

Nevada Department of Transportation
Board of Directors Meeting
August 8, 2016

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

Sandoval: Good morning ladies and gentlemen, I will call the Department of Transportation, Board of Directors Meeting to order. Before we commence with the Director's Report, I know that we have a significant group of people that are here today for Agenda Item No. 3. I just wanted to make sure that you all knew and you're more than welcome to still provide public comment, but it's my intent to ask the Board to continue this for another month. Based on my review and understanding of the circumstances, I think that it may be beneficial to everyone involved to have the parties to sit down and discuss issues some more.

Mr. Director, it's my understanding that we've had the opportunity to meet with one side but not the other. I know staff has, but I don't know if you personally have.

Malfabon: No.

Sandoval: Yeah, so I would – I think it may be helpful for you to sit down with the Scenic Nevada folks. Before I – I guess I can wait until we get to Agenda Item No. 3, but I want to make sure that we didn't have any objections from any of the Board members. Again, I want to be respectful of everybody's time that's here on this agenda item, but I just don't think that we've exhausted every opportunity for the parties to discuss. And make no mistake, there is going to be a decision made here and probably someone is not going to be happy, but I think it's important that if you can resolve things on your own without having to leave them to us, again, it would be helpful.

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Are there any objections from Board Members with regard to that approach? Yes, there's an objection or no, there's not? For the record, there was a nod so I used to say when I was a Judge the court reporter cannot pick up a nod so we had to answer verbally, but are there any objections from any of the members from Northern Nevada or Southern Nevada? Mr. Controller.

Knecht: Thank you Governor. I have no objection. I just want to reiterate my belief that, certainly I could proceed today. I've had the benefit of good briefings by the staff and I've given this thing thorough consideration and done my homework on it. But in the spirit of collegiality, I'll register no objection.

Sandoval: Thank you Mr. Controller. And, my asking to do this doesn't suggest that any Member of this Board isn't prepared to reach a decision today and hear this matter. But as I said, at least in my humble experience, it is always beneficial to have the parties sit and talk and negotiate and discuss this matter to exhaustion and to leave it to the Board after that. Any comments from Southern Nevada?

Hutchison: No objection here Governor. We agree with the way you want to proceed.

Sandoval: All right. Thank you. So, let's move back to the Director's Report, then Public Comment.

Malfabon: Thank you Governor. Just wanted to start out with welcoming you back from your trip to Australia. This slide kind of shows you what the Governor's Office of Economic Development Director Steve Hill and members from Australia. You had an opportunity there to talk about the New Nevada and the things that you're doing here to diversify Nevada's economy. Some of the emerging issues with technology and some of the traditional issues with gaming, mining, education were brought up and we're excited about some of the ideas you're going to bring back and the partnerships that you built by going over there.

I know that autonomous systems was one of the topics and that's one that we're involved in along with GOED. I wanted to mention that our Assistant Director of Planning, Sondra Rosenberg is going to be attending the ITS World Congress in October, funded by the Cooperative Highway Research Program, funding for her travel. She's going to chair an Autonomous Vehicle Task Force. She currently chairs on the planning side of AASHTO. She's going to talk about technical issues, policy issues, some of the implementation challenges that the states are facing with autonomous vehicles.

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Sandoval: Thank you, Director. I do look forward to having an opportunity to share. I mean I obviously paid attention to their transportation systems and I guess it depends on who you talk to with regard to who is on the right side of the road because they... I was very intimidated about ever getting in a vehicle and the driver's side is on the other side and like I said, it depends on where you are, who is on the right side of the road. They had some amazing transportation systems and it was really fun to see what they've done and the amount of investment they're making in their infrastructure. It's very inspiring for me, as a Member of this Board to see how they're looking ahead.

In terms of some of the discussions with the autonomous vehicles and smart systems with regard to transportation, we had some very fruitful discussions. Not only – that's at the University of Sydney, but with some of their ministers there who are the equivalent of our cabinet members, as well as their premiers. So, it really was interesting and what they're trying to do is similar to what we're trying to do.

They – at least one of the premiers called it Advanced Queensland, which was the version of our New Nevada. She was trying to really get ahead of things with regard to what they're doing there. I guess, I don't want to bore everybody with it, but there is some opportunity for some discussion and congratulations Sondra for your leadership position. The best part is it was 17 hours ahead. So, I always got to be in the future when it comes to Nevada. Even better, my birthday was while I was over there and I got to celebrate it twice.

So, it was pretty good. But in any event, thank you for bringing that up. That is at the University of Sydney where we were able to discuss a lot of what's going on in Nevada. The great—one of the great outcomes was a lot of them there didn't know what was going on here in terms of our diversifying our economy and what's happening. It was really exciting for them to see that other part of the state.

One of the focuses at the University of Sydney was, we entered into a memorandum of understanding between the Gaming Institute at the University of Nevada Las Vegas and the University of Sydney to study gaming. That's an exciting opportunity for them there. I don't look like I'm really – I am listening to this gentleman and taking in everything that he has to say but as I said, it was a real privilege and honor to represent the State. Thank you, Rudy.

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Malfabon: And coincidentally, the US Department of Transportation Secretary, Anthony Foxx was visiting Australia. I think he was probably running right behind you. If you ran into him, you could have thanked him for this. RTC of Southern Nevada, congratulations on the TIGER Grant that you're receiving, Tina Quigley. Unfortunately, the other entities in Nevada didn't receive grant awards, including the Governor's Office of Energy. We partnered with them on the US-93 Electric Highway, but there were 585 applications for this \$500M grant program.

It is an annual grant program so we'll try again next year. Congrats to RTC of Southern Nevada for their bus replacement project, \$13.3M grant on a \$20.4M program, which will improve air quality in Southern Nevada. There were 40 recipients. Five of those were State DOTs. So you can see, most of them are local, some federal recipients for the TIGER Grant program.

I wanted to give the Board an update on the US-95 Electric Highway. For the Hawthorne site the equipment has been received and we signed an agreement with NV Energy to get the power drop designed. NDOT will hire a contractor to install the line extension from the power pole to the charging station. We'll have that up and running by early fall.

In Tonopah, it's a little bit more work to be done. We have identified a site. It's right across the street from the casino, the Tonopah Station Casino. We're working with NV Energy to design that connection to the power lines. We're ordering the equipment. Six months is probably going to be aggressive for that one but we're going to do our best to try to meet that schedule to get Tonopah up and running, get the US-95 Electric Highway completed between Las Vegas and I-80.

An update on US-93. As I mentioned, we had a grant request with the Governor's Office of Energy. It wasn't successful for TIGER but we're plugging along with different divisions at NDOT. Districts are involved because they have a lot of good information on sighting of the locations, planning, environmental, right-of-way. Maintenance and Asset Management have been involved. Hats off to Anita Bush in Maintenance and Asset Management for leading the way on the program and coordinating with the Office of Energy.

Obviously we have a lot of coordination to do with State Parks and State Public Works for any that are not on NDOT highways. We see the tie to tourism as a natural tie for these charging stations. People will have some places to go and

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sites to see through rural Nevada. We'll keep the Transportation Board informed of progress as we develop that.

Governor, you had identified completing an Electric Highway System, serving the entire state and your strategic planning framework with a goal by 2020. The USDOT Secretary through the FHWA has requested a call for nominations for alternative fuel corridors. He has the same timeline for short term by 2020 and then by 2040 for long term. The FAST Act requires him to designate these corridors. It's not just electric vehicles, it's hydrogen fuel cells, propane, compressed natural gas such as the buses that RTC of Southern Nevada is replacing diesel buses with CNG.

Those types of fueling corridors are to be established by the USDOT. Responses are due very quickly, relatively speaking, August 22nd. We had about a month to develop this. We're working with the Governor's Office of Energy and our neighboring state DOTs to make sure we're having connectivity. We don't want corridors dead-ending at a Nevada border with another state so we're coordinating with them.

Tentatively, these corridors have to be on the national highway system so we're limited on what we can propose. There is a tentative list that we're vetting with the Governor's Office of Energy, I-80, I-15, US-95, US-93, 395 and a portion of US-50 from California to the Electric Highway and the station there in Fallon. There's a lot of information that they're requesting and we're trying our best to be responsive to all of that information. That is tentatively what we're considering proposing.

August 19th is the groundbreaking for our State Route 28 Shared Use Path. You'll have that approval of the guaranteed maximum price. First of those guaranteed maximum price under Item 5. It's a great project, well supported and just everybody is excited about this project. We do request that if you're going to attend the groundbreaking that you RSVP; space is limited. It's at 11:30 a.m. at the Sand Harbor Boat Launch area. I wanted to mention, there's free express bus available from Old Incline Elementary School to that event.

Fourteen agencies are being highlighted as being partner agencies in that. Several of those, obviously the Federal Highway Administration, Central Federal Lands brought a lot of the money to the table through TTD, through a Federal Lands Access Program. We had other grant programs that provided some funding.

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Washoe County, Incline Village, a general improvement district is relocating their sewer from alongside the highway. That's going to be beneficial as well. The Tahoe Fund had over 400 donors and raised over \$1M, so a lot of support for this project amongst several entities in the public.

I'll give an update on the Welcome to Nevada signs. The slide says over 7,000 entries when we get to it. Sean Sever, our Director of Communications just told me that it's over 8,000 now. It will close before Nevada Day, but we're going to have thousands of people interested in winning these signs. One winner will be selected from each of the four regions. It will be announced shortly before Nevada Day. We're working with the Department of Tourism on the final sign designs and the Welcome to Nevada and Thank You signs, both, so that we can get those installed through a contractor. We're really pleased with the amount of interest from the public on winning those—the raffle of the obsolete signs.

I wanted to highlight something that the Federal Highway Administration provided funding for. It's a Summer Transportation Institute, which I call the Transportation Camp. It was to get high school students interested in STEM Education and college and careers in Engineering. This was a very collaborative effort. We had help from RTC of Southern Nevada. They showcased the Traffic Management Center, the FAST Center there in Las Vegas.

The Bureau of Reclamation hosted a tour of Hoover Dam. We had presentations from the ROTC of the Air Force and Army, and the US Navy also presented to the students. Las Vegas Metro talked about emergency response and clearing the highways. They also had an opportunity to do some work on a project on Boulder Highway. We're looking at Boulder Highway with the RTC of Southern Nevada and transforming that route into more of a complete street.

There's a lot less traffic since the freeway has been completed years ago to Henderson. This Boulder Highway has some opportunity here to transform it into a complete street, a lot safer corridor in Southern Nevada. The students had to do a presentation on some of the things they learned and what they would recommend. It's a pretty neat project for them and exposed them to real world engineering solutions. I wanted to thank UNLV for helping us. We worked with the UNLV Multicultural Program for STEM and Health Services.

