

Transcript of Nevada Department of Transportation
Board of Director's Meeting
December 14, 2015

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

Sandoval: Good Morning. I will call the Nevada Department of Transportation Board of Director's Meeting to order. Frank, I understand you're on the telephone, can you hear us loud and clear?

Martin: Yes, I can hear you Governor.

Sandoval: Wonderful. And, Mr. Lieutenant Governor, can you hear us from Las Vegas?

Hutchison: I sure can Governor, thank you.

Sandoval: All right, let's proceed with Agenda Item No. 1, which is to receive the Director's Report. Before you proceed Rudy, I want to compliment the NDOT staff who is out there on the roads. I think we got spoiled last winter and forgot what a regular winter can be like and I had the great experience of being out on the roads last night and I will tell you, they did a remarkable job and are doing a remarkable job. So, I want to ask that you convey from me and the rest of the Board, our thanks.

Malfabon: Thank you Governor and Board Members, definitely will do that. And, I wanted to mention that one of the struggles that we have as people retire, you see a lot of retirements, you see a lot of people leaving as the economy improves; we're really going to rely a lot on the Human Resources agency, at the state level to rapidly approve those requests, because of the turnover. We need maintenance operators for the snow plows. Luckily we have a good agency that's in partnership with NDOT to try to fill those positions rapidly.

Sandoval: I still have a raincheck on my ride-along. I want to—this will be the season to get that done. I'm very earnest in doing that.

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Malfabon: Thank you very much. So, we'll start out with the—oh, I wanted to mention Governor and Board Members that we have a request to take Item 11, earlier in the agenda to just respect the time of the Chairwoman from RTC Washoe County, Neoma Jardon we would like to move that up after the approval of the minutes. Thank you.

Last week we had a very kind of emotional event. In the photograph you see Deputy Sheriff Carl Howell's father Kevin addressing those that were present at the December 8th event. Very heartbreaking but very proud moment for him and for us as well, to do our part to dedicate the Carson Freeway in his son's honor. So, we have our signs up on Carson Freeway, north of Fairview in both directions and anticipate other signs as the freeway gets completed. I wanted to say that we are very thankful for the Sheriff's Honor Guard, for assisting in that and for the speakers, Mayor Crowell and Sheriff Furlong, and you as well Governor. I know that the State Controller was there as well, as well as the Secretary of State. So, very honorable occasion and very well covered by the media.

One of the significant things of note that happened recently, the President signed the FAST Act, Fixing America's Surface Transportation Act, which gives us the assurance of five years of federal funds, slight increase, about 5% or so from what we've been receiving. One of the things that was of significance is there's a transition of 5%, so 1% per year of the bill from the STP State Funding Category to the Local Surface Transportation Program, STP Program. So, that's not going to be a huge hit, but it was in the sense of the locals have a lot of needs and they need more federal funds to meet those needs. So, that transition will start occurring this federal fiscal year.

There was also a new freight program and I know that you're going to receive a brief update on our Nevada Statewide Freight Plan later in the agenda. That was—that actually came with some additional funding for the State. About \$10.7M anticipated in this federal fiscal year.

Also, some good news for designation of future I-11, from Southern Nevada to the I-80 area in Northern Nevada. No funding was designated for that, but it sets a place holder, I believe, for future funding should that come to play with other appropriations bills. There's opportunities for our delegation to get some funding in the future.

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Sandoval: I don't like to interrupt you during your presentation, Rudy, but I wanted to get it while it's topical. So, when you say we're getting \$10M more, how can we use that money with regard to the freight?

Malfabon: So, we anticipate, Governor, that it will be used for some of the initial projects. We're still getting information about how the approval process will work for the slate of projects that will support freight movement in Nevada. We've anticipated that it will be things like truck climbing lanes, truck parking areas because of the laws only allow a truck driver to operate within so many hours in a day, they have to stop somewhere. We know a lot of the traffic is coming from the ports in Southern California and the Bay Area. We can anticipate where more truck parking is needed. Those types of projects will be anticipated as well as applications. I know that some states are developing applications to let truck drivers know what truck parking is available in the certain areas of the State. So, we'll look into the specifics of the program and approval process from Federal Highway's perspective as well. I wanted to also mention that there was a change also for—that affected Tahoe's funding but more details to come on that.

So, Member Skancke had talked previously about capturing the impact of the investments that the State has been making for the New Nevada, and specifically transportation investments. There you see six major projects that NDOT has been working on the last several years. These are, the more recent projects, we're investing over a billion dollars in new and improved infrastructure.

Based on the benefit cost calculations, those six projects will reap \$4.3B in anticipate benefits. That's based on, about a 300% return on investment based on benefit cost calculations. The jobs calculation estimate was based on economic studies in Southern Nevada that take the construction cost and project that out to direct employment, indirect employment, so manufacturers and suppliers of materials are indirect, and induced employment. So, those salaries of those workers on those projects are spent on things like groceries, gas, entertainment. Definitely a ripple effect, positively for the economy. It's a significant investment and significant return.

I wanted to acknowledge the efforts of Deputy Director Tracy Larkin-Thomason, in setting up the Autonomous Vehicle Public Policy Workshop. She's been working with AASHTO, the Association of the State DOTs, and working in concert with the LVCVA to set-up this workshop. We'll have some events the day before, on January 4th, but the primary workshop is going to take place on

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January 5th at the Convention Center in Las Vegas. We have a lot of DOT, DMV, insurance companies, manufacturers, data companies attending. I think it's over 70 people Tracy? 110? A lot of people are sending extra people, so hopefully we have enough room. Definitely a lot of good things to discuss. We're trying to raise the awareness of the policy and regulation issues facing the states, learn the manufacturer's perspectives as well and discuss the balance in advancing policy and regulations and working with the manufacturing side and the data companies. Also, develop the next steps for a follow-up policy forum.

Sandoval: Could we—or, I would like to see an agenda and a list of the attendees.

Speaker: [inaudible]

Sandoval: Okay, it hasn't made its way to my desk yet, but thank you.

Malfabon: Thank you Governor. Project updates. We're moving along on Project NEON. Kiewit was issued the notice to proceed after the Board approved the contract. Tentatively, we're looking at April 7th at Symphony Park, for a groundbreaking event but we have to check on everybody's availability to put that in definite terms. We're continuing with demolition and increasing security patrols for some of the vacant buildings because we've had complaints and concerns from the neighbors of homeless people breaking in to buildings or people stealing copper from buildings, things like that. We're addressing that by increasing our security patrols and adding more of the demolition. As we acquire properties, demolish them, so they're not having that attraction for people that we don't want in those vacant properties. And, property acquisition is continuing on Project NEON.

This is a significant project that I wanted to make the Board and the public aware of. Our staff has been working on a rock fall mitigation project on US-50 at Cave Rock. On the lower left photograph, you see some of the boulders on both sides of the highway that we've picked up with loaders and deposited on each side of the highway. Those rocks were in the road, in some instances and definitely a safety hazard for travelers on that. Sometimes these rock falls can happen at night when it's dark out there and not the best of lighting conditions. Earlier this year we did an emergency contract to install some steel netting, to kind of redirect and help the rock land in areas to the side of the road. You can see the significant damage to the tunnel portal on the right side, above that 13 foot sign, there's some damage that was repaired on that concrete. Some big boulders have a tendency to slip and just release from the side of the mountain there.

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The project that's anticipated in 2016 is a mitigation project that will extend the tunnel. You see the visualization or artist's depiction of that extension of the tunnel. We'll have aesthetics. You see a concrete treatment that's going to make it look like native rock with some staining on the concrete. We're working with our aesthetics folks to make sure that it's going to look realistically natural and not take away from the beauty of the area.

Sandoval: Realistically natural, right.

Malfabon: Yeah, that's the best I can do. It's going to be fake but it's natural.

Sandoval: Rudy, maybe you're going to get to this, but you're obviously consulting with the Tribes on this as well?

Malfabon: Definitely. Some of the stakeholders that we're reaching out with are the Tribe, TRPA, obviously. And, in fact, if you go to the next slide, those are the stakeholders and there's many others that we'll be reaching out to. The transportation agencies up at Lake Tahoe, the business owners and the special event coordinators. One of the things that we have to do to work on that southbound side is to have a crossover and have traffic on one side of the tunnels. So, significant traffic impacts anticipated from May to October of next year. It is necessary because of the safety issues that we're concerned about and the fact that when we put up the steel netting and those improvements as the emergency contract, there was a commitment that those were only temporary improvements. So, more to come on the outreach. Definitely many stakeholders involved. The team is doing a great job of addressing that outreach.

On December 3rd, State Route 342, permanent realignment was re-opened. There's still a little bit of finish work to complete next spring. I would just want to extend our appreciation to Comstock Mining for their efforts in addressing what had been a concern with the abandon mining shaft below the old highway. They came in, took out the railings, realigned the road and it was just recently re-opened but definitely was an improvement from the previous situation.

We kick off the traffic study in Reno that will eventually have the improvements that the Spaghetti Bowl identified, as well as—it's a broader traffic study looking at I-80, 395 and 580 in that Washoe County area. There's a lot of steps involved. It was anticipated to be 18 months but about midway through, they'll have interim improvements that will be identified and can be taken to further development for

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delivery as a construction project. We have a separate, kind of brainstorming or charrette for the Spaghetti Bowl interchange plan for early 2016 with several stakeholders from Washoe County so that we can come up with some interim improvements and fast track those.

Not a lot of recent settlements. The Loch Lomond Trust was settled at the Board of Examiners approval of the settlement. So, three residential properties settled for \$807,000. That settlement will be—details will come later, next month to the Transportation Board, but that was a fair and equitable settlement with the owner and the State.

I'm sure that there's some recent developments that you have some questions about, but I just wanted to be very quick and succinct with the Director's Report, because I know you have a lot of briefings coming up on the agenda.

Sandoval: Thank you Rudy, questions from Board Members? Mr. Skancke.

Skancke: Thank you Governor. Rudy, congratulations. I sent Rudy a text this morning and said, did we have any snow removal equipment, as I came down the 580, that was primarily Rudy, a joke, because I think I made the motion to approve the snow removal equipment. I think you guys are doing a superb job, as you know. I have a couple of questions. One, congratulations on the economic impact that this Department has made on Nevada's economy for the New Nevada. I think the public needs to know that sooner rather than later. A 300% return on investment is a rather substantial return on the public's investment in what this Board and this organization does for the State. Can we go back to that one slide real quickly, is it possible? That one right there.

Having an anticipated benefit of \$4.3B is huge for our State. The return of 300% and those number of jobs, that's almost on an annual basis of what this organization does for our State. So, transportation infrastructure investments do create jobs and do improve our economy.

I want to take this one step further. As we look at the federal funding that comes into the State and now that we've, which I think is kind of oxymoronic, we have an Act that's called the FAST Act that took five years to pass, but I'd like to know what it costs for us to implement the federal program here in the State. It's becoming more and more expensive to use federal dollars on projects because of time, project delivery, etc., etc. So, is there a way that we can do an analysis of

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what the federal program actually costs the State to implement? Where I'm going with that is, other states are looking at where they use federal dollars and how they use federal dollars. I think it's important for our Board to know that when we get a federal dollar on a project, how much time that may add and then how much it costs us to actually implement that.

Here's why, there may be cases like the 215 Beltway in Southern Nevada and if you go back to when we did the widening of I-15 from Tropicana to Stateline, we decided to use state dollars and not federal dollars. The reason why we did that was Federal Highways wanted us to do an environmental document all the way to Barstow, because that was the next terminus to the I-40. We chose as a State not to use federal dollars on that project, but to use only state dollars. So, I think going into 2016 and now that we've got a new Transportation Authorization Bill, in order for us to continue to have this impact and to get this type of return and to build the New Nevada, right, which seems to be happening more frequently than not these days with projects like the Faraday project that's happening in North Las Vegas, the USA Parkway/Tesla Project up here, etc., as we continue to make these economic development successes, I think it's important for us to know what it's going to cost us as a Department of Transportation to implement the federal program so that we can decide where best to make those investments.

Then, as I drill that down one step further and with all these projects, do we have the resources, within the engineering community, within our own Department to actually deliver on all the things that we need to deliver. More and more projects, right, more and more demand are going to require more and more people.

Those are kind of two things that I'd like to take on to the next level, maybe we can see that in January or February. Because as we continue to build this New Nevada, I think we as an organization, as a Department, should really take a look at, what is the cost of that and what's the benefit to what those dollars are doing. As always, great job and thank you very much for sharing this with us. Thank you Governor.

Malfabon: Thank you Member Skancke, and we'll work on that. I don't know that we'd have it by January, but we'll definitely work on that for a presentation to the Board. In defense of our federal partners, I wanted to say that sometimes Congress is, in passing certain legislation, leads to certain policies that require Federal Highway Administration or USDOT to enact that legislation from Congress. Following the environmental process, for instance, it protects our

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environment, but it does take time to do those studies and that's how we enact the NEPA policy. The Federal Highway Administration also has been working on Everyday Counts Initiatives, they recognize that it takes too long to deliver these large projects and they're looking at ways to streamline the process.

One of the things that our financial staff do in working with our project delivery side of the Department is to use every dollar as I've shown to the Board before. We benefit from other states leaving money on the table. So, we use every dollar of federal funds available, but you raise a good point about resource constraints. When the economy was slower in Nevada, seven years ago or so, a lot of companies were closing doors or sending people out of state. Now we have a need for that infrastructure and those engineering/planning companies to have personnel in Nevada to do that work. So, definitely working with our partners in the consulting, engineering community; as well as the contracting community. You're seeing more interest in Nevada. There's a lot of things happening here positively with our economy, so.

Sandoval: Thank you. Controller has a question.

Knecht: Thank you Governor. Looking at the New Nevada Transportation Investments Summary, the \$4.3B in anticipated benefits, the 300% ROI, 10,500 new jobs, etc., I'd like to get the details on that. Could you provide me with whatever report or work papers or calculations or spreadsheets to back that up? I'd like to know the details. Thank you.

Malfabon: Yes, Mr. Controller, we have the details and we'll provide them to you. It was based on taking the benefit costs and we have the outlined for the projects noted, for NEON, Boulder City Bypass I-11, USA Parkway, Carson Freeway, State Route 160 Widening and US-95 in the Northwest, so we took those benefit cost ratios and also have the information about how many dollars per job in those calculations. We'll get you these details, a copy for you.

Sandoval: Member Savage.

Savage: Thank you Governor. Two questions Rudy. First to comment on Member Skancke's request, out of the box thinking and I'm curious as well to understand—it's really a cost benefit analysis, I think. The federal people have been very supportive, we're very grateful for them, but with the economic engine that we have here going right now with the State of Nevada, it would just be nice

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to know the cost benefit and the timing of what those dollars really cost. I look forward to seeing that.

Secondly, the Spaghetti Bowl, you had mentioned earlier. I know we engaged a consultant last month on the traffic study and it was an 18-month study overall. I had spoken to them after the meeting and they said they were going to let the Department know, because we wanted it sooner rather than later and it wasn't discussed any further after that point. I don't know if the CA Group had gotten back to the Department with better timing on that Spaghetti Bowl study itself.

Malfabon: In response to Member Savage, the CA Group is preparing a presentation, as we speak that I'm going to review tomorrow. It's going to cover the details of the study, the traffic study and they did give a brief overview last month at the RTC of Washoe County. I asked them to develop a more detailed presentation that is going to be ready in January for the Board, but it will be ready this Friday for the RTC Board Meeting in Washoe County. They definitely heard you loud and clear, Member Savage. They looked where they could compress the schedule and advance those interim recommendations for project improvements more rapidly.

Savage: That's good to know because time is of the essence and it's important that we have the results sooner than later. Thank you Rudy, thank you Governor.

Sandoval: And, thank you Len. I'm going to pile on here because you know how I feel about this Rudy. I don't want to wait 18 months to tell us what we already know, which is that that Spaghetti Bowl is over subscribed. We can put those little traffic counters and whatever the temporary measures are, but we know there needs to be some major work done there. I don't want this thing to get delayed waiting for us to basically get conclusions that we know we're going to get right now. I'm hoping, like Member Savage, that we're going to get some more specific long-term suggestions or recommendations so we can start to move on that. It's going to get worse before it gets better. I'm hopeful that in the first quarter of next year, we'll really have a presentation here where this Board will have the ability to make some choices.

Malfabon: Yes, Governor, we will.

Sandoval: All right. Frank or Mr. Lieutenant Governor, any questions or comments on the Director's Report?

Martin: I only have one sir.

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Sandoval: Please proceed.

Martin: Rudy, the report that you mentioned was going to be given to the Reno RTC, or the presentation, can you get the Board Members a copy of that presentation so that we have an opportunity to absorb it between now and the next Board Meeting?

Malfabon: Yes Member Martin, we'll do that as soon as we get that—even before the presentation to the RTC Board, we'll get that to the Transportation Board Members in advance.

Martin: Thanks Rudy.

Sandoval: Mr. Lieutenant Governor, you have anything?

Hutchison: Nothing further Governor, thank you.

Sandoval: Thank you. Let's move 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?

Hutchison: No public comment here Governor.

Sandoval: Agenda Item No. 3, November 9, 2015 Board Meeting Minutes, have the Members had an opportunity to review the minutes and are there any changes? Mr. Controller?

Knecht: Thank you Governor, one really brief one. At Page 9, in the fourth line of my remarks, summarized should be past tense. I didn't summarize them there, I had previously done so in consideration of that matter.

Sandoval: So you just want to add a D there?

Knecht: Yes sir.

Sandoval: Okay. All right, do you have that Rudy?

Malfabon: Yes.

Sandoval: Any other changes to the minutes? If there are none, the Chair will accept a motion for approval.

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Knecht: Move to approve.

Sandoval: Controller has moved for approval with the one change. Member Savage has seconded the motion, any questions or discussion? Hearing none, all in favor say aye. [ayes around] Oppose, no. That motion passes unanimously. Let's move on to Agenda Item No. 11.

Malfabon: Yes Governor, I would like to introduce Chair of the Washoe RTC, Neoma Jardon and Lee Gibson, the Executive Director.

Sandoval: Councilwoman, it's a pleasure to have you here today.

Jardon: Thank you, it's a pleasure to be here. I'm glad I slid in in time this morning. It was a bit precarious getting here, I apologize for being a little bit late. Good morning Governor and Members of the State Transportation Board, it is a true pleasure to be here. My name is Neoma Jardon and I am the Chair of the Regional Transportation Commission of Washoe County and a proud member of the Reno City Council.

RTC Executive Director, Lee Gibson and I are here today to update you on several major projects in Washoe County that we're pretty excited about that are either underway or we hope to be underway very shortly.

