determined that the pavement was deficient and in need of construction. The scope of the work for this contract includes 13 inches of full depth pavement reconstruction, water quality improvements, as well as the items that were presented to you last month -- at last month's Transportation Board meeting, which were the mitigation of the natural springs, the safety improvements at Tramway, the lighting for the pedestrian visibility, as well as the sidewalk curb and gutter and ADA improvements.

On January 29th, bids were opened with a guaranteed maximum price of \$14.9 million. Pending your approval, we anticipate construction to begin May 1st, and expect the construction will be completed by -- before July 4, 2015. Approval for this item will be requested under Agenda Item 8. With that, I'd open it up to any questions.

Sandoval: Questions from Board members? It's pretty straightforward, isn't it?

Terry: I think it is.

Sandoval: Yeah. I mean I guess the fact that there are no questions compliments the process leading today, because it's been very thorough and the Board's been very informed. Member Savage.

Savage: Thank you, Governor. Just one question, Mr. Rodriguez. Who is the engineer of record on the project?

Rodriguez: NDOT is.

Savage: NDOT is. So it's internal>

Rodriguez: Yes.

Savage: Okay. That's all I had. Thank you, Governor.

Sandoval: What is the action you're seeking from the Board on this Agenda item?

Rodriguez: The action that will be requested on the next Agenda item will be approval of the G&P.

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- Sandoval: Okay. I just did -- seven was noted as an action item and I wasn't sure if we needed to do anything.
- Gallagher: Governor, for the record, Dennis Gallagher, Counsel for the Board. No, it's incorporated in Item 8.
- Sandoval: All right. If there are no questions, we'll move to Agenda Item No. 8. Thank you very much.
- Malfabon: Thank you, Governor, Board Members. Assistant Director for Administration, Robert Nellis, will present approval of contracts over \$5 million.
- Nellis: Good morning, Governor, member of the Board. There are two contracts under Attachment A that can be found of Page 3 of 19 for the Board's consideration. The first contract is a project near Dunphy at Union Pacific Railroad and Humboldt River. It's to replace substandard off system structures in District 3, Eureka County. There are three bidders and the Director recommends awarding the contract to Q&D Construction Incorporated in the amount of \$7,835,211.70. And then the second item is, for your approval, is a project that was just covered in the previous Agenda Item No. 7, and the Director recommends awarding the contract to Q&D Construction in the amount of \$14,877,619.20. Are there any questions for either myself or Assistant Director, John Terry?
- Sandoval: Questions from Board members?
- Martin: Governor, Frank Martin.
- Sandoval: Member Martin, please proceed.
- Martin: I note there's almost a 30% delta between first and second on the 3557. Is that reasonable?
- Terry: John Terry again, Assistant Director for Engineering. Our BRAT reviewed the bids and felt like it was reasonable, and I would point out is relatively close to the engineer's estimate it is somewhat different work and that is, you know, a rural bridge, a little bit different work. But our BRAT evaluated it and we recommend award.
- Martin: Okay. Thank you.
- Sandoval: Board members, any further questions with regard to Agenda Item No. 8?
- Fransway: Governor.
- Sandoval: Member Fransway.

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- Fransway: Relative to the Kingsbury project, 3557, is there a number of days for completion for that project?
- Rodriguez: Pedro Rodriguez, NDOT Project Manager. Yes, 200 working days.
- Fransway: Okay. Is there a mechanism for liquidated damaged?
- Rodriguez: Yes.
- Fransway: Okay. That answers my question.
- Sandoval: Is there a weather clause in there?
- Rodriguez: If there's weather, there is no working days.
- Sandoval: Okay. And just back to 3557, I know this sounds like an NDOT term. A substandard off system structure. Is that a bridge?
- Nellis: Yes.
- Sandoval: Okay.
- Nellis: We didn't use an acronym.
- Sandoval: All right. I have no further questions. If there are no further questions for Board members, the Chair will accept a motion for approval of Contracts of 3557 and 3564 as described in Agenda Item No. 8.
- Wallin: Move to approve.
- Sandoval: The Controller has moved to approve. Is there a second?
- Savage: Second.
- Sandoval: Second by Member Savage. Questions or discussion from Board members? All in favor, say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes. We'll move on to Agenda Item No. 9, approval of agreements over \$300,000.
- Nellis: Thank you, Governor. There's one agreement under Attachment A found on Page 3 of 6 for the Board's consideration. This is the item that was covered by Assistant Director John Terry. It's an emergency procurement in the amount of -- not to exceed \$400,000 to study naturally-occurring asbestos and provide technical

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services for the Boulder City Bypass project in Clark County. Are there any questions from the Board on this item?

