

Transcript of Nevada Department of Transportation  
Board of Directors Meeting  
June 6, 2016

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

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Sandoval: Good Morning. We will call this Nevada State Board of Transportation, Board of Directors Meeting to order. We will commence with Agenda Item No. 1, which is to receive the Director's Report. Director Malfabon.

Malfabon: Thank you Governor and Board Members, good morning. I wanted to start out with an area of concern on federal funding that we learned about recently. It's called a rescission, so what Senate has to approve the appropriations annually for the Transportation Fund. The FAST Act sets the level of spending for the State DOTs to expect but annual appropriations set the budget for the federal fiscal year. We recently learned that the Senate version of the Appropriations Act, which is combined with Housing and Urban Development, is going to rescind some unobligated balances.

In effect, it takes away some of our anticipated spending authority for the next federal fiscal year which starts October 1st. A significant amount of money nationally, \$2.2B, affects all the State DOTs. For our portion, we're expecting a hit of about \$19M. The good news is, it's not in the House version of the Appropriations Bill. They have to negotiate on their differences and reconcile that. We did note that AASHTO, which is the organization of the State DOTs, National Governors Association and the Conference of State Legislatures submitted a letter to Congress expressing concern about that.

One other thing to note is that this rescission would entirely hit the State DOT program. The money that passes through to the Metropolitan Planning Organizations, the RTCs, some of the other categories of funding, that's not our money to spend, that's not affected by it. The good news is, it's not affecting

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some of the local agencies that rely on federal funds. The bad news is, it all hits the State DOT.

More to come on that. I wanted to acknowledge that Deputy Director Tracy Larkin is going to be traveling to DC this week with the Las Vegas Chamber of Commerce and she'll definitely express our concerns on that.

We recently announced the availability of Transportation Alternatives Program Funding, TAP, \$8.7M is available, maximum available per project is \$750,000. School districts put in money requests for this, for Safe Routes to School Programs. The money can go to cities, counties, RTCs. It can go for infrastructure projects or non-infrastructure projects. Some of the projects that we've done would be historic preservation. We've done some railroad depots around the state, before with this type of funding. Sidewalks, scenic accessibility. So, any of the scenic routes and accessibility, it's improved to those scenic routes could also be an acceptable project to be considered. Applications are due July 8<sup>th</sup> for that program.

Recently we were able to highlight some of the things we're doing here, Governor. With your leadership and the New Nevada, in the area of autonomous connected vehicles, definitely the Governor's Office of Economic Development has been a leader in this area. We were able to highlight what Nevada is doing with the testing of autonomous and connected vehicles. I've mentioned, along with Michigan and California, they joined Nevada at a roundtable discussion of it. I wanted to thank DMV Director, Terry Albertson, for sending April Sanborn from Nevada DMV to participate with me. We had our counterparts at the other two states to talk about it. Definitely a lot is happening in Nevada, whether it's connected vehicles, the Google car, the autonomous vehicles, the freightliner truck. A lot of that was highlighted and your engagement on that issue was definitely a major point that I made is that you're really backing that in Nevada to diversify our economy.

We're all doing thing similar but we're also doing some things different. We talked about the regulations. Nevada was the first one in 2011 to adopt those regulations. A lot of other states are getting into the game as well. We're definitely competitive and working with the Governor's Office of Economic Development, as their developing that Center for Advanced Mobility with UNLV. More to come on that. I wanted to acknowledge that we were able to at least tell Nevada's story at that roundtable at AASHTO.

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You received a presentation on our Asset Management Plan that has been drafted. We are going to take the next step of developing the Enterprise Asset Management System. Right now, we have a lot of separate systems that keep track of maintenance management, equipment management for our fleet, pavement management system and these systems don't talk to one another. They're very outdated, siloed. We want to issue our—well, we started out with a request for interest back in April. We received nine responses and four demonstrations. The request for proposals will be issued middle of this month. You should expect a contract for consideration for approval in the fall for the development of that system.

There will definitely be some benefits. When those systems remove those siloes, they can talk to each other. The data will be more accessible throughout the Department, instead of controlled by one division that just watches their data. It's going to be a huge benefit for the Department. It is going to be additional expense, about \$5M to \$7M is what we heard from some of the systems. We're not going to make this system—recreate it from the ground up. It's going to be something that's more off the shelf. I think there's already 25 states that are using these types of systems. We'll definitely look at those vendors that have a proven track record with those other State DOTs.

We've really stepped up our game on social media. With the addition of some of our staff that have a lot of good experience on the outside. Whether they worked for newspapers or journals on construction professional side, we reached 16,000 Twitter followers recently. We're very proud of that. It's nearly doubling it over April, from what we saw in May. The number of Tweets that we generated to let people know what's happening in our transportation program, updates on construction projects, a lot of those get Re-Tweeted. I've got to get this nomenclature down. But, 1.5 million impressions. A lot of that is just people engaging the Department through social media. Definitely Twitter, Facebook. We receive questions, we respond to them, over that social media. We're really showing some and gaining some ground in this method of communication which is really taking us by storm. It's a good way to communicate with a lot of the folks that are staying connected over social media.

Big event tomorrow at 3:00. We're inviting all the Board Members and the public to come out to the Tahoe Reno Industrial Center for the USA Parkway groundbreaking event. You will be able to drive to the end of the paved section.

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That's where we pick-up our design-build project. We'll have shuttles available to take folks one mile to the event site. It is going to be unpaved. They're a little dusty. Dress accordingly. Don't wear your nice dress shoes. We're excited about the kick-off of the construction phase of this design-build project. As stated before, we're on schedule and we anticipate to open before the end of next year. We're very excited about this event. Thank you Governor for speaking at this event tomorrow.

We're doing a lot on State Route 160, which is called the Blue Diamond Highway. We mentioned last month that we had the groundbreaking on the two traffic signals at El Capitan and Fort Apache. We have this construction contract for widening. The first phase, west of Las Vegas there, up towards Mountain Springs Summit, that's a \$16.5M project that Aggregate Industries is doing for us. We recently announced bike restrictions on that. You can see on that photo on the left, there is a barrier rail protecting traffic from a drop-off where construction is being performed. Those lanes are reduced to be 11 foot wide and it wasn't safe to have bicyclists going through that area. We understand it's a nice recreational area but we had to restrict bikes from that during this construction phase. Hopefully we can look at, once we finish half of the road, what we can do to—if we can accommodate anything, at least on one direction when we have a wider shoulder. For now though, we announced the bike restriction.

Recently awarded a project to Las Vegas Paving, \$3.5M. There's a section that, State Route 160 in Pahrump is neck down for about, roughly two miles. So, we're going to address that bottle neck and widen that to four lanes. We're pleased that we're doing a lot of work on State Route 160 to improve safety and mobility.

Also, I mentioned pedestrian safety project on State Route 160. We have one coming up on Sun Valley Boulevard. The \$1M estimated project is going to have a bid opening later this month. It addresses pedestrian safety improvements at three of those intersections. You'll see some of the type of pedestrian activated flashers that you see here in Carson City, on Stewart Street, installed along that route.

Wanted to thank the Department of Public Safety and the Office of Traffic Safety specifically. Director Jim Wright from Department of Public Safety and Amy Davey from Officer of Traffic Safety collaborated with NDOT to host this Nevada Traffic Safety Summit. We had 275 participants and 55 expert speakers.

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We talked about the law enforcement issues, safety issues associated with impaired driving, motorcyclists. It was very comprehensive. They had breakout sessions so that the participants could choose which area to go listen in on and provide feedback. There will be a final report that we'll make available to the Board Members, but it was a very successful event.

Recently we had on May 24<sup>th</sup> a plane land on McCarran. I wanted to thank our folks in District 2 that responded rapidly. This was a serious issue. I know they're investigating. This plane had either mechanical problems or ran out of fuel. No injuries on that and the Fire Department, Police and NDOT responded very quickly. I wanted to thank our folks for their efforts on that incident.

An update on the Welcome to Nevada signs. We had the four finalist students recently coming in to visit our sign shop so they could see how the signs are going to be produced. This is just a mock-up but they're going to develop further their designs, using this as the template. They'll identify—the picture in the lettering, the Nevada lettering, will be developed with those students so that we have one sign for each of the four regions that fits that region. We have plenty of the obsolete signs so we can have that raffle and also any interested Board Members can also receive a commemorative sign there. They're very large, but I think they're 8 x 4. They're larger signs, but they will be available. We'll announce a raffle for the random drawings in each of the four regions. We'll have a press release in July for that. Then, before Nevada Day, we'll actually have the winners announced. We're also developing 'Thank You for Visiting Nevada' signs.

Sandoval: Thanks Rudy. I don't mean to interrupt your presentation, but I think sign looks great. I already forgot in a month what that little thing is, but I thought we agreed that wasn't going to be on there.

Malfabon: Yeah. I saw that. I don't think the final will have that piece at the bottom. That was something that the original—working with Tourism had that, but I forgot what that was called too.

Sandoval: Before it gets through that sign shop and is permanent—

Malfabon: I'm going to have to check—I know that the manual on Uniform Traffic Control Devices doesn't allow websites on the signs either, so I think Tourism is just trying to get as much as we can in the template. It might not be in the final

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design. We have to check on whether it's allowable or not, but definitely, whatever that thing was called—

Sandoval: And just to inform everybody else, in my travels as I cross state lines, some of the states have a 'Thank You for Visiting' sign. I've always thought that that's classy. I asked Rudy, if when we install these that on the other side, we can put Thank You for Visiting Nevada, or whatever the verbiage would be, would be a nice touch. So, let's come up with that.

Malfabon: Very good. This shows you a sign that we're going to put up along US-50. It was about 30 years ago, I think it was Life Magazine designated US-50 as the Loneliest—American's Loneliest Road. We're highlighting that anniversary with these signs this year.

We have a public meeting coming up. I mentioned the work on Blue Diamond Highway, State Route 160. The bicycle area that I mentioned is Phase 1. We have another phase coming up that will take it the rest of the way to complete the widening to four lanes of State Route 160. We're going to have a Public Information Meeting May 8<sup>th</sup> at Blue Diamond Community Center and May 9<sup>th</sup> Community Library to talk about the next phase and provide the public with some information about that.

Sandoval: Mr. Director, the Controller has a question.

Knecht: Thank you Governor. Rudy, how long will the restrictions on bicycles prevail on that stretch of the Blue Diamond Highway?

Malfabon: I believe we have about one year of construction. At some point, we're going to have the half that they're currently constructing done. We'll start looking into whether we'll have enough shoulder to accommodate bicyclists, at least on one shoulder of that road. Right now, as I said, it's just not enough room. Hopefully with the wider shoulders that are anticipated, that we would have enough room in the second half of the construction project. I would say probably at least six months, if not the entire year, but we definitely would look at what we can do as far as striping and accommodations. I know that a lot of bicyclists like that route. They go on West Charleston on State Route 159 as well. It's unfortunate that we had to restrict bikes.

Knecht: Every time I've been on that road, it's just been flooded with bicyclists and I can see why. It's a great ride. A really great ride. I guess my concern is this, is

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there—since I don't know off the highway topography and such there, is there an alternate route that bicyclists can take in the meantime? If so, are you helping them find that?

Malfabon: The only—there wouldn't be an alternate route because this is west of the cutoff for 159. You can still go down 159, towards Red Rock, but you can't go up the hill. A lot of them like going up the hill because of they're very much in shape physically. I couldn't do it.

Knecht: It's a real challenge.

Malfabon: I wanted to say that we definitely feel that we can try to look into the options. Also, if there's any special events, we're going to see what we can do in working with those bicycle advocacy groups that host special events, races, what have you, to see if there can be any accommodations. I can't promise anything at this time because we haven't looked into it. I directed staff to reach out to them just very recently to find out what events they had planned.

Knecht: I certainly support that. As I said, I'm not sure I can think of a highway in the State that has more continuous bicycle traffic. Thank you Governor.

Malfabon: The final thing I had was, tomorrow we will be presenting the Consent Decree to the Board of Examiners for the USEPA and the Storm Water issue. I wanted to thank, Governor you and your staff, going back to several years because this audit by the EPA took place several years ago. We've worked very hard and I know that with your support, we obtained that amendment to our budget during the last Legislative Session. We put a lot in place and I know that Dave Gaskin has been doing a great job with Alan Tinney, the Division Chief for Storm Water. We have a good story to tell, to show that we avoided a multi-million dollar fine like some other states have received. We put a lot of boots on the ground. We're buying equipment. And, setting up this program that the EPA wanted to see that we were changing our culture, I feel strongly that we've done that. It's really a testament to your support during the session and negotiations with EPA that we have a good story to present to the Board of Examiners tomorrow.