We have reached a tentative agreement for Mr. Passalapi, the owner that addressed the Board last month about USA Parkway. Tomorrow we have, at the

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Board of Examiners, we have the settlement with K&L Dirt, which was a large acquisition for I-11, Boulder City Bypass in Southern Nevada. The Walker Furniture group did sign a term sheet, so those terms will be written into a legal document for an official settlement which will eventually go to the Board of Examiners for approval.

We're pleased that we're plugging along on these types of settlements and avoiding going to court. I wanted to also close with mentioning, there is a USA Parkway public meeting, I didn't have a slide for it, this Thursday at the high school in Silver Springs, we're going to have a public meeting to give the public an update on USA Parkway which has started construction. It will allow our staff assigned to that project to answer specific questions from the public and any of those interested in the project.

I wanted to kind of keep it short and sweet considering the amount of the items on the agenda. I will meet with the Scenic Nevada group and bring that back to you next month, Governor and Board Members.

Sandoval: Thank you Director Malfabon. Any questions or comments from Board Members with regard to the Director's Report? Hearing none, we'll move to Agenda Item No. 2, Public Comment. Is there anybody here in Carson City that would like to provide public comment to the Board? All right, hearing none. Is there any public comment from Southern Nevada?

Hutchison: None here Governor.

Sandoval: Thank you, Mr. Lieutenant Governor. And then again, we're back to Agenda Item No. 3. Any other questions with regard to my intent to seek a motion to continue this matter until our next regularly scheduled meeting?

Skanche: Do you want a motion?

Sandoval: Yes, please.

Skanche: I'll move that we hold Agenda Item No. 3.

Sandoval: Member Skanche has moved to continue the consideration of Agenda Item No. 3 to the next regularly scheduled Board of Transportation Meeting. Is there a second?

Knecht: Second.

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Sandoval: Second by the Controller. Any questions or discussion on the motion? Hearing none, all those in favor, please say aye. [ayes around] Oppose, no. That motion passes unanimously. Again, I know there were several people here that are attending with regard to this agenda item and I just would ask that everyone again, do your best in terms of sitting together and trying to reach at least some accommodation and consideration of the positions on each side. I will say, we're going to hear this and we're going to decide it at the next meeting. So, thank you very much.

Let's move to Agenda Item No. 4 which is the consideration of the meeting minutes for the July 11, 2016. Had the Members have an opportunity to review the minutes and are there any changes? [pause] I only have one [pause] actually, I don't. I don't have any changes. So, is there a motion for approval?

Knecht: I'll move for approval, Governor.

Sandoval: Controller has moved for approval of the July 11, 2016 minutes, 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.

Skanche: Governor?

Sandoval: Yes.

Skanche: Can I let the record reflect that I will abstain on that vote since I was absent from that meeting?

Sandoval: The record will reflect that Member Skanche has abstained from the vote. Let's move to Agenda Item No. 5 which is the Approval of the Construction Contract with Granite Construction Company for the Incline Village to Sand Harbor Shared Use Path, Water Quality Improvements and Roadway Safety Improvements Along State Route 28 – Utilizing the CMAR delivery process.

Malfabon: Thank you Governor. Nick Johnson, our Senior Project Manager will present this to the Board.

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Johnson: Good morning Governor, Board Members. I'm here to present to you the State Route 28 Shared Use Path, Water Quality and Safety Improvement Project and seek approval of the first GMP of multiple GMPs for this project. Before we get started and Director Malfabon had briefly mentioned, this is a multi-agency effort and partnership. All the agencies and entities you see up here on the board, we've been working very closely with to move this project along as quick as we can and we'll continue to work with them and partner with them until the project is completed.

Before we get into the details of the GMP, I wanted to go over the project, where it's located and what it includes. The project is located on the east shores of Tahoe. The project limits go from South Incline, down to the junction of US-50. If you recall from the May Board Meeting, that includes three major elements of work.

The first and most notable is the shared use path, three miles from the southern end of Incline down to the Sand Harbor State Park. We're also including numerous water quality improvement work within three miles, just south of Sand Harbor; from Sand Harbor down to the Washoe/Carson Countyline. As well as multiple safety improvements that span the corridor of State Route 28.

Why is this project needed? What are the benefits of this project? I think the pictures here on the left speak to some of the challenges we currently face on State Route 28, particularly within that three-mile stretch. The Tahoe Basin receives just over 2.5 million vehicles per year. In this section, with all the recreation that takes place, we get vehicles parking on the roadway, pedestrians walking along the shoulder, even particularly in the bottom right corner, you can see a car parking and encroaching into the travel lane.

Creating this shared-use path and additional parking spaces will allow us to have these motorists park in designated areas, off of the shoulder and having the shared use path in place will allow the pedestrians not to walk along the highway, but on the path itself and still be able to access the places they want to go and really improve the safety and the mobility for the motorists, pedestrians, the users, through this corridor.

So, just to highlight the shared use path and some of the elements of it. As I mentioned, it's three miles from the south end of Incline to Sand Harbor. Some of the key features include an undercrossing at Tunnel Creek, which is right next

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to Hidden Beach, as well as multiple bridges and retaining walls, just due to the challenging terrain and the steepness of the slopes out there. Here are some pictures from the environmental documents, some renderings of what it potentially could look like, just to highlight some of the things on this path. On the top right, there will be pull out areas or as we refer to them, vista points, where if you're using it, you can pull off to either rest or just enjoy the scenery of the lake.

These two pictures show the alignment of the trail. On the top, on the far left is Sand Harbor. The trail will continue north about two miles between the Lake and the highway, all the way to the Hidden Beach area, where it will cross underneath the roadway and start to head up on the hillside. The bottom picture shows the hillside alignment, it will move up and then drop back down adjacent to 28, in the area of Lake Shore Boulevard and continue to the newly constructed parking areas there adjacent to Ponderosa Ranch and the Tunnel Creek Café.

For the water quality improvements, the majority of them will be in that three-mile stretch just south of Sand Harbor, but I also wanted to point out, that little bubble there in the parking area is because we're going to do some similar work that we've done in our maintenance yard in the parking.

The two pictures here, I guess on the bottom right are out back, the maintenance yard. This is the work that we did to meet the APA requirements and help with that water quality. We're going to install these same systems in the parking area to help capture the oil and salts from the roadway and then eventually drain into, across the roadway which you see in the big picture, is the infiltration basin, to again help with that water quality and reduce the particulates in the sediment, in the water before it reaches the lake.

In the top right picture, this is the majority of the work that you'll see within that three-mile stretch. Of course, we have some of the steep slopes, we'll put boulders and rocks out there to help capture some of the sediment from the runoff as well as the outlets for the drainage areas.

Then for the safety improvements—the majority of the safety improvements are going to fall within that first three miles. One of the biggest safety improvements there is, once this path is built and we have the parking lots built, that will become a no parking zone. We want to move to eliminate parking within that three miles.

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Really some of the keys of the safety is moving the parking on the shoulders into the parking areas. Then also creating that no parking zone. Then to go along with that, we also need to create some pullout areas for emergencies and maintenance vehicles. So, in the instance that you do have a breakdown or an emergency vehicle needs to get in there, we'll have those. That's what is depicted in the highlighted areas of the roadway down there. We'll be creating a number of those so that it's a safe road to travel.

Then, we also will be putting in centerline rumble strips through that whole stretch. That's what we see going all the way down to US-50, a mitigation strategy to help from vehicles crossing over.

With some of the progress that we've made since I last presented in May. We're going to take a phased construction approach to this. As I mentioned, multiple GMPs or multiple phases of construction. This first phase, which we're seeking approval for here today, will begin this year and end this year within the working season. A very short duration but we're going to get a lot of work accomplished. Then next year, come back to the Board, early spring and start work for all remaining work for this project, the path, the safety, all the water quality improvements.

As I mentioned, since May, since we approved Granite Construction's pre-construction services for CMAR, we've been able to finalize the environmental document for the path itself and fast track the design for this year's work. At that time, we had minimal design and just in a few months have been able to take that to 100% so we can take advantage of the working days of this year. Working with all of the agencies to get the permitting and agreements done that we needed to do this work this year, and while all that was going on, concurrently working on the design, the major elements of the project and we'll continue to do that through the end of the year and come back to the Board early 2017.

For this first GMP, the approximate cost, \$4.3M. The activities, construction activities include most notably, building the undercrossing and in that same location, we have two sewer lines that need to be relocated down, so that we can get the crossing in. We're also going to begin the construction of the parking in the northern area of the project. Assuming that we seek approval today, we'll start next week and continue until mid to late October to complete the work.

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Here's just a picture showing where the construction activities are going to be taking place. On the right side of the screen, the parking area and those water quality improvements that we talked about. Then on the left side of the screen, a majority of the work, moving the sewer out of place and then getting the tunnel crossing in.

We recommend approval of GMP #1 or Contract #3649 with Granite Construction. Before I open it up for questions, here's to give the Board a sense of the timeline for this project. Currently we're right here. We've completed the environmental work. We're continuing the design through the end of the year. We'll complete this phase one this year, with the goal of starting construction for the remainder of the project next Spring. Our goal is to end and have it completed by the end of 2018. Questions?

Sandoval: Thank you. I looked forward to this day. I think it's an incredibly important project. Question regarding parking. So you didn't—I recall vaguely from our last meeting when we talked about this, we're only creating 98 or so new parking spots?

Johnson: 90, yes.

Sandoval: 90. And so, there will be no parking, as you said along there. Can you estimate how many parked cars typically park along that highway stretch?

Johnson: Yeah, in the environmental document, we went out there and did a survey of it. I think during the peak time of the year, during the middle of the week, there was about, roughly 60. On a Saturday, I think there was 100-110. It's a little bit shy of what the parking that we're constructing. I don't think that took into account, that was just counting cars. I don't think that took into account the number of areas where they could safely pull off the side of the road. There's probably plenty of those vehicles, as we saw in the picture that were encroaching into the lane line.

Sandoval: So your count on, it was only, but a little over 100 cars along that corridor there, between—well, actually it goes above Sand Harbor where I've seen people park, all the way to Incline Village.

Johnson: That's correct.

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Sandoval: So that's pretty close. I guess it's going to become very competitive to get those parking spaces at Tunnel Creek.

Johnson: I would imagine it would be similar to the Sand Harbor park as well.

Sandoval: And, so there won't be any parking next summer, is that right, along the 28?