Sandoval: Just where is the \$400,000 coming from?

Malfabon: That would be -- since we have -- this is Director Malfabon in response, Governor and Board members. Since we obligated the federal funds this fiscal year, although there are some changes with this project, we're using state funds so that we can rapidly get the contract executed. And Assistant Director John Terry had mentioned, we received three proposals out of the four that we had solicited out of firms that we knew had expertise in this area.

Sandoval: Okay. And that's fine. I mean we need to -- we need to move on this. So I just wanted to know -- be clear on where the money is coming from. Questions from Board members?

Martin: While you're there -- this is Frank Martin. While you're there, could you ask Ms. Quigley how much they paid for their study? Is \$400,000 a reasonable number? It seems like a lot of money to duplicate efforts that they're already heading towards.

Quigley: I'm walking slowly because I just texted my staff. I think it was about \$250,000. Let me see if I can...

Malfabon: Yes, it was.

Quigley: Did somebody just say yes. Yeah, it was \$250,000. And certainly I would think that there was be cost benefit economy of scale by sharing a consultant, but you will find out when you get your results of your -- from your (inaudible).

Malfabon: Yes. And this is Director Malfabon in response to Member Martin's question. One of the firms obviously is, as John Terry had stated, is in the running submitted a proposal. So we could end up with the same consultant firm that could do the work. They're doing the work on the RTC's project and we considered having them perform it on our portion as well, and they're just in the running now amongst those three firms.

Sandoval: No, it just seems logical that we would use the same expert. And then second, I would imagine the scope of the RTC's project is much larger than ours.

Quigley: Yes, and we've got 12 1/2 miles, but yes. So correct.

Terry: Their project is larger, but we need to do some other tasks like we're responsible for the environmental documents. So we would use this consultant to help do the consolidated environmental document. But you're right in general, they have a much bigger scope.

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- Sandoval: Okay. Well, I just I -- piggybacking on Member Martin, 250 over here, 400 over here. But I know the 400 doesn't mean that we're going to spend all 400 of it.
- Terry: Yes. Correct.
- Sandoval: Yeah.
- Terry: Correct. We're just throwing that amount saying it's going to be over the 300 limit and can we be approved up to that level. We will negotiate with the consultants and we anticipate a cost plus fixed fee-type consultant agreement.
- Sandoval: All right. Any other questions on this Agenda item? If there are none, the Chair will accept a motion for approval of the agreement described in Agenda Item No. 9.
- Wallin: Move to approve.
- Skanccke: Governor, so moved. I'm sorry.
- Sandoval: Member Skanccke has moved for approval. Madam Controller has seconded the motion. Any questions or discussion on the motion? All in favor, say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes. Thank you. We'll move on to Agenda Item No. 10, contracts, agreements and settlements.
- Nellis: Thank you, Governor. There are 34 executed agreements under Attachment A that can be found on Pages 4 through 6 for the Boards information. We'd like to note that Page 4 contains cooperative and interlocal agreement categories that'll be reported to the board from this month forward as Director Malfabon will also cover later in Agenda Item No. 12. Please also note that Item No. 1 is a (inaudible) amount from the City of Las Vegas for project NEON. And also we'd like to point out Item No. 4 is for the airport connector. It's not fully executed, but felt important enough to put on this month's Agenda. Does the Board have any questions for the Department on any of these items?
- Sandoval: Questions from Board members? Just I know -- on No. 6, the effectiveness of driver education and information programs in Nevada. Is that one of those things that we need to do and that we ask for? I would imagine the answer is going to be yes, we need driver education.
- Greco: Governor, the answer is yes. For the record, Tom Greco, Assistant Director of Planning. Within the Planning Safety Division, we do a lot of driver pedestrian bicycle outreach and we want to measure if it's working or not.