RTC takes very seriously it's responsibility to construct quality projects that promote sustainability, economic development and safety. I have to say, I was thrilled to hear both of you comment on the Spaghetti Bowl. I have advocated—Rudy can attest to this, at every RTC meeting, I believe for the last two years, my concerns with the Spaghetti Bowl and it's safety. We recently had a presentation about the societal impacts with regards to the accidents surrounding the Spaghetti Bowl. In a very short period of time, there was multi-millions of dollars of impact, just on the I-80 east to I-580 south movement. Or, as I like to call it, the white knuckle, muscle clenching, watching your rearview as semis barrel at you at 70 miles an hour and traffic is at a standstill. So, I'm very excited to see this priority moved up so we can fix this safety issue in Northern Nevada.

Governor, the RTC is proud of its partnership with NDOT. We believe we have removed some of the silos that either local government or the RTC or NDOT may have had previously. We are working much more collaboratively on issues related to safety improvements and I think the light in front of the Bonanza is a

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great example where we have worked to expedite that very necessary project and I thank you very much for that.

We fully intend to continue this partnership to address the challenges of traffic congestion operations, freight and safety; especially for pedestrians. Special areas of focus include the Spaghetti Bowl, I-80, US-395 and the North Valleys. We are committed to partnering with NDOT to lead and have the projects be completed before FAST expires.

Governor, we are planning on a high-level tour of the Spaghetti Bowl and the North Valleys issues so we can begin developing and sustaining and a consensus to improve this most important statewide asset. As the MPO, we are looking forward to the opportunities the new Fixing Americas Surface Transportation legislation offers our State and plan to implement innovative projects.

We are especially excited about the opportunities to fund freight projects and continue to pursue Federal Transit Administration Small Starts Funding for the Virginia Street Project. We are very excited about the Virginia Street Project and the Gateway Project that connects better our downtown, our midtown and our university.

I-11 is another exciting opportunity. As the MPO, we stand ready to partner with NDOT and counties throughout the State to help plan for this much needed interstate that will have huge economic impacts on our entire State and certainly Washoe County.

We value the partnership we have with you and the Nevada Department of Transportation and we look forward to our continued relationships so we can plan Nevada's future together. Thank you.

Sandoval: Thank you very much. Mr. Gibson.

Gibson: Thank you Governor and thank you Members of the State Transportation Board. Rudy, I appreciate the opportunity to have an agenda item. We hear from Rudy once a month and so I thought it was time for me to come and give you all an update on all the exciting projects we have going on.

I want to go through seven projects real quick, the Pyramid-McCarran Intersection, Fourth Street/Prater, Southeast McCarran. I do want to spend a moment on the Southeast Connector. I think some of Member Skancke's

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comments earlier about the regulatory environment we work in, some of the legal challenges, you may find that discussion fascinating. Harvard Way, Virginia Street RAPID that my Board Chair just mentioned, of course, Keystone. Harvard and Keystone are two examples of pedestrian safety projects, where we've really focused in at the neighborhood level. Trying to get a balance here Governor, really of what I call mega-projects but also more neighborhood focused projects. I think often times, those projects can be just as important.

Southeast Connector. This is a \$290M local investment. This is for Southern Nevadans, I like to say, our beltway. It will connect Sparks Boulevard—this is the intersection of Sparks Boulevard and the Southeast Connector, this is Phase 1. It goes back around there. I'm pleased to say that we've completed the litigation. The litigation has been dismissed and we are moving full speed ahead. The litigation was centered—it was a two and a half year experience. The Upper Southeast Communities Coalition brought allegations of violations of the National Environmental Policy Act, as well as the Clean Water Act. It was under the Clean Water Act that they used the Citizens Provisions to bring a lawsuit against the Corp. of Engineers that they used as the avenue to get these lawsuits into the federal system. As I said, this was dismissed. This was after a hearing before the Eastern District—the Federal Eastern District for California, in front of Judge Mendez. There was a hearing on a preliminary injunction. The motion for the preliminary junction was denied. Then another couple of maneuvers, we ended up at the Ninth Circuit Court. The Ninth Circuit Court found that Judge Mendez did not error in his decision making and it was after that that the Coalition then moved for the dismissal. I hope that legalese was right.

I do want to put in a note of gratitude, to CH2M-Hill, as well as Granite Construction. CH2M-Hill, in doing engineering design for large projects, it's tough enough to have to go through and deal with, what I think is one of the most challenging environments in the state. As you can see, we have a lot of natural resource issues. Part of our project is to put in, I believe it's over 190 acres of restored wetlands and [inaudible] Corridor. I actually consider this to be an environmental project as much. We're going to be helping deal with the issues of runoff from Virginia Lake, the airport and help get that cleaned up as part of this. When your engineering designs are subject to litigation, you really come under the microscope and I cannot say enough good things about CH2M-Hill and how they withstood that scrutiny and withstood that going through the oven if you will, getting raked over the coals. So, very, very pleased. Granite did an excellent job

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in their creative approach to construction and we are now full speed ahead and we're going to have a project that everyone is very proud of.

Southeast McCarran, here's a really great partnership with NDOT where NDOT funded some of the improvements and we put in local funds. We've widened the road to six lanes but we've also put in a multi-use path. My dentist was especially pleased to hear about how we just dropped that pedestrian bridge right in there, like he would put a bridge maybe in your teeth. So, he very much enjoyed that story, but this is a really fabulous example, in my mind, of our partnership where we're providing greater capacity, we're providing a multi-use path, we're providing opportunities for all modes.

The Pyramid-McCarran Intersection, we have bids out on the street right now in cooperation with the Department. We're going through the demolition right now. This will be an intersection improvement. It is a congestion, mitigation, air quality funded project. This is a hot spot type of intersection fix that's needed to help improve air quality, as well as a safety hot spot. We hope to be in construction in April of next year.

I mentioned pedestrian and bicycle projects. Here's some examples of our neighborhood efforts. Here's Harvard Way in the lower—I'm sorry, that's Keystone in the lower right hand corner, also up there, with all of us in there. Notice the different colored paint scheme in the pavement. Again, a way to really make a neighborhood more livable, a way to accommodate the different transportation demands. We fixed some of the curb cuts to help improve ADA accessibility. Here's Harvard Way, under construction. That's a great asset for helping get people to Wooster High School. Very, very happy with that project.

Governor, I know your interest in electric vehicles. We continue to have great success with our electric buses. Of course, they're helping reduce diesel fuel, reduce emissions; but most importantly on our Fourth Street/Prater Way, our signature BRT project, that will connect Downtown Reno and Downtown Sparks, we're going to deploy four more of those vehicles in that service. This actually will be a first for the RTC, a first in the nation. This will be the nation's first all-electric bus rapid transit line and we're getting a lot of scrutiny from the federal government, a lot of scrutiny from the American Public Transportation Association on how well we will perform. We're also, of course, very proud of the TIGER Grant that we won and we also are using FTA Small Starts in this project as well.

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We're moving through the NEPA Process and the preliminary engineering design for Virginia Street, RAPID Extension including the Gateway. Our key partners in this project have been UNR, the City of Reno, ourselves. We will get this BRT up to UNR. We're going to get the sidewalks in midtown improved. Connecting those three areas, connecting the intellectual resources of the university with the opportunities in downtown and the ambiance, livability and commercial opportunities in midtown, we believe is going to help fuel the synergy of helping to build what you've worked so hard to do and the State, to build a new economy focused on technology and bringing in the higher more educated workforce, enhanced educated workforce.

Long-term needs, we do need an expanded bus maintenance facility. We're in the process of doing what I call the final fixes to Villanova. The FAST bill does provide for a competitive national bus and bus discretionary funding program, we will be looking at that and looking to perhaps build a satellite facility for our vehicles. The vehicle at the top, I want to point out, that's an example of a vehicle that's gotten taller, but also our new electric vehicles. That's been where technology has gone in the bus industry today.

Our transportation needs; I want to echo some of Chair Jardon's comments about the Spaghetti Bowl. Again, I'd like to just say, let's all—we've got a new bill. We have new funding opportunities. There was an emphasis on freight. There's also an emphasis, as I read the bill and I'm kind of looking at Rudy to see if he nods his head, there may be some opportunities to expedite the delivery of a project through moving through project development process and the NEPA Process more fully.

Governor, you have our commitment. We will partner with NDOT. We will work to build the local consensus, partner with NDOT; let's try to get that project funded and ready to go before FAST expires. That is a big challenge. That's an enormous challenge. That means getting design, NEPA, done in the next five years and getting those funds obligated. I think given the way we are moving, the way we're changing, the way we're growing, I think we need to do that.

The picture on the right is the US-395 Corridor from the North Valleys coming in. That is getting to be a real bottleneck. It needs to be part of that solution. We need to work on those interchanges. We've partnered with NDOT. We have our study, they have—NDOT has its study. We're going to bring those

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recommendations together and again, look at a coordinated and expedited fashion to program projects.

I do hope you take I-11 note there with a bit of humor. We see it now as I-11 to Las Vegas. I know, maybe Las Vegas sees it as I-11 to Reno. You will have 100% of our support to partner with, to go through the issues, to work to get that project built, maybe sooner as opposed to later. We need to tie our state together.

I've mentioned our maintenance facility, Regional Transit Services, Governor a while back you talked about looking at new and innovative ways to move people out to TRIC from Reno, the electric buses we see as a possibility, but we also don't want to lose sight of the fact that there might be a commuter rail opportunity. We also understand in Washington that there may be an effort underway to create a Lands Bill to do some swapping. We will be partnering with NDOT to maybe look at any opportunities for that rail corridor for a commuter rail line.

Long term vision stuff, what we all know if we don't start now, it won't get done in the long term. With that, I'll be happy to answer any questions anyone has.

Sandoval: Thank you. You raise a lot of questions. I guess I'll start with TRIC. The employment is about to double out there and so there is a plan right now to be able to move the workforce out there without having all of them driving?

Gibson: We are going to be updating our regional plan. We want to identify the short term bus improvements to help implement inner-city style service, but also look at the longer term improvements. That's something I think in the FAST Bill, we need to really focus on. There are a lot of freight formula and discretionary opportunities, ways we can perhaps fund and invest to—my vision, let's get the people, perhaps in transit going out there so we can free the capacity on the freeway up for freight. I think that's the strategy will be taking in our planning process and our project development process.

Governor, I think something to go back to some of the comments by Member Skancke earlier; let's get on this now, let's stay with it. We do have an opportunity to move through the regulatory process, perhaps with the improvements in FAST, so we can do this sooner as opposed to later.

Sandoval: Go ahead Councilwoman.

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Jardon: Thank you. And as someone who is working hard on a number of innovative transportation items in the City, the electric buses for those who haven't ridden them, it's quite the experience to not have the shaking and the smell and the noise. They truly are—when you have a bus stopped to be sitting at the bus stop and there is no exhaust. You can imagine the maintenance costs are significantly less, not to mention the fuel savings.

I wanted to say about the TRIC transportation—having a teenage son who is at the university, who may very well be one of those new workers out at TRIC, they are far more interested in this [motions as being on phone] than this [motions as if driving]. So, we need to make sure that we're meeting the needs of the next generation of employment within the region.

Sandoval: We all have the same kid don't we? [laughter] Lee, if I may, to follow-up on the Spaghetti Bowl, did I hear you right that even on a fast track that it could be up to five years just to get the project going?

Gibson: I'm suggesting we have a five year window with the funding opportunities. Let's look to those opportunities within that window. So, this is, no pun intended, fast stuff. I'd like to get through the design and find something maybe we could categorically exclude from NEPA and use some of the freight discretionary freight formula, other funds. Rudy's talked about some financial mixes.

Let me maybe rephrase it Governor. Let's work—I think we can get to a design solution pretty quick. It's always, what have we all learned through the years? It's funding and financing that are the question. My challenge for all of us, my challenge for the team, let's focus on that first. Let's really sit down and start combing through that bill, let's look at our state/local resources, let's see what we can do and let's get those funding concepts on the table today. I think that can make the design, that can make the effort to get through NEPA a lot faster if we know what we can fund and we focus on fundability as a key decision idea.

I think the second piece that I want to really emphasize, Washoe County, the City of Reno and the City of Sparks need to come together and be one voice on this issue. That's something—that's our job at RTC. That's what we exist for. We are going to do everything in our power to make sure that happens, because dissension amongst the ranks, dissension in the troops is really not a good thing for project development. We've got to stay as one, we have to stay focused on

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these improvements. If we can do that, we can make those new provisions in the bill work, I think and we can see something sooner as opposed to later.

Sandoval: One more question on that, this is a real high level question and I would never hold you to it, but is—I don't know how—sorry, I didn't mean it that way, but that whole Spaghetti Bowl, does it need to be blown up and start over again? As we try to improve it, is it putting lipstick on a pig? I don't know, this is an opportunity to get it done right and I know we've worked on it through the years and I'm not saying it was poorly designed or what have you but it's different now. There's a lot of traffic now and there's going to be a lot more traffic. As I said, there's going to be a rare opportunity to get it right. That's part of with Project NEON. I mean, we are spending hundreds of millions of dollars in Southern Nevada to get that done right. I want to try to avoid 10 years from now having to do this all over again. So, there you go.

Gibson: I think my answer to your concern is, let's just be realistic about what's going to have to happen. If you look at this photograph right here, this is a sound wall. We don't put sound walls up to protect trees from sounds. We put sound walls up to protect people from sound. There are people living behind those walls. We need to be realistic about what the impacts are going to be. We need to be realistic about what may potentially be issues related to relocation and right-of-way costs. If we go into this with our eyes open, if we go into this understanding and realizing that we are going to have some very significant financial and legal challenges in front of us; if we get ourselves organized, then I think we can get through that process sooner as opposed to later. But, if we go into the process thinking there are ways to avoid the tough decisions, I think we're going to get ourselves in trouble.

Sandoval: Finally, and the Councilwoman talked about economic development; so I had an opportunity last Thursday to tour the Petco distribution facility in the North Valleys and they've hired 65 people. They're going to be adding 30 more this month and another 30 and I asked them, what's their biggest barrier to employment? They said, right now it's that there is not a bus stop on their exit. So, I guess I'm not telling you—I don't know if the numbers justify an extra stop there, but as more projects continue to get built out there, I'm hopeful that you'll be able to provide the employees with some transportation.

Gibson: Governor, I'm going to be straight to the point on that issue, we struggle with mass transportation in Washoe County. We struggle because we fund mass

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transportation from three primary sources. A 516 Sales Tax is used to cover operating costs, the Fair Box and federal funds. The sales tax has been the core base of our public transportation funding and financing. It took a big hit in the recession and it hasn't recovered. We are still operating off of reserves. It's very difficult for us to expand service. We do work with the local entities and we will try to put in bus stops. We try to reserve areas for bus stops, but planning for and implementing new fixed route service has been a huge challenge for us. In fact, we run a much smaller system today than what we ran in 2008, right at the top of the—right before going into the recession.

What I will tell you is, we have used and are moving forward with more innovative methods. Vanpooling is the most popular method today. In fact, the number of vans we have deployed is bigger than our fixed route fleet of 70 vehicles. More people are van pooling to get to their destinations. We're hoping some of these employers, like Petco will look to those types of programs. We go out and talk to them. The traditional, fixed route bus, we all may think of, is really, really financially challenged for us to provide today.

Sandoval: Would you mind giving them a ring out there? They're really worried about that.

Gibson: We will do that.

Sandoval: Thank you. All right, questions from other Board Members? Any questions from Member Martin or the Lieutenant Governor?

Hutchison: Yes Governor.

Sandoval: Please proceed.

Hutchison: Thank you. Mr. Gibson, thank you very much and Councilwoman Jardon, good to see you and thank you very much for the update. I just have an overarching question that surfaced, I think last meeting, before the Board and I can't remember who raised it, maybe Member Skancke did or somebody did about this idea where, what's really the coordination between RTC and County, the State? You know, you talk about this five-year window that we're going to have funding available and then a lot of projects will be prioritized. What are we doing—we had the conversation about Project NEON where you've got State resources and transportation projects prioritized and maybe you've got some county priority transportation and infrastructure development and you can't use the freeway, you can't use the surface streets. What's the coordination level and do you think we

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have something in place currently that is going to work over the next five years with this extraordinary activity that we've been talking about? Or, do we need to really take a closer look at that and maybe refine our coordinating efforts among the various entities responsible for these projects?

Gibson: I'd like to think in Washoe County, the coordination works very well both at the formal level and the informal level. The formal level is, in my mind, coordination occurring in the metropolitan planning process. We work very closely with the City of Reno, the City of Sparks, in Washoe County and the Nevada DOT to make sure that we all bring our information and bring our project justifications to the table. We all work at a regional level for evaluating projects. And we also work—actually, we work very well at a statewide level, including the RTC of Southern Nevada, where we all sit down and look at statewide funding and financing issues as we both go through the preparation of our RTPs. Indeed, all the MPOs in the State, I think we're all in the same MPO—I'm sorry, Regional Transportation Planning Update Cycle, so that formal process, I think works pretty well.

I think informally and I think this is what I was trying to convey in my presentation, we sit down with really no—no—we just sit down to get a project done. If it means RTC takes the lead, we take the lead. If it means NDOT takes the lead, they take the lead. We enter into LPAs. Yes, there is always questions and issues surrounding LPA process, but we really come into it with no ego. We really try to approach the project delivery method with, what is the best way to get this project delivered to the public as soon as possible. That's how I like to think we do it. I think from the projects we've seen today, especially Southeast McCarran, that was an example where we worked really closely together.

We've had a whole portfolio of projects in the past. The Moana Lane Widening, the Moana Lane Diverging Diamond. The widening of the freeway from Villanova up to the Spaghetti Bowl. Those were all examples of projects where NDOT and RTC worked very closely, pooled funds, managed the resources and delivered the project.

I think as long as we keep the formal perspective moving without a lot of ego, perhaps, and keeping the informal perspective where I think we all work very well together on a personal level, I think we will succeed.

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Hutchison: Mr. Gibson, thank you very much. I would just encourage you, I think we encouraged others last meeting to really think about that, the public has a right to get around as congestion free as possible. If we've got everything clogged up at the same time, we're all going to hear about that and we just need to be cognizant of that. I'm happy to hear the report and appreciate the update.

Sandoval: Member Skancke.

Skancke: Thank you Governor. Thank you both for the presentations, very informative. I've got three things I want to bring up. One is, the transit issue in this State is challenging and I think it's really important, Lee, the comment you made, I think the Board needs to pay attention to which is, we have to provide more transit on the 80 to get out to where they need to go, where the employment base is going to be to free up capacity for freight. We're going to have a presentation today on freight. What we really need is more money for transit.

Everyone is doing the happy dance over the FAST Act. I'm probably the only one who isn't because it's about \$500B underfunded nationally and there's a couple of extra pennies in there for transit nationally. We have to compete for those transit grants. If we're going to move the number of people that the economy is going to require over the next 5-10 years, then as a State we need to take a look at major investments in transit, in the major metros, but also how we're going to move people from work—the workforce to the work place.

Three meetings ago, I made a suggestion to our team here that we've got to start looking as a Department into more transit opportunities from the State level. I think it's incumbent upon us today to start that planning process. There's major investment here in Northern Nevada in hundreds of millions of square feet of industrial and warehouse, millions of square feet of warehouse space. We have a project coming up this week with a special session in Southern Nevada. Our state has got to focus on really moving workforce to work place. That's really, in the scheme of things, your job and Tina's job, but I think it's NDOT's job to coordinate that as well. That's the second time I've brought that up and I think we need to take a look at what that planning process looks like.