With that—we'll have a more formal presentation on that Consent Decree to the Transportation Board probably in a month or two, but available for any questions from Board Members. That concludes the Director's Report.

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Sandoval: Thank you Rudy. I will obviously talk more about this. I Chair the Board of Examiners as well. That presentation will be made tomorrow. Just briefly, in terms of where we were and where we are and the amount of resources and the staff that we've been able to put forward to make this happen. Truly, it's a win-win on a lot of levels. Obviously, we dodged a massive fine. When you say multi-millions, it was in the teens. With the result that we were able to get and then with the fine that's going to be paid, half of it is actually going to our own Department of Environmental Protection, if I'm correct Mr. Gaskin.

In any event, at the end of the day what's important to me is particularly what we're doing up at Tahoe. It is going to make a tremendous difference in terms of the sediment and storm water and such that gets into the Lake there, in terms of preserving what I feel is one of the finest natural resources on the planet. It's not just there, it is statewide. We have a great team and I think we're fully staffed now. Dave could talk a little bit more about it tomorrow.

I wanted to show my appreciation for your focus and your staff's focus to getting this done because it has been a long time in terms of putting that altogether. It has been complicated. Unfortunately, the Head of EPA Region 9 is no longer there. I'm going to publicly thank him and his patience. They could've come down on us really hard a long time ago and gave us this room to work and get staffed up. Frankly, it's how it should work in terms of collaborating and working together and at the end of the day getting done what needed to be done which is getting it cleaned up and getting the resources to maintain it. All the way around it worked.

So many times the EPA is demonized and sometimes deserved, sometimes not, but in this case, it was as I said, they could've several years ago really whacked us hard. This Board has been listening to the issues associated with it. I want to thank these other Board Members as well for your support.

This really is a good story. Unfortunately, it's not one that I think a lot of people are aware of, but it truly is a collaboration between State and Federal authorities and this Board and the Legislature and everybody coming together to get the results. So, thank you for that, Rudy.

Otherwise, I have no questions with regard to the Director's Report. Do any other Board Members have any questions or comments? Then, let's move to Public Comment. Before I start taking public comment, at least on the sign-in sheet in front of me, I have several folks that are here to comment for/against or neutral,

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whatever it may be with regard to Agenda Item No. 3, which is the regulation for NAC 410.350. I think you're all aware, this is part of the process. This isn't the final step in the process. From here, if language is adopted, it's going to be sent to the LCB. The LCB will review it, modify it and then it comes back here for a final adoption. Obviously the comments are very important today. Because of the volume of folks that I have signed up here, I'm going to respectfully ask that you each limit your comments to three minutes and go from there. I'm just going to go in order of the folks that are signed up that are for public comment. The first individual is Kelly Clark.

Good morning Ms. Clark.

Clark: Good morning Governor Sandoval and Members of the Transportation Board. Thank you for having me here this morning in Public Comment. This is not for comment to the regulation that you've mentioned but on another general topic, is that okay? All right, thank you.

For the record, my name is Kelly Clark. I am the President of Muscle Powered Citizens for a Walkable and Bikeable Carson City. I'm here today just to make some general comments about bikeability and walkability here in the State of Nevada.

First of all, I'd like to complement you. You're working tirelessly. You've started the process of developing a Complete Streets Design here in the State of Nevada. I could not be happier. That is an amazing process and I'm really pleased to see that our State Department of Transportation is now considering bicyclists and pedestrians as we move forward. Bicyclists and pedestrians should be considered as alternative transportation activity here in the State of Nevada. I really support that activity. Thank you for that.

I also wanted to put on the record that promoting and implementing walking and cycling friendly environments, in Nevada's communities, large and small, carries with it an array of benefits to promote sustainable social, environmental and economic development. Communities and States that have walkable and bikeable environments are statistically healthier and encourage active lifestyles among residents. Communities and States that make it easier for people to walk, bike or take public transit to work, school or to recreate, help to reduce emissions, fossil fuel consumption and toxic air and water pollution caused by traffic congestion.

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However, most importantly, communities that invest in walkable and bikeable environments have experienced renewed economic development energy that encourages small business growth, downtown renewal and urban density to support and increase efficiency. The US Department of Transportation has chronicled the health benefits of creating walkable and bikeable communities in the United States. An increasing number of studies across the nation have shown that cities and towns, both urban and rural that invest in good walking and biking infrastructure have spurred economic growth through increases in employment rates, sales activity, property valuations and improving their overall economic health. And, I might add that they also encourage tourism in states like Iowa, the Rag Bray Ride brings in an enormous economic benefit to those rural communities.

Good road design makes a huge difference and we really support this endeavor to move forward with positive road design for bicyclists and pedestrians here in the State of Nevada. I'd also like to ask you to support roadside that provides not only for bicyclists and pedestrians through the Complete Streets activities, but also to provide training for your traffic safety engineers, so that they understand the concepts and understand how implementation of Complete Streets can work to further safety and health here in the State.

Finally, I just would like to thank you for having me here. This is a very important Board and I think it's important that bicyclists and pedestrians be elevated and considered within all of your roadway planning. Thank you very much.

Sandoval: Thank you Ms. Clark, appreciate your time. Mr. Almberg.

Almberg: Ms. Clark, I'd just like to say that I am a cyclist, so I support you. If you ever need anything, feel free to give me a call.

Sandoval: The next individual, Lori Wray.

Wray: Thank you, good morning. I'm here on behalf of Scenic Nevada. I'm a little confused, do we wait until Item 3 comes up for—

Sandoval: Now is your time.

Wray: No, now is the time.

Sandoval: Yes, thank you.

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Wray: Thank you. Thank you very much. So, I'm here on behalf of Scenic Nevada, a non-profit group of volunteers who advocate for strong sign and billboard control to help protect scenic beauty. The billboard regulations before you today leave the door open for the worst offenders, the billboard industry, to blight our public highways with digital billboards that constantly flip annoying bright ads that are distracting to drivers, disrupts scenic views and negatively impact property values and the environment.

We've tried through the public process to convince NDOT staff to give you better regulations. We went to all the public workshops held, submitted studies from experts and in depth letters asking for better regulations; some of which are recommended by the Federal Highway Administration, as well as Traffic Safety and Lighting Experts. Staff largely has relied on the billboard industry preferences. In fact, at the last workshop, every billboard company present recommended approval of this draft, including Clear Channel, Reagan and Lamar.

We think that the proposed regulations are weak, unclear and are confusing and are meant to allow the most digital billboards to be permitted along our public highways. Examples from these proposed regulations are flip times, conversions and lighting. Scientists and safety experts say that flip times and brightness are the two factors that could influence driver safety the most. We ask for 10 second flip times, the FHA recommended a maximum of eight seconds and the proposed regulations call for six second flip times. The reason is, the billboard industry can better market their product saying that they are more views at six second clips than at eight or 10.

Another example is the confusing language concerning digital billboard conversions. We want a simple statement that non-conforming billboards cannot convert, which is more in line with what the FHA Guidance Memo says; that's referred to in your staff report. The proposed regulations say that billboards have to conform unless they meet the requirements of NAC 410.703, which has to do with grandfathering signs that are in NDOT's right-of-way. The proposed regulations also say that NDOT can grant a permit for a conversion if the local jurisdiction permits it or if it's a legal non-conforming sign under local laws. This is important. The way the regulation reads, it's an either/or. A state permit will be granted if there is a local permit or if the sign is non-conforming. Reno, Sparks and the County of Washoe all have many legal non-conforming billboards which are not allowed to convert to digital. We think this creates some confusion.

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It's confusing language and we think that the billboard companies wanted that added so that they could be sure that they're allowed to convert every single billboard they own along a public highway.

The lighting regulations are nonsensical. We ask for a simple compromise on the brightness limits requesting a limit of 0.34 foot candles over ambient light or 250 nits, whichever is less. Someone eliminated over ambient light and whichever is less.

Also, this is hard to explain in three minutes, but basically, the billboard industry also had language inserted regulating where you have to stand to measure a sign in brightness, which they refer to ask nits. We've been told that this is complete nonsense, yet this nonsense is included in the State's proposed regulations.

Lastely, of this morning, we have over 300—I think it was 312 petition signatures, of Nevadans, who don't want any—don't want more digital billboards blighting the stunning scenery in our State or distracting drivers. If you haven't seen this, take a moment to read some of the comments.

What we're asking is, not to adopt these regulations as is. Make the changes we've requested of NDOT staff, those requests were made in meetings, phone calls, emails and letters that are all part of the public record and you have a letter with a laundry list of our recommendations. Give us Nevadans tough regulations that are recommended by the experts, not just the billboard industry. Thank you very much. Appreciate it.

Sandoval: Thank you Ms. Wray. Mr. Berry Hall. Or, Ms. Berry Hall, excuse me.

Hall: Good morning Governor Sandoval and Members of the Board. Thank you for this opportunity to speak. The billboard industry's claim that they are not a distraction reminds me of the tobacco industry's claim 30 years ago that cigarettes—that tobacco is not harmful to one's health. It's not true and everybody knows it. The purpose of a billboard is to attract your attention and whether you want to give your attention to it or not. I think they're more dangerous than cell phones because I can turn my cell phone off but I cannot make a billboard disappear.

According to the National Highway Traffic Safety Administration, over 3,331 people were killed last year and over 387,000 were injured in accidents connected to distracted driving. These numbers represent 11% of all fatal crashes and 17%

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of accidents that caused injuries. According to the NHTSA, distracted driving is “any activity that could divert a person’s attention away from the primary task of driving”. Billboards and digital signs divert people’s attention away from the primary task of driving and as I learned in traffic school a few years ago, taking your eyes off the road for even one second is sometimes all it takes to cause an accident.

Traffic experts classify distractions into three main types; manual, cognitive and visual. A manual distraction is when you reach for something. A cognitive distraction is when your mind wanders to something other than driving. A visual distractions are those where you focus your eyes away from the road. By these definitions then, a billboard or digital sign would qualify as both a cognitive and a visual distraction. There are currently four states that have banned billboards; Vermont, Maine, Hawaii and Alaska.

Why did Vermont ban billboards in 1968? To preserve their natural beauty. Why did Maine ban billboards in 1977? To preserve their natural beauty. Alaska banned billboards by a State Referendum in 1998. Yes, again, to preserve their natural beauty. Hawaii, they were way ahead of everyone. They removed all billboards in the 1920s. By 1927, they were all gone. Why? Because, not only to preserve their natural beauty as they said, but because billboard free scenic vistas nourish the soul and replenish the spirit.

Governor Sandoval, we’re here to ask you to please do what you can to preserve what’s left of Nevada’s natural beauty. Nevada has some of the most spectacular scenery, not just in the United States but in the world, as you referred to Lake Tahoe. Billboards are old technology. They really are. They send a message that we will sell our scenic vistas to anyone who has the money, to put a billboard or a digital sign. Governor Sandoval, please, please tell the outdoor advertising industry our state is not for sale. Thank you.

Sandoval: Thank you very much Ms. Berry. Mr. Wray, Mark Wray.

Wray: Morning everyone, Mark Wray. I’m an attorney in Reno, I represent Scenic Nevada. We’ve been opposed to the draft regulations throughout. We were here in 2013 when AB 308 passed. We’ve been part of every workshop for the last three years.

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As you can tell, our view is that the draft proposed digital billboard regulations reflect the wishes too much of sort of an out-of-state billboard industry component, as opposed to the interest of the people in Nevada who actually live here and have to look at these. What happened in the process, over the last three years was, the billboard industry succeeded in having what they call their industry standards become the standards for these regulations.