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- Sandoval: Any other questions for Board members with regard to Agenda Item No. 10?
- Fransway: Question, Governor.
- Sandoval: Member Fransway.
- Fransway: Thank you. Item 31, I'm not questioning the amount, but I -- should that not read Humboldt County rather than Winnemucca or are you referring to the Winnemucca district? Because there are no rest stops in Winnemucca Proper.
- Greco: That is correct. That (inaudible)...
- Fransway: Okay. It would be Humboldt County then?
- Greco: Yes.
- Fransway: Okay. Thank you. Thank you, Governor.
- Sandoval: Any other questions from Board members? If there are none, thank you very much.
- Nellis: Thank you, Governor.
- Sandoval: We'll move on to Agenda Item No. 11, acceptance of amendments and administrative modifications to the FFY 2014-17 STIP.
- Malfabon: Assistant Director for Planning, Tom Greco, will present this item.
- Greco: Thank you, Rudy. Governor, members of the Board, good morning. This Agenda item, I did not bring any slides. It'll be short and sweet. There's no asbestos involved. And our STIP, our state transportation improvement program that we brought to you last November was approved by FHWA and FTA on February 12th of this year. So any amendments and modifications would have been between that date and now. And if we turn to Attachment B, which we updated this morning...
- Malfabon: That'll be A, Tom. Revised A.
- Greco: A. I said B? That just slipped out. Okay. It is A. And the reason we gave you an updated sheet is that we inadvertently left out one of the items that Washoe added in their Amendment 1, and that is the Mt. Rose project at \$12.3 million. I would gladly walk through each of these items or answer any questions about any of the Washoe amendment issues.
- Sandoval: Board members, any questions with regard to the project amendments list as described in Attachment A?

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Fransway: Governor?

Sandoval: Member Fransway.

Fransway: Thank you. Yes, Mr. Greco, the TIGER grant for Paiute -- Pyramid Lake Paiute Tribe, what particular project would that be involving?

Greco: Member Fransway, that is -- that's an application by the tribe wanting to do a realignment of Pelican Point Road, which is beyond the end of NDOT's roadway.

Fransway: Okay. What's the distance of that? Do you know, Tom?

Greco: I'm sorry?

Fransway: The distance of that project?

Greco: I'm thinking it's about four miles.

Fransway: Okay. Okay. Thank you, Tom. Thank you, Governor.

Sandoval: And isn't that the project that the tribe had applied for and was one of only two projects in the state that was -- that received the grant and was highly sought after and very competitive?

Greco: I don't have any knowledge of that.

Sandoval: Was that the same one?

Malfabon: Yes, that's the one that was the TIGER grant that they were successful in receiving.

Sandoval: Okay. Are there any other questions with regard to the project amendments list?

Greco: And Carson Amendment No. 1 is also an amendment on Attachment A. I had previously delineated just the one Washoe group.

Sandoval: Member Fransway.

Fransway: Are you ready for a motion?

Sandoval: I am.

Fransway: Governor, I would move for acceptance of the amendments and administrative modifications as indicated in Attachment A, revised version.

Sandoval: Okay. Member Fransway has moved for acceptance of Attachment A as revised. Is there a second?

Savage: Second.

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Sandoval: Second by Member Savage. Any questions or concerns with regard to the motion? If there are none, all in favor say aye.

Group: Aye.

Sandoval: Motion passes. Thank you very much, Mr. Greco.

Greco: Thank you.

Sandoval: Move on to Agenda Item No. 12, approval of notification process for interlocal agreements.

Malfabon: Thank you, Governor. As we had presented last month a lot of discussion and concerns expressed by the Board regarding interlocal agreements. As you recall, in our matrix of what items required Board approval, interlocal agreements were identified as not even being reported, and we feel that for the sake of transparency and the opportunity to discuss for the Board -- go ahead and go to the next slide -- that we would present these for -- currently, we provided them in this current packet as informational items. But this gives you -- this Agenda item gives you the opportunity to give us some guidance on what you would like to see.