I have two questions. On the Spaghetti Bowl, this is obviously a priority for Northern Nevada and I drove through it yesterday. It is a challenge. I had a chance yesterday to actually drive around quite a bit here in the region and so I saw a lot of these projects you presented today and where the need is. The

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Spaghetti Bowl does have need. My question to the Councilwoman is and to you Lee is, what role do you see the Washoe County RTC playing into getting that project moving faster? And, I am going to hold you to it. The Governor isn't but I'm going to hold you to it because I think if we have commitment and we know what the commitment is, then maybe we can make commitment as well.

Jardon: Okay, I guess I can take the first swing at that and say, I think the fact that I put it as a standing item on every RTC meeting for the last two years shows as the Chair of the RTC that it is a priority for Washoe County. Rudy is intimately familiar with my passion about my concerns about the Spaghetti Bowl. I took this picture. I'd like to say, it just happenstance, I just happened to be driving by when there was an accident, but I think anybody that traverses this area with any regularity could take this picture, almost every day. We had a presentation—Rudy brought a presentation on societal impacts. Because I not only wanted to see, what is it costing the person, there's a child there even, in the accident. What is it costing them from a vehicle/injury standpoint? But, if you look at all the emergency vehicles, how much is it costing the taxpayers to respond and be on scene for these multitude of accidents, which are averaging one every three days.

When I said my opening statements about the white knuckling and muscle tightening kind of thing that was kind of joking but not, if you've ever driven this section, you know you look in your rear view mirror and you wait for that semi that's doing 70 that's going to impact and have a catastrophic event here.

From a safety standpoint, that clearly has brought to the forefront of Washoe County. We continue to push it as a priority. We, as a Commission, continue to push it. It is a priority of the Washoe County Commission or the RTC, which is Reno, Sparks and Washoe County. So, that is—you can hold me to that, this is our priority.

Gibson: Governor, Member Skancke, I would just like to add, we are starting, in January, the update of our Regional Transportation Plan. It's my belief that this will be the top priority. It will also be our top federal priority. By federal priority, that means we'll be seeking, not just federal discretionary funds where we may see that opportunity, but also moving for federal regulatory relief. We have got—I'll give you a case—well, I believe that getting this fixed, this is like a 1960s design. I don't think—I'll finish, it's just got to be fixed and it will be priority. It will be a priority in the plan, it will be a priority in the TIP, before it's all said and done, right Sondra?

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Skانعke: Is it a funding issue? Is it a timing issue? What is it you need from this Board and this organization to move this along? I'm not trying to negotiate this, but I would like to know, what do we have to do? We have a short window, right? It's not just the FAST Act, like we have a short window. So, what do we have to do to make it faster?

Gibson: We have to get the study done, the project included in the RTP funding plan adopted and get in to NEPA and get it done as quickly as possible. If we can keep it—if we can keep—and the challenge we will face is if we try to go for right-of-way, minimal impact projects, it will be a band-aid Governor. We need to be prepared for, maybe if we blow it up it's a controlled explosion, maybe that's the best way of saying it. We are going to need to move forward.

One area, and I'm going to really go off base here, so forgive me. We hear a lot about the NEPA process. We hear a lot about the project development process. One of my pet peeves often is the procurement process. We have a situation where the funding source for the Spaghetti Bowl is a process where NDOT was not allowed under the federal regulations to move—typically, and these are from my consulting days. Typically you get the contract, you do the preliminary design, you go through NEPA. If you do a good job, there's a final design piece in there, you can come in and do the final design and move to construction. That saves you the months of re-procuring consultants. If there were a way we could somehow, and it's not going to happen anytime soon, if there was a way we could somehow fast track procurement, be able to bring in turnkey design teams, be able to get through this without having those intermittent delays due to procurement. Actually, I think you could save a lot of time.

I know Member Skانعke, you have a great passion for the project development and NEPA stuff, but when we look to process improvements, let's not forget the procurement side.

Skانعke: So, if I could Governor, just a final—so, that's why we have to know what it costs us to implement the federal program. All these little steps we have to go through is costing us dollars. My final question is, on my favorite project, which is I-11, again, same question, what role is the Washoe County RTC willing to pay—did you hear that, pay—play—

Gibson: I heard both.

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Skancke: Right, well maybe it's both. Play in moving that project forward, faster.

Gibson: I believe Washoe County RTC will be the champion from the North, just as RTC of Southern Nevada was the champion of the south, for the Boulder City Bypass, moving forward to getting the freeway connection to Phoenix. I think that's a great model for us to follow. I think the real challenge is going to be bringing the rural counties into the picture. The real challenge is going to be to see where we can fall out with respect to the fuel revenue indexing, ballot initiatives that will go throughout the state. While there may be federal money, you still have to have local money.

We'll be talking with your staff about various ideas. We'd like to come back and report to. I know I have a Board of Directors who champion I-11, who want I-11 to connect Washoe County to Clark County so all those Clark County students can continue to come to UNR and receive a great education. We will have the afterburners on when it comes to I-11. Fuel revenue indexing helps you get all that fuel to run those afterburners.

Sandoval: Any other questions from Board Members? Thank you for your presentation.

Gibson: Thank you Governor.

Sandoval: Agenda Item No. 4, Approval of Contracts over \$5,000,000.

Nellis: Thank you Governor, Members of the Board, for the record, Robert Nellis, Assistant Director for Administration. There are two contracts under Agenda Item No. 4 that can be found on page 3 of 18 for the Board's consideration.

The first project is located on Interstate 80 in Elko County, to construct safety overcrossings and fencing. There were four bids. The Director recommends award to Wadsworth Brothers Construction Company in the amount of \$14,076,436.07.

The second project is located on State Route 160, Blue Diamond Road, from State Route 159, Red Rock Canyon Road, to the beginning of the mountainous area in Clark County, to widen from two to four lanes. There were six bids and the Director recommends award to Aggregate Industries in the amount of \$16,458,854.

Governor, that concludes the agenda items under Item No. 4, if you have any questions for myself or Assistant Director Terry.

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Sandoval: I do. I know the obvious question is the amount over the engineer's estimate for Item No. 1. My question is this, we have these safe—I don't know if these are different buckets, and I love wildlife and I don't want it to be misconstrued, but \$14M to build this project when we have a lot of needs throughout the state. For \$14M you can build quite a bit. As I said, I am supportive of wildlife and elk and deer and all those things, but when you look at the prioritization that we have. And walking up the steps today and I looked at that board and we have, I think it was 269 fatalities this year, human fatalities, and this Board and NDOT has made a priority of safety projects. Where does this project fall within that scope of projects that we're considering and when we balance human safety versus animal safety, and I know there's a component of human safety to this too so you don't have wildlife and vehicular conflict, but just a general question of where this project falls within all the other projects that are being considered.

Nellis: Sure Governor. Assistant Director John Terry has come prepared to answer that question.

Terry: John Terry, Assistant Director for Engineering. I may have to get some of our safety staff to help. The Pequop Summit area is one of the highest animal crossings in the state. There's a huge migration and there is a safety element, as you brought up Governor, that there are both documented animal hits that have caused injuries and/or fatalities but there's also a lot of runoff the roads that are suspiciously in areas where we know there's a lot of animal crossings; that there is a suspicion that those were caused by the initial action was avoiding animal that were in the roadway that were causing them. This project does qualify for some of our federal safety funds because of the incidents out there. I don't know if I completely addressed your question, but it's very hard to evaluate a safety impact of animals on Interstate 80 versus pedestrian safety impacts and what we can do to address those in the urban areas. I can tell you, we're looking at both but we do feel that this is not just an animal crossing, but definitely a safety issue out there on I-80.

Sandoval: So there is a different bucket of money that is being used for this project that would not be available for those Clark County pedestrian projects.

Malfabon: I can respond to that Governor. It is the same bucket. It's the federal safety funds, that are anything that's in our Strategic Highway Safety Plan; so pedestrians, motorcyclists, the runoff the road, even distracted or impaired driving that are all elements that are eligible as well as these types of issues for safety.

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Sandoval: Again, it struck me as \$14M, so is this something that can be done for a lesser amount or is this a basic project? What is it?

Terry: It is and I don't know if you've driven and seen our one animal crossing on I-80, the arch pipes with the—or, the concrete arches over both directions of Interstate 80, with a lot of fencing to direct the animals to cross at that location so there not—many of these were like deer that were able to jump the normal control of access fence on the interstate; channeling them into these so they're not crossing the roadway. This is a bigger crossing. The terrain is more difficult.

I would like to address maybe the issue of the engineer's estimate and why it's more. We did, after we got these bids in that were much higher than ours, and almost the entirety of the bids that were over our engineer's estimate were these large concrete arches. We did look at, go back and say—because we do a type selection to say, this is the type of bridge we want to build. We did go back and look at, should we redesign it and do it with a different type of structure and we felt even with the estimates that we got in, that we could not do a different type of structure more economically than this type of structure. That's part of what went into the recommendation to award. The other issue is, it was over the engineer's estimate, we had to look at, did we have funding available to award at this higher level and we felt that we did and that the project still meets the needs of the Department in terms of the amount expended for the safety benefits. It is a difficult one. We can say this is one of the highest locations for animal crossings on Interstate 80.

Sandoval: What I think about this is, \$5M more that comes out of other safety projects.

Terry: That's absolutely correct.

Sandoval: And, we deal with these wild horse issues on 50 and 395. Last night, I saw wild horses and we have those signs up, which is great. I'm trusting in your judgment that this is a project that rises to that level that not only is above all others in terms of the cost benefit analysis. I know it's hard. I'm not trying to minimize those that have been injured and the conflicts that happened there on the Interstate 80. I also read about a lot of wild horse conflicts that we're having out here now. I don't know if that's more or less than what we're dealing with on Interstate 80. Then, like we've been dealing with in Clark County. It just is, almost not a day goes by when you're not opening up the paper and seeing that there's been another fatality as a result of traffic in Las Vegas.

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Anyway, I guess there wasn't really a question there, but it's a lot of money. As I said, I'll also trust in your judgment that this is the most economic engineering that we could possibly accomplish here to achieve the goal.

Other questions, Member Savage.

Savage: Thank you Governor. Along the same lines, I'm really struggling with this one. It's—and I'm not sure where I'm going. The bids were close, I understand that. The Elko economy, they can certainly use a boost right now, but in the big picture, what kind of precedent are we setting when we don't have a budget together; it's exceeded by over 53%. Bad precedent. I understand the Governor's concerns about the safety. I'm an outdoorsman. I understand the safety on the human side. It's a big issue. I go back to basics, I default back to, how did this get started. The original budget was \$8M to \$9M. We can only afford what we can afford. This project wouldn't go until next spring or next summer. When there's a will there's a way. How long has this thing been on the books, for design and implementation for construction?

Terry: It's been on the books for at least a couple of years. It was identified, I know, at least a couple of years ago as the highest animal crossing location that we had. I will say that we did, for right or wrong, drop our engineer's estimate relatively close to the final engineer's estimate and we did have programmed more than the \$8M that was in our estimate. I think we had about \$10M. We thought that the concrete arches would come in at less than that and dropped it. We were thinking it was higher than that and we did drop it. In terms of having to add additional budget to fund the project, we really did have it budgeted at around \$10M and then dropped it for the final engineer's estimate, but still the bids were close to 50% over our engineer's estimate. I don't know if I answered your question there.

Savage: That's concerning to me. When things get started off on the wrong foot, it's a red flag in the construction world. I know that the Department has typically had a 10-15% internal policy, I believe, on construction, green lights versus budgets.

Terry: It's actually 7%.

Savage: 7%. So, we're going against our own rules here and I'm concerned about that. I understand the need and I think there needs to be some open discussion as to other

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alternative methods for this potential work. Thank you Governor, that's all I have.

Malfabon: Governor, if I may address Member Savage's concerns. I believe that these federal funds were programmed the previous federal fiscal year. So, we're pretty much locked in, those funds were obligated. To address the Board's concerns in general about project selection, that's why we've embarked on that Decision Lens tool, we're going to have a presentation in the coming month or so to highlight how we can better select the projects and get the Board's input on those project selections. You've both raised some great points. Is this the best use of the safety funds? What else are we challenged with to improve safety? And, projects in general, how do you prioritize certain things? That's what we want to bring to the Board and get the Board's input on. More to come on that Decision Lens tool that will help us to optimize our slate of projects. It is difficult. It was definitely higher than the engineer's estimate, but I would say that I recommend that the Board consider approval of the contract because of the obligation of the funds. They would be lost, I believe, if we didn't proceed.

Sandoval: That was going to be my question. I was going to Mr. Almberg and then to the Controller, but what is the consequence if the Board were not to approve this project?

Malfabon: The federal funds that were obligated the previous fiscal year, I believe they would be lost. Is that correct, staff?

Terry: I'd like to address our process. I believe we are following the process, that's why we're here before the Board. In other words, that 7%, as you've seen, often times bids go outside that 7% range and we have the right to reject those bids if they're outside of that range. We often don't. We did go through a process, our BRAT team did review the bids. We did relook at our type selection for the bridge and decided that this was more economical than redesigning at a different bridge type. Then the BRAT team brings it to the Director's Office, as to whether we should recommend to this Board, that we award, even at the higher level, and we did. That's why we're here today.

Now, we did follow our process. We did do some evaluation. We did see that there was additional money available to fund this project and to bring it to this Board. So, I would say we followed the process. That 7% rule is simply, it allows us to throw out the bids for no other reason. We very seldom do. We

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usually do a detailed analysis of the bids and bring a recommendation to this Board and that's why we're here.

Sandoval: Mr. Almberg.

Almberg: Thank you Governor. I have the same concerns. It's very costly over the top of your estimate and so, I don't know that—is this where our money is best spent, to come in here and protect deer and wildlife, or could we spend it, as the Governor had said, in some other safety aspects that are helping us. Based on this contract, there are two crossings, correct?

Terry: Yes, there are. There are two crossings and of course, there's two direction of Interstate 80, there's actually two arches over I-80 at two locations.

Almberg: And so, is that totally fenced all the way through this seven mile stretch so that it's impossible for these animals to cross at other locations besides—

Terry: Right. There's a lot of fencing. Exactly the lengths of the fencing to channel the wildlife to there, I'd have to look to get to the exact details, but we could get you that. There's a lot of fencing to channel them to these crossings, yes. And it is extra high fencing that they cannot jump over.

Almberg: My question is, can this project be amended? Can we go to a single crossing and make those animals walk the seven miles to get to it. That way it would—our major costs are in the bridge structures themselves. If we could reduce that to one crossing, I'm not sure if NDOW would like to hear the fact that we're considering pushing these animals seven miles to get across, but I would prefer to spend our money on our safety, rather than deer safety, if we could tell that deer to walk seven extra miles.

Rosenberg: For the record, Sondra Rosenberg, Assistant Director for Planning. I just wanted to add a little bit more information in terms of why this project is a priority for us. We have documented over 200 vehicle wildlife hits in that location. It has caused numerous injuries, at least one fatality that we're aware of. So when we do the benefit cost analysis for our safety projects, we look at that and there are national numbers in terms of what a life costs. Unfortunately that's asked too often and there's actually a number there, it's about \$9M.

So, in terms similar to the Spaghetti Bowl conversation earlier in terms of the societal costs and I want to make it clear we're not—the safety to the animals is

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an added benefit. We select these projects due to the safety concerns of our traveling public and this location really is the highest hotspot of vehicle collisions with wildlife in this area and we are seeing numerous vehicle collisions, injuries and fatalities. We also select safety projects based on proven countermeasures. That is, solutions that we know have an impact to safety and wildlife crossings is one of those proven countermeasures that will reduce vehicle/wildlife collisions and will save lives and will save injuries.

I think John Terry can speak more to the process of where the number is, but I wanted to make it clear that this is a top safety priority for NDOT.

Sandoval: Did you say one fatality or multiple fatalities?

Rosenberg: I know of at least one fairly recently. Let's see, and we've had—I don't know if this report is three years or five years, but one fatality, two rollovers, 12 injuries and 50% of all wildlife collisions along the entire length of I-80 were documented in this area.

Sandoval: Over five years?

Rosenberg: Yes.

Sandoval: Okay. Mr. Controller.

Knecht: Thank you Governor. I've listened closely to this and looked at the work papers. I'd like to be really precise here about something Mr. Terry said and that the work papers show that the cost side here is due to the cost overruns relative to the engineer's estimate on the concrete arch bridges. We've got 800 linear feet of bridges, two of them. The original estimate unit price was \$6,000 per linear foot. It comes in at 95% over that at \$11,700 and that difference of \$4.56M is over 90% of the \$5.05M cost overrun. So, I guess I'd like to have Mr. Terry and anyone else come back to the selection of the arched bridge type and how we're going to pay for that, what the considerations are on the alternatives, etc., to help us understand the cost side of this and what the alternatives are there. Thank you.

Malfabon: Governor, if I may add something to that for the Controller's benefit. In our contracts, our construction contracts, they all have a value engineering clause. So, if our contractor had a better way to build it that would save money, there's a clause in there that we split the savings. I would say that there's an opportunity there for savings during construction.

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Sandoval: Mr. Terry, I don't want you to interpret, at least me, I can't speak for anyone else—I get that this is an important project but we have limited money and a lot of needs. We've spent a lot of time on this Board with regard to, particularly what's happening with pedestrian safety in Clark County. That's where I know you struggle and I know this Board struggles as well. What I need a definitive answer on, before I can make an informed decision on a vote is, what the consequences are with regard to, if we were not to approve this project. If it means we're going to forfeit several million dollars of safety money, then I think the decision is made, but I think if we have the ability to look and see if there are other options, then I'd like to have that information before I vote. I don't know if there's any disagreement. I see heads nodding on the Board.

Mr. Martin or Lieutenant Governor, do you have any questions or comments with regards to this issue?

Hutchison: Governor, I agree with your evaluation and would support holding this until we get those kind of questions answered.

Sandoval: Is there any jeopardy to us continuing this Agenda Item?

Malfabon: Governor, I will try to respond to that. So, we're going to have staff investigate that. I don't think there's any jeopardy in deferring the decision one month for that analysis. I would like to add that, the funds are about \$8M of the funds was designated under SAFETEA-LU which is, even before the current Map 21 Legislation, has been several years overdue and was recently reauthorized. SAFETEA-LU was the bill before that. I'm concerned that the funds will be lapsing, but we need confirmation of that to the Board before you make your decision. We will bring this back next month.

Sandoval: All right. I want you to be sure on that. I don't want, well if we would've voted on it last month we would've been okay.

Malfabon: Yes.

Sandoval: So, I think we're going to be in this meeting for quite some time, so there may be sufficient time for perhaps somebody on NDOT's staff to get an answer for that.

Malfabon: I know that Financial Management is watching Governor, they brought me a spreadsheet that showed the funding sources and that caught my attention. They

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can check on that right now and hopefully get an answer before the end of the Board Meeting.