Johnson: We're not going to take that officially away until the project is completed. Two things with that. One, the parking areas that we're going to be building now, we need to hold on to those through the duration of construction because the access is so limited out there. Granite Construction will need to use those areas for staging, storing equipment, employee parking, job trailers, things and such. Before we take it away, we need to give them a way to get to where they want to go. We need to have that path in place. Those will still be out there, available until the day that we've completed the project, opened up the path and the parking for everybody to use.

Sandoval: You've gotten to where my question was going to be because what I don't want to happen, at least in that interim is for people to park there at Tunnel Creek and then have no way to get to the beaches along the highway there. It's not just parking, they've got coolers and chairs and towels and kids and moving. I don't want to make a difficult situation worse. That's important to know, although as you say, they'll be staging for that next phase of the construction project as well. Is there any way to increase the spaces? Have we talked to the property owner to see if he would be willing to lease any more property for parking?

Johnson: We had reached out, or Grant had reached out to see if we can even access the area for staging and it was off limits for now. I'm not sure if that would be available when they're done with the construction or not. We were looking specifically now for the project too and it's going to be unavailable for a considerable amount of time. We're looking at other areas along the corridor as well.

Sandoval: My last question with regard to the 90 spaces, will that be fee parking or free parking?

Johnson: It will be fee. The plan is Washoe County will maintain that parking area and at that time, when it's open they will look to put in some sort of paid system to park there. The funds generate for that will help for the maintenance of the path long-term.

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Sandoval: Questions from other Board Members? Mr. Controller.

Knecht: Thank you Governor. Nick, I appreciate the thorough detailed briefing I got last week on this. I just wanted to highlight a few points that we talked about. One is that instead of just having larger buses and shuttles, I understand you're looking at, investigating having a full range of generally smaller and more frequent shuttles and buses, which will probably serve the public better, I think, than waiting for an hour.

The other half of that point was, when you get down to Sand Harbor, right now the way that is structured, it's essentially a one type of use, namely large family destination, all day use going down to the beach and setting up. One of the things I think is needed there is use for people who are there in and out, sort of and especially some better accommodation of people with limited mobility. As I said, we discussed that and I understand you're pursuing all those initiatives.

Johnson: That's correct. And, I guess one to the transit, we are creating two pullouts there at Tunnel Creek for future transit by the TTD, so that it's just another way to access the facility or the path without parking. That will be available as well as the parking areas, the Transit Stop can stop there as well. If that's an option, we can certainly use that. As we discussed, we can certainly talk with State Parks about other accommodations.

Knecht: Two other points that we covered that I want to note. One is that the current fee-based accommodations at Sand Harbor for parking are frustrating and annoying and again, they don't promote the in and out type use that should be a complement to the full day, full family destination on the beach. I hope when we set up the parking with Washoe County that indeed you'll make provisions for that better than what we've got at Sand Harbor and try to keep those parking fees low.

It's a bit frustrating and even one of the problems is, from the user point of view, it's not even so much the dollar fee that's too high, but it's trying to find a way to find the exact dollars you need, put them in the envelope, etc. If you don't have that change or you want to use a card or something, it's not very user friendly. I hope we'll do better with this parking.

The other thing was, on the safety end in Phase 2, to the extent we can find one foot on each side of the road and better barriers, it gets awfully narrow and has a

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lot of exposure up there on the south end of that. I know we can't find quite enough room for rumble strips on the side, but anything we can do to make that road wider on the south end, the uphill portion will be a good thing.

Thank you and thank you Governor.

Sandoval: Other questions or comments? Member Savage.

Savage: Thank you Governor and thank you Nick, and thank you to the Department of Transportation. Very nice presentation. I thank you as well, for stopping by last week and briefing me, you and Mr. Hoffman. Most importantly, I want to compliment the Department. This project is fast and furious. We stepped up as a Department to take this over not too long ago. There's well over 16-20 different stakeholders and financing is tight. The CMAR delivery process is critical on something like this or else it wouldn't be done. I hope a lot of the stakeholders realize that. I know I appreciate their understanding and their willingness to try to get this moving forward.

It's complicated. It's not the fix all of fix alls. There are still going to be issues, we understand that. But with the contractor Granite, with the Department of Transportation, our engineers, CH, as well as the ICE, the numbers came in very, very close. I know the budget is very, very tight for the overall project and we have to keep that in mind. I don't foresee any change orders because of the CMAR delivery. I think it's very important. I want to thank Rudy and yourself, Nick and Mr. Hoffman and the entire department because there's a lot of pressure on this project. It's a high profile project and we took it on and we're doing the best we can and I'm all for it Governor. I appreciate the time. Thank you.

Sandoval: Any other questions or comments? The Controller prompted a couple of thoughts from me. With regard to the parking, we should take advantage of technology. I know I've been in some of the larger cities and you can get an app and it will tell you how many spaces are available before you get there. You can pay on the app, you can pay from the beach, and if your parking is about to terminate and continue that – so I see you nodding, but I hope that we're going to take advantage of the best available technology with regard to that parking because make no mistake, it will be in demand during the summer.

Knecht: Yeah, and that's the intent, Governor, and I know the Tahoe Transportation District is evaluating that right now as to what some of those technologies are and

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how we can use them in this area, and it could even be a test for future areas along the corridor in the future too, so that is the goal and the intent is to look at that type of technology.

Sandoval: And with regard to the transportation, will there be pullout opportunities? There are folks that like to go to Hidden Beach and Chimney Beach and other [inaudible] opportunities down there, so will – when you get on that bus is it – will there be pullouts where people can get on and off at those specific locations or more popular locations?

Johnson: Yeah, and two things with that. The answer, yes. There's a greater master plan, you know, to connect this trail from state line to state line, as part of that to connect this trail from the piece that we're building now all the way down to US-50 with additional parking areas through there, and as part of that to identify other locations where there would be transit stops similar to what we're putting in here for some of those prime locations or wherever the parking may be so that they could exit and then have a path to the path itself to access some of that.

Sandoval: All right, that's all I have. Member Skancke.

Skancke: Thank you, Governor. Very thorough presentation and my only comment is – it's two things. One, this is a project that should have been done 30 years ago when I was still at the university so I'm glad we're getting to it. The second thing is as a reminder of what the Governor just said, this is the New Nevada, not the old Nevada, so the more technology that we can implement, and if it's cost prohibitive I would suggest you bring it back to the board for consideration. Don't just assume that something cannot be afforded.

I think we should have some input as to what we can and can't afford. So I hope that we would consider that. Don't leave anything off the table as it relates to electric charging stations, parking apps as the Governor suggested, and anything else that we can to make this more 21st Century as we go and continue to build a New Nevada. So those are my only two comments, Governor. Thank you.

Sandoval: Thank you, Tom. And if it becomes too complicated or burdensome we could privatize the parking piece. I'm sure there would be a lot of opportunities or interested parties that would be more than interested to do that, but that may be a conversation for another day. But appreciate the comments. Any other questions, Mr. AlMBERG.

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Almberg: Thank you, Governor. Quick question. This is a GMP project, very tight window. What happens is Mother Nature comes before the end of October?

Johnson: We've planned in some – and I guess like any project in the Tahoe Basin, one and two, some of our risk reserve we planned in time that we can adjust if we need additional time to get it done. We're also working with the TRPA pretty closely. So one of the goals is for that October 15 deadline is really ground disturbance type activity. If we can have those buttoned up, if those things are doing on the surface we should be able to work through those in partnership with them.

We've been coordinating some of that with them already, having those discussions as to let's get the major work done as soon as we can so we can have that buttoned up and ready to go. And then with the remainder, you know, we can continue to work past October 15 deadline on some of the non-ground disturbance on a case-by-case basis.

Almberg: All right, thank you. One other question I have and it isn't really relevant to just this project, but I had mentioned this the other day when we were – when you guys had called and updated us, is the center rumble strips. I have some concerns with them, just the fact that I drive the highways so frequently, and I see this as being a maintenance issue for us. You know, there's constantly a crack running down parallel down the centerline. Is this an ongoing maintenance issue for us?

The other issue that I have is I understand from a safety standpoint to keep the drivers aware of where they are at if they are inattentive, but I also from my experience I find those things are extremely deep and they actually disrupt my car as I cross over them. And so, you know, I'm obviously for them, I understand them, but is there some other way that we can accomplish the same thing in a less intrusive manner and it doesn't cause us maintenance issues and the other issue that I discussed?

Malfabon: And I can respond to that. What we've been doing is we consult with the district engineer and their maintenance forces when there is concerns about some of those – what you see is a lot of the rural roads in Nevada maybe we'll core in advance to make sure that we see the pavement condition below the surface or for cutting the rumble strips into it, milling it into the roadway. We make sure that we don't have those concerns about what you observed with raveling.

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So when we first started the program that's kind of a lesson learned is that listen to the district engineers when they have concerns about the quality of the pavement and not cutting in too deeply. We've modified the design in some cases to be a little bit shallower so we still get the safety benefits but not as deep of a cut into the pavement. It exposes it to the weather and you see the raveling that you've observed.

Almberg: Well I mean just my travels here yesterday, coming over here yesterday to this meeting, just west of Austin and New Pass area, there quite a section there. I couldn't really see it great because the sun was just in my eyes as I'm headed to the west here coming in last night, but there was quite a few miles on there. It looked like we were in a sense filling them in, and I don't know what exactly we were doing but, you know, this isn't something I just found on this highway but on the rural highways. And so it's just an ongoing concern that to just make sure that we are looking to be doing the right thing for our highways. That's it, Governor. Thank you.

Sandoval: Other questions or comments? Question from you, Mr. Gallagher. This contract's actually in Agenda Item 7 and so do we approve it twice? Do I approve it here? Do I approve it just in 7 and use this as an informational item?

Gallagher: Governor, for the record, Dennis Gallagher, Counsel for the Board. I believe it was the Department's intent to get the Board's approval here for purposes of proceeding with the CMAR process and then approving the contract with the subsequent agenda item.

Sandoval: All right. Thank you. So then before I take that motion because we've kind of blurred the two, Granite's ready, willing and able to go?

Johnson: Yes, sir.

Sandoval: All right. I want that on the record. All right then. If there are no further questions or comments the Chair will accept a motion to approve the CMAR process as described in Agenda Item No. 5 with Granite Construction Company.

Almberg: So moved.

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

Savage: Second.