Previously, last month we talked about there are some agreements that were with universities that are service-based. Examples that we provided when we noticed -- when I noticed that there were sizeable contracts being awarded to the university for services, such as the Oracle Business Intelligence project that was brought before the Board previously as an informational item. The idea was those are significant. We should take those to the Board for approval.

We've talked a lot about the research program. And I wanted to say that Ken Chambers has done a great job managing that. As he stated, that most of the research program that he's responsible for is at roughly \$2 million a year program. And we do get these additional situations with consortiums or university transportation centers, UTCs, that request money. So we definitely feel that we need to come back with a program and policy for the research program that the Board can support and adopt. So we will be coming back with a separate item for research that will address a lot of the questions that were raised today.

And then you have project based. And the bulk of interlocal agreements as you had seen previously in the previous Agenda items was associated with projects. So when money flows from NDOT to NRTC and a Metropolitan Planning Organization they give money to a county or a city that's under their jurisdiction sometimes. Those are projects that we do together and we're typically talking about federal funds, but sometimes talking, as John Terry had indicated, state funds can be substantially involved in some of these projects on -- the project up at Kyle

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Canyon and Mt. Charleston that the Board previously approved earlier in the Agenda.

But I wanted to make the point that we recognize that we need to have more transparency in this area of interlocal agreements and identify which ones need to come before Board for approval. Next slide.

The objective, obviously, is transparency and notifying the Board in a timely manner. I think that Member Fransway had a very good point to make about when a grant is received by a recipient and they want matching funds from the state, you want to know before that application goes in that this could happen; they could get selected; how much money are we talking about committing so that it's not at the end of the race here that the Board feels that there's not enough timeliness in the process of notification.

And we want to be expedient. We definitely had a discussion last month about these project agreements and a concern both from the Department and the recipients of those federal funds from the RTCs or counties or cities or other public agencies that we don't want to slow down the project agreement process, but we need to be more transparent and notify you ahead of time. Next slide.

One of the things that we're doing is to require Board presentations prior to these agreement coming before you for consideration. So in the past, we had the Business Intelligence project where the university was using that Oracle product of software, and we had the group explain what are we going to achieve with that tool. Another example, we've hired a university in the past to do a service for us related to a dashboard system for performance management so that you can see are we red, yellow, green; are we performing well in a graphic presentation or process. So that's another example that we would make presentations to the Board going forward on those types of agreements.

We're making some process improvements. Internally, at the Department when a division wants to expend funding on a -- on a project or a program there is a process. There's a separate process for projects. Obviously, you receive the Statewide Transportation Improvement program every year in the fall and you approve that. So when there's changes to that program we inform you on a regular basis on those amendments and revisions. But when there's other, more or less, related to programs or some improvements that we're trying to make to manage a program better, we often will hire a university to do those process improvements. What we do, currently, is we're going to be changing the process to where it's not a paper process. It'll be a document that goes to the Director for my consideration, and I will note on there this is subject to Board approval so they'll know in advance and they'll know how to -- that they need to prepare a clear presentation of what

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they ask is to the Board for your consideration in advance, typically, of the actual agreement coming before you for approval. So that'll give you some time for consideration and comment to the Department.

And specifically with regards to Transportation Board approval, what we're looking at as a couple options, but definitely you're not limited to these two options. You can give us some guidance on what you feel is appropriate. Next slide. So currently, as I stated, under the matrix for approval, we weren't even presenting interlocal agreements to the Board, so we want to suggest an option one that we have it as an informational item so at least you're seeing all of the interlocal agreements. And that if there's agreements over \$300,000 that are more due to service type agreements that you would have those -- a presentation on what we're trying to achieve there.

Under this option, your approval would not be required for interlocal agreements. I know that the concern is not to delay the run of the mill project agreements where you know how much funding is from the transportation -- the Statewide Transportation Improvement program and approval of our annual work program on an annual basis. We keep you informed of revisions to that. So the idea was there are interlocals associated with projects. It's the Board's decision whether you would consider approval or not, but this option does not require approval of those types of agreements. Next slide.