Sandoval: All right. Then let's hold on this item and then move to the next contract. Thank you Mr. Terry.

Nellis: So, Governor, if I understand correctly, you'd like to move to Agenda Item No. 5 and then just hold both items under Agenda Item No. 4. Okay.

Sandoval: We did talk about Blue Diamond. I don't know if any of the Board Members had any questions with regard to Item No. 2 under Agenda Item No. 4. We can go ahead and approve that one. Why don't we just hold it and proceed with Agenda Item No. 5.

Nellis: Okay, very good Governor. Thank you, there are—again, for the record, Robert Nellis, Assistant Director for Administration. There are two agreements that can be found under Agenda Item No. 5, on Page 3 of 11 for the Board's consideration.

The first line item is, I'm sorry, Amendment No. 2 with Nossaman to increase authority by \$300,000 to provide consultation as requested for general contract administration. Just a note, in your packet, there's an error on the column that says, original agreement amount of \$1.4M, that should actually read \$3.4M, the amount and the notes are correct where it says, \$3.4M to \$3.7M.

The second line item is Amendment No. 3 with Snell & Wilmer for legal support services. This is in the amount of \$450,000.

Governor, that concludes both agenda items under Item No. 5. Are there any questions I may answer or direct to the project manager?

Sandoval: Thank you. I'm just going to go straight to No. 2. We spent a lot of time talking about this one so I don't want to go over ground that we've already plowed, but I guess I'll ask Mr. Gallagher, is this all legitimate billings and is it your recommendation that the Board approve this amount?

Gallagher: For the record, Dennis Gallagher, Counsel to the Board. Yes, Governor, that is the recommendation from the Attorney General's Office. Senior Deputy Attorney General Pierre Gezelin has done a great deal of analysis on these bills and I believe he concurs with that analysis. That was his recommendation to me also.

Sandoval: Then just as a post—

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Martin: I have a question Governor.

Sandoval: Okay, I'll go to you next Mr. Martin, but you had indicated that we were really close to resolving the matter, are you in a position to talk about the status of that case right now?

Gallagher: Governor, I would prefer not to do it in this meeting right now. There have been some late minute developments that perhaps call that proposed settlement into question. Literally was just handed an email just five minutes ago dealing with this.

Sandoval: My ears must've been burning.

Gallagher: Apparently it's that extra sense you had when you were sitting on the bench.

Sandoval: I hope I didn't jinx it, but anyway. Mr. Martin.

Martin: Thank you Governor. I've seen the email that Dennis is referring to as well. What I was going to bring up is the total that was due. I had a talk with Pierre last week on this matter and the amount that is due right now to Snell & Wilmer is \$302,000 and some change, not \$450,000. I was going to make a motion to only approve that amount of money. However, after receiving the emails, and there's been quite a string of them, I prefer to support this amendment for \$450,000 because for me, there's doubt that there's an agreement actually reached.

Sandoval: Thank you Mr. Martin. Another question, I don't want to be penny wise and pound foolish here with regards to this litigation. If given that there's a substantial investment in this firm by the Department of Transportation and frankly, by the firm and its experts into preparing this case, is there a potential economic cost to transferring to another law firm where we're going to have essentially reinvent the wheel and for that firm to get up to speed?

Gallagher: For the record, Dennis Gallagher, Counsel to the Board. Yes, Governor, if this matter is transferred, obviously there would be a learning curve to whoever it might go to. Hopefully this thing can be resolved quickly, but recent developments would indicate that that's not the case, at least in the immediate future.

Sandoval: It's no secret I'm not happy about how it's gotten to this point but I don't want to spend another \$400,000 on document review with a new firm just to get us to

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where we are right now. I guess the question is, if we pay this—we have not—have we severed our relationship with this firm?

Gallagher: The firm was advised in May to cease all work. The original contract did expire in July. To go forward, we would probably come before the Board requesting approval of a new contract.

Sandoval: And that would assume they want to stay with the state, correct?

Gallagher: That would assume so, but Mr. Gezelin had discussions with the partner in charge who has indicated that despite recent activity he has enjoyed representing the State in this matter and other matters and would hope that the relationship could continue.

Sandoval: Well, again, I only speak for myself. If indeed we're unable to resolve this and it does proceed to—and I can't recall if it's litigation or arbitration or what have you, I don't want to spend the same money twice. I guess that's where I'll leave it. Questions from other Board Members?

Hutchison: Governor.

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you very much Governor. Mr. Gallagher, appreciate the presentation and you always being very good at answering my questions and being patient with me here. I just have a few maybe overarching points and questions for you and for anybody at the AG's Office who cares to respond. What's our policy within the Attorney General's Office of hiring a regional firm and using an out of state lawyer within that regional firm, and when we do that, are we charged travel time or are we charged for travel costs?

Gallagher: For the record, Dennis Gallagher. First of all, Lieutenant Governor, the contract is entered into between the Department and the law firm with the AG's Office assistance. In this particular matter, I'm going to refer to Mr. Gezelin. I believe we do pay travel costs, but I don't know about travel time.

Gezelin: Pierre Gezelin, Deputy Attorney General, representing the Department of Transportation. The question regarding travel, we do pay for travel, that's in the contract pursuant to the regulations and also, with respect to travel time, they are only billed for travel time if in fact they're doing work while they're traveling.

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- Hutchison: You probably know where I'm going with all this. Snell & Wilmer has a Nevada office, I think multiple Nevada offices, when you wouldn't have to pay for travel time, travel costs. This is a construction law matter, was there ever an evaluation to determine whether or not a construction law lawyer and I know these lawyers in Nevada, these are fine lawyers and people who have construction law experience. Was there ever an analysis or a justification for not using Reno or Las Vegas based construction lawyers within the firm and having to go outside to Phoenix for that purpose?
- Gezelin: There was no specific analysis done, however, the individual who has been representing the Department is named Jim Sinicki, he is the partner and in charge of the Construction Division of Snell & Wilmer. He has used and there have been associates in the Las Vegas office that have been working on this. So, there have been attorneys—there's a team of attorneys on this case, as well as paralegals. All the paralegals, out of the Las Vegas office have been used in this matter. There are two partners, one is from Tucson and one is Phoenix that have been working on the case. There are, I think, two—two attorneys that I can recall as of right now, possibly three out of the Las Vegas office.
- Hutchison: Thank you very much for the information. I'll just speak for myself, I would suggest that it would be an extraordinary case to ever have to hire a regional firm and use lawyers outside of Nevada. It'd have to be a pretty specialized case. I mean, if you're dealing anti-trust law or you're dealing with some securities matter; but when you're dealing with a construction claim and a construction law claim, I would just suggest that when you have a regional law firm with really good lawyers and really good partners who are litigators in the State of Nevada, that in the future, we ought to think about that. We ought to ask and really justify why it is that we would ever need to pay for travel or ever need to put somebody on a plane have them do work on a plane and pay for them while they're working on a plane, just my own observation, I think we could be a little more efficient when we're hiring in the future. Nevada has got a lot of good lawyers and a lot of good law firms and particularly regional firms with offices here. I've made my point, I think you know how I feel about that. Including on a go forward basis. If this is a hot litigated matter, I would hope that litigation partners in Nevada could work for Snell & Wilmer, that we don't have to be flying somebody up from Phoenix for that purpose.

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My other observation is, as I went through and looked at the memo, we've got about \$290,000 in lawyer's fees and \$186,000 in consultant fees. I don't want to belabor this, Governor as you noted, but that's without discovery or motion practice or trial. It seems like the way that that—and I went through the memo and looked at everything that was done, I would just caution NDOT and just caution the Attorney General's Office that when you've got a group of consultants and we've got four consultants in this case; all of them looking at the documents and the subcontracts and the documents and the project documents, you don't need to have the law firm look at all those documents as well. I mean, if you're not careful, you could put an army of associates on a case like this, reviewing documents that they don't understand and they really ought to be relying on the experts to tell them what important documents there are because they're the experts.

It just seems like and again, I didn't get all the detail on this, but it just seems like we've got to be very, very careful with the use of lawyers in a big document intensive case like this where we've hired four consultants for the purpose of reviewing the documents. There shouldn't be a ton of document review for the lawyers at that point, particularly when you haven't engaged in any discovery or motion practice or trial and I'd certainly be interested to understand your perspective on that.

Gezelin: Thank you. Let me just say, the review of the documents by the consultants, there was actually one consultant in this case and that was Mr. Tom Caruso with Mark Resolve. He was the one that reviewed the documents along with the forensic accountant. The forensic accountant then did the work on the contractor, the subcontractor. Then, it was based upon their report and their information that the attorneys took to go ahead and evaluate the case and evaluate it for—it's not in litigation, evaluate it for the claim and the purposes of trying to settle it. Your comments are well taken and will be considered sir, we appreciate them.

Hutchison: Okay, thank you. Let me just make this closing note. I'm just going from the memo I was provided. \$20,000 was required for purposes of public record gathering and review. That means there was over \$250,000 of attorney's fees then for other purposes. I see where, it seems like, based on the memo, that was consumed. \$250,000 was consumed by the lawyers with conferring with counsel, excuse me, conferring with the consultants, evaluating the subcontracts and the contractual documents. That's the part I'm talking about. Meeting with NDOT

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personnel and then researching False Claims Act. That's what I'm seeing from the memo.

My point is, I just want to underscore it because I've seen it a hundred times. You can put an army of associates on a case if you're not carefully managing the case, but don't need to review documents they don't understand when we've got experts who are supposed to be telling us and in fact have charged the State \$186,000 for that purpose. My recommendation is that we watch this very carefully and we're really careful at the AG's Office with the supervision of outside counsel on document intensive work, particularly as this is going forward. I know I've probably taken too long, Governor, I apologize for doing that but I just think it's important that when these cases are this big and they can get away from us in a hurry if we're not vigilant on the management side. Thank you.

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

Gezelin: Any other questions?

Sandoval: Any other questions? Member Savage.

Savage: Thank you Governor. Mr. Gezelin, just one minute. I really appreciate the Governor's concerns, the Lieutenant Governor's concerns, this is a hot potato. It's very disturbing as to what Dennis said earlier about the possible offer that the Department has made to Meadow Valley that it might be in jeopardy. I guess it comes down to, are we getting the value and protection from Snell & Wilmer that the Department deserves? If this goes forward, two-part question, are we getting the value? Secondly, will they be defending us moving forward as the Governor said, we don't want to spend \$500,000 twice. In good faith, will they be moving forward if this does go further?

Gezelin: To answer your first question, absolutely, the State of Nevada and the Department of Transportation has received the value of \$302,000 whatever that may be, in my opinion. I have worked very closely with the firm and throughout this whole thing and there's no question in my mind that the State has received the value.

The second question is that it is my opinion that the firm should continue representing the State of Nevada, if in fact the settlement is not signed for the reasons that it will cost the State much money for a new firm to become aware of what's in these documents. There's over 10,000 documents, e-documents and over six cabinets of hard documents. So, it would take a new firm much time and

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at the cost of—the hourly cost, we're talking lots of money. It's my opinion that if in fact there is no settlement in this thing, which I hope that there is and I think we've been working and I want to commend Reid Kaiser and Rudy Malfabon in attempting to go ahead and get this thing resolved. If it is not resolved, somebody is going to have to continue with it. There's a large amount of documents that are very complex—complex matter. Another firm would have to be brought in to take a look at it, if in fact Snell & Wilmer does not.

Savage: Thank you Mr. Gezelin, that answers my questions and I see in some of the memo that you provided that they feel that NDOT has a very strong case here if this does move forward?

Gezelin: Yes.

Savage: Because I know up here in Northern Nevada we were concerned about some of the offer that the Department had made, but in good faith, the olive branch was sent out there and I thank the Department and I thank Snell & Wilmer and I thank Rudy and Reid at the same time. Thank you Governor.

Sandoval: Thank you Pierre.

Gezelin: Thank you, any other questions? Thank you very much.

Sandoval: Anything else Mr. Nellis?

Nellis: That concludes the agenda items under Item No. 5 Governor.

Sandoval: Board Members, any further questions or comments with regard to Agenda Item No. 5? If there are none, the Chair will accept a motion for approval of the agreements contained therein.

Skanche: So moved.

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

Martin: Second.

Sandoval: Second by Member Martin. Any questions or discussion on the motion? Hearing none, all in favor say aye [ayes around] Oppose, no. That motion passes unanimously. Let's move to Agenda Item No. 6, Contracts, Agreements and Settlements. Mr. Nellis.

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- Nellis: Thank you Governor. There are 43 executed agreements that can be found under Agenda Item No. 6 on pages 4-9 for the Board's information. Items 1-16 are for acquisitions related to Project NEON with one appraisal. Items 17-31 are facility and interlocal agreements. Lastly, Items 32-43 are a lease and the rest are service provider agreements. Are there any question we may answer for the Board?
- Sandoval: I only have one. I know it's not any new money, on Contract 31. It's an extension of a current research project. I just need a translation for, to conduct a research project titled Calibration of Resistance Factors for Load and Resistance Factor Design of Axially Loaded Drilled Shafts in Las Vegas Valley.
- Nellis: Reid Kaiser will translate that for you Governor.
- Kaiser: Governor, Reid Kaiser for the record. What that research does is, the Federal Highway Administration just implemented a new design method for NDOT to use for our drilled shafts, which are the portion of a bridge, the foundation that supports the bridge, that nobody ever sees and what that will actually do, the study will characterize the strength of the soils in Las Vegas Valley so we can reduce the shaft size that we put in the ground. It actually gives the engineers more information, when they're doing the foundation design, so they can reduce the amount of concrete and steel that is required for the drilled shafts. So, it's actually a cost-savings for us if we get this information.
- Sandoval: I kind of mean this, but can they study that bridge in Elko to see?
- Kaiser: There's things we can do. We did go up there and drill to find out what is going to support the bridge, but I think those costs are probably everything—everything down below the bridge that will support that bridge will probably remain the same no matter what you put in. It's everything above the ground that could change.
- Sandoval: All right. I understand. Questions from other Board Members? Mr. Controller.
- Knecht: Thank you Governor and Reid, before you go away, looking at the \$194,000 original amount on that, is that what you say we're going to save in actual construction concrete and activity or is it only some part of that?
- Kaiser: We should actually save much more than that because this should cover the whole Las Vegas Valley. I think we had a project a year or two ago to give us some information there at the US-95/215 Interchange and the amount we saved with

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that project just at this one location was upwards of \$1M. So, this is definitely money well spent.

Sandoval: And if I may, Mr. Controller, this is exactly the kind of research that I like, in terms of being able to show a cost benefit analysis. I could clearly see that this could save us millions of dollars in our construction projects moving forward. So, this is very meaningful research and I'm hopeful—I mean, now the issue is them getting it done.

Knecht: Thank you Governor and thank you Reid.

Sandoval: Other Board Member questions or comments? Any from you Frank, or Mr. Lieutenant Governor?

Martin: None here sir.

Hutchison: None here Governor.

Sandoval: Anything else Mr. Nellis?

Nellis: That concludes Agenda Item No. 6, Governor.

Sandoval: All right, thank you. So, Rudy before I move on to Agenda Item No. 7, do we have any new information regard to No. 4, or do I still need to trail that?

Malfabon: Let's keep that in the—

Sandoval: In the queue, all right. Let's move to Agenda Item No. 7, Public Auction.

Malfabon: Governor and Board Members, so Item No. 7, 8 and 9, they're similar, they're for public auctions of some property that we no longer need. So, Item 7 is along the Carson Freeway between Hospitality Way and Monk Court. We've appraised the value, fair market value, at \$430,000 for this unimproved 1.58 acres. We'd like the Board approval of the public auction. And, if I may Governor, can I proceed with 8 and 9?

Sandoval: Yes, please.

Malfabon: On Item 8, the parcel is again, along the Carson Freeway. It's 0.36 acres and it's been assessed at the fair market value of \$125,000. Lastly, Item No. 9 is for property along the I-15 and Blue Diamond Road interchange, 1.6 acres and it's been appraised at \$675,000. Staff would like to receive Board approval to

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proceed with the public auction. The Blue Diamond interchange was improved under the I-15 Design Build Project, so it's complete and the improvements are in place.

Sandoval: Any questions from Board Members with regard to Agenda Item No. 7, 8 or 9, Member Skancke.

Martin: I only had one sir.

Sandoval: I'm going to go Member Skancke, then Mr. Martin and then the Controller.

Skancke: Thank you Governor. Rudy, Item No. 9 at the Blue Diamond Interchange, I just want to make sure that if there are any additional improvements, 20 years out, as our communities continue to grow in these major metros that that piece is not going to be needed for any other type of improvements or any type of implosions or redesigns that may exist in 2050 or 2030.

Malfabon: In response to Member Skancke, the staff, in the process of determining whether we want to get rid of some property, either by public auction or sale to the adjacent owner, typically they look at our 20 year list of needs, what's anticipated and if there's any—any thought that we're going to need something, they deny proceeding with the sale of that property.

Skancke: So the control of access and the excess property that's in there, we would be able to use what's there and not have to come back and buy this in 20 years.

Malfabon: Yes, according to the staff recommendation.

Skancke: Thank you Governor.

Sandoval: Frank, go ahead.

Martin: Yes sir. Rudy, there's a parcel just to the south of this Item No. 9 parcel that's kind of square, the one you're proposing to sell squares off the north parcel but there's one just to the south, do we own that parcel as well?

Malfabon: I'll have to ask staff if they know that answer. I'm assuming that we own that, but our right-of-way staff will answer.

Martin: Okay.

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- Hoover: Member of the Board, for the record, Jerry Hoover, Acting Deputy Chief of the Right-of-Way Division. That particular parcel, I'm not familiar with it but I can find out for sure if we do own that or not. I can present that to you at a later time.
- Martin: Okay. The only reason I was asking is, selling that parcel in conjunction with this gives it development piece of ground and possibly the cost per square foot would come up. That was my only reason for asking.
- Hoover: I understand.
- Sandoval: Perhaps we could get that answer by the end of the meeting?
- Hoover: I will find out.
- Martin: Okay.
- Sandoval: Other questions from Board Members. Mr. Controller.
- Knecht: Thank you Governor and for whomever can answer it, in Item 7, we're looking at something on the order of \$260,000-\$270,000 per acre and then Items 8 and 9, we're looking at \$350,000-\$400,000. I'm presuming that the—not just the location but that the zoning etc. go into supporting those estimates, those appraisals. I have to say, at least the \$260,000-\$270,000 in Carson gives me pause. I didn't think that our land here was that valuable yet, but can you help me out, feel a little bit greater sense of comfort with the appraisals here?
- Hoover: Yes sir. There's a great deal that goes into those appraisals and they're not only appraised but we also have review appraisers that take a look at that. There's a lot of aspects that go into that. One of the things is, zoning goes into it, as well as the surrounding areas and comparable values. I feel very comfortable that this appraisal is accurate.
- Knecht: Let me follow-up on that with one other thought. When I was on the Board of Regents and we looked at major projects in the Clark County and in the UNLV area, one of the things we found was the great recession, the collapse, the non-recovery had left commercial real estate a whole lot less valuable than it had been through the bubble period. Are you confident that the appraisals take account of more recent valuations, rather than older valuations because the comparables, etc., are generally few in number and not always current. So, even with that, you're comfortable and you're confident in these valuations?