That means standards for spacing, for lighting, for flip times, for measuring these signs; those so-called industry standards that apply in say, New Jersey or Delaware or Rhode Island are the standards they want for Nevada. Our problem has always been, why is the standard in New Jersey the standard for Nevada? New Jersey, a flat place, urbanized with a lot of unsightly parts of that state, that's the same standard the billboard industry wants for Nevada and we say, are we a little better than New Jersey, perhaps, when it comes to our scenic vistas? New Jersey is flat. I'm not against New Jersey, it's green and all that, but I mean, it's flat. It doesn't have these scenic vistas. We shouldn't be forced to adopt standards that apply in states like that for Nevada. This is not the Uniform Building Code. This is a unique scenic environment that we're trying to protect, just like Hawaii and Alaska has been mentioned. Please reject anyone who says, these are the industry standards. That's no answer or solution, just because it's a standard in Rhode Island.

If you can't eliminate digital billboards completely then regulate them as strictly as possible. As we know, under our state laws, Chapter 405.020, Section 410.360, billboards are public nuisances. In Chapter 410 of Nevada Revised Statutes, it says, here's how we regulate junk yards, here's how we regulate billboards. Literally junkyards and billboards are in the same chapter of Nevada Revised Statutes, that should tell you something. They're just plain obnoxious.

Now, under NRS 405.050, our state law says that no permit shall issue for a billboard on any location which may measurably destroy the natural beauty of the scenery. That's a state law, NRS 405.050. We think that state law has been overlooked way too much by accepting industry standards that apply in other places but not here.

Finally, I wanted to say that in the April 21, 2016 workshop, I proposed in addition to the regulations that was not included in the draft that you have. This comes from billboards that now can track or scan—they can use cameras and technology to scan the passing traffic. Not only the grill of the vehicle but also

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cell phones, passengers and they can tell a lot of information in detail about Nevadans who are on our public highways. They're using our public highways already, our tax supported highways for their business. Now they insist on being able to invade the privacy of the people who are driving, so as to target them for advertising. Some of this is called interactive, that is, they can measure who is passing in a Chevrolet versus a Ford and show a Ford commercial to people driving Chevrolets and so forth.

I propose the following: billboards shall not include any device or technology to scan, track, photograph, collect, compile or record information about vehicles or passengers on the public roadway. Any use of any sign to collect such information is prohibited.

I also proposed in the April 21<sup>st</sup> workshop that interactive signs which is defined as signs that change their messages based on the passing vehicle or person are prohibited. I think that the people of Nevada would really appreciate, if they have to look at these eyesores that they're not also being targeted for future mail campaigns and things based on the kind of car they drive or who is in their car with them. I think that we should adopt that regulation, I don't know why it wasn't included. Thank you for your time.

Sandoval: Mr. Wray, before you leave, I'd like to ask you a question if I may?

Wray: Sure.

Sandoval: You can sit, it's not a problem. Do you know what—and I can ask this of staff as well, but what standards are being used right now?

Wray: Digital billboards, my understanding, there's no digital billboard regulations at this time. The purpose of AB 308 was to enable legislation to adopt regulations for digital billboards specifically. This was industry-sponsored regulation enabling legislation to get these regulations passed for digital billboards.

The answer is, the things that are being put in the regulations now are what the industry wants for digital billboard after the industry sponsored the initial enabling legislation, so all of this is industry driven.

Sandoval: I'm going to have to show my ignorance here, but what are we looking at now when I drive, at least in Nevada and I see the video boards?

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Wray: You're looking at digital billboards in Las Vegas, for example you mean or on the tribal lands here in Reno?

Sandoval: Anywhere. Yes.

Wray: Yes, when you're coming south of Reno, Governor, and you look to your right, as you pass the Mercedes dealership, there's tribal lands, they have a big digital billboard right there. It's not in Reno's jurisdiction.

Sandoval: And, do you know what the standard is for that right now? Is it the industry standard as you described?

Wray: I don't believe that Reno can regulate it.

Sandoval: No, I'm not saying—again, I'm going—

Wray: Reno wouldn't allow it I mean.

Speaker: [off mic]

Wray: I don't know what the standards are that they use for that. I also don't know what they use in Las Vegas. Las Vegas may be a place where it's like Times Square. Most of the state isn't like that. There's nothing wrong with Las Vegas, love it, but that's not the rest of the state.

Sandoval: Understood. Thank you Mr. Wray.

Wray: Thank you.

Sandoval: Is there anyone else here who wanted to present public comment in opposition to the regulation? All right, I just wanted to make sure before I went to J. Johnson.

Johnson: Thank you Governor, my name is Jared Johnson. I'm with Prism View. We are a manufacturer of LED digital signage for the advertising industry. We have literally hundreds of electronic message center displays installed in the State and dozens in an outdoor advertising capacity as well. We manufacture in Logan, Utah and we have two offices through our affiliated company, YesCo in Las Vegas and in Reno.

I wanted to start off by thanking the staff and the Department for inviting us to answer questions that they had on the technology. We participated in a number of workshops with staff. We made available to them our actual sign products, so

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they could understand the technology and how it operated. We also, through the companies that have these displays that will be regulated by this rule, made available to them signs that are presently installed on the highways that they could test the different processes for measuring brightness on the signs so that they could understand the practicality of enforcement for the rule that they were reviewing at the time. They asked perceptive and thorough questions and used a number of surrounding state's regulatory framework as a model and then adjusted it to the situation we have here in the State of Nevada.

The rules that they have presented to you at this time are consistent with the way that a number of surrounding states such as Montana, Colorado, Utah, Wyoming, New Mexico and dozens of surrounding cities regulate this type of display. So, while they do use some standard in the industry, language for the regulation, it's also consistent with our neighboring states and many of the Nevada cities, Sparks being one of them, Elko being another and parts of the metropolitan Las Vegas area as well.

That's an important point because the industry is already, because of local regulation, managing these signs in a way that would be consistent with this rule and if this rule is adopted, the dozens of signs that need to be regulated by the Department will be very quickly, if not almost immediately, come into compliance with this rule. The Department had some real concerns on whether or not the way that all these signs were operating under local ordinances and other regulations would be appropriate statewide.

We're grateful that the Department asked us to come and make those signs available. They made the measurements and they've chosen the rules based on their experience of going out and making sure that the process they were selecting would be practical and would accomplish the purposes that the State Legislation had required of them.

We have a number of companies who already have these displays in the state that will be brought into regulation. We've consulted as a manufacture for them with companies such as Reagan, Saunders Outdoor, YesCo and some of the others who are here today to speak for themselves; all of them are willing to conform to these regulations, have already trained their staff to manage their signs under these types of regulations, very similar. We feel confident that if the Board approves it, you'll have effective safe regulation, consistent with many of your local ordinances and consistent with surrounding state's operations that the industry is

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prepared and already operating their signs under. We would express our gratitude for this process. It's been lengthy. We've had an opportunity to bring good information and submit good information. Some of the other companies that are here can speak to some of the specifics, but we would recommend that you move this forward and approve this rule. Thank you.

Sandoval: Thank you Mr. Johnson. Lou Musica.

Musica: Hello, yes, Mr. Governor, Members of the Board, my name is Lou Musica. I am Senior Vice President of Domestic Digital for Clear Channel Outdoor. We applaud the Department of Transportation for the comprehensive outreach in this matter over the past two, three years, your state has done more in this regard than any other state that we are familiar with or have been involved with. Also want to point out that the state doesn't regulate on premise signs. Sometimes people can confuse the two types. We are part of the off premise sign industry and the difference is the content. Our signs are not flashing, they're not video, they don't have moving images, unlike many of the others that were mentioned.

We're confident that the state is more concerned about the number of digital signs that are located here in Nevada. There are over 100 off premise digital billboards under operation in the state, between Lamar and Clear Channel alone, seemingly without incident. Most of all them are located in exclusively commercial and industrial zoned areas. Those are also consistent with the local government regulations.

The industry and the manufacturers have provided reliable, tested and true methodologies to measure and regulate sign [inaudible]. Mr. Johnson mentioned, the industry provided experts, people and time in those demonstrations in both Northern and Southern Nevada. We educated the officials on the effective sign brightness regulations.

In closing, there's over 6,400 digital billboards across the US in the 43 states that allow them. We're unaware of any ongoing brightness, compliance or environmental issues with any of the 1,000 digital billboards that Clear Channel operates or the 2,100 that Lamar operates. Furthermore, nearly 1,000 localities allow digital billboards that have been installed in consistent with state and federal regulations.

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We agree with the staff's recommendation. We ask you to approve and adopt the language as presented. I'm available for any questions. Thank you.

Sandoval: No questions, thank you. Ms. Lazovich.

Lazovich: Good morning, Jennifer Lazovich for the record here today representing Lamar Outdoor Advertising. We are here today supporting the regulation that's before you. I want to talk specifically to a section that I believe Lori Wray talked about which deal with the conversion of legal, non-conforming signs.

As we know, this regulation has to cover the entire state when it's adopted. In Southern Nevada, interestingly enough, despite the comment that it's a little like Times Square down there, sometimes I would agree with that. Virtually all billboards in Southern Nevada are considered legal, non-conforming signs. They're considered that for one of really two reasons. Either number one because it no longer meets spacing requirements. The local ordinances have changed, increased separation, but as such, the billboards were already there so they're considered legal, non-conforming for that reason. Or, in Clark County's case, they're considered legal, non-conforming because you can not build a new billboard, period. If one comes down, it stays down.

Despite all of that, every local government in Southern Nevada, that's North Las Vegas, City of Las Vegas, Henderson and Clark County have adopted ordinances that allow for those legal, non-conforming billboards to convert to digital. The conversion of digital billboards started in roughly 2007. Any of those boards that are along your state highways, actually do have an NDOT permit, but they're technically conversions of legal, non-conforming signs. Again, the local governments have recognized that that's a technological advance that they wanted the billboard industry to be able to employ, especially because you cannot build any new billboards, so they've allowed for that. As such the regulation that's before you today has to recognize that there will be and continue to be conversion of legal, non-conforming signs. The section that allows for that, again, addresses the situation that we find in Southern Nevada.

We do appreciate the three years we have worked with your staff on this. I can just tell you that they have taken information from all sides and considered it. I do believe that the regulation before you today is well thought out, well balanced and we'd encourage you to support it moving forward. Thank you.

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Sandoval: Thank you very much. Mr. Hillerby.

Hillerby: [off mic]

Sandoval: All right. Is there any further public comment from here in Carson City? Is there any public comment from Las Vegas?

Skanche: No sir.

Sandoval: Thank you. Let's move on to Agenda Item No. 3, which is the consideration of adopting a proposed amendment to NAC 410.350. Who is our presenter today Mr. Malfabon?

Malfabon: Governor, you have the materials before you. As you saw, this is a very sensitive subject and we did our best to try to find the middle ground between the outdoor advertising industry and Scenic Nevada and other folks that felt we had to maintain the beautiful scenery in Nevada. We had quite a task and staff is present to answer any questions. As was pointed out, we tried to adopt regulations that are more in line with what we currently have out there. They addressed the brightness of the signs and how often that they can be switched. The six second is currently what's out there. The comment was made about eight seconds being a standard and they wanted 10 seconds. We adopted regulations that are more in line with what's existing out there.

As was stated, these signs are primarily in urban areas. They're very expensive to install and maintain. We have not seen a safety issue related to—it was a point that was brought up about the ability of signage to distract drivers. Again, we haven't seen any correlation between crashes or incidents related to the location of our existing signs that are out there.

In your packet, you have the existing Chapter 410, as was stated. It addresses outdoor advertising and you have the proposed changes for your consideration.

I don't know if staff, if Ruth, you want to come up and give any specifics about those regulations. We didn't have a formal presentation, but as you stated Governor, this goes to the Legislative Council Bureau and then it comes back to the Board for adoption. We feel that we tried to find a middle ground between both parties and had several public meetings and received the comments. We find that we can't please both groups, but we felt that this is a good middle ground for the rules. Ruth, could you approach the podium please?

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Borelli: Ruth Borelli, Chief Right-of-Way Agent, for the record. Good morning. Yes, there was tireless effort, specifically by Jerry Hoover, our former Assistant Chief Right-of-Way Agent over the last three years to bring the two groups together and gather information and comments from them. Whenever there was an alteration made to the language, the language was sent out to both groups and comments were gathered and taken into consideration.

It's a little difficult because our state is so varying. We have the urban areas that have so many billboards and is very active. Then we have the very rural areas. We put in what we felt was the, as Rudy said, the most consistent with what was going on with the states surrounding us. We also make our permits dependent upon the ordinances and regulations in the counties or cities where the billboards are being put. They have to be in compliance with those regulations. If a local government has a more restrictive regulation, then that is what rules over ours. We felt that was a safeguard for the more rural areas.