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- 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. Congratulations.
- Johnson: Thank you.
- Sandoval: Let's move to Agenda Item No. 6. Well let's do this. My understanding is Member Martin has to leave early and so what I would prefer to do is take these action items so that Member Martin would have an opportunity to participate in the discussion and vote on those, and then we can go back to the information items. Is that okay with you, Frank?
- Martin: Thank you very much for the accommodation, Governor.
- Sandoval: All right. So let's then skip over Agenda Item No. 6 and move on to Agenda Item No. 7.
- Malfabon: John Terry will present this. What we have here is the – I'm sorry, Robert Nellis will present this. Take it away, Robert.
- Nellis: Thank you, sir. Governor, members of the Board, for the record, Robert Nellis, Assistant Director for Administration. There's one contract under Agenda Item No. 7, Attachment A, for the Board's consideration. This is related to the item you just heard. The project is located on State Route 28 from the Junction of US-50 to Country Club Drive in Washoe County to construct a shared use path, water quality improvements and parking areas. Director recommends award to Granite Construction in the amount of \$4,331,331. And with that that concludes Agenda Item No. 7. Does the Board have any questions on this item?
- Sandoval: Obviously we just heard this item. Questions, Mr. Controller?
- Knecht: Thank you, Governor. I have only one. On page 10 of 13 in Agenda Item 7 we show that Stanley Consultants bid basically \$100,000 less than Granite and I was looking through the presentation trying to find a justification for going with Granite. Now I know Stanley is listed as an estimate or something. But I just wasn't clear why you chose Granite instead of Stanley.
- Malfabon: I can respond to that, Mr. Controller. That is an independent cost estimate so Stanley does a hard bid similar to a contractor but they're not going to build it if they're lower. It's actually just a double check of the contractor's price.

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Knecht: And the engineer's estimate?

Speaker: The engineer's estimate is done a different way looking at historic values of items of work. What Stanley is doing is actually if they had to build it how would they bid it, so it's a different method of estimation that's a lot closer to what a contractor does when he's bidding a project.

Knecht: Thank you. That's helpful.

Sandoval: Other questions or comments? If there are none – actually it's quite a compliment that all three of those are so close between our engineers estimate, Stanley and Granite. That means everybody was right on. So that's a good sign. So let's – chair will accept a motion to approve Contract 3649 READV as described in Agenda Item No. 7.

Martin: So moved, sir.

Hutchison: Second.

Sandoval: Member Martin has moved for approval. The Lieutenant Governor has seconded the motion. Any questions or discussion on the motion? Hearing none, all in favor please say aye. [ayes around] Those oppose say no. That motion passes unanimously. We'll move – yeah, we'll be looking out for those trucks tomorrow. We'll move to Agenda Item No. 8.

Nellis: Thank you, Governor. There are five agreements under Agenda Item No. 8. That can be found on page 3 of 53 for the Board's consideration. Item No. 1 is the first amendment for civil engineering expert witness services to increase authority by 200,000 and an extension of the termination date. The next three items, 2, 3, and 4 with Atkins, CA Group and Kimley-Horn, these are all related items that each have a maximum amount of \$2M. And this is to complete the design of statewide projects, programs and network analyses scheduled for construction in fiscal years '17 and '18.

And finally, Item No. 5 is with HDR Engineering in the amount of \$5,307,000 to conduct a traffic study to complete a system-wide evaluation with a focus on existing and potential future congestion and other operational efficiencies. And with that, Governor, that concludes Agenda Item No. 8. We'd be happy to take any questions the Board may have on these items.

Sandoval: Questions from Board members. Member Savage.

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Hutchison: Governor.

Sandoval: Yes, Mr. Lieutenant Governor.

Hutchison: Thank you very much. Just a quick question probably for Mr. Gallagher on No. 1. These are sources for an expert witness. Is it a mixture of a consulting expert and a testifying expert or is this primarily just consulting expert services when we are acquiring properties?

Gallagher: For the record, Dennis Gallagher, Counsel for the Board. Mr. Lieutenant Governor, these services are primarily consulting. We have not used this firm yet for their testimony. They've been providing supplemental engineering services to the department in regards to certain properties and Project NEON.

Hutchison: Thank you, Mr. Gallagher. I assume that if we needed their services then this would roll over to a testifying expert so that we would have continuity of expertise.

Gallagher: For the record, Dennis Gallagher, yes, sir, that is correct.

Hutchison: Great. Thank you, Mr. Gallagher. Thank you, Governor.

Sandoval: Member Martin, did you have a question?

Martin: Yes, sir. On Item No. 5 HDR, the southern Nevada traffic study, Mr. Terry came in and gave me a de-briefing but it's kind of escaped my mind on who the sub-consultants are to HDR and what percentage they're expected to perform.

Terry: John Terry, Assistant Director for Engineering. The Southern Nevada Traffic Study consultants are led by HDR since they're the lead they have to perform 51 percent of the work as a minimum. Their major sub-consultants are I believe Jacobs, I'm going to say in the range of 30 percent of the contract, CA Group at about 10 to 11 percent and a DBE sub which I don't have off the top of my head.

Martin: Yes, sir. Thank you, John. The one I couldn't remember was Jacobs. Thank you.

Sandoval: Member Savage.

Savage: Thank you, Governor, and regarding Agenda Items 2, 3 and 4, I'd like to compliment Reid Kaiser and Denise Inda. I like the format where you went in and you had separate RFP's. It's different than what we've done in the past, but you'll go out to each consultant, and again get a review of the scope of work and

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then submit proposals on the value. So I really want to compliment for being a little bit innovative and creative on obtaining those different [inaudible]. I appreciate that. And then regarding No. 5 on the HDR Southern Nevada Traffic Study, I got to ask the question, does RTC contribute to sharing any of this cost?

Terry: Again John Terry, Assistant Director for Engineering. No, we are intending to fund this project completely with state and Federal dollars.

Savage: And secondly, Mr. Terry, have there been any recent studies done by the RTC that might be helpful to us on this study?

Terry: Again John Terry, Assistant Director. Yes, there's all kinds of information that we utilize from the RTC. They are the holders and creators of the main regional transportation demand model and they would also use that model on any projects they would do as well as cooperating with say the county or others that did projects on the freeway system. So yes, there's lots of involvement by the RTC, the Southern Nevada, because they are the main holders of the regional transportation demand model which we access, work with as well as share our results with. I don't know if I answered your question, but yes, there's a lot of coordination with them in the use of this model.

Savage: That does. It's collaborative.

Terry: Yes.

Savage: Moving forward. So that's all I have. Thank you, Mr. Terry. Thank you, Governor.

Sandoval: Member Skancke.

Skancke: Thank you, Governor. I too had a briefing on Item No. 5 with John. It was very thorough and I appreciate your time going through that with me. My concern was we historically have not had an engineering contract of this size that I recall in the almost three years that I've been on the board, and he walked through all of those points of why this is and why the cost is higher than what we are accustomed to paying to engineering firms to study. So I'm very comfortable with that.

One question that I have and this is across the board – let me back up. I also think that the way you handle the selection process and the team that has been put together for that particular contract will serve the department well, so I wanted to let you know publicly that was a good process. One of the concerns that I bring

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up at almost every meeting is just looking at these companies and looking at project managers, and my concern is obviously always capacity.

When I look at teams and I look at these contracts it's often times the same project manager or the same person that's in charge of that. I want to make sure that when we award these projects that while it might be the same person, particularly with No. 5 as an example, a lot of that work may have to go out of state just because of modeling, et cetera, et cetera, which I'm okay with that. But as we look at the limited amount of resources and the limited number of companies that we have to deal with, and this is across the board, across the country, that it's not the same program manager that we always have. That person's tapped out.

So as I look at some of these and I've gone back after the last 4 to 6 months, it's kind of the same person at the top. I want to make sure the same person at the top is not the same person at the top for 20 other projects so that we're getting their full-time and attention on that project. That's not a complaint. I just want to make sure that we're doing that. You probably are. But there is such a limited number of companies that we get to work with that capacity is an issue for delivery in my opinion, and so you wouldn't be bringing these companies forward if you weren't comfortable with the process.

But I want to continue to put on the record that delivery is of concern to me, that the same people at the top of the org chart are the same people almost every time, and if those people can't handle all the work that we're putting out, which is a lot, there needs to be some balance. So it's more of a comment than a question. And I'm just going to keep driving that home, Governor, almost at every meeting, but it's an issue because we have a limited amount of resources so you answered my questions on Item No. 5, and again I appreciate your time. Thank you, Governor.

Sandoval: Other questions from Board members. Member Almberg.

Almberg: Thank you, Governor, as it pertains to Items 2, 3 and 4, they're all the same scope of work and my question is they each have a different overhead, and so one's 106 percent, one's 152 and one's 192. So does that mean that the one that's 192 we're going to actually get less work out of them?

Malfabon: I can respond to that. When we hire engineering services through, even though we're using state funds we use the Federal procurement rules which require that we pay whatever is allowed under – eligible under the overhead rate. So it's not a

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hard bid like a contractor has to low bid. It's qualifications based selection and we're bound by using our Federal regulations for overhead rates. And we do audit those rates to make sure that everything that was included was eligible. So I think in response if it's we're paying more for overhead we don't exceed the contract value but we're bound by that limited contract value so we don't exceed that 2 million. It's usually cost plus fixed fee with the overhead rates applied.

Almberg: I mean since all of these applied for the same RFQ and they all were qualified shouldn't we come back in and we agree to pay them across the board the same overhead rate?

Malfabon: We can't because in effect you're limiting them from what's eligible under Federal regulations, what's eligible under the overhead rate. Sometimes we wish we could but we cannot with a qualification-based selection of engineering services.

Almberg: I mean I understand qualification based selection and a part of that selection is the fact that now you come and negotiate this price, and so when you come to negotiate this you do not come to a negotiated agreement, then you move on to No. 2 qualifications.

Malfabon: Yes.

Almberg: And so I would look at this and say hey, this is what we are willing to pay. You guys are all on the same scope of work. This is what it is and those who agree are eligible to work for us and those who don't we move on to the next one.

Malfabon: Hey Member Almberg, we have in fact just recently I've seen a couple of occasions where we've done that. Could not agree. We had a certain budget for what we wanted to achieve and if we couldn't come to an agreement on the final price for the scope of work that we desired we've gone on to the No. 2.

Almberg: All right, thank you.

Sandoval: Mr. Controller.

Knecht: Just a follow-up on Mr. Almberg's, Member Almberg's question of Mr. Malfabon, is it the case that the internal accounting and cost accounting and attribution policies of the contractors is part of what leads them to get different overhead rates approved?