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Hoover: I am sir. And to take that just a little bit step further, these valuations, like I said are extremely accurate. This is a public auction. If things, we start at that and things go to an auction, you know, it is what it is. People bid what they feel is necessary. My past experience with these auctions is, there has been some success with auctions, but generally, they feel that we're a little bit high. We have some parcels that we're looking at right now, actually putting on the market for the CFRs and hiring some realtors because we had no response from auctions.

So, with that said, I do feel comfortable moving forward with these prices.

Knecht: Well, that goes to my concern, at one level, what happens if our appraisals are too high and we don't get bids high enough to make the sale?

Hoover: Well, typically in that situation, according to the regulations, we have to sell within 10% of appraised value. We can come down by 10% and we start at that at the auction. If we do not get any results of that, then unfortunately the property will remain ours and we will be stuck with the maintenance and so forth of that nature. Which is one of the reasons that I'd like to move forward with some of these other parcels and liquidating them as soon as we can to get to save some money.

Knecht: Well, I'm going to rely on your judgment. I don't have a problem with trying to dispose of property that we can't make good use of and that will continue to incur a cost for us. I just looked at the figures and said, gee the bubble is back on.

Hoover: There is some truth to that. The economy is picking up.

Knecht: Thank you. Thank you Governor.

Sandoval: Any other questions. Rudy, real quick, assuming these are successful auctions and we're within that 10%, does that money that's generated from the sale just go back into the Highway Fund?

Malfabon: Yes, it does.

Sandoval: Anything else?

Hutchison: Governor.

Sandoval: Mr. Lieutenant Governor.

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- Hutchison: Thank you Governor. We have an answer to Mr. Martin's question that staff would like to provide.
- Martini: For the record, my name is Mary Martini, District Engineer in Las Vegas. In response to Member Martin's question about the parcel to the south of the subject parcel, that is also part of the right-of-way, however, at this point in time, it has been requested that it not be sold, it is needed for maintenance purposes. Thank you.
- Sandoval: Does that satisfy you Frank?
- Martin: Yes sir, it does.
- Sandoval: All right. If there are no further questions, the Chair will accept a motion to approve the public auctions as described in Agenda Items 7, 8 and 9.
- Knecht: So moved.
- Sandoval: The Controller has moved for approval. Is there a second?
- Almberg: I'll second that.
- Sandoval: Second by Member Almberg. Any questions or discussion on the motion? Hearing none, all in favor say aye. [ayes around] Oppose, no. That motion passes unanimously. Let's move to Agenda Item No. 10, Announcement of Apparent Best Value Proposer to Design and Build the USA Parkway Project.
- Malfabon: Thank you Governor and our Project Manager, Pedro Martinez. Rodriguez. I always tease him about getting his name wrong that one time.
- Sandoval: Please proceed.
- Rodriguez: Thank you. For the record, it's Pedro Rodriguez, yes, Governor and Members of the Board.
- Malfabon: I got it. I always say Martinez to tease him.
- Rodriguez: So, I'm here today to make an announcement in regards to the apparent best value design builder for the USA Parkway Project. Back in January, we released a request for qualifications, shortlisted four firms. Of the shortlisted four firms that were shortlisted in April, all four firms received the Request for Proposal. Those proposals were received on October 19th. They were evaluated and they were

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evaluated in accordance with our NRS and our Pioneer Program, which is the manual we use for special delivery methods.

The four teams that were shortlisted were Ames Construction, Granite, Kiewit and Q&D. The best value determination was based on a 100 point scale, with a price proposal of a maximum of 65 points. Technical proposal with a maximum of 30 points and a bidder's preference of 5 points. All proposals were evaluated by NDOT staff.

The evaluation and selection that follows included members of the NDOT staff, either participating in our procurement administration team, as part of a technical evaluation committee or the project selection committee with observers from our AG's Office and a selection official. What happens during our evaluation and selection is, the committees are selected and approval by the selection official. There is then a plan and an orientation presented to all the committee members involved. The technical evaluation committee then evaluates the proposals and makes recommendations. They come to consensus, make a recommendation to the project selection committee who also then reviews the proposals, comes to consensus and then ultimately makes a recommendation to selection official. The next step would then be to conform the contract and take it to the next Transportation Board Meeting.

The technical proposal score was evaluated under the following criteria: project management approach, 8 points; design approach, with a maximum of 14 points; a construction approach with a maximum of 4 points; and a substantial completion with a maximum of 4 points, totaling 30 points. What you see here are the points that were distributed amongst the four proposers that submitted proposals. Proposer B received a 22.4, followed by Proposer C at 21.68.

The price proposal, as I mentioned earlier, has a maximum of 65 points. The prices ranged anywhere between \$75.9M to \$90M. The maximum price score of 65 points allotted to the lowest price, which was Proposer C.

The bidders preference was also applied and all four proposers received the bidders preference. The total scores ranked Proposer C with a 81.68 points. These proposals were presented to the selection official in the blind. The selection official didn't see which proposer was which company. Once the approval was made, then the selection official was made aware of the companies. That ranked Ames at 1.

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Our next steps is to take a conformed contract to the Board at the next Transportation Board Meeting, in January. With that, I'd like to open it up to any questions.

Sandoval: Thank you. I guess just going through the numbers, it came down to price. That was the difference here, because this is about as close as it gets in terms of No. 1 and No. 2?

Rodriguez: That's correct.

Sandoval: And, just so I'm clear and but you said it, that those that were involved in the selection process had no idea who was, or which particular bid was, or who was behind it, correct?

Rodriguez: That's correct. The technical proposals and the price proposals were evaluated separately, so the committees that were involved with reviewing the technical proposals did not know what the price was and those reviewing the price proposals didn't know what the technical scores were. When they shipped it to technical committees to selection committees, recommendations were made and when it went to the selection official, the selection official was kept in the blind until the recommendation was made. So, no one knew.

Sandoval: The person on the technical team had no idea how the bidders had scored on the price proposal.

Rodriguez: That's correct.

Sandoval: And, no member of any committee knew whether it was Kiewit, Granite, Ames or Q&D.

Rodriguez: That's correct.

Sandoval: Okay, questions from other Board Members? Mr. Almberg.

Martin: I have some when you can work me in.

Sandoval: All right.

Almberg: Thank you Governor. The question that I have here is, from my experience, as an engineer, a lot of times our projects, we are selected by qualifications and then we go into contract negotiations or price negotiations for that thing. So, based on this project, this came out a little bit different than we just dealt with down on Project

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NEON. Project NEON we were in the fortunate situation that the most qualified was also the lowest bidder. Now, we're in a situation where based on the scoring, the most qualified isn't the lowest bidder. So, I don't think this has any relevance on this project because all of these contractors and engineers that bid on this project were aware of what the scoring system was prior to doing that, but my question comes up down in the road in our future, in this breakdown here, we get 5 points for bidders preference. And, correct me if I'm wrong, that's being a Nevada contractor, is that correct?

Rodriguez: That's meeting the requirements of NRS to receive the bidders preference.

Almberg: And that bidders preference is 5% in price? Is that correct?

Rodriguez: Not necessarily, it's—

Malfabon: I can respond to that Pedro. So, the bidders preference on a typical low bid project is in the analysis of who to award to, it's a 5% of that bid price. In this case, it was addressed as points, so 5 points out of the 100 available were given to those that met that criteria that's established in NRS. All of the four shortlisted teams did pay that amount in taxes to the State of Nevada, so they all qualified for that 5 points.

Almberg: Okay. So, with that being said, it is, maybe not in this project, but in other projects as you just mentioned, there is a 5% preference in the price, given to a contractor that has bidder preference. Now we get down in here, we've got the most qualified is within 2% of the low bidder, and I'm just saying in the future, we went through a lot of work to come and review this and qualify this when it came down to ultimately straight up, selection based on price. My recommendation would be, in the future, we may reevaluate our scoring system so that we either give a little more points to a technical score and a little less to the price score or maybe we come back in here and we look and if we're in a—if the highest scored technical score comes up and may get a bidders preference based on some percentages or something else. Just so we're in fact would be getting who we selected as the highest qualified.

Sandoval: Controller has a follow-up to this question but I am going to go to Mr. Martin and then Mr. Savage. Go ahead Controller.

Martin: Thanks—

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- Sandoval: One moment Frank, the Controller has a follow-up to Mr. Almberg's question.
- Martin: Okay.
- Knecht: Thank you Governor and I did some quick calculations and roughly the difference between the first two scores, technical and price is 3% in each case. So, to highlight what Mr. Almberg is saying, it's the 65/30 weighting on 3% factors. One of them goes 3% in one direction the other goes 3% in the other direction, but when you weight it 65/30, it's that relative weight that you're giving the two that determines the outcome. I believe, at a previous meeting, I asked a question about this as to why the technical score weighting would be so low and the price proposal score would be so high and what I was given to understand was that the Department, and please correct me if I error in this but I thought the Department gives this, the technical aspects of this as being not likely to be greatly different so that this isn't a creative thing like Project NEON where you have to do something different. This is kind of a commodity job. Am I wrong in that? Is that part of the justification for the 65/30 weight in here?
- Rodriguez: Thank you Member Knecht, that's correct. This project is a straightforward project. It's a earth work project, we're connecting 18 miles. There was little room for any special items, if you will, that would've allowed us to score and evaluate higher in the technical.
- Knecht: Thank you Governor for the opportunity to clarify that.
- Sandoval: Thank you, Frank?
- Martin: Yes sir. A couple of things. One is, Pedro, this evaluation method you were talking about is very similar, if not identical to what you used for the Project NEON, is that correct?
- Rodriguez: It's similar, correct.
- Martin: Okay, the second thing is, Dennis, this may be a question for you. The evaluation that Member Almberg and the Controller were talking about, the scoring, the 65/30, I think that's prescribed by NRS, isn't it?
- Malfabon: I can respond to that Frank. This is Director Malfabon. There is, the NRS establishes a minimum, is it 30% Pedro?
- Rodriguez: That's correct.

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Malfabon: Yeah, so there's a minimum that you can use for price. We've selected to give more emphasis to price, especially since this was a state funded, not federally funded project.

Martin: Right, I understand that part. In most of the projects I have competed on was State Public Works. That thing, 60, 65 points for the price is kind of a standard that has been through the rest of the State. There's been less on quality or less on technical than on that piece. So, I understand it.

The other thing I wanted to know about is, you're bringing the scoring to us this time, why aren't we having an opportunity to vote this time on the award since there is such a tremendous amount of pressure to get this work done? We're basically waiting another month to vote on the award.

Malfabon: I can respond to that Member Martin. We wanted to bring the conformed contract to the Board, so the Board would be assured that the design builder is going to build what they committed to in their proposal and we are not there yet.

Martin: Okay. The contract was a part of the RFP, is that not correct?

Rodriguez: That's correct.

Martin: What then, if they submitted as per the RFP, what can there be left to negotiate in the contract unless the proposer had made some exceptions to the contract language. I'm not understanding why this term 'conformed contract' comes to play at this point?

Malfabon: This is Director Malfabon, Frank. I'll try to respond and then allow Pedro to expound on this, but that's exactly what we're trying to get to is that the commitments made in the proposal are that there is a clear understanding, that's what we expect out of the design build team that we contract with. Pedro?

Rodriguez: That is correct Member Martin. So, the processes that we have to follow right now include taking their proposal design, what they submitted, capturing what they were evaluated on, because they were scored on this; every commitment, design, everything that they mentioned, again, evaluated based on what they proposed on, included into the contract. Make sure there's no room for misinterpretation, included as well as have them go ahead and supply several items we need for a contract to be executed. So, it's not an overnight thing.

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When you throw in the holidays and their scheduling these meetings, it starts to add a little bit of time.

Martin: Okay.

Rodriguez: Maybe to help the Board understand a little bit, this was anticipated. We're not behind schedule. We anticipated having a contract brought to you so that they can—so that this selected contractor can begin in January. We are still there.

Martin: Okay. And please, don't misunderstand my questioning on this, in my world, when I submit a proposal, the contract was in the RFP, I know what the requirements of the RFP is, and I either take the contract the way it is in the RFP or I say, at that point, it's a yes or no question. When I submitted my proposal, I already agreed to the contract. I already agreed to 100% of the requirements of the RFP and there was nothing open for discussion. So, that's why I'm having a degree of difficulty understanding why there's something else to talk about.

Rodriguez: Again, thank you Member Martin. And, I understand your confusion. Without going too much into detail right now, as I mentioned, we're still trying to conform this contract, we're still discussing with the contractor the items that are going to be included but everything and anything they would've put into their design, they were evaluated on, scored highly on, we're capturing in this contract. So, if there's any confusion about it, we need to get clarification on it. The clarification has to be worded accordingly, has to be defined. We have several, several items we're trying to conform, if you will, to include in this contract. It's not just a, yes we accept we're going to move forward, it's let's review the proposal, see what you propose, see if we understood what you're proposing or make clarifications and include them in the contract and then move forward. This project is too important for us to have any misinterpretations in this contract.

Martin: I'm struggling to understand that because in my world, I either conform to the requirements that are in the RFP or I don't. And if I don't then my bid is disqualified.

Malfabon: Member Martin, this is Director Malfabon. That's exactly what we want to nail down, so that there's no misinterpretation, everything is understood. It's an important project and we want to make sure that what Ames was scored on and received the points for is committed to in this conformed contract.

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Martin: Okay. So, the contract you're going to ask us to approve is going to look exactly like the contract in the RFP, correct?

Malfabon: I'll have to have legal—our legal representative, Lou Holland who has been working on this project says, yes.

Martin: Okay. No further questions.

Sandoval: Thank you Member Martin. Member Savage.

Savage: Yes, thank you Governor. Along the same lines as Member Martin, those were a lot of my same concerns. I think Pedro addressed those. Time is of the essence on this contract. The process, Pedro and Mr. Hoffman were kind enough to come by the office on several occasions, because of the high importance and the timing on this project. My concern is along with Member Martin's, the contract discussion, being a design build contract, time is of the essence, it's vitally important and I don't know if there's anybody here from Ames today or not. Is there anybody in the audience from Ames?

Rodriguez: Thank you Member Savage, yes we have representatives from Ames here that can answer any questions you may have. Mr. Tim Odell and Seth Alexander.

Savage: My question and I think it was answered by you earlier, Pedro, that they have been very timely and clear that it's a design build project. Like Member Martin had said, the design and the timelines are really theirs because that was their design. Coming from a contractor's perspective, timing is everything, especially on this project and it's very important that we get the commitment from them, in a timely manner, without any flags to move forward. And, sooner rather than later would be my suggestion.

Rodriguez: Understood, I'll turn it over to Ames.

Odell: Good morning. My name is Tim Odell. I'm the Senior Vice President of the Western Region for Ames Construction. I want to thank you for giving us the opportunity to speak here. Also, I want to thank you guys for the opportunity in performing this project. We are committed to this project. We do understand the timeframes. From my knowledge, there's nothing that's going to prevent us from entering into a contract in the first part of January with the Nevada Department of Transportation.

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Savage: Thank you Tim. I've asked this before. I know every contractor has an A-team and a B-team and a C-team, which team are we going to get from Ames if they have a conformed contract?

Odell: You have the A-team. You have myself involved—I've been involved in over \$4B worth of design build work. The last one that I was a part of was the I-15, Core Reconstruction. That was the fastest \$1B project recorded in history. It was completed just south, in Utah County, just south of Salt Lake City. We are familiar with these contracts. It is just making sure that the commitments we made from a design perspective all gets incorporated in to the contract. These are fast tracked projects. We don't want to spend a lot of time during the project, negotiating various design concepts, should this have been included, should this not have been included. So, both respective staffs are doing a great job of making sure all I's are dotted and T's are crossed.

Savage: That's good to hear your commitment. I appreciate it and I thank you Governor.

Sandoval: Member Skancke.

Skancke: Thank you Governor. I'm a little confused on—I want to go back to what Member Martin's questions were because it's almost that we're saying is that we're not confident in our own process. That concerns me in this regard; if we put out an RFP and you submit a proposal and these are the terms and the agreements in the proposal, then we should know right from the jump what everything is going to be on the back end. We shouldn't have to go through another process. I think that sends a really bad message in the design build process that, if you can't agree to what's coming up front, in the contract process, if I understand this process in the way that it's been presented, then if we need to have extra time to make sure that our T's are crossed and our I's are dotted, then were our T's crossed and I's dotted before we started the process. That's kind of my first comment, kind of question, because perception is reality. So, do we doubt our own process?

The second thing is that, I mentioned this to you in our briefing and I want to put it on the record today, I have concerns about engineering backlog in this state. One of the engineers that are on this project, we've approved for the past six months multiple projects for that engineering firm. Nothing against the firm, nothing against the size of the firm, but I've totaled up over the last three or four weeks the number of projects and it's about \$80M, I think, worth of projects.

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Having owned a boutique consulting firm and probably will start another one here very soon, nothing against that. I just have to have a level of comfort that that firm, and I want it on the record that that firm has the ability to deliver the engineering that's needed with all of the backlog that they have from this Department and RTC and Washoe County RTC; everything else that we have awarded them, and if they can't, then what's Plan B? This project is as important as Project NEON. If someone can't deliver on their end, I'm not saying that they can't, but if you got \$60M to \$80M worth of projects and you've got six or eight people in your firm working on them, I need a level of comfort.

I was going to say to start this, but if you notice that everything in the five or six years that you've been Governor, everything is time is of the essence and really big project? That's what is going on here. So, I need to have a level of comfort that we are comfortable in the process that we have outlined here. That we are not opening ourselves up to any other litigation because I've got a whole stack of headlines here about litigation from contractors that I'm not too happy with. I've been told that we cannot award a contract based upon last performance or outstanding litigation with firms.

We need to be confident in the process and we need to be confident that if we extend this, that we're not going to open ourselves up to anything else in January if we're not consistent with the process that we've always had. That's my dissertation, thank you.

Rodriguez: Thank you Member Skancke. I'll start with your second question first is, you want reassurance from the engineering firms that are going to be involved with this project as to their commitment. You mentioned a company in particular that was on multiple agenda items but I don't believe that's the one that you want the commitment for. So, to clarify, are you looking for a commitment from the lead engineer, who is Horrucks or the CA Group, who you brought forth in the previous meetings.

Skancke: I don't know who Horrucks is, the CA Group, who I think is a sub.

Rodriguez: Okay. We do have a representative from the CA Group here that can speak as to their commitment, their availability, as well as their company.

Anson: For the record, Chad Anson, Vice President, CA Group in Nevada. As far as the backlog, \$80M, that may be the construction value but that is not the amount of

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contracts that we have in backlog. There's probably no engineering firm in Nevada that has \$80M worth of backlog. So, while that's the construction value, or value is actually much, much less than that.