Our staff did go out to do field reviews, as was eluded to earlier. Both groups, I believe, were invited to attend those field reviews. We wanted to have a better understanding of what our staff would be doing out in the field to measure for compliance and we wanted to become familiar with the technology that was in the signs and the meters that were going to be used to do the measurements. During that field review, the sign companies dimmed the boards. They also put out the different colors, the red, blue and green, so we could take measurements for the individual colors. That was taken into consideration.

Also, our staff observed that when the billboards were dimmed to this lower, 100 nits, they noticed a change in the traffic pattern. They slowed down and were appearing to strain to see what the sign was saying. It's a non-scientific study for sure. We couldn't find consistency in the literature to ascertain what the recommendations truly were. We have two different groups that were putting out literature for different recommendations. We took that information into consideration in crafting these regulations, these changes. Mostly, we were looking at what the surrounding states were doing and how they were handling it and realizing that the local governance should have the final say for their area.

The Department of Transportation is neutral on these changes. Many, many hours spent. Very thick files on this and a lot of thought was given in coming up with these regulations. I have my own personal views on what should happen, but that's not what I'm here to do. I'm here as a representative of NDOT and what I

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felt, what we as the staff, felt was best for NDOT for regulating these types of boards. Any questions?

Sandoval: Is that everything, Rudy?

Malfabon: Yes Governor, just some of the highlights had to do with how often the signs can change, the six seconds. They have to have dimmers. So, as Ruth mentioned, at night, you don't want the daytime brightness evident at night so it's glaring at the drivers on the highway. There are requirements for those switches and the—

Borelli: I'd also like to add that, as was brought up by Rudy and others, at one point we had our nighttime maximum, 350 nits and took into consideration what Scenic Nevada required. They asked at that point for 250 and we did change it to 250. We felt that that was reasonable. We did do that.

Also, there's a lot of confusion with the off-premise signs and the signs that are on Tribal Lands. We can't control the Tribal Lands signs. Of course, we did not regulate the on premise signs. Often, the complaints that we hear are for those signs that are on premise. They're very bright. There's nothing we can—that's a local jurisdiction, they have to control those.

Malfabon: And Governor, one last thing, it also mentions Tri-Vision and what Tri-Vision is, they have basically slats, three sided slats on the sign that rotate and change the message on the sign. Same kind of dwell time, six seconds, that they can change to a different advertisement on those. So you'll see three messages rotating on a sign. Staff is able to answer any questions from the Board because it is kind of a technical issue and very complicated.

Sandoval: Yeah. Rudy, I'm only going to speak for myself. I can't make an informed decision on this. I thought there'd be a much deeper dive. I can't make an informed decision on brightness. I can't make an informed decision on the difference—please let me finish—between what six seconds is, what eight seconds is, what 10 seconds is. What's an on premise sign? What's an off premise sign? What is a tribal sign? What it looks like at night, what it looks like during the day.

I don't want to diminish the amount of work and time and effort that's gone into this but at the end of the day, it's this Board that has to make the decision and the adoption and frankly we just have some pieces of paper with numbers on it and changes and I have got to have some visuals here to be able to make an informed

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decision with regard to this. As you said, I know there's been three years of work, but we're basically getting a half hours presentation and making a decision on something, frankly that I only—what I see when I go down. It's going to have a lot of impact here.

If we're going to rely on neighboring states, I'd like to see a little bit more information on what those neighboring states are as well. I mean, what comes to my mind is, we only have anecdotally whether someone has been in an accident or not because they've been looking. I'm very fearful because of the number of accidents that we've had, particularly in Southern Nevada that involve pedestrians and such. I don't know if this adds or subtracts to the distraction with regard to that.

I need some more help and I'm looking at the industry as well. It's probably not—again, the other members can weigh in, but I just don't feel like I can make an informed decision today, one way or the other. I don't know if we're up against any deadlines or anything like that.

**Malfabon:** No Governor. I think the best thing to do would be to bring some visuals, some video, some photographs and comparisons with the other states and make the distinction between on premise and off premise because that is something that's confusing to the public. You might have heard about the City of Reno not approving one for the mall there, at Mount Rose Highway. That was an on premise sign, but you look in Las Vegas, you'll see full motion video on a sign that's on premise. We can provide some more information to the Board so you can make a more informed decision next month.

**Sandoval:** I don't know what our jurisdiction is and what it is not in terms of what we decide today. As I said, you said that the local ones are more restrictive. Is there a jurisdiction in Nevada that's more restrictive than what we're looking at today? That would be something I'd like to know.

**Malfabon:** We'll collect that information Governor, because it is often a local regulation that controls this issue. We'll bring more comprehensive information next month.

**Sandoval:** Then my final question, Rudy, you talked of finding a middle ground. Is there anything that the DOT accepted from Scenic Nevada with regard to recommendations?

**Malfabon:** As Ruth Borelli mentioned, it was the brightness during the nighttime.

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Borelli: We lowered it 100 nits.

Sandoval: Okay. And I don't even know what 100 nits is, so that's something that I need to know as well, is what that means. This is a really important policy, in my humble opinion. I've said it over and over again, I have to have more information before I can go one way or the other. Mr. Controller you had a comment and then Mr. Almberg. Mr. Controller.

Knecht: Thank you Governor. Just to make sure that I understand the underlying facts here, there are basically—and correct me if I error in the totality of this, Rudy. There are basically four circumstances here. One is an on premise sign, a business next to the highway puts a sign on its roof or whatever, on its premise in any event and that's regulated locally as a zoning matter and not subject to this regulation.

The second is, I guess theoretically, you could have something on public lands which would also be regulated by the entity that owns those lands and a variation of that is tribal lands which are not subject to the jurisdiction here.

The final is, what is subject to the jurisdiction here and namely off premise signs where essentially an advertising company is renting space or leasing or selling space to another business to advertise on so that they reach the people on the road. Is that essentially the big picture?

Malfabon: Yes. The off premise signs also have local regulations, just as was mentioned, the moratorium in Clark County. We'll provide more information about the local component of regulations and the State component at next month's presentation.

Knecht: I appreciate that and I'll look forward to that further information. Let me tell you my big picture view of this matter. I certainly sympathize with the Governor's concerns about having enough information. It's a key point here. Whether we'll ever have enough information is a question I would raise or more to the point, a month from now or two months from now, we'll we have significantly more information on a significantly better basis for a decision than today? I'm a little bit skeptical. We'll have some more anecdotes, we'll have some more rhetoric, etc., but I'm a little bit skeptical that it will be a significantly better basis for decision.

Here's the problem with basis of decision. The issue for matters like this was addressed by Ronald Coase in 1960 in the Journal of Law and Economics which

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revolutionized modern environmental and public safety and generally public policy economics on exactly questions like this. The thing that Coase recognized is that you have these competing interests, competing values. So on the one hand you've got the outdoor advertising company, but you've also got the people who advertise with them. They're paying good money for a good reason. Advertising delivers, in their estimate, some value to them. There is some social value to it. You'll hear the characterization that somehow they're just predatory and they're doing something mean to other people, it's not true. They're actually delivering some social value, both the advertisers and the industry.

Indeed, to a lot of motorists who are consumers, who are whatever else in their other roles in life, they're looking for a lot of the information that comes from those signs. There's some social value to them too and they're probably the people that are least heard in all of this.

There are also negative externalities as we call these things, technically where indeed, bright signs, flashing signs, signs that are too bright at night, that change too fast, etc., etc., distract drivers and present a public safety problem. You can't necessarily trace any one accident to a particular change of the sign, but you can certainly draw a statistical correlation and the question is, how weak or strong is that? My suspicion is, we don't really have any good evidence on that.

Then you've got the people who are quite simply offended, put off in some way, who feel some negative externality in the fact that they see something that they don't particularly want to see. There's a social cost to that too.

What Coase said and what's the basis of modern environmental public safety and economics of this sort and even the basis for nuisance law, what Coase said is this: what you have to do is balance the social values and you allocate the rights where they would end up if you could actually have a market among all these people in which they all trade their values. We can't do that, but we make an informed assessment and analysis. We do a lot of the investigation. Frankly, I think that's what you all have done. You've done two things. You've done that analysis and investigation. You've looked for factual basis. You've looked for an empirical basis. Oh, a little bit you'll look at best practices. You look at that sort of thing and then, and you used the term middle ground, that's not exactly the term I would use. That's kind of a golden mean thing and I get that, but it's balancing the interests is what this is about. You've at least approached the problem in the right framework on the right basis that way. Can I say that each

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little detail satisfies what I would conclude as the balance of interest if I did this myself? No. But, I can say that you at least did the effort, you marshaled the facts. You marshaled the evidence. You worked with both sides. You had a good process. I think quite frankly, none of us will be able to say after another meeting, two, three, four more meetings, none of us will be able to say definitively that this detail is right. That one should've been 50% higher, etc.

We have to take this on an overall impressionistic basis and my overall impressionistic basis is that you've done the right process. You've used the right standards. You've marshaled the evidence and I'm willing to go with this today, in respect to my fellow Board Members who are not, I'm certainly willing to put it off until next time. I just think that, there's a whole lot of process that government and society in recent decades in this country has become really good at chewing up a lot of time and resources in the process. We'll give this one one more meeting and then I'm ready to vote on it.

Governor, I thank you and to the staff and to the opponents and the critics and to the industry, I thank you all for a good faith effort.

Sandoval: Mr. AlMBERG.

AlMBERG: Thank you Governor. I'm going to go back to what you had mentioned, Governor, about jurisdiction. What percentage of the signs out there actually falls under NDOT? With Reno, Vegas, Clark County, Henderson, all of these other jurisdictions that have potentially more restrictive regulations than us. It was mentioned earlier, somebody had mentioned during public comment about each company had 2,100 signs, approximately plus or minus, is the number I thought I heard. How many of them would actually fall within this regulation that we're actually talking about? Maybe if something—and maybe you have that answer, I don't know, but if not, that would be something I would be looking into to come back and say, hey there's 500 signs in the Washoe Valley area, but truly only 50 of those signs fall under 100% our jurisdiction.

Borelli: Right. We do have an inventory of signs. Then we could take the industry numbers and be able to figure out from that. We have to regulate 650 feet off of the central line, I believe is how the regulation is written. It's signs that are visible to the freeway or to the highways and no greater than 650 feet out. Industrial and urban areas, of course, that 650 goes away, it's much closer. It's within that 650 foot corridor, if I remember the regulation correctly. Even if we

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have these standards, if the county or city is stricter, then it goes under those because our permit that we issue for signs states that they have to be in compliance with the local ordinances and regulations.

In Clark County, the spacing restriction is more restrictive than ours. We used FHWA standard of 500 feet between signs. They, I think use 550, I can't remember. It might be greater. They have to follow that restrictive spacing.

Almberg: I think that I don't want to read too much into this and think that we're going to be regulating every sign out there because we're not. At the end of the day, it would be nice to come back in here and know, hey we're only truly—this only affects approximately 20% of the signs out there that fall under here. That we're not the main—

Borelli: We can get those numbers.

Almberg: That's it, thank you.

Sandoval: Any other comments from Board Members? Member Savage.

Savage: Thank you Governor. Thank you for everyone who spoke today. Very informative. I do agree with having another session with better support documentation. A lot of the information from the past workshops, what was included in those workshops and the roadmap that BJ speaks about. The jurisdiction and also the enforcement. How does that all occur, I think is one of my curiosities. I appreciate you drilling down on this thing, Ruth. I appreciate all the public speakers today. I look forward to reviewing this in the future. Thank you Governor.

Sandoval: Anyone else? Frank.

Martin: I only had two comments. The part in this letter about the 3,179 people killed and 431,000 injured through distracted driving. Most of the statistics I've studied out, most of the distraction is a little hand held device that we have. So, those kind of statistics for me contain no value because you can't relate them to the subject matter at hand.

The second point is, this datamining as a result of the signs that Mr. Wray brought up. I believe that that is a reasonable point. As I remember several legislative sessions in the past when we've tried to regulate HOV lanes with cameras and tolls and that kind of stuff, the entire state come out in arms against that kind of a

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measure. I believe that what Mr. Wray talked about with the datamining possibilities of these things, there should be a piece in this legislation that prohibits that. The people of Nevada have already spoken about the HOV cameras and that kind of stuff. That's been clear. There's no reason why we should allow private industry to do something that the people of the State of Nevada will not allow our law enforcement officers to do. Does that make sense?