The next option similarly, we will report them as informational items, all the interlocal agreements. We continue doing that presentation for those agreements that are more service-based over \$300,000. So you have the information ahead of time and eventually that you would actually approve those service-based type of agreements that are interlocals with the university. The other type of service-based contracts, you're already seeing those ones, so that's -- there's no change to that process. This is mainly those university agreements that were considered interlocals, but they were actually more for a service, not for other -- for a project or something other.

But we -- the last bullet on that slide -- we need to address that. Right now, it's considered informational for research but, again, we have to come back with a separate policy and adoption process for how we're going to handle the research program so as the Board is informed. Perhaps the Board wants to consider selecting, approving and seeing what the actual research projects are going to be done under a research funding program. And so you can strike any bit of this option related to research and just say that we're going to address that separately and focus in on the project-type agreements or service-type agreements through a university. Project-type agreements being with the NRTC, typically a county or a city or some other local public agency.

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So those were the two options we presented, but we're willing to take any kind of questions and allow the Board to give us direction on which -- what their preference is with any kind of option and specifics to those sub-elements to those options.

Sandoval: And thank you, Mr. Director. And what I'm trying to accomplish here is I don't want to have to look at every single agreement. We're going to be here twice a month all day. And -- but the interlocal ones have never really been the issue for me. It's the research. And I'm trying to strike that balance where I know we need research. We talked about it earlier today, but at the same time we don't have a blank checkbook for every research project. So that's the balance I'm trying to find here, is as I said, I -- we review a lot of things now. And, you know, under this policy I don't even know if that one on the Agenda still would hit our Agenda if it were \$250,000 a year.

Malfabon: The -- well, as I said, Governor and Board members, we feel that we have to address research more specifically as a separate item that will come back to you. Typically, those -- what we do in the research program is they're typically less than \$250,000...

Sandoval: Right. But they really add up...

Malfabon: ...except for those really large ones that...

Sandoval: ...is the point.

Malfabon: So yes. You, typically, were not seeing those so we'll have to address that in a future Agenda item focused on research.

Sandoval: But I don't know -- I can't recall me personally and other Board members having issues with any of the interlocals.

Malfabon: Yeah.

Sandoval: Madam Controller.

Wallin: No, I don't think we have a problem with it. I think that when you have the option of calling something an interlocal and I think that what really got us was the Oracle project that was called an interlocal. And if we go and say, well, we don't need to look at interlocals then it's really to like, well, this is an interlocal and we don't have to see it. I don't think we have to necessarily approve them, but I think it should be for informational. We've had that -- less than \$300,000, we've had that before and I can remember a time where we had contract that was less than \$300,000 and it was information and we said pull it. And so I think if it's there we

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can look at it, but not to approve each individual one and just question those that we have.

And then I also have concerns when we have -- when we do that, like the Oracle one they actually hired a subcontractor on that as well. And so that's something I want to have addressed too.

Sandoval: Let me clarify because it may have sounded like I just contradicted myself when I say we don't need to see interlocals. I mean I -- historically, our agreements with RTC, the RTCs and those things. But we've had with the Oracle and the research projects are the ones that have fallen within that definition of interlocal that become problematic.

Malfabon: And the VMT study.

Sandoval: Yes. Member Fransway.

Fransway: Thank you, Governor. And my question is why are we not including private agreements for our private cooperators also? To me, I agree with what Controller said. I haven't had a lot of problem with interlocals, but there are times and I think we'll probably know the one I'm talking about; that we have amendments with private individuals be it, A, someone that's developing property, a developer. Then I believe that we can do that by simply going back to Item 9 and just ask for approval of agreements and amendments over \$300,000. And option two, and correct me if I'm wrong, the way I'm reading it, items under \$300,000 would be informational only. Items over \$300,000 would be information and the information would come before the Board took action. And we don't want to delay a project for two meetings. So could we have the presentation followed by action, Mr. Chairman, the same day?

Sandoval: We're looking at a long...

Malfabon: Well, Governor, if I may address that point.

Sandoval: ...time to present.