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- Malfabon: Whatever is eligible by Federal regulations is included in that overhead rate. Certainly there's some things that are not eligible that we find out during audits of their overhead rates. We have a provisional rate. We verified at the conclusion of the project for the term that they provided services to us but typically because of the audited nature of the overhead rates they are what they are and if it's eligible then we are willing to pay for that overhead rate.
- Knecht: I'll live with that, but I'm left with the apparent uncertainty or lack of complete satisfaction of some of my fellow board members. Thank you.
- Sandoval: Member Savage.
- Savage: Thank you, Governor and to member Almborg's concern, we approached this at the construction working group a few months back, actually it might have been two or three meetings ago, in depth because I know as contractors we'll either get a single digit or the low double digits as far as overhead. So I would like to get you some of that information where the department came back regarding the FHWA's review and concerns and ties and verbiage that they have regarding the overhead because it is, it's very difficult to comprehend and understand, but it was a well thought out presentation a few back, so I'll make sure that Deputy Director...
- Hoffman: Yeah, for the record, Bill Hoffman, Deputy Director. I can give Member Almborg that same presentation or any of the other board members. I'd be happy to visit with them one-on-one and provide that information.
- Savage: It was very helpful. It's something that we may not agree with, but it was very helpful to understand the Federal commitment. Thank you. Thank you, Governor.
- Sandoval: I have one follow-up with regard to the traffic study. When it's ongoing and when it's completed how will it inform Project NEON, Boulder City Bypass, I-11, Cheyenne? I mean that's probably \$2B worth of projects right there and I mean what I don't want to happen is this to make a finding that we should have considered while we were building these other projects. Mr. Terry.
- Terry: Again, John Terry, Assistant Director. At the discretion of the board, I mean I did have a presentation prepared to kind of go over some of this stuff, and I believe that presentation would have answered it. I still believe it has value even if this contract is awarded because the presentation goes beyond just the consultant. But

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to answer your question, no, we didn't redo studies. They're current. We coordinated with those studies and incorporated those within the overall study, so in the case of NEON which is already updated to the more current year traffic projections, we simply coordinated with and wouldn't override those.

But in the case of some of the older studies where we did them years ago, like I-15 South and I-15 North and just did a phase of them, those we are going to update. So I guess to answer your question, no, we're not going to change what was done in NEON. That's pretty current. It's more tying in the rest of the valley and the holes in the valley that we have of our traffic study to get them up to that same level and beyond.

Sandoval: And this wasn't a gotcha question. It was to make a record on that because I think someone who isn't informed might say well didn't you conduct a traffic study before you approved this project, and these massive projects, and the response I just got, of course we did. And these – the traffic studies that will be conducted on this contract will be looking at other areas. And you're nodding. If you would just say yes just so we have it for the record. Okay. All right. Member Skancke.

Skancke: Thank you, Governor. I apologize. I just thought of one other comment here for Item No. 5. And John, you and I talked about this in our briefing and I just want to put it on the record. The traffic study, does it take into consideration any new projects? So for example, if there is a new 3,000, 4,000, 5,000 room hotel on Las Vegas Boulevard or by chance a stadium site is approved somewhere near the I-15 corridor or somewhere downtown, does this study take into consideration any of those traffic impacts?

The reason why I ask it is because about 10 years ago Susan Martinovich made a presentation that said any time a 5,000-room hotel is announced on Las Vegas Boulevard, NDOT is five to 10 years behind schedule in funding, environmental process and design. So as we take a look at a traffic study, does this report, does this study scope, take into consideration any future development, and if it doesn't, can we, and if it does that's actually a good thing.

Terry: Okay, again John Terry, Assistant Director. It could in the future. We could look at those things, but the base model that we will create as a part of this study is based on the approved regional model, regional land use, regional growth model that's developed by the RTC of Southern Nevada and many others, and we'll use that. If a special event or a special stadium or something comes in the first task

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would be to look if that stadium was compliant with what that regional model is, and if it's so out of line with it then to consider adding that is as a supplement.

But we need to get our modeling up to date with what the regional model is that's created by the RTC and at least set that as the base model for a variety of reasons, maybe the biggest one of which is that model is used for the regional air quality conformity model which is done by the RTC. So I guess to answer your question we could do that but our first effort is to get our stuff completely up-to-date to what the approved regional land use model is.

Skanche: So Governor, if I could have a follow-up I think you just introduced a new point that I'm not certain you said earlier which is we're required to do this primarily because nothing, for no other reason, air quality issues. We don't want to get ourselves into an issue with the EPA on air quality that we've gotten ourselves into other issues with. So technically we've got to have a study like this in order for us to get in compliance if you will or stay in compliance with the EPA so that they're not coming after us on something else, pardon the vernacular, down the road. Is that correct?

Terry: Yes. Air quality, there's two major elements. There's the regional air quality which really the RTC develops that and we're in compliance with it, and when we go outside of compliance with it then we would have to update. And then there's what we call mobile source air toxins which was part of the lawsuit from the Sierra Club on the US-95 project which we have to run for every individual project which is more air quality impacts that are more localized due to the major freeway elements. And yes, for us to run that analysis on any project moving forward we would have to have that updated traffic model.

Skanche: And if I recall in '95 during that lawsuit process there was a substantial amount of closure and re-startup dollars because of the lawsuit, so this actually may help us in the future to identify those types of problems and hopefully eliminate those types of actions. Would that be correct?

Terry: Yes, that's correct, and in fact that suit and the settlement and the requirement to study mobile source air toxins sort of set a precedent not just for us but for many other or most states of having to run that analysis. And yes, it did delay us on that project and that's why we now run it on every project and we need the traffic modeling to do so to avoid that kind of thing. Yes, sir.

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Sandoval: Thank you, Member Skancke and I apologize because you said something has prompted a question from me. So this proposed stadium, within the next month or so there is going to be a final decision with regard to a proposed location or at least a recommendation with regard to a location. That will obviously have a major impact somewhere along the I-15 corridor. Do we have the internal capacity to determine what that impact will be on the 15 and whether it will require improvements to exits and intersections and the by-way there and then a cost estimate to do those?

Terry: Again John Terry, Assistant Director. This would help us to get that answer. Do we have the internal ability? Obviously they would have to run a traffic study as a part of any stadium and we would take those numbers and again apply them against the regional model and attempt to address the impacts to our system and some of that may be yes, it impacts our system but we don't necessarily always design freeways and freeway interchanges for that type of special events and understand there's going to be some congestion.

We typically design freeways for 20 years out in the future and for the average sort of a.m. and p.m. peak hour congestion, but certainly you should run those models and know what to expect from a major event, but I'm not saying you would necessarily always address it.

Sandoval: Well just – and again I don't know, but I will be getting a recommendation in the very near future and they're talking about a proposed location by Bali Hai and I don't know if there is the sufficient infrastructure there. They're talking about a site that is on Tropicana and we've already got an arena on one side. I think those are the two that I hear most often, but there are others.

You know, the one over at Cashman and, you know, I don't know if that's near the Spaghetti Bowl and what we're doing over there, but I know I'm going to ask the question once it's recommended what impact that will have on the 15 and ingress and egress and as you said how many, you know, they're talking about I think an estimate of 70 or 80 events a year. So I guess do we, being the Nevada Department of Transportation, have the ability to on a pretty short-term notice provide at least somewhat of an impact study on what that would be at that particular location?

Terry: I guess yes, but we would have to heavily rely on our partners like the RTC Southern Nevada, Clark County, City of Las Vegas, et cetera. I think especially

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with this study in place we would have better ability to analyze the freeway system but there would certainly need to be a lot of help from the local entities to address kind of the arterial system such as Tropicana and some of the other streets that would be affected by the individual.

And so I guess to answer your question we own, we maintain the freeway system, we with assistance of our consultants could analyze the impacts of our freeway system once we got the traffic studies from the various stadium proponents. But I think it would be a collaborative effort with others to analyze the rest of the system.

Sandoval: Trop is ours.

Terry: Trop is ours.

Sandoval: Yeah, so it's not just...

Terry: Yeah, yeah. But there's lots of other streets and arterials that would be impacted. So it would have to be a collaborative effort, but yes, we could analyze ours.

Sandoval: And Ms. Quigley is here and I'm not going to ask her to come up now but...

Quigley: I will.

Sandoval: But I, you know, this is serious and I'm going to need information within a matter of – in a very short time period to see what type of – what needs to be considered if indeed a stadium site is recommended. So Ms. Quigley.

Quigley: I can share with you – so I've sat in on most of the meetings of the Southern Nevada Tourism Infrastructure Committee and at every single one of the meetings the transit and transportation conversation comes up as it relates to the site, and I think that collectively it's important to decide on the site so that then we can focus our energies as the transportation collective and collaborative on how it would be addressed.

And certainly NDOT, the city, the county will be and having that collaborative conversation because as Mr. Terry mentioned it's not just about that site and the boundaries of that site, but there is a domino effect onto not only the NDOT arterials but then also some of the other infrastructure roads. So yeah, there will be an intense conversation about that.

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And what's neat is that it's going to be more than just an engineering study. Engineering studies are one thing, but I think it's going to be a community conversation for exactly how do we want to address each one of those infrastructure needs. So a lot of attention and so kudos to you and the state as well for creating this conversation with this committee 'cause it's forced a conversation amongst public sector, private sector, like I've never seen before.

Sandoval: And I appreciate that, Ms. Quigley. So will you be able to get some at least boundaries, information in terms of what would be necessary once that site is recommended?

Quigley: We will. Because each one of the sites that's being considered was included in that transportation investment business plan that we came up with that we worked collaboratively with NDOT and the community on, we've got a lot of engineering data and traffic analysis data for each one of those sites. We'll be able to pull that together along with our RTC modeling information and then also the traffic engineering work that NDOT's got.

Inevitably there's going to be huge peak hour impacts no matter which site it is that's completed, and like Mr. Terry said, we don't always design for peak hour, but there's going to be a lot of peak hours associated with this so we'll have to be prepared for it.

Sandoval: Now I just, as I said I, there are a lot of things to consider, but you know, I don't want to suddenly have an item on our agenda that says we need to make a \$150M improvement to an intersection.

Quigley: Well we can't – until we know what those sites are we're not going to be able to have that specific conversation. But inevitably there are going to be infrastructure investments that will be required as part of the site selection.

Sandoval: But that number that you're talking about is not included in the stadium costs.

Quigley: No, I do not believe so. I know they've been asked specifically by Chairman Hill and Commissioner Sisolak whether or not the infrastructure was included in their cost estimates of the stadium. They are as they relate to the immediate property boundaries I believe. I do not believe that it extends too far beyond just the – 'cause that would be very difficult to do without having a site-specific location.

Sandoval: All right. Thank you. Mr. Skancke.

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Skanske: Governor, you bring up a really good point, and it's part of this item but probably not part of this item, but I think it's important for our department to take a look at all of those sites while all of those sites are being considered and probably look at a number of what that improvement is going to be. So for example, at Tropicana, how much was the feasibility study, the preliminary study, to even get us to start to have a NEPA conversation? What did we pay the engineering firm for that, \$2M, \$1.5M?