As far as the availability of our staff, we actually—our availability is quite extensive right now. We just are completing our leading of the design effort of the I-11 design build which was a \$225M design build. We were the lead engineer. We are now going into a sub-consultant role, for the \$75M USA Parkway. I do realize we were also on the Board Agenda last month for the NDOT Northern Nevada Traffic Study. Those two jobs are helping us fill that backlog, but we have 32 employees in the State of Nevada. We are a local, homegrown engineering firm. We do not have the opportunity to go out of state really right now at this point and work off other offices, so all our work comes from the State of Nevada. All of our employees are Nevada residents. So, it is critical that we get these jobs and we do have a good amount of backlog, but that is also essential because if one project gets delayed, I just can't have people sitting around on overhead, and that would require me to layoff local Nevada folks.

We do have a good backlog. We are quite proud of where we're at right now. We also do give this commitment and like was said last month, we got this. We are dedicated to the Department. I've been working for the Department for over 20 years, not the first time I've heard this, but we've successfully delivered some of the largest projects; myself as the project manager. I know the Ames folks and we are committed to not only delivering for Ames and Horrucks but also delivering for the Department, not only on USA Parkway but the other projects we have contracted out with the State.

Skanske: And, if I could Governor, I think it's really important that—I'm not picking on you, I just want to make sure. We've got lots of work. We have lots of opportunities. I just want to make sure that these large projects, I made the same comment on Project NEON—we're awarding, as you saw maybe earlier on some slides \$1B plus in projects. I think it's important for us to know, in fact, I'd like to know this Rudy, maybe again, this is a January request, which if we have to get it in February, but I'd like to know, what is the backlog of all these engineering firms?

We have a lot of projects coming up in 2016 as well, I just—it's nothing against you or anybody else. I just think we need to know like, what's the backlog and

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can these projects get delivered? Because every one of these projects is getting bigger and every one of these projects has a time is of the essence on them. I'd like to see that, whether it's a public document or you can provide that to me individually. If the rest of the Board wants to see it, that's fine, but I think it's important for us to know. Thank you Governor.

Malfabon: In response Governor, we can pull together that information for the Board Members and it would be public information.

Sandoval: Other questions? Not really a question. I want to remind the rest of the Board, we know with regard to this project, I think it had the highest economic return of any project I've ever seen. What was it again Rudy?

Malfabon: It was a little over 9:1.

Sandoval: Yeah. Tom's right. We talk about every one is important, but this one, we've got to get it right from the beginning. I think that's what you're hearing right now is, and I guess that's what you're trying to make sure that's what doesn't happen as we move past the first and we get this built on time.

My other question was this, we just approved Project NEON and within that there was some penalty provisions with regard to timely completion, do we have that in this contract as well?

Rodriguez: Yes, we do.

Sandoval: What are those?

Rodriguez: I don't have those with me right now, but we do. We have a penalty for lane closure, per the minute and we also have penalties in regards to not meeting the substantial completion deadline as well.

Sandoval: And, on the other hand, in Project NEON, we had a carrot and there was some benefits to finishing ahead of time, is there anything like that in this contract?

Rodriguez: More information is going to be provided at the next Transportation Board Meeting, but these are one of the things that I will be presenting to you. All proposers were evaluated in regards to substantial completion. Ames' schedule was reduced—was basically about 31 days less than the next proposal, which was still also months less than what we anticipated. There's not much more of a carrot

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that we can offer to make them go much faster unless they could control the weather.

Sandoval: Today is a perfect example of that. I get that. Another question that is not part of this contract is the installation of the fiber optic cable. I don't want to have to dig up that road twice. I don't want to build this \$70M road and then suddenly have to come through with another contract. It is absolutely no secret that some of the most sophisticated companies in the world who will be taking advantage of the best technology are going to be residing there, in that area. Is there a plan to make sure that we're not going to build this beautiful road on time, on budget and then dig it up to install cable?

Rodriguez: Governor, right now, we are currently working with multiple, multiple fiber optic companies so they can install their facilities in a joint trench, along the USA Parkway Project. We'll have more information—I can tell you the Department is vigorously working to implement a plan to have these facilities along the route.

Sandoval: Is that something that will come to this Board's attention before it's done?

Malfabon: Yes Governor. We're just continuing those meetings with those companies and we'll bring that resolution so the Board will be informed what will happen on USA Parkway, with respect to fiber installation.

Sandoval: It's just another example of getting it right the first time. So, as I said, I don't want to belabor the point. Finally, the importance of getting this done on time is, there is, as you know, some incredibly substantial construction going on out there. The volume of vehicular traffic is going to increase exponentially within the next two years. That's the commerce part of it. The other piece, which the reason why I want to get this done, the timing of that commerce part opening also needs to be consistent with the completion of this project because once that joins with the 50, it provides an employment opportunity to a big population out here in Lyon County, in Carson City and the outlying areas. Again, as Tesla opens and Zulily comes to full fruition and some of the other projects that are growing out there get done, I hope that this project gets done at the same time so that if I'm living in Dayton or I'm living in Yerington or Stagecoach or Carson City, that I can access that project this way. Which we started this meeting with a conversation about the Spaghetti Bowl. We need to avoid as much traffic coming through the Spaghetti Bowl needing to get to work out there at the Tahoe/Reno Industrial Center and be able to access it from the 50.

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Not really a question there and I see the Ames folks nodding, but there are a lot of issues that are in the balance here, associated with the timely completion of this project. That's something that I'm going to be watching as we move forward. I have complete confidence in Ames, if ultimately you're able to—you know, this 30 days that we talked about or the first part of January, but it doesn't sound like there's going to be a problem with that. We've heard that the resources are in place. The engineering has sufficient staffing and able to get this done. Ames is going to bring its A-team and so it sounds like all the ingredients are there for the successful completion of this project.

I think if you sat through this whole meeting, part of the frustration of this Board is, we have these great days where we approve these projects and then we're dealing with litigation and paying hundreds of thousands of dollars in attorney's fees. I don't want to go there. I want to be able to say that we all knew what we were doing going in. We didn't have to file these claims and each side spending hundreds of thousands of dollars and then paying fees and such. So, we need to get it right here because as I said, everything is dependent upon that.

Again, it's not really a question but I wanted to express to you what I think about when I approve these projects. Of course we trust in staff and I want to thank you for your hard work in getting this done. I know there's a lot of time and effort that goes into this. This project was something that got moved up on the list, but for very good reason. As we move forward and we're counting on all of you to get it done.

I guess my last question is, when is completion?

Rodriguez: It's August 2017. That's ahead of our anticipated December 31, 2017 deadline.

Sandoval: I don't think we need it every meeting, but I'll want at least a quarterly progress report as to how we're doing. I see the other members nodding, but as Mr. Skancke said, proportionally in money wise, they're not even close, but I think in terms of commerce and economic development and employment and the economy, they're very equal in terms of this State moving forward. We got a lot riding on you.

Rodriguez: Understood.

Sandoval: I'm talking more to Ames than you.

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Rodriguez: I can see your shift in your glare there Governor.

Sandoval: And this isn't meant to be a lecture or anything like that. I just want to convey everything that's at stake here in getting things done. Another thing that is worth saying is, for the staff here at NDOT, I'm continually impressed with the work that you do and it's no fun to come up here and Tom's right, we are doing as much as we or more than we've ever done, is that right Rudy?

Malfabon: Yes.

Sandoval: We've got the largest public works project in the history of Nevada going on there in Las Vegas. We've got this USA Parkway. We're finishing the Carson City Bypass. We're repaving Interstate 80. We can go on and on with the number of projects in Southern Nevada and I know that stretches everybody and I don't want you to feel like you're not appreciated when we're asking questions up here because you are. We have a responsibility as Board Members and representatives to ask those types of questions, but it does not mean that I'm not thankful and appreciative of the hard work you do. I know that many of you could go out in the private sector and probably make triple what you make here. That's the true definition of public service is, your willingness to continue to work on these projects and make things happen. The day will come and I won't be sitting in this chair anymore but we're going to have a transportation system that is, I think second to none, once we get this done. It prepares the State for what's happening here in this evolution in terms of our economy and the growth in our communities. The RTCs are here and I know when I make these comments, it's not to exclude you and anybody else because that's part of what—Washoe being in here today was everybody working together for a common goal to make this happen. There is better communication than I've ever seen with regard to what's happening, but we've got a lot of balls in the air and I really want to applaud and thank the NDOT staff for what it does.

Malfabon: Thank you Governor. That means a lot and just to steal something from a show I saw on TV, our hearts grew ten times this day, with pride. I wanted to thank Pedro Rodriguez for his leadership of the team. It's been a great undertaking, a heavy lift and he's done a superb job, as well as Lou Holland from the Attorney General's Office and guiding it from the legal perspective. I wanted to offer my appreciation to the entire team, specifically Pedro and Lou and the folks that have been working tirelessly on this project.

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Rodriguez: Thank you. And as you mentioned, there is a lot of people behind the scenes that make this happen, it's not just me.

Sandoval: Any questions or comments from Board Members? Mr. Rodriguez, any further presentation?

Rodriguez: No, that's it.

Sandoval: We look forward to seeing you in January and getting things signed up and start moving dirt.

Rodriguez: Thank you.

Sandoval: Thank you.

Malfabon: Governor, if we may, we could return to Item 4. We did receive the information for clarification to the Board.

Rosenberg: For the record, Sondra Rosenberg, Assistant Director for Planning. Between the Program Development staff and Financial Management, they did a little digging on the funding for that [inaudible] Animal Crossing. We did have funds in that that are obligated for that project that would have lapsed had we not obligated them at the end of last federal fiscal year. That money is interstate maintenance, as well as what's called equity bonus, that's to ensure all the states get a certain portion of their federal gas taxes back to the state.

A couple of issues if the project does not go forward, we are at risk of losing those funds. It's not as simple as a yes or no. We would have to deobligate that money and reobligate it on another project that's ready to go this year. It would have to be reassigned to a project that's ready to go this year, that has been through the environmental process, it's literally shovel ready. That's one complication.

The other is, we have about \$500,000 from Department of Wildlife that's in that project that we would lose. In addition, we would actually have to pay back federal funds that have been used on the design up to this point which was about \$750,000. We're at risk of losing federal funds and we would have to pay back some federal funds.

Sandoval: That's fine, I'm going to support the project. As we move forward, part of the message that I'm trying to convey is that given the substantial need on pedestrian safety that as we rank—I want to get caught up on all those, I guess getting to the

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bottom line. As we consider projects moving forward, and I know they're all unique, but if they're all coming from that same bucket, I would prefer that the first dollars go toward, particularly in Clark County, pedestrian safety.

Rosenberg: One other clarification, there's only about \$600,000 of our Federal Safety Funds in that project. It's a combination, like many of our projects are, of lots of different sources to get that out.

Sandoval: So, there's essentially a six mile highway for deer and elk, is that what we're building here?

Rosenberg: I look at it as six to seven miles of—

Sandoval: Expressway.

Rosenberg: --safer highway.

Sandoval: And agreed. I'm not trying to minimize that. You mentioned 200 and something conflicts and accidents and one fatality and of course we don't—it does fit within our priority of zero fatalities and people get going pretty fast on Interstate 80 so it needs to be done. It just jumped off the page when we saw that it was \$14M. Any further questions or comments?

Skanche: Did you want to take a motion then on that?

Sandoval: I do. The Chair will accept a motion for approval of the contracts over \$5,000,000 as described in Agenda Item No. 4.

Skanche: So moved.

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

Martin: Second.

Sandoval: Second by Member Martin. All in favor say aye. [ayes around] Oppose, no. That motion passes unanimously. Thank you.

Skanche: So, that would be the new Elk-O Expressway? [laughter]

Sandoval: All right, let's go to the Freight Plan, Agenda Item No. 12.

Malfabon: Sondra Rosenberg will present this along with staff.

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Rosenberg: For the record, Sondra Rosenberg, Assistant Director for Planning. I'm just going to do a brief introduction and hand it over to the Project Manager on that study. This is a very exciting time in the State of Nevada. We are developing our first statewide freight plan. We could not have planned the timing any better with the passage of the FAST Act and some of the provisions in there. The previous Act recommended a state freight plan. The FAST Act now requires it. We're looking to make sure we're meeting all the new requirements and that as Director Malfabon mentioned, there is some additional money in the FAST Act. That money can be spent on any project in an approved freight plan. We're working with Federal Highways and AASHTO to determine who makes that approval and what that means. We're positioned very well to have an approved freight plan at such time, once we figure out all the rules of that funding so that we'll be ready to spend that money as soon as possible. With that, I'm going to hand it over to Bill Thompson. He's one of our planners. He's the Planning Project Manager and the Freight Manager for the State, for NDOT and then we'll be happy to answer any questions. Thank you.

Thompson: Thank you Sondra. Governor, Members of the Board, Director Malfabon. As mentioned, my name is, for the record, Bill Thompson, I am the Freight Plan Project Manager. I wanted to update you on what we've been doing for the past 11 months. I'm going to start with our project strategy. What you're going to find out is, typically freight plans from other states stay within the boundaries of their state, looking at state freight infrastructure and all the modes of freight to their state economy. I will tell you, we're going to go a step further. Not only are we doing that, but we are going to take a broader look. We're going regional, national and more importantly, global freight—we're going to go global with the freight logistics for a long-term strategy that will strengthen Nevada's role in freight network.

The next thing we're going to talk about is the vision which is to create a freight system that provides a significant competitive advantage to the businesses already here. More importantly, an incentive for businesses to want to relocate to Nevada. Our analysis have found that Nevada is a stop-along corridor. We need to develop crossroads that will provide multidirectional access to a larger market sector. That alone will help create a high efficient freight system and improve our capacity and performance.

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With stakeholder input, we have identified a number of goals. Those goals are on the road to economic competitiveness, or to the top of a triangle. Starting with sustainable funding. Without funding we know we can't move forward. These goals were weighted by the stakeholders and safety and security came with a percentage of 100%. Mobility and reliability got a 98%. As we move forward to innovative technology, my favorite, we move forward to the economic competitiveness. I note, these words are being used by the public. They're used by our stakeholders and our Freight Advisory Committee. These are your words, Governor, and I thank you, what it says that the New Nevada, it's working. Thank you.

Within the state we have analyzed our performance to identify local, critical factors, Northern and Southern Nevada. The analysis were of freight dependent businesses that you see in the triangles. Truck routes and the choke points, that you see in the square, magenta. And, fatal crashes that you see as the stars. These fatal crashes are crashes that involve a truck. Because of the analysis, we are able to create a list of possible projects, possible programs, policies, policy changes, for us to be able to achieve these goals. While necessary, most of these offer incremental improvements.

My favorite slide, Nevada is part of three major trade areas in the Western US, highlighted in brown. Southern Nevada, that's part of LA. Northern Nevada is part of the San Francisco major trade area. And, Eastern Nevada is part of the Salt Lake City. What you see in the green circles, that's the size of the economies, but what draws to your eyes are the two massive circles representing Los Angeles and San Francisco, the two most successful economic regions and freight gateways in the United States.

It is increasingly known that we are linked to these economic powerhouses and we have the power and strength to take care of this opportunity and for these ties and transform our economy by creating crossroads and hubs. The purple line shows the potential for Nevada, major metro areas to become the new creation of the NAFTA roads, including a rail corridor connecting south to Mexico, north into Canada, following the proposed I-11 corridor and note that it runs parallel with the I-5 and 99 corridor in California.

Governor, we felt that it was important to tell you and the Board Members that we have worked closely throughout this whole study with a wide variety of public and private participants from different industries, in different locations. We even

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offered phone calls, we did interviews. We even did webinars for people who couldn't reach us or we couldn't reach them. As you can see on the right, a list of some of those answers for you, the truckers, the railroads were there. Manufacturers and yes, the ports; we have spoken with and interviewed. The airports, approximately 3-5 of them and I noticed one is here today, with Reno/Tahoe Airport; Silver Springs Airport for cargo freight. Down the three P's, PLs, the real estate brokers, industrial developers, economic development people including yours, freight policy institutes and the planning agencies throughout the State.

The project officially began January 28, 2015. It has an 18th month timeline that you and I and the Board have agreed on. All the deliverables completed to date, as you can see, are in bold and black. The Freight Advisory Committee and focus group meetings that were held, they're in italics. Items not yet completed are in blue. As you can see, we project a draft master plan for review, will be in April and we will complete this project as a final master plan to the Board in July 2016.

Governor, this completes my presentation. Any questions?

Sandoval: Well done. We are, given the passage of that additional funding within the transportation bill, we're right on course in terms of getting projects identified?

Thompson: Exactly. First time ever to have funding set aside for freight and this is our first freight plan, so it's exciting. I'm trying to keep the passion down a little bit and not jump up and down.

Sandoval: Go ahead.

Thompson: I've got to tell you. This is probably the best project I've been on and I thank the Board for allowing the Department to do it, thank you.

Sandoval: But it was serendipitous that we had started our freight plan already. I guess that shows the wisdom of the Department, in terms of getting ahead of it. Now we will hopefully be ahead of other states because we will have an approved freight plan moving forward, is that right?

Thompson: That's correct.

Sandoval: Questions or comments from other Board Members? All right, Mr. Almberg and then Mr. Skancke.

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Almberg: I had the pleasure of Bill in my office last week and so I appreciate you taking time to come over and brief me on this and get me up to speed with some of the things that you've got going on here. In that meeting, some of the things that were expressed, what you're trying to accomplish, it's quite exciting. It's very exciting for the State of Nevada and the economic impacts that will have on it. So far, I think you've done great work and I'm looking forward to this being completed.

One of the things I want to do though is, I do represent the east part of the State. I think a lot of this, based on our discussion, has been focused on I-11. We discussed quite a few little options and if you go back to one of your slides, that slide right there particularly, there is multiple circles with stars going up Highway 93, up into White Pine County and up into Elko County. We discussed many projects going through that area. It's my belief that that also is very much a trucking highway. There's a lot of trucks that go up and down through Ely, up into Twin Falls area, down through Vegas.

There was also some NDOT staff that had come and had a meeting in Ely probably a month, month and a half ago and a lot of projects were also discussed in there. I'm not here necessarily to state the specifics of those projects, but I do want you to spend the time looking at a lot of those projects and coming back with recommendations that will be included in this plan that will benefit the trucking that's going up and down Highway 93 there.

If we can come through and make some smaller improvements and decrease the time it takes for truckers to get from Las Vegas to Twin Falls, I think we are giving them an alternate route instead of going through Salt Lake and I-15. After that meeting a month and a half ago, Kevin Lee, our District Engineer in that area, we had discussions with him and one of the things that he had said, during the Olympics, they definitely seen an uptick of traffic down this highway. There's definitely—in Ely itself, there's a major trucking, truck stop chain that is looking to come in here that hopefully next summer will begin construction. It's also believed—it's not only my belief that that's a major trucking lane, but there's also people in the industry that believe that's a major trucking lane.