Malfabon: Typically, when we're still in the mode of negotiating, I would like on substantial service-type agreements that are with another public agency like a university that we present to the Board so that we can get direction; hey, that's a lot of money. We don't necessarily want to spend that right now, so that we can basically suspend those negotiations and that amount of effort. So I would like -- as soon as we know that there's a significant expense that the Board should be aware of, for the sake of transparency and your consideration, I would have the presentation in advance, but

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it wouldn't hold up the process because we just haven't gotten to that point of negotiating the agreement. But it would give us the opportunity to not waste effort.

Sandoval: Well, I don't want to complicate this. What was the difference between option one and option two?

Malfabon: In option one you weren't approving and in option two you're approving those -- yes. So option one it's informational. We're going to give you a presentation and you're approval is not required on interlocals, as currently the case. But the difference between what's -- currently we're doing was we're going to show you the information, at least, so if you have any questions you can ask -- have the opportunity to ask and be aware of. Option two is where you're actually approving those...

Sandoval: Okay. Well, I support...

Malfabon: ...which I think that the service-based agreements were already -- we should have been bringing those to you, in my opinion, because they're a service, not necessarily a traditional interlocal for a project.

Sandoval: So I personally -- I think we need to move this along. I support option two. Let's see how it works and then if it needs to be modified later on we can do so. But obviously I'm open to hearing suggestions from other members.

Malfabon: And may I suggest, Governor, that we -- we'll just strike that last bullet of option two as an amended, and then we'll address that in the future separately.

Sandoval: Okay, yeah. Comments from Southern Nevada?

Martin: None here, sir.

Fransway: Governor?

Sandoval: Yes, Member Fransway.

Fransway: I hope I didn't step on you, Len. But I'm wondering if we could, as part of option two, if we could just add to Item 9, approval of agreements and amendments over \$300,000.

Sandoval: Are we noticed for that?

Malfabon: That was -- that was done previously with...

Gallagher: Excuse me. For the record, Dennis Gallagher, Counsel to the Board. Board Member Fransway, I believe that currently any amendment that takes an agreement over \$300,000 is listed on your action items. We don't have any this month.

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- Fransway: Okay.
- Sandoval: So we already do, in other words?
- Gallagher: Yes, sir.
- Malfabon: Yes, that was a previous action taken by the Board so we could clarify that point, so if there was something that was a \$280,000 agreement and we add \$25,000 by amendment, it's -- you're aware at the amendment phase and we tell you that it's over \$300,000.
- Fransway: Okay.
- Sandoval: Then the Chair will accept a motion for the adoption of option two with the deletion of the university research agreements are considered information.
- Wallin: Move to approve.
- Sandoval: Madam Controller has moved to approve. Is there a second?
- Martin: Second.
- Sandoval: Second by Member Martin. Any questions or discussion on the motion? All in favor, say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes. Let's move to Agenda Item 13, Briefing on the 2013 facts and figures book.
- Malfabon: And we wanted to keep this item very brief, Governor. This is a fact book that NDOT produces each year. And we went to a larger format for ease of reading a few years back. But it gives a lot of facts and figures, a lot about the revenue that we receive. I didn't want to make a very long-winded presentation about it other than to state that we provided you with an opportunity for any comments so that we can make those amendments and then get it posted on our website.
- We try to minimize how many publications we make so we can reduce printing cost, so we just try to make it available on the website. And if there is any questions we'll do our best to respond to the Board's questions about the fact book. But it gives key information about where NDOT's headed, what our mission and goals and vision are, and talks about awards and recognition, performance management at the Department. We talk a little bit about our customer satisfaction focus at the Department in our maintenance program, a little bit about our innovative financing in operational improvements and safety improvements, and

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also a little bit about how we're trying to improve the aesthetics of some of our projects as well to make, you know, communities proud of the projects that we do.

It also goes a little bit into highway system condition and use. It talks about how -- I think it's a very good point to make nowadays with the discussion about where our funding goes. We want to make those statistics available about how much mileage in the current system is a state responsibility and how much is others, primarily the counties and the cities to maintain. And it talks a little bit about the condition of our pavements and bridges. But a lot of the more in depth detail about condition of bridges and pavements comes in a separate document published every two years, the pavement -- the Highway Preservation and Bridge Report.