So now we get to the next level, you're looking at, you know, Tropicana interchange has to be completely redone so it's probably just right of way costs are probably around \$100M, and then when you put all of that capacity whether it's on the Strip or at Sahara, we've got a \$1.6B project under construction called Project NEON. Then there's the Gap. And I think it's important for the Governor and for that committee to have an understanding of what the costs, the preliminary costs, is going to be in timing, because the private sector can build a stadium or a 5,000-room hotel in 18 months to two years and it takes us 15 years to get through NEPA.

So I think it's important for us to have an idea. If the site is selected and NDOT doesn't have the money and NDOT is the one required to make that improvement, we need to know in order to make those adjustments. I think you bring up a good point, Governor, too for us to take a look at that as a board and also as an organization, but if they pick a site and we don't have the money how's that going to be paid for? One.

Two, there may be more sites that are probably more beneficial to the State Department of Transportation but don't work from a stadium perspective. So if you look at the Riviera site you have to do Sahara, Spring Mountain and Flamingo, right? And anything south you have to do two or three interchanges there and anything north you have to take a look at the impact of Project NEON and change orders.

So I think you bring up a good point based upon, you know, this all came out of Item No. 5 as looking at a traffic study for Southern Nevada and we've got – we're going to spend 5.3 million dollars on a traffic study. We could potentially or not potentially take all of these things into consideration plus future development that's planned on the Strip. So I think it's a really good point to bring up.

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Sandoval: All right. I appreciate it, Mr. Skancke, just to make sure we're within the Open Meeting Law here, my question was with regard to the stadium to ask whether it is included within that contract for Agenda Item No. 5. Mr. Terry, you're saying no.

Terry: No, it could be added but it is not – to address a stadium is not part of the scope of work.

Sandoval: Okay. Will we have the ability to amend that in the near future? I would suspect that I'm going to be getting a recommendation from this infrastructure committee on a site and I have got to know what the traffic impacts are going to be.

Terry: I believe absolutely we could modify the agreement to add this consultant to help us with traffic impacts, but the caveat I have to that is that sounds like it's going to happen very soon, and the results from this analysis and the detailed traffic analysis of this study. While the duration of the agreement is 18 months, we don't expect real good results of the modeling of our freeway system to be in place for like 12 months. So I'm not sure how much this study is going to help that decision if it's going to happen so quickly.

Sandoval: Okay. Mr. Controller.

Knecht: Thank you. Thank you, Governor, and I just want to follow up for counsel on this. Would it be appropriate in your understanding of this matter for us to use the Item 5 contract and amend that for the study of the stadium?

Gallagher: For the record, Dennis Gallagher. The Board is certainly empowered to direct staff to prepare an amendment for future consideration, but I believe that the engineering study as presented is for today's consideration.

Knecht: Thank you.

Sandoval: Any other questions or comments with regard to Agenda Item No. 8. If there are none the Chair will accept a motion to approve the agreements as presented in Agenda Item No. 8, 1 through 5.

Savage: Move to approve.

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

Skancke: Second.

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Sandoval: Second by Member Skancke. Any questions or discussion on the motion? Hearing none, all those in favor please say aye. [ayes around] Oppose no. That motion passes unanimously. Let's – because – Frank, I guess I'll give you your preference. Number 9 is informational, but I know you typically have a lot of questions on that agenda item. But we also have some action items that come after that.

Martin: Let's go to the action items if you don't mind, Governor.

Sandoval: All right, we'll do that then. Then we are going to move to Agenda Item No. 10.

Malfabon: Thank you, Governor. Item No. 10 is for condemnation resolution No. 449A for Project NEON. That's an amendment to a previously approved condemnation resolution. Two fee parcels for Robarts 1981 Trust are in litigation. We are correcting a recorded document number related to the legal description for these parcels. We recommend approval of this amended condemnation resolution.

Sandoval: Any questions? It's pretty straightforward. If there are none the Chair will accept a motion to approve Condemnation Resolution No. 449A as presented in Agenda Item No. 10.

Knecht: So moved.

Sandoval: Controller has moved for approval.

Martin: Second.

Sandoval: Member Martin has seconded the motion. Any questions or discussion? Hearing none, all in favor please say aye. [ayes around] Opposed no. That motion passes unanimously. Let's move to Agenda Item No. 11, Condemnation Resolution No. 456.

Malfabon: Thank you, Governor. This condemnation resolution is for a parcel owned by 1916 Highland Properties Limited. It allows Project NEON to keep on schedule by filing the condemnation action. The properly owner will have immediate access to what we've determined to be just compensation and they can use that money to accomplish the relocation while we continue negotiations for this parcel. We recommend approval of this condemnation resolution.

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- Sandoval: Thank you, Director Malfabon. Any questions from board members? Hearing none Chair will accept a motion to approve Condemnation Resolution No. 456 as presented in Agenda Item 11.
- Martin: So moved, sir.
- Hutchison: I'll second it.
- Sandoval: Member Martin has moved for approval. Lieutenant Governor has seconded the motion. Any questions or discussion on the motion? Hearing none, all in favor please say aye. [ayes around] Oppose no. That motion passes unanimously. Let's move to Agenda Item No. 12, Direct Sale.
- Malfabon: Thank you, Governor. The Department is asking for approval for direct sale disposal of a portion of NDOT right of way along US 395, I580 between College Parkway and Arrowhead Drive interchange in Carson City. They acquired the property back in 1989 and it's just a process of selling off some of these remnant parcels along the freeway that we no longer need. We have an appraisal and this direct sale will allow us to receive funds for that property and deposit them in the state highway fund. We recommend approval.
- Sandoval: And Rudy, just for the purposes of the record, that appraisal is \$28,800?
- Malfabon: Yes.
- Sandoval: Okay. Any questions? Mr. Controller.
- Knecht: Thank you, Governor. Rudy, how will you complete the sale? Will you announce a public auction or bidding process or what?
- Malfabon: This is a direct sales so it's through the adjacent property owner.
- Knecht: Okay.
- Malfabon: I don't know if Ruth can answer that.
- Knecht: Okay. Thank you.
- Malfabon: Ruth Borrelli is our chief right of way agent.
- Borrelli: Yes, this actually will be listed with a broker. We tried to auction it at one point and did not have any interested parties come forward. Normally a direct sale

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would be or a partial sale would be to an adjacent property owner, but under the NRS we are allowed to list it with a broker and that is what we're pursuing today.

Knecht: Thank you.

Sandoval: Okay. Any other questions? Member Almberg.

Almberg: Thank you, Governor. The environmental review for this was completed in 2013. Is this still valid and will the potential purchaser – will their underwriters accept an environmental letter that is three years old?

Borrelli: Yes, it is still valid.

Almberg: Okay. Thanks. That's it.

Sandoval: And just to follow up from there. When they purchase that property they take it as is?

Borrelli: Yes, they do, yes.

Sandoval: When you say the word environmental I just want to make sure there's no lingering liability for the state, so once that sale is completed the state has no liability going forward. And member or Mr. Gallagher is nodding so...

Borrelli: Yes.

Sandoval: So I just want to make sure we clarify that. All right. Any other questions? Hearing none the Chair will accept a motion to approve the direct sale as presented in Agenda Item No. 12.

Knecht: So moved.

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

Almberg: Second.

Sandoval: Second by Member Almberg. Any questions or discussion? Hearing none all in favor please say aye. [ayes around] Oppose no. That motion passes unanimously. Let's move to the direct sale presented in Agenda Item No. 13.

Malfabon: Thank you, Governor. The Department is requesting approval for this sale of this parcel on next to I-80 between Vine and Washington Street on 6th Street. We acquired the property in 1965 and 1967 from several owners during construction

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of I-80. The building itself is owned by another owner. We own the land and we've done an appraisal, fair market value of \$185,000. And we have an intent to purchase from the person that owns the building that's going to be building – revising it to make it more of a medical facility, professional medical office, so we recommend approval of this sale of this property in Reno.

Sandoval: Thank you, Director Malfabon. Any questions from board members with regard to Agenda Item No. 13? Hearing none the Chair will accept a motion for approval.

Skanche: So moved.

Martin: Seconded.

Sandoval: Member Skanche has moved to approve. I'll give the second to Member Martin. Any questions or discussion on the motion? Hearing none all in favor say aye. [ayes around] Oppose no. That motion passes unanimously. I know we're jumping around but let's move back to Agenda Item No. 9 which is contracts, agreements and settlements.

Speaker: Robert Nellis will present this to the board.

Nellis: Thank you, Governor, members of the board. Again for the record, Robert Nellis. There are three attachments that are under Agenda Item 9 for the Board's information. And beginning with Attachment A there's six contracts on pages 4 and 5 of 24. The first project is located on South Carson Street from Overland Street to Fairview Drive in Carson City County for micro-surfacing, patching and pedestrian safety improvements. There are three bids and the Director awarded the contract to Sierra Nevada Construction in the amount of \$1,244,007.

The second project is located on Interstate 80 frontage road from Lublock to Pershing County for a two-inch plant mix overlay and repairing concrete columns. There are five bids and the Director awarded the contract to Granite Construction in the amount of \$2,775,775. The third project is for Yerington, Wellington, Gardnerville and Blue Jay Maintenance Stations in Douglas, Lyon and Nye counties for fuel station upgrades. There are two bids and the Director awarded the contract to Bramco Construction in the amount of \$1,099,447.

Project number 4 is a resurfacing project on State Route 278 on Eureka Road in Eureka County. The Director awarded the contract to Road and Highway

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Builders in the amount of \$1,686,686. The fifth project is located on State Route 443, Sun Valley Boulevard, 6th Avenue, Jepford Way and Scaggs Circle in Washoe County for pedestrian safety lighting and ADA improvements. There were four bids on this project and the director awarded the contract to Q&D Construction in the amount of \$1,110,000.

Finally project No. 6 is located on State Route 293 in Humboldt County to chip, seal and seal coat. The Director awarded the contract to Sierra Nevada Construction in the amount of \$589,007. And before turning to Attachment B, Governor, does the Board have any questions on either of these contracts?

Sandoval: Member Savage.

Savage: Thank you, Governor, just one comment, Mr. Nellis. There was only one bidder on a couple of these projects and I want to make sure that the department is following up and reaching out to the contractors. I know it's good times, I'm thankful to the New Nevada but at the same time I want to make sure that we're doing our due diligence and assuring that there is proper coverage on some of these bids. Is someone in the department reaching out and discussing with other contractors why they didn't bid these projects?