If we can make some of these improvements and they are much substantially smaller improvements than what's going in on I-11, it can increase the economic impacts to the eastern part of the State also.

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Thompson: Member Almborg. Excuse me if that was so loud, I'll tone it down. While sitting in your office looking out your window, I have noticed that every other vehicle was a truck. That road is being used heavily by freight. Some of the items that you had mentioned has been noted and they will be put into a measured process, as a project to be put into the freight plan. Those things are noted and we'll definitely look forward to helping that, such as widening part of that route up there.

Almborg: Thank you very much.

Sandoval: Other questions or comments, Member Skancke.

Skancke: Thank you Governor. Bill, outstanding job when you presented this the other day in a briefing. I'll repeat again for the record, I think this is a framework that has never been seen in our State before and you should be commended. The project team, Michael and Derek and others that are—and Sondra, this is exactly what, in my opinion as someone who has been in this industry for 26 years, what our State needs in order to move forward and accomplish the goals and objectives of the Governor's vision of a New Nevada.

If you go to that slide and you pointed it out, but I think it's really important to point out that every one of those words are words that really have resonated with the public of what the New Nevada is. I think Governor, it's important, I've heard you use almost every one of those words in a presentation or a speech throughout the last, your tenure. It's resonating with the public. It's also resonating with people that are involved with economic development and transportation.

This report, while it does go a lot into what I-11 is and connecting the major metros, I think it's really going to give us a framework and a roadmap of how we connect the rural part of the state better to these economic drivers of Reno and Washoe, or Reno and Washoe County, as well as Clark and Las Vegas. I'm excited about the preliminary outcomes. I've been following everything you've done online. I think it's some of the best work. I've known Michael for a number of years. It's probably some of the best work he's ever done. You should be commended for the work that you've done. I'm excited about this. In fact, I'm as excited as you are.

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I'm really looking forward to the additional outcomes. I think it's important to acknowledge and have everyone understand that this framework that's being done by our Department actually connects our infrastructure to our economy and to economic development. There's no other state in the country that's actually doing anything like this. This will be a framework that I hope USDOT will take around the country and show as what other states should be doing under the new FAST Act. I hope we get some, for those listening in, I hope we get some type of an award for the work that this team has done.

Bill, I know you do rail, aviation and five or six other hats in this Department. Like the Governor said a minute ago, you could probably go to the private sector and make three or four times the amount you make in our Department, so thank you for all your hard work and I think this is an outstanding update and an outstanding report that you're putting together for us. Thank you.

Thompson: Thank you Member Skancke. To respond Governor, you're absolutely right about the model of this freight plan. I have numerous phone calls from other states asking for the scope. The word is out. FHWA is aware of what's going on because—

Sandoval: Don't tell them what we're doing. [laughter]

Thompson: They want to follow your goal.

Malfabon: Governor, if I may, I'd like to have Michael Gallis and Derek Morse stand, just to mention that they've done a very great job on this very comprehensive study. More to come, as Bill mentioned, great job Bill on leading the effort. I just wanted to acknowledge that they are present today.

Hutchison: Governor?

Sandoval: Yes, Mr. Lieutenant Governor.

Hutchison: Thank you very much. And, I echo the compliments Mr. Thompson, thank you very much for a wonderful presentation and all the hard work and the visionary plan you've just presented to us. I'm really interested in the economic development side that you addressed because particularly in two areas of freight dependent businesses that you noted on your slides, manufacturing and mining. Sometimes we hear and I'm interested just in terms of your experience because I'm curious what some of these folks said when you interviewed them or your

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team interviewed and analyzed what their needs were from a freight standpoint. We often hear about the workforce development and the educational side of manufacturing and particularly high tech manufacturing and also mining. It sounds to me like and tell me if I'm wrong, that this freight system that we're addressing here is as important to those businesses as the workforce development and the education we often hear about in preparing their workforce for the future. We tend to hear an awful lot about that but maybe we don't hear as much about this transportation freight side. In your interviews, could you maybe just because I'm curious, give me some either anecdotal experiences or just your insights in terms of particularly manufacturing and mining and where they rank freight and transportation with some of these other considerations we hear an awful lot about.

Thompson: You bet Lieutenant Governor, and if I may Governor, may I bring up the person who does some of those interviews to speak?

Sandoval: Of course.

Gallis: Michael Gallis, Michael Gallis and Associates, we're leading the team. Let me separate mining and manufacturing for a moment here. Manufacturing typically clusters around freight hubs because in a global manufacturing system, we have today what we call supply chains. Pieces and parts of things are made all over the world. As they come through those chains, from different locations, they come into places where there are crossroads, where things are put together in what's called subassemblies. Those things move on to the next point, where they then become reassembled, those subassemblies get assembled again. If you were looking at Detroit, you would find General Motors would tell you their supply chains reach all the way to China, Africa, out to India and product moves and as pieces and parts come together, they come together where crossroads bring those parts. Los Angeles, San Francisco, huge clusters of manufacturing. They're very dependent on multidirectional access to multiple modes; air, sea, rail and truck.

On the manufacturing side, what we're looking at is, right now we're on two corridors coming out of two huge global gateways, but we're on single corridor movements. We don't have cross movements. As we analyzed I-11, we looked at it simply as a highway but we found also that there was an active railroad from Reno to Las Vegas as late as 1946 or '47. We asked, what are the conditions of those right-of-ways? Are they still legally intact? What are their conditions relative to modern railroad? That's a huge savings if one were going to do that, to

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have a right-of-way and have one in condition that could be brought up. That is not as farfetched as we think it is to create that corridor.

The second thing is, Nevada is in the process of an enormous transformation in its manufacturing. Interestingly enough, as we know, it is dependent on some of the natural resources found in this State. Those resource areas are not connected by rail, to the points of manufacture. As we look at the State, we realize that we have a heavily road dependent system and not an equally vibrant rail network. What we see in freight plans is that many freight plans concentrate on what we would call small scale, short-term projects that can be done in the short-term. Very few projects ask themselves the broader issue of how do we fit in the world and what is the new framework we need to think in?

What we began to realize is, what you've got is, you've got Reno and you've got a rail line and freeway down towards the military base, lithium mines are just south of that. That extension is not that far. The connection then into Las Vegas is not that far. In thinking long-term, the steps we would take as manufacturing is coming into the south, both the cars in the South and Tesla and the other investments in the North, we now have a new demand being created that we can't wait until it's there, we have to think ahead.

What we see is there's a marvelous connection between the natural resources in this State, that are found in many parts of the rural areas and in the East, along the 93 corridor. The growth of urban economic activity that is centering around the two major points in the State. We see this plan as key to connecting short-term, small scale project, to a first time opportunity to lay a long-term foundation that really sets the State in a new direction relative to how it fits into the Western United States and the global transportation grid.

I hope that answers your question, the connection of natural resources within the State to the growing manufacturing in this State and how to connect them to maximize the opportunity for both.

Hutchison: Great. Thank you very much. Just a quick follow-up, what is the condition of that railroad corridor that you described? As far as legal entitlements and physical facilities?

Gallis: I think that's going to be one of the recommendations coming out of this plan that we need to do that. We have identified where it is. We have looked at aerial

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photographs of it, but there has been no systematic study of, were they abandoned? Still exist? Can we get them back? Where are they? We don't know.

Hutchison: One final quick follow-up, does the interconnection Mr. Thompson, or whoever is going to answer this, does the interconnection between Las Vegas and Reno, this crossroad concept that you are talking about, is that completely dependent on I-11? It sounds like you got a railroad corridor there. What if there's some delay on I-11, funding doesn't show up like we hope it does, are we completely dependent on I-11 for that connection?

Gallis: Let me extend the thinking. There is a well-developed Eastern NAFTA corridor that goes up from Mexico City through Monterey, all the way up through Dallas, Austin, San Antonio/Dallas, up into Chicago, Detroit and into Canada. That's well-developed. There is not a well-developed Western NAFTA corridor. The one, I-5 terminates really in Vancouver, Tijuana and Ensenada. Having a new distribution corridor on the east side of the Sierra Nevada Mountains would be amazing because as California is pushing stuff into Nevada, the question is, can we create the pull into Nevada from those massive economic regions?

One has to think of the I-11, Las Vegas to Reno as a component of a continental corridor that goes all the way from deep in Mexico to deep into Canada and the Oil Sands area and into B.C.

Hutchison: Okay, but what if I-11 is delayed? Is there something that we can control in Nevada about this crossroads concept you're talking about?

Gallis: I have full confidence in the Governor and the State of Nevada that they're going to get the money. And that with a clear vision of where we're going, will help us achieve it and sell it to the Feds that this is not a project for the State of Nevada. This is a continental project that's going to affect the economy of the entire United States.

Hutchison: Okay, got it. Thank you very much.

Gallis: Thank you.

Sandoval: Other questions or comments? Mr. Controller.

Knecht: Governor, I'll be very brief. I got a number of good briefings in preparation for this meeting from the NDOT staff and none was better than the briefings on the

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State Freight Plan and the I-11 Corridor. Bill and Sondra, I thank you. I had the good fortune to be able to explore that at great length with you without taking up everybody's time on the record.

Sandoval: Thank you Mr. Controller. Why don't you go to the microphone please?

Gallis: Sorry, this is Michael Gallis again, Michael Gallis and Associates. We've done projects in various parts of the United States and I've got to say, you've got an exceptional staff here. Very creative, very dedicated. You can only get good work out of your consultants if you have a great staff to work with and I've got to compliment your staff. They're really exceptional, when you look across this country. I was amazed and so pleased. The quality of the work is very much dependent on the leadership we've gotten from the Department.

Sandoval: Thank you for sharing that. Other questions or comments? Just a final word to make sure everyone knows, this isn't theoretical. I've talked to a couple of site selectors and as we continue to mature, we being the State of Nevada, in terms of distribution and internet fulfillment, we've been very successful at that given our location to those big bubbles in San Francisco and Los Angeles and actually Portland and Seattle, the entire west coast. Now that we're starting to be incredibly successful, we are competing with other states.

Martin: [giving directions]

Sandoval: Frank, I hope you're not driving. [laughter]

Martin: Actually sir, my wife is. I forgot I just tuned back in, I lost you.

Sandoval: That's all right. Anyway, this is real. The site selectors are looking at this. They're looking at how we're going to handle our capacity with regard to freight and our interstate system and the roads in the other communities as well. Again, I appreciate what you're doing and look forward to the final work product.

Thompson: We would like to come back and update you again as we move further, before we hit that deadline, if it's okay.

Sandoval: Absolutely. Thank you. Any other questions or comments from Board Members. Thank you. Let's move to Agenda Item No. 13, which is the briefing on I-11, speaking of I-11.

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Rosenberg: For the record, Sondra Rosenberg, Assistant Director for Planning. I did give this a minute of thought in terms of when to bring both of these items to the Board and I thought it was important to bring them both at the same meeting and talk about the freight plan first. I want to make it very clear that I-11 is integral to all of the planning we're doing for transportation for the State of Nevada. While I know there's a desire to move and get it built quickly, we also need to balance that with being strategic and how it interacts with everything else that's going on.

Just a quick overview. I know we have at least one new Board Member since the finalization of the study. Just a couple of very quick slides in terms of what that study entailed and what we've done so far and what we plan on doing next. We completed the study a little over a year ago and identified next steps for implementation. Corridor actions in those next steps are underway and we're looking for additional new opportunities as well.

This was the final corridor recommendation and the recommendation was to study this corridor further in logical pieces as it moves forward. Zoomed into the Las Vegas area there, and part of that recommendation was not just the corridor but what's the logical next step for the different segments of the corridor. As you can see in Nevada, we still have planning to do but that doesn't mean we're not implementing projects at the same time as well. The Boulder City Bypass is under construction. Arizona continues to work on 93. They've also initiated a NEPA document from Wickenburg south to Nogales.

Again, towards the end of the study, we made sure there was recommendations, not only technical actions and projects, but really this takes everyone working together on multimodal. We talked about rail a little bit. Public policy actions. Marketing, branding and the importance of partnerships, not just between the different government organizations, but with the private sector and the non-profits as well. It's really of statewide importance and it's going to take all the different sectors throughout the State to continue to move this forward.

A brief update. Both states are continuing to integrate this important corridor in all of their statewide efforts and statewide plans, implementing incremental projects. We did get extension language included in the FAST Act and that included not only designating 95 from Las Vegas up to I-80, but also a designation from Phoenix down to Nogales. Now I-80 goes from Nogales up to Interstate 80. It's really truly an interstate to be developed. I will add, although the designation calls for 95, there is some flexibility in that as the corridor

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becomes more developed. For example, the Boulder City Bypass portion, I-11, the designation there is US-93, so we'll have to relocate 93 at the same time as designating it as I-11. It doesn't mean that it's on the existing 95, but it does help us focus our effort on that corridor to identify projects to move this corridor forward.

In Arizona, they continue to work on US-93. Their plan there is a four-lane divided highway all the way from Wickenburg to the Stateline. They're implementing that incrementally. It won't be full interstate standards for some time but they are working diligently to expand that to be a four-lane divided highway. They have initiated a Tier 1 EIS for Wickenburg to Nogales. They're moving that through the environmental process. And they're continuing to work with Mexico to ensure safe and efficient connectivity with the economic activities that are occurring south of the border.

Nevada, of course, our list has to be longer because we're in the lead here. We are currently constructing the first piece, Boulder City Bypass. We're continuing to study the pieces north of that and we're also starting to implement incremental improvements. Some of the planning efforts we have going on that will help identify those incremental improvements and move these projects forward, we are going to—as mentioned, it's very much emphasized in the statewide freight plan. That plan, once finalized, will have a series of projects throughout the State, but certainly I-11 will be a big consideration in that.

We are going to be initiating a Southern Nevada Freeway Study where we look at the system. The freeway system in Southern Nevada, part of the reason we couldn't refine the corridors further in the planning study that we did was because we were looking at them as alternatives and really to solve our transportation needs, we need to look at the whole system and how it works together. Actually our engineering division will be leading that effort with a big cooperation with planning as well as RTC of Southern Nevada to make sure we're planning for the system of the future of Southern Nevada.

Planning will be initiating a multimodal long-range plan. We will take all the plans, such as the freight plan and the MPOs regional plans, integrate them in, as Mr. Gibson mentioned earlier, it's really important that we have one voice and we agree on priorities. That effort will be integrating our safety plan, our rail plan, our freight plan, the regional plans to create one document, one process for how we prioritize, what our priorities are for all the transportation agencies in the

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State. Of course, locals will still have their priorities, but in terms of statewide initiatives and I-11 will be hugely important in that. We are currently in the process of updating our strategic highway plan. You saw some of those locations of crashes throughout the State. That will be important as well.

We have several projects identified from a safety perspective along the corridor that will again, they're incremental improvements but get us closer to achieving that mission of an eventual interstate. Partnering with other agencies, looking for innovative opportunities.

I'm repeating myself here a little bit, we like to emphasize we have the first piece under construction. We just broke ground on the 95 Northwest Project Phase 3A. 95 Northwest is a very large project that has been phased out over several years, but that is focused in the northwest portion of the Las Vegas Valley. That will be kind of where I-11 leaves Las Vegas. We view that as part of the ultimate Interstate 11.

95 South of Tonopah, there was a project that you all awarded in October that was, I think it was approximately 40 miles from Tonopah south, where we're adding a shoulder widening, slope flattening and some passing lanes. Again, anything we do to enhance the mobility on that corridor gets us towards that ultimate vision of a future Interstate.

The next phase of the 95 Northwest Project Phase 2B and Phase 5, that's Durango to Kyle. That includes widening along 95. That includes the Kyle interchange as well as HOV Direct Connect ramps at Elkhorn. That I have highlighted because I think that's our first, best opportunity to start putting up some future I-11 signs as part of that project. That's an area where we're pretty certain where that future interstate will be. It's a large project that is in line with the vision of Interstate 11.

In addition, we have a series of those shoulder widening, slope flattening and passing lane recommended projects that are in our STIP and our work program for future years that we're starting to identify funding for and move forward.

In addition, I think it's going to be absolutely critical to move this corridor forward, that we partner with other agencies and that we combine some of the various initiatives the State has to move this corridor forward, not just as an interstate. We don't need to build things like we did in the past, we need to build

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them for the future. The future is a little uncertain but some of these initiatives really need to link with that same vision of connecting our State.

So, Governor, I know you designated US-95 as the Electric Highway about six months ago. I had some conversations with the Office of Energy and asked if they could call that also, Future I-11. I know that concerned them a little bit in terms of site locations and I said, it's just how we talk about it. By calling it I-11 and us calling it the Electric Highway, it brings more attention to it and potentially some additional partnerships and we can hope maybe some additional funding opportunities as well. That includes charging stations, as you know, but perhaps there's an opportunity to partner with Energy as well, in terms of generation and transmission of energy. There's a technology being tested out there for solar highways. I had a little disclaimer there saying, we're not endorsing any of these technologies, but there are some opportunities out there that as we plan for the future, we need to consider.

Communications, you mentioned that desire on USA Parkway and I think that's something we need to consider as part of this corridor. Do we need to partner with those communication agencies to make sure there's that connection as well as the transportation connection.

Emerging technologies, of course, we're a leading state in autonomous and connected vehicles. Perhaps there's an opportunity to do additional testing or near term implementation on that corridor. Again, hoping, maybe that comes with some funding sources as well.

I threw in Hyperloop there, this weekend, because I know that there was an announcement last week that they're testing at Apex in Southern Nevada. Perhaps there's an opportunity to test that technology on a larger scale as well.

Again, these are just opportunities that we need to look at for partnerships. We're not committing to any of this, but it's important that we're all talking about the importance of this corridor for all sorts of modes. We really have to plan to deliver our vision but we have to be flexible in those plans to accommodate uncertain technologies and uncertain patterns of travel in the future.

For those of you who haven't seen it, the I11Study.com website is still active. In fact, it's been added on to. The Arizona DOT has taken over that website. They've kept all the study information in one location. There's also all the

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updates for the environmental work that they're doing, as well as a link to all of our work on Boulder City Bypass and we'll be adding on to that website as well. We're still partnering with the State of Arizona on this. We're kind of each doing our own efforts, but it's still a partnership to complete that corridor.

Information, if you go to our eSTIP, you can map out, you can see some of those projects we have identified for the 95 Corridor that are moving forward. That again will ultimately get us to that vision.

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

Sandoval: Thank you. Very comprehensive. I think this is what Member Skancke had in mind. I know this is at his request. I appreciate the fact that you're considering all possibilities, even this Hyperloop. It may make I-11 obsolete, you never know, because of that technology. We do need to keep that in mind in terms of the right-of-way. That's a good thing. With regard to the Electric Highway, as you know, we should be finished with that in February, I believe, or so, on the 95. I guess for Mr. AlMBERG's benefit, we are also looking at 50 and 93 as well. The 80 has several charging stations, so we would be the first State in the nation with every highway electrified. I think that could be a great accomplishment for us. As I said, with the changing technology, those with electric vehicles will be able to drive anywhere they want in Nevada without having what I like to call charging anxiety because you don't want to be stuck somewhere without the ability to charge.