Borelli: Yes. I don't disagree with that. Regulation of it might be difficult, but it is something we're discussing.

Sandoval: Mr. Skancke, do you have any comments or questions?

Skancke: I do not Governor, but I do support this item being held until we have further information. I do think we have to drill down further. I have experience in this industry and understand both sides. I think the Board needs more information.

Sandoval: Thank you.

Malfabon: Governor, we will definitely take that input from the Board and follow-up. I know that the senior staff member that was guiding this process resigned from NDOT recently. Given the direction and the questions from the Board, we will collect that information and bring it back so that you can have a more comprehensive presentation and make an informed decision.

Sandoval: When will you be prepared to do that?

Malfabon: I'm hopeful it's going to be one to two months. We don't want to delay it any further than that, but I think that some of the questions raised and the information requested is very good. We have to get with industry or some of the local government agencies to collect some of that information. Also, I think that it would be good to take some video. Obviously, seeing it yourself from your vehicle is different from seeing a video at the Board presentation, so we have to take that into account, but you could probably see some of the difference in illumination and we can work with the outdoor advertisers to collect some of that video.

Borelli: Ruth Borelli again, for the record. I'm also thinking that Scenic Nevada may have some good examples of what they see as offensive and we can bring that forward, so we can show what they are seeing as offensive and what we are proposing. Thank you.

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Sandoval: Then, if I could ask a representative of the industry to come forward. I'm hearing the issue associated with datamining for the first time. I don't know if that's true or not. Anybody who could at least introduce that concept, so that's something I can think about and contemplate between now and the next meeting?

Skanche: Governor, this is Tom Skanche, can I just add one thing, please?

Sandoval: Yes, please.

Skanche: So, I think your comment is spot on earlier when you said that we've got to make the right decision here. I think if a State Board is going to make a recommendation then it sets a precedent for all the other local governments and the Legislature and the one thing that I don't think we want to do as a Board is send that message to local governments and the Legislature. I think it's really important for us to get this "right", and to get information from both sides that we can make an educated decision, so that both sides or us, or the state in general is not negatively impacted by something we may do in a 30 or 40 minute presentation.

If you would like, I would make a motion to hold this item until our staff is ready to bring forward another item for us to consider.

Sandoval: I'm going to hold your motion until I get a brief response to the self-described datamining. I don't know if that's true or not, but is that something that's even contemplated in this regulation?

Musica: Yes Governor, hi, Lou Musica with Clear Channel Outdoor again. No, this item is not part of the regulation. We'd be happy to submit something to the Board before the next meeting before you.

Sandoval: So, is that happening now?

Musica: Not to my knowledge.

Sandoval: Okay. All right, thank you. Before I take your motion Member Skanche—thank you Mr. Musica. I would ask if either side, for or against, neutral, what have you is going to submit information, I'd really appreciate it. Some of this I saw for the first time this morning. It would be very helpful to get this at least a week in advance so I can have time to really review this. Again, I'm looking at the industry and I'm looking at the Scenic Nevada. Your letter is dated June 3<sup>rd</sup>, as I said, it landed on my desk this morning. I want to be able to give you all a

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meaningful review and I frankly, again, need to be informed. I know there are two sides to every story and that's part of the purpose of this Board is to listen to both sides and make a final recommendation. As I said in my introductory remarks, this isn't the final say here. I think it's very important that we make an informed recommendation that goes to LCB and then will come back here for final adoption. Likely what happens here on that recommendation is going to be very close to what's going to be adopted. This meeting is really important. I really appreciate the help in that regard.

Before I take Member Skancke's motion, are there any other comments or questions? Is there anything else that the Board Members would like to have prior to that next meeting?

Martin: Governor?

Sandoval: Yeah.

Martin: If I could, you made a statement in the beginning that you need a visual. I work in the land of plans and specs and all this stuff but this one has got me snowed. The visual piece, that's extremely important for me to get an idea of or get my hands around what this really means.

Sandoval: Mr. Almberg.

Almberg: Thank you Governor. We might possibly summarize some of the things that we've addressed as far as what Scenic Nevada wanted to see, what federal regulations are and just get it summarized. Make it easier, rather than for us to have to go through and digest this information in a week's time frame, pull out these notes and say, okay these items were important to Scenic Nevada, these items were important to the industry, where do we land in the middle of it. It might make it easier.

Sandoval: I did find what a nit means. A unit of illuminative brightness equal to one candle per square meter, measured perpendicular to the rays of the source. That's not helpful, for me anyway. Again, I mean, in all seriousness, I'm not an engineer, so I'll need some help with regard to this to make this information. I don't want anyone to interpret this as being critical in any way, but I really, at least personally for me, this is an important decision and I want to make the best decision that I can possibly make as we go forward. I know that there's a lot of sensitivity here because of the amount of time and effort that's gone in to this.

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This legislation passed a while ago. This has been in a workshop type status and a staff to staff, as it comes here, I think you understand—I think all the information is there already, it's just a matter of marshaling it and bringing it forward.

So, Member Skancke, do you have a motion?

**Skancke:** I do Governor. I would move that Item No. 3 be held until the staff is prepared to bring a more thorough presentation to the Board. If that takes two months or three months, but I would recommend that we hold this item until that information is available for us.

**Knecht:** Second.

**Sandoval:** Member Skancke has moved, the Controller has seconded the motion. Any questions or discussion? Hearing none, all in favor say aye. [ayes around] Oppose, no. That motion passes unanimously, thank you very much.

**Malfabon:** Governor, I had one comment. I had an error in my Director's Report on the public meeting date. It actually is June 8<sup>th</sup> and 9<sup>th</sup>. For some reason, I didn't have enough caffeine, I put May on the slide. I wanted to stand corrected on State Route 160 Public Meeting for June.

**Sandoval:** Okay, I appreciate that, Mr. Director. We'll move to Agenda Item No. 4 which is a consideration of the May 9, 2016 Transportation Board of Director Meeting Minutes. Have the members have an opportunity to review the minutes and are there any changes? Mr. Controller.

**Knecht:** Thank you Governor. I have two items. One is minor, one is a little more important. The first one, more important, Page 34, in that long paragraph at the bottom where I'm speaking, if you go to the sixth line from the bottom, sixth and seventh line, I say: if this were a civil engineering project, in view of all of that I could understand how there would be any economies of scope, etc. Actually, I believe what I said, what I meant to say is, would not be—that is validated by the rest of the context. I respectfully request that the word 'not' or 'wouldn't' or whatever you want to replace 'would' there, would not would be fine.

On Page 52, in the paragraph toward the bottom of the page, two-thirds down where I'm speaking in the third line, 'GAPP' is 'GAAP', not 'GAPP'. Generally Accepted Accounting Principles.

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Sandoval: Thank you Mr. Controller. Any other questions or comments with regard to the proposed minutes? If there are none, the Chair will accept a motion to approve the minutes with the changes recommended by the Controller.

Martin: So moved.

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

Savage: Second.

Sandoval: Second by Member Savage. Any questions or discussion? Hearing none, all in favor say aye. [ayes around]

Almberg: Governor, I'll abstain since I was not here.

Sandoval: So, will you mark Member Almberg as abstaining and the rest as a unanimous vote in support.

Malfabon: Yes Governor.

Sandoval: All right. We'll move to Agenda Item No. 5 which is the Approval of Contracts over \$5,000,000. Mr. Nellis.

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. 5, Attachment A for the Board's consideration.

The first project is located on US-6, from the junction with US-95, nearly two miles west of Millers Roadside Park in Esmerelda County. This is for coldmill, stress relief with open grade, shoulder widening, passing lanes, slope flattening, and drainage. There were three bids and the Director recommends award to Fisher Sand and Gravel Company in the amount of \$21,800,000.

The second project is a repaving and widening project located on Interstate 15 north, from Craig Road to Speedway Boulevard. There were also three bids and the Director recommends award to Las Vegas Paving Corporation in the amount of \$33,800,000.

Governor, that concludes the items under Agenda Item No. 5. Are there any questions for the Department?

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- Malfabon: Governor, I would like to make a comment to clarify stress relief. That is actually geotextile that is placed over the pavement so that the cracks don't reflect through the pavement. Different term there, stress relief.
- Sandoval: Thank you. Questions from Board Members with regard to Agenda Item No. 5? Mr. Almberg.
- Almberg: Yeah, quick question here. It tells us where this is, between what road marker and where it starts to park. What's the actual distance of that? How many miles is that? Oh, okay, I'm sorry, I didn't see it on that slide. I guess I need to just look up. And, it also talks about passing lanes. How many passing lanes is there? Is there multiple along that route, every 10 miles?
- Terry: John Terry, Assistant Director for Engineering. I believe there are multiple, but exactly the number, I'll have to get back to you.
- Almberg: Okay.
- Terry: I would like to comment, in our way of doing things, we give it the assignment of a lower route number. That is both US-6 and US-95, most people would consider that stretch of road to be US-95.
- Sandoval: Mr. Controller?
- Knecht: Thank you Governor. I just wanted to say that I am looking at Page 1 of 3, under the Line Item 1 tab here, the spreadsheet pull out. This is an improvement over what we've seen previously on this kind of presentation so that we can understand the differences. I think it satisfies all my concerns. I just wanted to say thanks to the staff for following up on that request. It's very helpful.
- Sandoval: Any other questions or comments? If there are none, the Chair will accept a motion to approve the contracts presented in Agenda Item No. 5.
- Knecht: So moved.
- Sandoval: The Controller has moved for approval, is there a second?
- Martin: Second.
- Sandoval: Second by Member Martin. Any questions or discussion? Hearing none, all in favor say aye. [ayes around] Oppose, no. That motion passes unanimously. So far so good Mr. Nellis.

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Nellis: Yeah, let's keep it rolling.

Sandoval: But as the Controller said, that's a compliment to the presentation within the packet. Very informative. Please proceed with Agenda Item No. 6.

Nellis: Thank you Governor. There's three agreements under Agenda Item No. 6 on Page 3 of 30 for the Board's consideration.

Line Item No. 1 is with CA Group in the amount of \$1,430,500. This is for design, project management, landscape and aesthetic concepts, traffic analysis, environmental studies, utility exploration, public relations and outreach services for the I-515/Charleston Boulevard interchange project.

The second item is with Diversified Consulting Services in the amount of \$1,932,409.04, for construction engineering services for augmentation of Crew 908, that would be split equally between two projects located on I-80 in Elko County.

Finally, Item No. 3 is the second amendment for the Tropicana Pedestrian Bridge Maintenance in the amount of \$500,000. This is to increase authority and extend the termination date for continued preventative maintenance, while escalators upgrades take place.

With that, are there any questions on this attachment before we move on?

Sandoval: Just a question on the third one. Will the elevators always be the State's responsibility or is that complete transfer? What's the timing on the Tropicana Pedestrian Bridges?

Terry: Again, John Terry, Assistant Director for Engineering. As we presented in other presentations to the Board, the escalator reconstruction contract is behind schedule for various reasons and this had to be extended to maintain the existing and we continue to work with in full anticipation that at the completion of the construction of the new escalators it will turn over to Clark County.

Sandoval: So that will nullify this contract, even though we're extending it to '18, the County will ultimately be responsible for that maintenance as well?

Terry: Right. This contract will go to either '18, or until the turnover to Clark County at the completion of the construction.

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Sandoval: And then, any estimate when all that will happen, that exchange?

Terry: I apologize, I don't have that right off the top. It will be before '18, but there's that complex schedule of doing one portion at a time that we presented at the last one. I can get back to you on that but I don't have that date.

Sandoval: No, I don't want to bring all that up again. I just want to kind of have an idea of where we are. I have no further questions. Board Members? All right.

Knecht: So moved.

Sandoval: All right. The Controller has moved to approve the agreements over \$300,000 as presented in Agenda Item No. 6, is there a second?

Martin: Second.

Sandoval: Second by Member Martin. Any questions or discussion? Hearing none, all in favor say aye. [ayes around] Oppose, no. That motion passes unanimously. Let's move to Agenda Item No. 7, Contracts, Agreements and Settlements. Mr. Nellis.