Malfabon: In response we have noticed that as well and we notice that they are primarily the rural project so we're going to be reaching out to our contractors. We typically get more bidders on some of those chip seal projects so it is a unique situation to see only one bidder on some of these rural projects and we share the same concerns. We want competitiveness on our bids, but we still recommend approval because they were within the – relatively close to the engineer's estimate, but a good point that we will follow up on.

Savage: Yeah, I have no problem with the approval. It's just looking forward I want to make sure we get the coverage and we make the effort as a department to go out and communicate. That's all I have. Thank you, Governor. Thank you, Rudy.

Malfabon: Yes.

Sandoval: Any other questions with regard to the first portion of this agenda item? All right, please proceed.

Nellis: Thank you, Governor. There are 60 executed agreements under Attachment B. They can be found on pages 13 through 17 of 24. Items 1 through 11 are

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acquisitions and cooperative agreements. Item 12 is an emergency agreement. And 13 is an event. Items 14 through 30 are facility and inner local agreements. Items 31 through 35 are leases and licenses. And lastly, items 36 through 60 are right of way, access and service provider agreements. And before I return to Attachment C, does the Board have any questions on either of these agreements?

Sandoval: All right, first I'll start with 29. My favorite subject is research and so this is another extension but this is a contract that started in 2013 and talked about new innovations and rubber and asphalt and we're three years into it and don't have any proper product. And so what do we expect to get out of it, and Mr. Kaiser, I just, you know, again I want to make sure that there's value to this research and there is a return on this research that I could turn around and go to our constituents, my constituents, and say look, we spent \$375,000 on research. But we found this new innovation in rubber that's going to make the roads last longer and that's going to save an extensive amount of money. It's going to make them quieter, it's going to be easier on our vehicles. So where are we in all that?

Kaiser: Okay, Governor, Reid Kaiser, for the record. This research – back in 1990 President Bush approved ISTEA which was an act to fund the highway departments, and part of that act required the department to use recycled tire rubber in our pavements. We have eight projects in the 90's to see if it was a benefit and those projects – they did not give us the life that our current materials gave us, so we haven't used rubberized rubber particles in our pavement since then. And this research is to determine if anything has changed in the last 15 years to see if we could use rubber particles in our pavements again.

Some of the things that we found out is they used larger rubber particles at that time and with the free saw cycles that we have here in Nevada that rubber particle would expand and contract during the different temperatures and it would ravel off and end up on our shoulders. So what we found out was maybe we should use a smaller rubber particle. So they have – the consultant has been giving up updates I believe quarterly or biennially on what they have found. I haven't read them personally but they have been giving our materials division updates.

So this research hopefully will tell us whether we can use rubber particles in our pavements in Northern Nevada. We do use them in Southern Nevada to overlay our concrete for a quieter ride, but we – hopefully we'll be able to find out if anything's changed in that technology in the last 15 years to see if we can use a rubber particle in our pavements in Northern Nevada.

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Malfabon: And Governor, if I may add.

Sandoval: Yes.

Malfabon: We have successfully used – what the industry has done is to add the rubber into the asphalt at a central location rather than to do it in the field. That's where we had a lot of the problems with production in those projects in the 90's. But we do have very good success with the overlays of rubberized asphalt on concrete payments on I-15 in the resort corridor and also on 515 in the Henderson Freeway. Also Clark County Public Works has used it successfully on the beltway by the airport connector. So it's holding up very well in those applications.

Sandoval: So then I guess that begs the question why do we need this research? I mean are we doing that because of what the findings are in this research or have we done all this without the benefit of this research?

Malfabon: They go hand-in-hand. We were trying it out in Southern Nevada. I think what Mr. Kaiser mentioned is we would like to look at it for applications in Northern Nevada and so that's what they're looking at is can we apply this type of thin lip rubberized overlay over the concrete payments that are kind of rough in Northern Nevada? Will it hold considering there is different weather considerations in the winter?

So that's one thing that we're looking at, but like Mr. Kaiser mentioned, I have to – I have not read those reports but I would like to see that it is actionable research as well, but we'll have to get with our technical staff and materials division to respond to those questions, Governor.

Sandoval: No and I don't want to be redundant. We've had this conversation, but – and I know that there is a certain amount of money that's set aside for research. I just want to make sure that it's useful research and doesn't go into a binder that – or that goes into a binder and then nobody looks at it or we don't get the benefit of that because as I said, even though it's maybe some people don't feel like it's real money because it's Federal money, but it is real money and I want to be able to show that there's a real cost benefit analysis to it.

Kaiser: And Governor, if the research does say that we could probably use it in Northern Nevada. The plan is to maybe have a project out here somewhere to see if we could use it. I mean that's a benefit to use rubber tires in our payment and we get

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the same life out of it that we do for our normal materials and it's a benefit to everybody to get rid of those tires. So you know, and again if the research shows it's positive then we'll look at doing a project locally.

Sandoval: So are we going to say this is it, September or whatever the end date was on this, September 30? This is it for...

Kaiser: Yeah.

Sandoval: ...that and we'll have that answer whether it will work or not in Northern Nevada.

Kaiser: That's the plan.

Sandoval: Okay. So that's 50 some days away so it's not far off.

Kaiser: Right.

Sandoval: Okay. And then I want to move to Item 50 which just brings up this pedestrian overpass escalator which again is another one of these things that seems like we've been – I know we've been talking about this the entire time I've been on this board. So just more in the nature of status, are we coming to a close with regard to that project as well and finishing it and turning it over and signing that document that turns it over to Clark County?

Malfabon: There's still several months of construction to take place. Right now they're working on the southern bridge between Excalibur and Tropicana and they'll systematically go to the others and leave three bridges open at a time while they're working on one bridge. I don't know of the exact date but it's over I think a year away from completion. And then we have been having – there's no change in our plan to relinquish it to Clark County Public Works after the project is finished.

Sandoval: And in these it says HVACs. Are these enclosed or not?

Malfabon: Yes, this is for the support for the systems that we're upgrading and the elevators, so you have HVAC systems there, mechanical systems that just not in our wheelhouse so we need this kind of support.

Sandoval: All right, I have nothing else. Board members, any of you have questions with regard to the portion of this agenda? Member Savage.

Savage: Thank you, Governor. I just want to point back to Item 50 on the escalators. You know this was a CMAR project and I'm a little disappointed in the preconstruction

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phase with the contractor, and I can't remember who the contractor was. But these types of issues should be vetted out I would think during the preconstruction phase because we're working as a collaborative team with the contractor with the preconstruction services to vet out some of the MEP issues that might have been up front.

So I think we just need to be aware moving forward that that's what the preconstruction phase is about because I know we have gone once or twice with the contractor on the CMAR delivery and it's still the same contractor. But this is on the design side, and I would hope that the contractors bring those questions to the department is my point, early and up front, because that's what that delivery is all about. Mr. Terry.

Terry: If I could I believe we're confusing a few issues. This is extending the agreement with the firm we had on for the existing systems that were out there. I know that sometimes when we do the – an agreement with a contractor we might say from day one you own the freeway, you do all the maintenance while you're under construction. In this case we chose to do this agreement with the new contractor, make him responsible for his new – what he builds portions. This is simply extending the agreement with the people that are helping us maintain the HVAC and other systems that are on the existing.

So in this case the three legs that have not yet been constructed. We're not asking for more money under that agreement, just extending it because as you remember we extended the escalator agreement and pushed it out a few months ago. So this is not the agreement with our contractor doing CMAR. This is the agreement that we've had for many years to maintain the existing systems.

Savage: Okay, my apologies. I was confused then.

Terry: It is confusing.

Malfabon: Member Savage, Whiting Turner is the CMAR contractor, just to answer a question that you had.

Savage: But when this is all said and done there won't be any existing that the Department will be responsible for.

Terry: Right, we extended this because we extended the other agreement. This will go away when the new one is done and it's turned over to Clark County.

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- Savage: Okay, I follow you now. Thank you, Mr. Terry. Thank you, Governor.
- Sandoval: Frank, I'm going to go to you. Do you have any questions on these contracts?
- Martin: No, sir, I don't. Thank you for asking.
- Sandoval: Please proceed.
- Nellis: Thank you, Governor. Again for the record, Robert Nellis. There is one consent decree settlement under Attachment C that can be found on page 19 of 24, for the Board's information. The Consent Decree settlement provides for \$60,000 to be paid through United States Environmental Protection Agency and \$60,000 would be paid to the Nevada Department of Conservation and natural resources division of environmental protection for a total settlement of \$120,000. And Governor, with that that concludes Agenda Item 9 and Deputy Director Gaskin as well as Mr. Gallagher are prepared to answer any questions on this item.
- Sandoval: No, thank you. And I've had the benefit of already considering and approving this as a member of the board of examiners, but I want to repeat – well before I go, any comments, Mr. Gaskin? Or Mr. Gallagher, did you want to make a presentation on this?
- Gaskin: Thank you, Governor, Dave Gaskin, Deputy Director. I will be providing an update on the storm water program a little later in the board meeting so I'll just presents comments then if that's all right.
- Sandoval: Well I think it's important to provide some perspective on the magnitude of this settlement, and this board is familiar with it because we've been following this for some number of years. So I think if you could provide a little bit more background and foundation for where we were, where we've gone and where we are and that includes that it was not a system that we were proud of before, that we have invested 10's of millions of dollars into improving our storm water system, that we have reduced a potential fine that was in the magnitude of millions to \$120,000, half of which comes to the Nevada Department of Environmental Protection, how we're incorporating some of these projects into existing projects that we have right now.

For instance, that one of Highway 50, but I think it's important for the record for us to have that because there are records that existed before that weren't real positive and today is a positive day.

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Gaskin: Yes, thank you, Governor. Again, Dave Gaskin, Deputy Director. As you've mentioned, the earlier days didn't seem much of a storm water presence at NDOT. There was a permit from NDP starting in 2004 requiring a storm water program. I don't know if it was just a subset of the existing environmental division at NDOT and they really have the resources or authority necessary to meet the full requirements of the Clean Water Act and the permit issued by NDP.

EPA audited NDOT in 2011 and pointed out a number of deficiencies. The main overwhelming theme was that NDOT didn't have a formal storm water program. They just had some elements that they would incorporate as they had the chance, and opportunity to. It needed to be a more formal effort, a stronger effort, more sustainable. So working with – I was at NDP at the time. We worked with your office, Governor's office, and within NDOT and put forth a very large effort to come together and determine what would be acceptable, what we could do.