So this is more facts and figures. A lot of it is very useful information and it is available on the website. Any questions or comments could be considered at this time.

Sandoval: Member Savage.

Savage: Thank you, Governor. And Mr. Director, I just want to compliment you and your staff. This is a fine, fine professional -- it's a road map to the Department and it's a statement to others that we're very professional in everything we do. The core values of integrity, honesty, respect, commitment and accountability. I know you want to keep it short, but there's a lot of work that's put into this, and this book here is something I know I refer back to each and every time I have a question. It's very solid and very professional, so I think you, Mr. Director.

Malfabon: Thank you, Member Savage. And I would like to give the compliments to our performance management group. They put this together with a lot of other assistance, particularly from other groups in the Department in financial management for some of those dollars -- information where spending goes.

Sandoval: No, and I wanted to echo Member Savage's comments, is that we get this nice, beautiful book with facts and figures, and there are probably hundreds if not possibly thousands of hours that go into the compilation of all that data. So for those that are -- who are responsible for doing this, you have my sincere thanks for the hard work and commitment.

Malfabon: Thank you, Governor.

Sandoval: Any other comments or questions with regard to Agenda Item No. 13? Okay. We'll move on to Agenda Item 14, old business.

Malfabon: Thank you, Governor. Contained in your packet under Item No. 14, old business, is a report of outside counsel cost and open matters and a monthly litigation report.

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Although we can't comment on specific legal cases, if there's any questions under Items A and B, our chief deputy attorney general, Dennis Gallagher, will respond.

Sandoval: Any questions for Mr. Gallagher? Thank you.

Malfabon: Continuing on, Governor and Board members, a fatality report dated February 20, 2014 is provided. Good news, I received a report dated March 5th, which shows the amount of fatalities compared to the previous year is down 12. So in your packet it indicates six less than last year at this time. The report was February 20th in your packet. The most recent, we're 12 less. So our efforts are really showing reduced fatalities. And any time that we can do that it's a great thing for our state to have people go home to their families and loved ones.

Sandoval: Questions for Board members on Agenda Item 14-C? Let's just hope we can continue that momentum.

Malfabon: Yes, Governor.

Sandoval: If there are no questions on Agenda Item 14, we'll move to Agenda Item 15, public comment. Is there any member of the public here in Carson City that would like to provide comment to the Board?

Malfabon: Governor, I wanted to make a couple of points. The Transportation Board meetings dates have changed. They're usually on the second Monday, but they will be on the first Monday in June and July, so June 2nd and July 7th. And the Construction Working Group will remain on June 9th, originally scheduled date, but they will start at 9:00 a.m. So we'll get those public notices out at the appropriate time.

Sandoval: Any public comment from Southern Nevada?

Skanccke: Governor, there's no one here, but I wanted to a follow-up real quick on an item that you -- we discussed at the last meeting regarding DBEs. In the minutes, it said that I would come back in March with some recommendations. That's not going to happen today. This is a lot more -- this issue is difficult and challenging. And so I've had several meetings with individuals within the business community, as well as with the Department. And I would probably suggest that I come back to you in May. I'm going to need more time, and I think we want to do this correctly and we want to do it properly. And so 30 days was not enough. So if it's all right with you, I'd like to continue to do meetings, excuse me, individually and then come back to the Board sometime in May with -- the May meeting with recommendations.

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- Sandoval: And thank you, Mr. Skancke. And I think that's a prudent approach and it is a complex area that I would prefer to see detail rather than expedience. So thank you for your willingness to do this.
- Skancke: My pleasure. Thank you.
- Sandoval: And that will close public comment. We'll move to adjournment. Is there a motion for adjournment?
- Wallin: So moved.
- Sandoval: Controller has moved. Is there a second? It's as fast as I've seen everyone move all day.
- Savage: I'll second.
- Sandoval: Second by Member Savage. All in favor, say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes. Thank you, ladies and gentlemen. This meeting is adjourned.


Secretary to the Board


Preparer of Minutes