Nellis: Again, thank you Governor. There are three attachments under Agenda Item No. 7 for the Board's information. Beginning with awarded contracts, the first project is located on State Route 160 from Rainbow Avenue, to Calveda Boulevard in Nye County, to widen from two lanes to four lanes. There were five bids and the Director awarded the contract to Las Vegas Paving Corporation in the amount of \$3,494,000.

The second project is located at the North Fork Maintenance Yard on State Route 225 in Elko County for drainage improvements and repave the maintenance yard. There were four bids. The Director awarded the contract to Remington Construction in the amount of \$799,999.

Governor, before turning to Attachment B, does the Board have any questions on either of these two projects?

Sandoval: Mr. Savage.

Savage: Thank you Governor. Thank you Mr. Nellis. I just wanted to take this opportunity to sincerely thank all the contractors that submit bids on all the competitive projects we have here at NDOT. I realize all bids take a lot of time

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and money and these efforts do not go unnoticed. This package is full of competitive bids in different sections. It can be a very brutal industry at times, but at the same time, it's very gratifying. I want to thank the Department for their due diligence, specifically agreement services, construction and project management and also the contractors most importantly. We're here to build better roads and highways and bridges in the State of Nevada in the most cost efficient manner possible. I sincerely thank the outside contractors for all the time and efforts. Thank you Governor.

Sandoval: Thank you. Any other questions with regard to the first section? Please proceed Mr. Nellis.

Nellis: Thank you Governor. There are 52 executed agreements under Attachment B that can be found on Pages 8-14 of 24 for the Board's information. Items 1-9 on Page 8 are acquisitions and cooperative agreements. Items 10-23 are facility and interlocal agreements. Items 24 and 25 are a lease and a property sale. Lastly, Items 26-55 are right-of-way access and service provider agreements.

Governor, before turning to Attachment C, does the Board have any question on any of these 55 agreements?

Sandoval: Just on 25, where is that piece of land that is the subject of that land sale agreement?

Terry: I'd have to get back to you.

Sandoval: Is that something we approved already? I don't remember a parcel of land for \$900,000 that we talked about.

Malfabon: We'll have staff look at that Governor.

Terry: I believe this is a follow through to one of the ones where you approved us to go out and sell the land and this is where it actually happened but I'll have to verify and get back to you on that.

Sandoval: That's a good chunk of money. I was curious—

Terry: We have numerous ones like this but I'll have to get back to you.

Sandoval: Okay. Board Members, any other questions with regards to the contracts through 54? Member Savage.

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Savage: Thank you Governor. Item No. 41, on the Atkins North America. The amount of a \$50,000 increase. I know that we had an amendment to extend the termination date. This is one of my pet peeves, I always like to get, when we have an extension we like to see the dollar amount at the same time. I caught the fact that the dollar amount came afterwards. I didn't know if that was additional scope of work or what the reasoning could've been.

Kaiser: Reid Kaiser, Assistant Director for Operations. This is for the fiber project that we're going to be installing fiber across US-50. There's going to be some poles installed with that contract and we needed some soils information so the contractor could design the foundation for the poles. Since we did not have the staff to do the soil analysis, we hired Atkins to do that work for us. This is where we're paying them to do that work.

Savage: Okay, thank you Mr. Kaiser, because again, I think it's very important when we do have a time extension that the dollars are exposed at that time rather than after the fact. It sounds like it was additional scope of work, after the fact.

Kaiser: It was additional scope of work and I think we pulled this item two meetings ago because we realized there was also a dollar extension to go with the time.

Savage: Okay, very good. Thank you Mr. Kaiser. Governor, one last item, No. 44, regarding the CH2M Hill amendment. They amend the hourly rate specified in the agreement to reflect the appropriate rates for those individuals ultimately assigned to the project. So by briefly reading that, it looks like they had an opportunity to adjust the original submitted bid rates or am I misreading that?

Terry: John Terry, Assistant Director for Engineering. It was a contract in which we specified the rates. Essentially this is a clean up both for either different personnels or different rates that were accommodated when the project finally got staffed. It was kind of a wash of one went up, down, when different staff was in there. Personally, I'd rather not see agreements where the rates are specified that exactly because it leads to just this. We have to amend it every time we adjust staff.

Savage: Thank you very much Mr. Terry. Thank you Governor.

Sandoval: Board Members, any other questions on Attachment B? Mr. Nellis, please proceed with C.

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Nellis: Thank you Governor. There's two eminent domain settlements under Attachment C that can be found on Page 16 of 24 for the Board's information. The first settlement provides for \$3,000 to be paid to Don Chavez for a two year temporary easement of a 155 square foot piece of property on Snow Shoe Lane in Reno for the widening and reconstruction of the South McCarran project. The second settlement provides for \$250,000 to be paid to Las Vegas Golf and Country Club in Las Vegas for Project NEON.

With that, that concludes Agenda Item No. 7 and Mr. Gallagher is prepared to answer any questions the Board may have on these two settlements.

Sandoval: Mr. Gallagher, did the second one involve a digital billboard?

Gallagher: For the record, Dennis Gallagher. No, it didn't.

Sandoval: No? Okay. Board Members, any questions with regard to Attachment C? Mr. Nellis, does that complete your presentation?

Nellis: Yes sir, it does.

Sandoval: If there are no further questions, this is listed as an informational item so we will move on to Agenda Item No. 8, which is a briefing on the Reno Spaghetti Bowl. Thank you Mr. Nellis.

Malfabon: Governor, we are bringing to the Board information regarding the next stages in advancing the solution to address the Reno Spaghetti Bowl, to improve safety and mobility. John Terry is going to present this item to the Board and then we'll respond to any questions.

Terry: John Terry, Assistant Director for Engineering.

Gallagher: [crosstalk] – so it did involve a digital billboard. We worked with the land owner—Excuse me, I'm so shook up that I was wrong, I forgot to turn the mic on. I just wanted to correct the Las Vegas—

Sandoval: And I'm all shook up because I'm relieved, because you bailed me out.

Gallagher: It did involve a digital billboard but we worked with the property owner and modified the design so a small parcel, he would continue to own and we would relocate his digital billboard on that property so that his income from the digital billboard rental would remain intact.

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Sandoval: Thank you for the clarification Mr. Gallagher. Mr. Terry, please begin.

Terry: John Terry. This is an informational item but we'd like to discuss how we're proceeding with what we'll call here the Reno Spaghetti Bowl or the interchange of I-80/I-580/US-395 in Reno. This is really to talk about looking at the long-term solutions with beginning the NEPA process or the National Environmental Policy Act process and most likely or almost for sure resulting in the starting on an Environmental Impact Statement. Then we'll talk about phased construction that's consistent with the ultimate interchange design.

Brought up this old photo of when the Spaghetti Bowl was being constructed. The interchange was constructed in 1969-72. A little bit different era and of course it was designed for 20 year projections in 1969. It's obviously gotten beyond it's original design life. We have bridges out there that are nearing their design life, both in terms of the capacity of the structure and certainly as well as the available openings underneath those structures in order to add any capacity. We have talked about this at this Board Meeting before. We have both capacity as well as safety issues at that interchange that need to be addressed. The Spaghetti Bowl, as we'll call it, is really the limiting capacity on Interstate 80 as well as 395 and 580 and is probably the largest backup and capacity issue that we have on the freeway system in the Truckee Meadows area.

A photo of the current interchange and just talk about—hopefully not get too technical here about some of the issues we have with the current interchange. It is a 60s and 70s era interchange. It has a combination of direct ramps as well as loop ramps. For the most part, or I think in every direction is an interchange that involves a single off-ramp that then goes to the two directions on the other freeway. Multiple on ramps on to the receiving freeway, which causes some problems. Even though one of the loop ramps has been widened to two lanes, really the loop ramps are kind of a controlling factor. The other thing I will point out is, it is pretty developed around the entire interchange and we do have excess available right-of-way.

This Board and we're well underway of what we're calling the Reno-Sparks Freeway Traffic Study. While the traffic study takes place on the entire freeway system, under our control, under most of the area, there's really an emphasis on the Spaghetti Bowl. I will say that that traffic study is being done in coordination with the RTC and their modeling efforts. We take that and it will make this comply—update it to the 2040 Traffic Study. We try and go 20 years in advance

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of when the construction would start. Therefore, we're up to 2040 and these numbers are just coming in. We're updating our traffic model for that.

The traffic study result will be available in the fall or late 2016. That doesn't mean the traffic study will be done in its entirety but the numbers to use on the Spaghetti Bowl area will be available in that period in order to move forward.

There was a presentation to this Board last month about the charrette that was held April 28, 2016. We now have the draft report available from that. To discuss, the charrette really talked about near term and medium term concepts. While we want to incorporate some of those, we're talking about more bigger and long range concepts moving forward.

These are and these were talked about last month. I'm not going to spend a lot of time on them. These are the concepts that were the highest ranked ones in the charrette that was held. Temporary closure of a ramp, closure of an off-ramp, two-laning one of the ramps and partial two-laning one of the ramps as the medium term concepts. We could do the short-term concepts without doing any IS. The medium term concepts would take some level of Environmental and we're talking about incorporating them within the bigger plan.

I'd like to talk a little bit about the challenges of this reconstruction of the Reno Spaghetti Bowl. Obviously designed when population and traffic volumes are much lower than they are today. The limited right-of-way and almost for sure on any major reconstruction project would take going outside of the existing right-of-way, which brings into play a lot of tough issues, it's kind of got them all. We've got a river, the Truckee River. The Union Pacific Railroad. Two parks. Tribal coordination and then there's Tribal Lands in there and what we call the Environmental Justice when we do do right-of-way acquisitions.

This map sort of shows some of the challenges we're facing. You can see in there the Truckee River. The Union Pacific Railroad, two parks. Parks are a very sensitive area when it comes to acquisition. And, the Tribal Lands. There's a lot going on in here. The footprint that's available is almost for sure, not enough.

We don't want to get into designing the new interchange but we talk about some of the issues. A full directional interchange with high capacity is what we need, probably leading to eliminating the loop ramps because they cannot be widened enough to get the capacity needed. Almost for sure, you'd have to braid the

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ramps because we have what we call service interchanges too close to the system interchange. In other words, Wells Avenue is too close, Glendale is too close in the various directions. Any of you that have driven the freeway system in Las Vegas have seen that on US-95, we braided ramps, as you went out there. On I-15 South Design-Build, we braided ramps so that the adjacent close interchange, the ramps go over and don't cause those conflict areas.

Then we have to, if you want to improve the capacity of freeway to freeway interchange, you have to have improved downstream capacity because it's almost always the merge of the on ramp into the existing freeway. If you don't add capacity downstream, it's almost always the constraining factor and so we have to look at these.

We looked at a couple of different ones but we just took a generic interchange. This happens to be I-80 and I-15 in Utah and what I call a stack or this would be a four-level interchange and it's simply would not fit within the current confines of the interchange we've got, nor do we have adequate downstream capacity to accommodate those onramps. This interchange showed a combination of a single onramp where the two ramps combine and then come on together, versus two onramps in one direction. That will certainly have to be looked at, that you have to have the added capacity on the downstream leg in order to do that.

Our proposed approached moving ahead. We've got the traffic study. The traffic study is really critical. We think we can begin NEPA with a notice of intent hopefully by the end of 2016 to pursue an overall solution and then we can phase improvements that match up to that ultimate design. Certainly if we don't have the money or the resources or the right-of-way to do the entire interchange at one time.

To do so, we'd have to do what we call NEPA EIA Acceleration. How can we do NEPA faster? Well, one of the things is, by having the traffic study done, the traffic and the traffic numbers are absolutely critical for the design, for the air analysis and for the noise analysis which are two of the more time consuming aspects of an environmental study. We've worked with the FHWA and they've had numerous initiatives to try and expedite the NEPA process. A few years back they did a process review of our NEPA process, our EISs, how we could accelerate it. I have a longer list here but I put down a few of the ones we think will help accelerate NEPA. The FHWA's new e-NEPA review coordination tool, obviously putting things online and coordinating reviews that way, versus sending

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out thousands of pages of studies to everyone. Developing programmatic agreements with the State Historic Preservation Officer, the SHPO and others. And, concurrent agency reviews to try and make them overlap and not be in series.