Finally, a question is, and I know it's not final but in terms of, as the I-11 comes north are you looking to connect it at Fernley or at the USA Parkway, to connect to the 80?

Rosenberg: We'll have to do some additional analysis on that. We do see a demand to get it close to the USA Parkway, based on the current development at USA Parkway and our current plans for building that roadway. It probably won't be USA Parkway, but it will provide access to USA Parkway. That road is not being designed as an access controlled facility. To be honest, if we were to widen it and build it to interstate standards, you'd probably lose some of those developers, because they're all accessing that road. So, we want to provide access to it without undermining the plan for what that corridor is. In terms of exact alignment, I think we're pretty constrained on 95 north of Vegas to about Tonopah. After that, there have been some additional suggestions brought to us

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that we think are worthy of study to see if there are some alternatives besides going around Walker Lake and those types of issues. In terms of where the exact connection is, that's going to require a bit more study.

Sandoval: Mr. Controller.

Knecht: Thank you Governor. Thank you Sondra. Governor, you anticipated my question. Good. I have to say that, first of all, it's great to be forward thinking and not backwards looking on this. Secondly, we're integrating the I-11 Freight Corridor and USA Parkway discussions and I think that's important. I must say, I'm a little bit disappointed to hear that the 95A Corridor is not more involved in the key or the central considerations here, along with the USA Parkway Project. I would hope and I understand we have constraints, we have to get this thing done and I understand the topography also and the TRIC layout, but I would hope that we would do whatever we can to make 95A and the USA Parkway Corridor very inviting. As someone who is driven all of that area, much more than I'd like to admit, I've got to tell you that, it seems to me 95A has some major advantages for being a co-equal part with 95 into Fallon.

Rosenberg: I just want to clarify. That's why I made the comment about although the designation is for 95, we have some time, we have some work to do. 95A is certainly a consideration and in fact, kind of the corridor we had envisioned while doing this study. There's some more work that needs to be done. 95A is certainly a very viable candidate for future I-11. If we decide that's where it needs to go, there's a couple of options to re-designate where the I-11 actually is located.

Knecht: That would be I-111, right? For those who understand the Interstate numbering system.

Sandoval: Member Skancke.

Skancke: Thank you Governor. I think this is my favoritist meeting, is that a word, in the two years I've sat on this Board. Freight Study, that's amazing and now an update on a road that didn't exist more than six years ago. Well done Sondra on your presentation.

I have a couple of questions. I was taking some notes. I'm going to have to look at my notepad here on my phone but in order for us to do the things that you've outlined here and my thing is moving this thing a little bit quicker, what type of support, what do you need from the Board or from the Department so that we can

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get a longer list of things, of fewer things that need to be done and a longer list of things that have been done.

Rosenberg: That's a tough one.

Skanccke: So this isn't your favoritist day, this is my favoritist day.

Rosenberg: Right, well there's the continued support, the continued asking about these types of efforts. I'm a little biased, I'm a planner. I like to be forward thinking, knowing that it doesn't make any sense to do these plans if we don't actually implement them. I appreciated some of the conversation earlier about specific projects and I take that back and say, okay how do we integrate that into the planning process also. I think for this Board to continue to think big picture and how do we plan for the future of the State. At the same time, continue the conversation. As you talk to other government agencies and you know that there's something that they're working on that we have in our vision as well, if you wouldn't mind mentioning, go talk to NDOT. We're working on the same things. The Energy Office, they actually came here and gave a presentation on the Electric Highway and I said, that's future I-11 and they didn't know that. Continuing the conversation across different government agencies to move it forward. The continued support, the continued support to the staff at NDOT. We're going through a tough time right now with the economy turning around. We are losing people and it's tough to have the internal resources to deliver these types of projects. Any support this Board can have on that side would be absolutely greatly appreciated.

Skanccke: When you say, eight other agencies, like who exactly? Can we—

Rosenberg: Well, I mentioned one, you know the—

Skanccke: I don't think I can say, lean on Ron, but go ahead.

Rosenberg: Certainly the initiatives through the Office of Energy, Office of Economic Development. I know there's a lot of activity going on in economic development. The earlier we can be brought into that conversation, the more thoughtful we can be on how to accommodate those initiatives. Those are just a couple of examples. Other private sector, I know I mentioned the Office of Energy, but NV Energy and other provides, if you're aware of plans they have to expand transmission and production. If there's some partnership there, it could be a win-win. Federal agencies in terms of the land ownership we have and using that, preserving some

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right-of-ways. We're going to be reaching out to our federal partners in terms of particularly I-11, other areas where we can preserve the right-of-way. We're not going to go out and start buying it yet, but if we can preserve it for future corridor and we can preserve enough that we can be thoughtful about the future, maybe a highway, it may be a railroad, it may be Hyperloop or something else, so that we can continue to coordinate those planning efforts.

Skanccke: You mentioned, in fact the Governor brought it up in his comments to the NDOT staff and how they do such an amazing job but you mentioned staff as well. I'm always concerned of whether we can—we've got a lot of projects on the table, so maybe this is better for Rudy or someone else, but do we have the staff to get all these projects done? Do we have the people in place to actually accomplish this very aggressive goal here, of trying to deliver these things and everything else that the Board wants us to accomplish. I think it's a true statement to say that we are losing people to the private sector and to other government agencies because they either pay better or the hours are better and don't have to listen to me every month.

The Governor did say a few minutes ago, smoke them if you got them, this is going to be a long meeting. Do we have the people in place to do this and what do we need to do if we don't?

Malfabon: Well, obviously we've performed very well with the major projects that the Governor outlined earlier, but whenever we do have a lack of available staff, we need to rely on our consultant engineering partners. I think that everybody is facing the same challenge, every public agency; but we're going to do what we need to do in order to deliver the projects that are needed for the New Nevada.

Skanccke: Okay, does that mean we have enough people to do it or, what I'm trying to get to is, have we planned for all this internally?

Malfabon: Member Skanccke, I would say that we don't have enough people, but part of it is due to the turnover. We're trying to position ourselves to be an employer of choice, recognizing the limitations with how much state employees get paid, but we can do our part in being attractive. It's these types of projects that really attract young engineers and mid-level engineers to these types of projects that are major improvements at a state level.

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Skanske: Thank you Rudy. Then finally, I don't know if you touched on this but this is something that I've looked at for a number of years is, in Southern Nevada, really how we're going to move these people from the 15 to the 11, to the 95 to the 93 and there's been discussions for a number of years and this is a contentious issue, but contentious issues have to be addressed and have to get worked out sooner rather than later. There has been some work done on that eastern connector, that people have said, it will never happen, but it's going to have to happen. In this I-11 conversation, where does that eastern connector fit in and what role does the Department play in that and how do we advance that conversation albeit, very contentious and sometimes not very popular?

Rosenberg: As the discussion occurred earlier regarding the Spaghetti Bowl in Reno, there's going to be some tough choices to make. What we're doing, what NDOT is doing to advance this is that Region Wide Freeway Traffic Study. We're going to look at Las Vegas, the freeway system as a whole. Look at how it's performing now, how we anticipate it to perform in the future and what are the improvements necessary to create a freeway system that works in Las Vegas. A new corridor on the eastern side is certainly going to be a consideration as part of that. It may or may not need to be an interstate. It might need to be a reliever of the rest of the interstate system through Las Vegas. We need to look at that as a system. When we started looking at it as part of the I-11 study, it was looked at as an alternative and a much more complicated contentious alternative to the existing freeways we have.

We know that we're a growing state. We know that there's an increased demand already and anticipated to that demand to increase continuously. There's not a lot of room in Las Vegas. I don't know yet if it's going to be built. I do know that we have to keep looking at it. I'm not ready to give up on that concept yet. My personal thought is something on the eastern side of Las Vegas is going to be necessary to accommodate the growth we anticipate in the region.

We're going to continue to look at it as a system level. Once we complete that analysis, we'll have a better idea of, if and what that corridor—if it's needed and what that corridor might need to be in order to accommodate the anticipated growth.

Skanske: Thank you.

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Malfabon: If I may clarify, one of the things that's an opportunity for the Department is as we put together our biennial budget request, starting next year for the year after's session, it's really important that we look at the slate of projects that are coming up. Right now we've been able to handle it between the NDOT staff and our consultants, but we have to look at what's the future slate of projects and do we have the wherewithal; including an assessment of retirements that are anticipated, working with our HR staff and really work on retaining the employees we do have to deliver the program that we've been able to keep up so far. We will do an assessment and make a request known to the Governor's Office in advance of the next legislative session, if we need more personnel on the project delivery side.

Skancke: Thank you. Thank you Governor.

Sandoval: Other questions or comments? Thank you very much.

Rosenberg: Thank you.

Malfabon: Well done Sondra, thank you.

Sandoval: Let's move to Agenda Items 14 and 15, which are the briefing on the NDOT 2015 Facts and Figures Book and the Performance Management Report.

Malfabon: Governor, what we have before you is the Facts and Figures Book is, it's annual report. It's been updated. I wanted to mention a few things. There are still some typos in the document to correct, but we wanted to give you a presentation before the end of the year. The figures are correct, but there are just a few typos to address.

The document covers a lot of the awards and recognition that we've received, our funding that we've received and a lot of background on the Department in general. There is an opportunity for the Board to review the document and provide us with any comments before we finalize it before the end of the year.

Sondra has her staff available or Sondra could answer any questions if there are any currently.

Sandoval: Any questions for Board Members? Member Savage.

Savage: Just one comment, I don't think we have enough Sondra's.

Rosenberg: Thank you.

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Savage: I really appreciate all you do. I know the rest of the Board does too. This Facts and Figures booklet is really, I've said it before, it's really what we need as a Board to refer to on a quick notice. I thank you very much, and your staff and I thank you Rudy.

Malfabon: Thank you.

Rosenberg: Thank you. I just want to introduce Peter Aiyuk who is our Chief of Performance Analysis. He's the one, him and his staff are the ones that pull together all the information for both of the documents you have on the agenda today. It's a lot of work of getting information from lots of different sources and we really appreciate that he has done.

Sandoval: If I may, Peter, thank you, because we as a Board always get these nice documents with all the information in it and I can't even conceive of how many hours went into putting this together and I'm going to spend obviously more time with it. It really is an encyclopedia of transportation for Nevada. I think that any member of public can get this and really get a good idea what's happening within this Department and what's happening with regard to our transportation infrastructure. Very well done.

Malfabon: Thank you Peter and Sondra.

Sandoval: All right. Let's move to the Performance Management Report.

Malfabon: I'll cover this briefly as well Governor. One of the changes that Peter had made at my request was to have a brief overview with more graphic indicators for the desired trends and whether we're meeting our targets on performance measures. As you've seen before, presented to the Transportation Board, there's many performance measures that the Board receives a report on, as well as the State Legislature. Peter, if you refer to Page 8 and 9, Peter had taken my recommendation of an example I saw in another state and he made Nevada's specific, as far as the data.

It shows that in some cases we are not meeting our targets, but it's important that we measure in order to establish where the funding levels should be in order to achieve our goals, or should we perhaps look at different performance measure? For instance, on congestion and measuring congestion on our freeways, that's always been a difficult one, not only for Nevada but also for other State DOTs.

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We're constantly looking at our performance. We have quarterly meetings with the Division Chiefs that are responsible for achieving performance. So that as a Director's Office, we can give them the resources they need and work with our partners. In some of the cases of performance measures, it's not just NDOT alone. It's statewide partners that are working collaboratively with the Department to achieve those goals.

I wanted to call your attention to Page 8 and 9 and the desired trends column and the next to that column is the actual five-year trends, so you can see the ups and downs of various performance measures.

With that, I'll allow Peter and Sandra to answer any questions from the Board.

Sandoval: Questions or comments from Board Members. Again, it's a great document. Maybe everyone is tired because it's been a long meeting. There's brutal truths in here and it's important to know where we can and should improve and it gives me a document to work from and obviously you as well. I'd like to see better employee satisfaction and I think part of that goes into salaries and such. We need to have this information so that we can have the best data in order to make informed decisions. I appreciate what you've done. Mr. Controller.

Knecht: Governor, is all this information going to be on our final exam?

Sandoval: That's true. All the answers are here. As long as it's an open book test, I think we'll be okay. All right. Thank you. Let's move to Agenda Item 16, which is an Update on NDOT's Stormwater Program.

Malfabon: Our Deputy Director Dave Gaskin will give an update on the program.

Gaskin: Good afternoon Governor, Members of the Board. As Rudy said, my name is Dave Gaskin, Deputy Director. I'm here to give you a brief update on the Stormwater Program. How it's coming along. I'm going to keep it brief because it is getting late, but certainly if you have any questions or need more detail, just let me know.

First on hiring, certainly a key part of the program is getting the people in place to get the program going. We have a number of management positions in place. Need all the key management positions. My position, Deputy Director, Allen Tinney, Stormwater Division Chief. Also hired the Information Manager,

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Program Development Manager, Administrative Services Manager and the Compliance Enforcement Manager.

Now that we have those key managers in place, we're having meetings and they're meeting right now to refine our hiring of the rest of the staff below them. As we go along, the whole program started kind of vague in general just because we were anticipating what the EPA requirements and detail would be. As we go forward, we're getting more detail on that. We're addressing that iteratively to make sure we get an effective program.

Also hired a number of key staff, Public Information Officer, Kim Smith, you've met before. An Officer for Training. Information Technology Specialists, a number of them to automate the program. And a lot of maintenance personnel out in the field in the Districts. Hiring of other staff is ongoing.

An important part of the program to make it work is getting some major equipment on board. We've gotten a couple of cars already, the sedans, but more importantly a number of pick-ups get cruised around in the field. Some specialized equipment including culvert cleaners and self-propelled sweepers to keep the roads clean and the culverts cleaned out. Just ordered three remote control track loaders to help us get into difficult access positions. Also, some more specialized flatbed trucks will be ordered in the near future as we get their final specifications in place.

Some important work that is ongoing in the field is updating the maintenance yards. We have to make sure we clean our own house so to speak. I won't go through all these in detail but you can see the number of maintenance yards for NDOT that are being upgraded. That not only meets the requirements of the Stormwater Program, but also provides a safer, cleaner, more effective place of work for the maintenance personnel. A lot of benefits there. That work is scheduled to continue for the next few years, to get all the yards up to date.

Savage: Excuse me, Dave and Governor. At this time I'd like to compliment Dave, your staff and District 2 and the contractor on this Carson Yard. I know there was weather, there was foresight and it's been on schedule. I appreciate it very much. Sorry for the interruption.

Gaskin: Thank you Member Savage. They have been working hard and facing a more normal winter, so it has been a challenge. Appreciate that.

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- Savage: The foresight that they had as far as getting things done prior to the weather, rather than blaming the weather, I appreciate. Thank you.
- Malfabon: To add to that, that is Q&D Construction. They've anticipated the bad weather coming and they've expedited paving of the lot and whatever operations they need to do they've expedited and worked with us.
- Gaskin: A big part of our program development has been meetings. Meeting lots of different people and entities. Part of SB 324 which was passed in the Legislature, established an Advisory Committee on Transportational Stormwater Management. Acronym is ACTSM. Make it a little easier to pronounce. Leo Drozdoff, the Director of the Department of Conservation and Natural Resources was tasked with hiring representatives from DCNR, NDP, NDOT, Associated General Contractors and a member representing the public. Those persons have been assigned and we did have our first meeting on November 30th. The purpose of that Committee is to make this whole stormwater process more transparent and make sure we get feedback from our stakeholders and make sure there's good communication both ways, internal and external. The next meeting is scheduled in March. It will be approximately quarterly that we'll have those meetings. I'm scheduled to appear before the Interim Finance Committee this Wednesday, just to give an update or offer it if they have time on the Stormwater Program. We've been doing a lot of updates and informing a lot of people.

Also, we've been participating in the Stormwater Quality Management Committee, which is a Southern Nevada Group that's facing a lot of the same stormwater issues that NDOT is facing at this moment. We're trying to work cooperatively with them to help set a good example and to maybe show them some lessons learned, what not to do, in order to have their stormwater programs be as effective as ours and really work together to maximize effectiveness. They're having meetings every two weeks now, so we're going down there to meet with them and they're coming up to meet in Carson City next month.

With EPA, we have our next and I hope final negotiation meeting, January 7th. We've been putting a lot of time and effort into getting that resolved and I think we made excellent progress. Just have to get that final hurdle done and get a signed enforcement agreement.

A big part of the Stormwater Program these days is media, public outreach. Really getting the message out, both internally, making sure there is a culture

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change within NDOT so the employees and their contractors are aware of the Stormwater Program and understand why we're doing the things we do. Also, reaching out for public education, to get the public working as a team with NDOT and with the other agencies to make sure that the Stormwater Program is comprehensive and effective. We do have a lot of media related activities going on under Kim's excellent supervision.

Just, as I said, making everyone aware of the reason why we're doing the Stormwater Program really helps everybody do a better job at it.

If you have any questions, I'd be happy to answer them.

Sandoval: Was that picture taken in Nevada?

Gaskin: I'm not sure Governor, probably so, but I'm sure it's being addressed.

Sandoval: I was hoping that would be a no.

Malfabon: It's probably a stock photo that we use.

Sandoval: Okay. In any event, I have no questions. There was a lot of ground to make up in a short amount of time. I appreciate your leadership in getting the team together. I know it's required a lot of meetings but it has helped us to avoid, or hopefully avoid, a large fine from the EPA and do the right thing. We want to keep the Tahoe blue and our rivers and all our waterways in terms of the stormwater runoff. I appreciate what you've done and your team. Thank you.

Other questions or comments? Thank you Mr. Gaskin.

Gaskin: Thank you.

Malfabon: Thank you Dave. The last remaining item Governor is Old Business, #17.

Sandoval: Yes.

Malfabon: In the interest of time, we're willing to take any questions from the Board Members on those standing items of Outside Counsel Costs and Open Matters, the Monthly Litigation Report and the Fatality Report.

Sandoval: Questions from Board Members with regard to Old Business? Let's move to Public Comment. Is there any member of the public here in Carson City that

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would like to provide comment to the Board? Is there anyone present in Las Vegas that would like to provide public comment?

Hutchison: No public comment here Governor.

Sandoval: All right. Before I adjourn the meeting I just wanted to wish everyone a Merry Christmas and Happy Holidays and truly, it's been a great year. It has. We've had a lot to do and there's been some frank discussion with staff and the Board, but I think we can really look back at this year with pride. There have been, pardon the pun, bumps in the road, but at the end of the day, I think we've done some really good things for who we're all here for, which are the people of the State of Nevada. Thank you.

Then, is there a motion to adjourn.

Knecht: So moved.

Sandoval: The Controller has moved, is there a second?

Savage: Second.

Sandoval: Second by Member Savage. All in favor say aye. [ayes around] That motion passes unanimously. This meeting is adjourned. Thank you ladies and gentlemen.



Secretary to Board



Preparer of Minutes