I was hoping we could read this on the big screen. These are the EISs we've done in the past. The most recent ones. You can see Boulder City Bypass, five-years. Pyramid and McCarran, six years. Project NEON, seven years. The ongoing, not yet completed, US-395 Pyramid Highway Connector, eight years. The next blue graph there is kind of the standard EIS process, what we've seen over the years. We can see, we were in about that range in completing these depending upon what sort of controversies erupt. Below is our attempt to try and utilize new resources, working with the FHWA and coming up with an accelerated NEPA process that also takes advantage of the fact that the traffic study and the numbers will be available here soon.

One of the other issues is going to be funding. We don't have all the money in the fiscally constrains Statewide Transportation Improvement Plan for the types of improvements we're talking about. While most of the big construction improvements would be outside the four-year constrained plan, if we have a three-year EIS we have design. They are still within the 5-20 year long-range plan and we have to show what we're going to do.

We are proposing that we would add the preliminary engineering, the PE and the EIS funding which we would need a consultant to do and add that to our current budget as soon as possible so we could get going on that. That will be multi-millions of dollars for this kind of study. Work with the Washoe RTC on the funding in the out years. And at the completion of this EIS process, we have numerous of these major project plans and financial plans, we would need to then show the funding through the entire process. That would be both right-of-way and construction funding.

Our proposed action we're talking about here is accelerate the EIS process by linking the traffic study into NEPA. Utilize the newer tools that the FHWA and others have developed. Begin the consultant procurement process immediately. Work with the RTC and ourselves to prioritize funding for the interchange, probably assuming some sort of phased interchange construction. In other words, we know what the ultimate is and build it in phases but we'll see as the need for process advances.

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With that, I'd answer any of your questions.

Sandoval: Thank you Mr. Terry. This is exactly what I was hoping for and looking for. It really puts things in perspective from the NEPA process, the engineering process, the planning process, the fiscal process. I have a much better lay of the land now as to what we're looking at.

The one issue I think you demonstrated today is, this isn't an 'if'. At least, it was out of date in 1989, if we use those figures that it was a 20-year build out in 1969-1970. Here we are in 2016 and there is going to be a lot more growth, even on top of what we have. There's always an issue there. It's kind of like the I-15 and the 95, going from the 80 to the 395 and that merge and the accidents that happen. I'm not sure what the next step is. This really gives me, as I said, a much better understanding of the obstacles that we have in front of us.

One question I had as you were making your presentation with regard to planning, you said it's going to multi-millions, can you nail that down a little bit closer?

Terry: I'll give you the best I can. I believe this engineering and EIS is a more than \$10M consultant agreement to get us all the way through the EIS process. I don't know the exact number but I think it's more than \$10M and less than \$20M, based on what we spent on NEON and other similar projects. That's for all the documents of an EIS, all the public meetings, all the preliminary design, all the traffic modeling that's still left to do, etc., air, noise, etc. Our environmental staff is available to work with a consultant and prepare the document and get it to the FHWA. We're talking about pretty much consulting out most of the environmental document.

The interchange itself, I can't imagine we can do this for less than \$200M plus and I wouldn't be surprised if it gets to be a lot more than that. We're not here to pre-determine. We're starting the need for process. It all depends how big it gets but it's hundreds of millions of dollars.

Sandoval: That's what I was thinking. The issue here is, it's not going to get better, it's going to get worse. We have to get started. We need to know what we're looking at. I don't know where, in terms of planning, do we do the design-build? Do we model it after Project NEON? Those are some of the other questions.

Terry: I had another slide to present, prepared but I did not show it. Okay, when we get near the end of the NEPA phase, you know, now we know what we've got in

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moving forward. We have constraints. The FHWA has become more liberal and more willing to work with us on what's "final design" and what's right-of-way acquisition. We can overlap a little bit with the NEPA process in getting into final design, but still we would have to acquire the right-of-way. If we did design-build, which we did on NEON, that provides an acceleration because you can get all the way through to procurement before you have all the right-of-way acquired and before you have the record of decision which is the last step in the NEPA process.

So, we'll look at all those contracting options and the other options could be we have a plan—my view is, some of these medium term concepts we're into or anything beyond those medium term concepts that came out of the charrette, they were going to take some level of environmental work anyway, probably an environmental assessment, which is one level below the EIS. They would probably take right-of-way acquisition, etc. I think accelerating the EIS process, seeing what you've got for the overall interchange would allow us then, perhaps say the east to south movement, which we all know is a problem but involves the Truckee River, involves the Railroad, involves the parks. If we had an EIS in hand, could we accelerate that portion, knowing that that work is consistent with the bigger interchange re-do, that's very possible to get done in a shorter period of time. I don't know if I answered your question.

Sandoval: You did. Because that is the major issue there is, is that piece. The other thing I need a better sense of is moving forward, given all the money that we've dedicated to Project NEON and a lot of other projects statewide is can we afford it and what can we afford?

Terry: I'll turn it over to Robert here in a minute, but before I do that, I'd like to say, yes.

Sandoval: Let me finish, can we afford not to? I mean, that's the other thing we need to consider.

Terry: We have the NEON EIS. We also have three environmental assessments; I-15 South, I-15 North and US-95 North that were done years ago that we have done a really major phase of but we still have hundreds of millions of dollars just to finish those. Thus, our little bit of reluctance to start on a major new EIS. I think we have to. I think we've got most of those phases funded over 20 plus years but it's a matter of which ones are going to get done and in which order. This one, I think, just gets in the mix. Can we afford it? We're talking about this long-range

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element and money that's out there in that timeframe, not money—well, other than the PE money that is out in that period, there's a lot of assumptions going into what we're spending our money in out there, but I think there is money. We're going to have to be careful on what we prioritize.

Sandoval: That's the other thing. I don't want to spend a lot of money on an EIS and then have to put it on the shelf because we can't afford to build the project, or as you say, do we focus on that one piece from the I-80 East to 395 South, that solves probably most of the problem. I'm not worried at least for now, some of the other pieces of it.

Terry: Which is similar but a little bit different. In those it was more of a geographic limit on what we've done on these major projects in Southern Nevada. We did a big study that went much further. We, Phase 1, like Design-Build South or Design-Build North on I-15 in Las Vegas, we've still got work to do but we got the environmental document to cover the bigger project. We did the most critical need and then we phased the rest of it over time. Not a single interchange, but yes, I think that's very possible.

Malfabon: Governor, if I may add, I know that you put it well, we cannot afford not to do this project. We know that it is outdated as an interchange. We have to do this project. Working with Federal Highway Administration, we can look at our available financing options for the project. I directed Robert Nellis to get with our bonding consultant to look at what additional bonding capacity the State has to at least present that to the Board eventually on whatever our options for funding the big fix to this interchange.

Also, one of the federal requirements is that we will have a very comprehensive financial plan for the project. Whether we look and see what's available in the mid-term and then what has to be deferred to the long-term, we can at least phase the project as Mr. Terry had indicated to get the most critical elements of the project delivered sooner rather than later.

Robert, I don't know if you want to add anything on the analysis. Maybe a future presentation on that.

Nellis: Sure. Governor, for the record, Robert Nellis. Like John said, you know, a little bit in the dark, right now, not knowing what the final solution is. I am confident, if this is a priority moving forward, once we get past our bond sales for Project

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NEON, we're looking at the analysis there of what can we afford for bond for after that. Looking at the likely environmental process, if we're looking at three years out, that would be timed well for a new bond sale, after we get past Project NEON to where this could be, I think financeable. Not quoting exact numbers but we're looking at that. I think when John is talking in the \$200M range, I believe that will be feasible.

Sandoval: I'll go to the Controller next, thank you. I want to thank you. Now we can have this substantive discussion. I know a lot of time and effort went into this, but this is really productive. We can get the answers to the financing piece, the engineering piece, the environmental piece. I think now that we understand what we have, we can work toward that. Again, I really appreciate learning all this today. Mr. Controller.

Knecht: Thank you Governor. I agree. This is a very helpful presentation. I thank you. I just want to follow-up with one aspect of what the Governor asked about which is, on the engineering and EIS piece, what would be the source of funding for that? Is there federal money available? Does that come out of State General Fund? That low eight figure amount. We hope to keep it very low, but where does that come from?

Terry: Oh yes, we have to go through the process of getting it shown in the fiscally constrained STIP but these are two intersecting, interstate routes and preliminary engineering work is absolutely eligible for federal funding. While we may not only use federal funding, it would be eligible for 95/5 federal funding on something like this because these are—and of our major categories of federal funding, yes.

Knecht: Then when we get to the nine figure level of actually doing it, phased or whatever, what would the bonding be for that but what would the ultimate funding be?

Terry: Again, that has to be worked out but most major projects like this would have a heavy dose if not mostly reimbursing of bonds with federal funding.

Knecht: Thank you. Thank you Governor.

Sandoval: Member Savage.

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Savage: Thank you Governor. With our New Nevada, the groundbreaking tomorrow on the USA Parkway, Project NEON under construction, I-11, the Department has a lot on their plate. I thank you Mr. Terry for your very thorough presentation, Mr. Director. I know we can do this. We're all involved. All the stakeholders that you mentioned, the Truckee River, Union Pacific Railroad, the parks, the tribal, environmental justice; it's going to take everybody's sacrifices. It's going to take everybody's involvement to make this happen. With this Board being very diligent, we know what we can afford and what we can't afford. With the federal highway's support, it's instrumental that we all work together. With the RTCs of the world. I thank the Department. I thank the Governor. This has to happen. We know it's a high priority. It's a sense of urgency to make it better now, sooner rather than later. I thank you Governor.

Sandoval: Further questions or comments? I hope we keep this sense of urgency and momentum so Mr. Director, I want to thank you for making this a priority. I think Mr. Savage said it well, I know it's one more thing. It is a lot for this Department, but it's also a product of things—our State is growing. We are one of the top five fastest growing states in the country. Companies are moving here, people are moving here and we have to do the best that we can to keep up. Know that you'll have my full support and back you up. If it takes conversations with the Federal Department of Transportation, with the Union Pacific, or whoever these stakeholders are, I want to be helpful and I know every Member of this Board wants to be helpful in any way.

What I don't want to happen is, fortunately we've got NEON now but it took a while to get to that. In the meantime, that project, we probably could've built that 10-15 years ago. If we can try to get in front of this as much as we can, we have an opportunity to do that. Mr. Terry, again, I can just tell—and all of you that were involved in this presentation, that there was a lot of effort put into this. It shows. I feel good about moving forward. I guess, going back to another part of this meeting, that I can and we all can make informed decisions because we have all of this. I appreciate that.

Any other questions or comments from Board Members? Mr. Terry, is there anything else you wish to present?

Terry: No sir.

Skanche: Governor?

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Sandoval: Yes, Mr. Skancke.

Skancke: If I could just offer a suggestion. It might be worth our while to take a look at if the State could handle doing this project without federal funding. I am not as optimistic on the federal government as most people are coming through with any type of funding after the next three to five years. When we did the widening of I-15 South, from about Blue Diamond Road to Stateline, we did those lanes with state funds and no federal funds so we could get around the NEPA process and we could get around a lot of obstacles because we weren't using federal dollars.

I'm not certain the State account could handle that without federal money, but I think we should take a look at two routes. One with federal money and one without and figure out which one of those roads is less traveled, so to speak, and how we can save the taxpayers' dollars and how we can expedite this project and get it down and get it done sooner rather than later. Often times, using federal dollars will extend the time of the project and the cost. If we can get the project done in today's dollars and not 2025 or 2030 dollars, we're actually saving the taxpayers' money. I think we should pursue two different strategies if we could. Thank you.

Sandoval: Thank you Mr. Skancke. Rudy, I don't know if you have any response.

Malfabon: The first step would be, we're going to identify where the approximately \$10M of funding is going to come for our Environmental Impact Statement Consultant. As we develop the plan, we'll definitely look at what's available as far as state funded versus federal funds. We are not going to separate ourselves from some of these issues, the river, the railroad, the parks. We'll definitely look at the funding options that are available so that by the time the Board receives the STIP document this fall to approve for next year, you will see the funding for the environmental study. Then in the years to come, as we developed a construction project, you'll see where that money is going to come from. We have to do a lot of work to study where it's going to come from.

Skancke: Can I just—I have one—

Sandoval: Yes, please.

Skancke: Thank you. I apologize for interrupting. I just want to send a message to the engineering community. Just because we're throwing around \$10M to \$20M does not mean that is what your bid should be. I certainly would hate to hope that

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we look at the cost of that and not just throw around round numbers of \$10M or \$20M. That seems to be the magic number these days. I think things can be done a lot better or a lot cheaper and more effective and more efficient. Let's not get people's hopes up by throwing around those big numbers because they're all salivating. Thank you.

Sandoval: Well said Tom. One final question I meant to ask earlier was, the RTC, any anticipation on what its contribution would be to this project?

Terry: I believe in the long range they do have some money in there. Obviously they have the Fuel Index Revenue money in Southern Nevada. I don't think anybody is ready to just throw around numbers, but I believe they will be a willing participant and I believe we need some of their money in order to really reconstruct this interchange.

Sandoval: But that just harkens back to Mr. Savage's comment that this is going to take contributions from many different groups and help. I know the RTC participated in the charrette and have been very supportive of this project. I think part of that includes a financial commitment as well.

All right, no further questions or comments on Agenda Item No. 8. Let's move to No. 9, the Design-Build Procurement for I-15 North at US-93.

Malfabon: Thanks Governor. This will be presented by our Project Manager, Dwayne, are you all set?

Wilkinson: I'm all set, a little slow getting up here, I'm sorry. Good morning everyone. My name is Dwayne Wilkinson, Senior Project Manager, based down in Las Vegas. I'm here today to give you a briefing on the Garnet Interchange, US-93 Widening, specifically to ask the Board to make a decision so we can proceed forward with design-build solicitation.

This project is located about 25 miles from what you see on that slide right there. If we could go to the next slide, I'll give you some particulars on the project. What we're looking at doing is reconstructing the existing interchange at 93 and I-15, as well as widening 93.

Why are we doing this? Well, there's some well anticipated development coming along, as we're all aware of. That's the primary reason we're moving forward on this. Based on our preliminary schedule, it looks like we may be able to begin

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construction as early as June of 2017. Our preliminary estimates look at a cost of somewhere around \$60M.

In order to meet the legal requirements, we have to bring this to a public meeting for the Board to consider. According to NRS 408.388 this is possible for projects that are over \$10M. It's also possible when the cost and design in construction can be a significantly lower by using this method. Also, if we can come up with a faster way of doing the project. Also, if there's some innovation or there's some unique way of doing the project. Are the basic reasons we would consider using design-build. We do already have someone on board getting some of the documents going. We had an early action item where we got a WPS Parsons Brinkerhoff working on at least the environmental work and completing the survey. We are moving forward on the project. To move forward with making the design-build documents, we need your approval today. Part of the reason our schedule can be reduced is that we are working concurrently on documents, pursuing the environmental documents as well as putting together design-build documents at the same time.

I apologize, this is rather difficult for me to read but the major purpose of this slide is to just show you where we're at in our process today. We're at the phase, the identification phase, the end of it where we're asking for the Board to make a determination. If the Board determines that we can move forward with design-build, we would of course move on to the next phase is, that being solicitation, evaluation and award, which would help us lead on to the design-builder moving forward with design and eventual construction of the project.

We are going to recommend that the Board does proceed with endorsing the design-build process for this project. The primary reasons for that are the design-build process allows us to really condense our schedule on this. I think, most of you saw that number with our projection as when we think we can start construction and understand that's preliminary and it may change. We can definitely save a lot of time by doing this concurrently and by doing the design-build. We won't be doing the design in extreme detail. We'll be able to get the contractor and also the design team on board to finish the design for us. They'll be able to work together to come up with a final design, to help mitigate any construction issues. Those are some of the primary reasons design-build works well for us on this project.

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At this time, like I said, we just recently got started. We would like to come back to the Board in July with a stipend amount when we have a better estimate as to how much we think the project is actually going to cost. The \$60M was based on some internal estimates and that's how we programmed the project initially.

I guess that's it, so if there's any questions, I'd be glad to try to answer them.

Sandoval: Questions from Board Members? We're now fortunately familiar with this process, which is a good thing. Then, obviously this is associated with Apex and the development that is going on around there.

Wilkinson: Correct.

Sandoval: This is another one of those projects that's very important to infrastructure and anticipating the use and demand that's going to happen out there at that Apex Park. Full of accolades today, but really appreciate you getting in front of this and finding a way to expedite the consideration of the project. Did I see Mr.—let me go with Mr. Martin and then Mr. Savage.

Martin: Thank you. Very comprehensive and thank you very much. I'm from that part of the country, so we're looking forward to this, just like the USA Parkway was expedited in the same manner, to help the economic situation. I only had one question, how did you pick the Milepost 57 as the end point of the widening of the 93?

Wilkinson: It's supposed to be where Apex Power Parkway comes in, that's an approximate mile post. It may not be exactly right on the head, but approximately Milepost 57.

Martin: Okay, because I didn't see that on this map that we had on our packet. I was wondering what the determining factor was.

Wilkinson: That's basically—I know the—I guess you'd say the farthest northern road on the Apex that we're going to tie into with this project.

Martin: All right, thank you.

Savage: Thank you Governor. Mr. Wilkinson, thank you for the presentation, very thorough. I do realize time is of the essence on this project, so I do appreciate your expediting everything you can. The question I had, I was not clear, has the engineering already been let?

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Wilkinson: Yes, we do have a WPS Parsons Brinkerhoff onboard. They're presently doing some of the environmental work and also some conceptual design. That's what they're working on now so we can move on. They also have the capability to provide the design-build documents, but we of course need the determination made before we can do that.

Savage: And I think that's where I'm going here is the check and balances. It's always nice to have everyone's effort and the momentum moving towards the winning goal. At the same time, we have to assure ourselves that the checks and balances are in place on the design-build process. I'm a proponent of the design-build process because of what it does. At the same time, is due diligence from our engineering people through our contractors, we have to be reassured that there are those checks and balances. That's all I ask. It's just a reassurance of diligence to make the end project what we want in the end. That's all I have Governor.

Terry: John Terry, Assistant Director for Engineering. We do have an internal process where we evaluate projects and make a recommendation to go design-build. If that's what you're getting at as a checks and balances, we do have an internal process as well as a committee that evaluates a project that design-build makes sense for this job before we bring it to the Board. If that's what you're getting at on a checks and balances, we have done that.

Savage: Yes, that's exactly right Mr. Terry. Thank you very much.

Wilkinson: Okay. Not to belabor that point any but like John said, we did go for the project delivery method recommendation process. This one did come out on top. Basically we compare it design-build, design-bid-build and CMAR. This one had the highest rating out of all of them. Second was conventional. Because of schedule concerns and the possibility for innovation, I think it's clear to understand why design-build came out on top on this one.

Sandoval: Mr. Almborg and then the Controller.

Almborg: Thank you Governor. I'm going to back Member Martin's comment here that he said about Milepost 57, I'm just going to add one more thing. I wish it went farther than 57.

Terry: If I could, Member Almborg, John Terry, Assistant Director for Engineering, we have a project that is our 3R and Safety Project on US-93, I'll call it north of here that is going to tie into this. We are working to tie in a climbing lane/drop lane

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into that project that will extend it that far. That is being coordinated. This project will essentially get four lane sectioned to the end of what we believe to be the development. Then a transition down to a two-lane section that continues up north on US-93.

Almberg: That's very good news for me. One of the things that I have been tried to be vocal about or discussing is, we also have a freight plan that's out there being worked on. I've been fortunate to sit in to some meetings with Sondra and Bill Thompson and discuss some of the more details of that. The reason I'm trying to sit in on those meetings is because I am at the northern end of 93 or quite a bit further up north. We've had lots of projects come through here that we've discussed; I-11, USA Parkway, Project NEON.

There's lots of stuff being spent in the south on the west side of the state. I'm a proponent of the east side of the state. Along with that freight plan, I asked a question earlier in this meeting that was kind of a loaded question, with that being, how many miles was that and how many passing lanes were there? As a part of the freight plan and part of the improvements, I would like to see along 93, to increase our truck traffic between Las Vegas and Twin Falls is additional passing lanes. I just wanted to kind of find out some information, as what are those actually are costing us. It's very important for me to promote our side of the state. Obviously, there's potential for some big development down here, right where we're doing this project. I would anticipate any development like that would also increase the traffic that's coming up and down the east side of the state. I just want us to make sure that we're aware of and we look out for what improvements we could do—and I believe a lot of these improvements are basically minor in nature compared to some of the major ones we're looking at in here. Where we can make some slight minor improvements, but actually get a big increase in the number of truck traffic that are coming down the eastern side of the state. I just wanted to express that.

One other comment I want to have. When it comes down to the design-build, I think it was under USA Parkway and we were dealing with USA Parkway and the award of that design-build. We actually got in a situation on USA Parkway that the most qualified did not end up being the one that was awarded, based just on our point system, the way it was set up. I just expressed in there that, and I'm certainly not here to tell you how to scale that judgment or how to give that point system, but I do want you to put some thought and some effort into that point

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system and realize what we ran into in the past where at the end, our most qualified wasn't the one that was selected. I believe on project NEON, it worked out where the most qualified was also the lowest bidder or the lowest amount. That's just something to consider as you guys are putting this thing together because looking on that flowchart, that's the next thing in line to come in here, if you get the go-ahead today that you go in and you sit down and you're going to look at and create that criteria. I just wanted to express that. Thank you Governor.

Sandoval: Thank you. Mr. Controller.

Knecht: Thank you Governor. Real simple question, \$60M, what are the expected, proposed, contingent ultimate funding sources for this one?

Malfabon: I can respond to that. This is anticipated to be advance construct against federal funds. We'll use the state funds then be reimbursed in the years to come out of the federal funds that Nevada receives.

Knecht: For the entirety of the project?

Malfabon: Yes.

Knecht: Thank you.

Sandoval: Any other questions from Board Members on this Agenda Item? If there are none, the Chair will accept a motion for approval for the Department to begin the solicitation of a design-build project for I-15 North at US-93, Garnet Interchange and US-93 from the junction of I-15 at the Garnet Interchange to five miles north on US-93 in Clark County.

Martin: So moved Governor.

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

Savage: Second.

Sandoval: Second by Member Savage. Any questions or discussion on the motion? Hearing none all in favor say aye. [ayes around] Oppose, no. That motion passes unanimously, good luck. Thank you. Let's move to Agenda Item No. 10, Old Business.

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Malfabon: Thank you Governor and Board Members. We have old business, the report of outside counsel cost on open matters and the monthly litigation report. Our Chief Deputy Attorney General, Dennis Gallagher is able to answer any questions on that. I also have a quick update on the Watts Parcel, with USA Parkway. We're getting very close. Likely we'll make a final offer for an administrative settlement with the Watts. We're about—it depends on the number, but we're about 40-70—I had a range for what they requested, \$420-450,000. We're about \$385,000. We're getting closer. I think that within a month we'll make an administrative settlement with the Watts and we'll avoid condemnation.

Sandoval: Appreciate the update on that. Board Members, any questions with regard to Agenda Item No. 10? Member Martin.

Martin: It's gratifying not to see any red print here for new cases.

Sandoval: All right.

Gallagher: For the record, Dennis Gallagher, wait until next month.

Martin: Oh good!

Malfabon: The last report is the Fatality Report, we had received a recent report from the Office of Traffic Safety on the Fatal Analysis Reporting System, FARS. We do have good information as date of the June 2<sup>nd</sup>, it's not in your packet, but we are five fatalities lower than we were at this time last year, as of June 1<sup>st</sup> was the date they ran the report. A good trend there. Hopefully we can keep that up. With all the efforts, as I mentioned at the Traffic Safety Summit and our partners in the Engineering Enforcement, Education, and emergency responders for medical treatment, we're all working together to drive down these numbers and just wanted to make a point that we did receive some additional information, subsequent to the packet being put together.

Sandoval: Any other questions or comments with regards to Agenda Item No. 10? We'll move to Agenda Item No. 11, 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 who would like to make public comment?

Skanche: No one here Governor.

Sandoval: Thank you. Is there a motion to adjourn?

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Knecht: So moved.

Sandoval: The Controller has moved.

Martin: Second.

Sandoval: Second by Member Martin, all in favor say aye. [ayes around] Motion passes unanimously, this meeting is adjourned, thank you very much.



Secretary to Board



Preparer of Minutes