EPA had given us a draft consent decree laying out over 60 pages of the document, the details that they were looking for in a compliance storm water program so we knew that it was a substantial effort, and they had very tight timeframes on that. So working together we put together a budget amendment for the legislature last year and Senate Bill 324 that would give NDOT the authority, the legal authority they need to follow-up on their actions in storm water area.

So a lot of effort by a lot of parties to get those through the legislature in a short time frame, and it was a major accomplishment to do that right in the middle of the session. It was very little preparation available. We took that proposal to the U.S. EPA in San Francisco and said here's what we can do, here's what Nevada is willing to commit to to show that we are dedicated to being in compliance, to having a program we can be proud of and that will be a very effective storm water program.

They were impressed by that proposal that we gave them and the budget amendment and the senate bill were approved by the legislature, and so starting in the summer of last year I was placed as deputy director to build the program. Since then we've been hiring and I'll show more detail in my presentation but we're about 80 percent hired in the number of positions. We've gotten a lot of the program elements that were required by the consent decree already completed.

And in our final negotiations with EPA we were able to reduce a lot of those 60 pages of the consent decree down, put a lot more of those elements into the NDP

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permit and have better coordination and control over those items because we were able to give EPA a level of trust that they have the confidence that we meant business and we would follow-up.

And so at this point in time the consent decree is nearly final. I've been saying that for a lot of steps that go into that process, but it was approved by the board of examiners. It's currently up to public comment. It was noticed in the Federal Register last week on August 3 for a 30-day public comment period, and after that if there are no significant comments it will be filed by the court and all the timeframes within that consent decree will – the clock will start ticking on all of those.

In addition to removing a number of items from the consent decree we also got longer, more reasonable timeframes because EPA was given that level of trust that we would do it. So they worked with us constructively in order to have a process that would give us all benefit and succeed, not just penalize this and punish us.

Sandoval: And I know you'll go into more detail with regard to the number of positions that we've added and what that means, but and that's kind of the bureaucratic piece of it. But will you talk from your perspective as an expert and somebody who's dedicated his career to this, is what this means to everyday Nevadans in terms of the quality of their drinking water.

And not to suggest it was bad before, but I really think that we have taken a leadership role nationally to ensure, you know, that what goes into our water systems in this state and how the improvements to the storm water system really I think demonstrates that we are best in class when it comes to that. Because it's not just about Lake Tahoe. This is about Lake Tahoe, Reno, Carson City, Elko, Southern Nevada, we're doing things throughout the state.

Gaskin: Well as you mentioned, Governor, it is an interesting program in that it's integrated into all the activities of NDOT, kind of like safety is. It's not just a standalone program that does safety projects. This isn't the stand-alone program that does purely storm water projects. The idea is to integrate storm water improvements and protective measures and every project that NDOT performs they have elements of storm water in there.

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It is a great impact because it does potentially affect all the citizens and residents of the state of Nevada and all the environmental systems because NDOT's roads permeate the entire state and run off has the potential to adversely affect all the native waters, ground water and surface water.

So this program in terms of where it's come to this point shows great potential benefit and as will show in the public outreach and education, just the awareness of what storm water is and why it's important and what – not only NDOT employees and our projects can do to protect the water quality in Nevada, but it's also reaching out to the public and showing them what NDOT is doing and what they can do at home and other businesses and provide similar safeguards.

We are currently coordinating with the other storm water entities throughout the state in Clark County and Washoe County to make sure that we coordinate and benefit from cooperation and coordination with those other jurisdictions as well.

Sandoval: So as I said when somebody turns on the faucet they can know that we've done the best that we can do to ensure quality water no matter where you are.

Gaskin: Yes, sir. Nevada is the most arid state in the nation and that means our water is the most important to us. And we need to protect it the most.

Sandoval: Indeed, it's our most precious resource, yeah. All right.

Gallagher: Governor, may I add on?

Sandoval: Mr. Gallagher.

Gallagher: For the record, Dennis Gallagher. In my opinion in many ways the settlement agreement reflected in this consent decree is unprecedented in many ways due to the leadership of the Governor, the Governor's Office, the Department, the Department of Conservation, Natural Resources, and of course with the cooperation of the EPA.

This could have been a very nasty lawsuit, adversarial, but instead of focusing on what was and what wasn't done I think given the guidance of the various leaders a decision was made, let's look on a go forward basis. How can we make this better, recognizing the past but how can we improve the future, and in that regard I think it changed the whole paradigm of how these different agencies worked with each other and would work with each other forward.

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And I'd also like to recognize I've never seen the Nevada legislature move so quickly on a bill as they did here across party lines. And so I think Kudos should be given to those in the leadership positions there that helped make this a reality. And as they've indicated, the agreement has been executed now by all the parties. Under Federal law there is a comment period which will be up in early September.

Assuming there's no significant comment the judge will order the order, the payments will be made and the department will be carrying out its duties as specified in that agreement. As Dave indicated we made sure with the cooperation of the EPA of all the commitments that the department has made are doable in a timely fashion and I think Dave in particular should be recognized for his great efforts in that regard. Thank you.

Sandoval: Thank you, Mr. Gallagher, and you've prompted another thought that I shared at the Board of Examiners which is the other side of this as well. You mentioned EPA and Jared Blumenfeld who was the director for Region 9 who's no longer employed with the EPA was a major player in all of this. The EPA as well as the Department of Justice could have really brought the hammer down on us, and they chose not to because of the leadership that you talk about, and there's a lot of credit that goes to a lot of people to make this happen.

Because as I said, it could have been a much different outcome, and we still could have done all these things and they still could have levied a substantial fine, and they chose not to. I think they saw the wisdom in that what good is a fine versus being able to have that money and continue to invest it in doing the right thing in terms of projects versus being able to say hey, we fine Nevada X amount. I want to compliment Joe Reynolds in the office as well with the Governor's Office and he put a substantial amount of work into this as well and I want to make sure that I mention Joe too because I think he deserves credit in terms of having those conversations with the EPA.

So this really has been, you know, I'm trying to think of a different way to say it 'cause I hate these puns, but a long road, and but it is an epic outcome, it really is. This is one of those issues that goes under the radar screen because it really isn't, you know, top of the line unless it was a multi-million dollar fine; then you would have read about it. But because it's not and that we have added those positions and increased that funding and actually done these projects there is a tangible, positive result, not just now but going forward in a showing of an absolute

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commitment by the state and by this department that we care about the quality of our drinking water.

We will continue to care about it and ensure that the people of Nevada, when they turn on that faucet, can know that the water they're drinking is high quality. And as you said, Mr. Gaskin, it is indeed our most precious resource and something that we have to fiercely protect. All right, any other questions or comments with regard to this consent decree settlement?

Hutchison: Governor.

Sandoval: Yes, Mr. Lieutenant Governor.

Hutchison: Thank you. And Mr. Gaskin, thank you and Mr. Gallagher for your tremendous efforts. Again I just want to join with what the Governor said in congratulating not only his office but the state agencies, the legislature, NDOT. My question was touched upon, Mr. Gallagher, by you. You know as I read through the stipulation there are obviously important performance measures and deliverables and you're confident and Mr. Gaskin, you're confident that we're able to accomplish those as a state in light of the stipulated penalties that are set forth in the consent decree. Is that right?

Gaskin: Dave Gaskin, Deputy Director. Yes, Lieutenant Governor, we've had ample time to give this careful consideration. There were a number of items in the original draft consent decree that we were able to work with EPA and either extend the time frame or manipulate the language so that this would be – would have a better chance for success. We're confident that we will succeed. We just had that relationship with EPA that was constructive and had that support and trust shown by the State of Nevada that we could make it something as effective as possible, not just a mandate, here build the program no matter what.

So yes, so I do think we feel very confident that they way that NDOT has accepted the program and all the various divisions have been supportive and cooperative has been quite frankly pretty amazing to come into a large, well established agency and try and institute a culture change is difficult at best. But it starts with the high level of support we got from Governor's Office and DCNR and everybody involved in the process in building the trust and cooperation with our regulator that allowed us to get to a place where we feel confident that we will succeed.

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Hutchison: Thank you for that. And again congratulations. It's good to hear of examples of Federal and state cooperation and partnering to find resolutions rather than sometimes the conflicts that we see ourselves in. And that's a real tribute to all the people we've already mentioned and discussed and it's a milestone for the state. So congratulations everyone. Thank you very much, Governor.

Gaskin: Thank you, sir.

Sandoval: Other questions or comments? Any further presentation?

Nellis: No, sir. That concludes Agenda Item No. 9.

Sandoval: Thank you. So let's move back to Agenda Item No. 6 which we've talked a little bit about, the briefing on the Southern Nevada Traffic Study.

Terry: Again John Terry, Assistant Director for Engineering and with the Board's indulgence I'll sort of tweak the presentation a little since we've covered some of this and try and go through it quickly. I do want to make the point up front that this item isn't just a consultant agreement but to get an understanding of the Board of what we're doing and why and maybe an answer to some of your questions earlier what this study does not include as well so you can have an understanding of what we're doing.

As it says it's a region wide traffic forecasting analysis, an alternative evaluation. It also includes some cost analysis of all the urban, Southern Nevada freeways in coordination with projects that are already ongoing. And you'll see on the map later that we're not going to re-study what we already studied, simply coordinate with that. And to look at our strategies to meet the department's needs on this.

This map was in the Board packet but I thought I'd put it in here as well to talk about the extent of the freeways we're studying as well as to show that we're not re-studying the areas in yellow that are already part of jobs or have been previously studied, and that some questions may come up on that eastern or on the far right of that picture, that eastern leg is – we want to just put a link in that eastern leg to really evaluate the impacts of traffic on the I-515 which may or may not be I-11 as you go through Las Vegas and why that's important.

So the limits include all the major freeways with a real emphasis on I-15, US-95 and I-15 and I'll mention 215 as well because we are on discussions and negotiations, of course, with Clark County about taking over more of the beltway

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so we feel it's coming on us to analyze that freeway as well. So the major [inaudible] traffic, collecting the data, forecasting and planning the traffic data and then analyzing it after that, and then some benefit cost and performance measures that we get out of these studies.

The alternative analysis and preliminary design are mostly focused on 515 including the 215 along I-15, the area south of NEON, along 215 and from I-15 to Tropicana including that system interchange and some areas along 215 and there at the bottom is putting in that east side link. This is maybe a little too busy and complicated, but just to say this sort of shows how we're coordinating with other studies that are ongoing in the area and where we're doing detailed analysis and where we're not because it's already being studied, especially in the yellow in terms of other jobs, and that we're just incorporating that into the study.

Why do we need it now? I think this is a critical point is that we did a lot of NEPA documents in kind of that era in the early 2000's, 2003 into 2009, and their based on projecting out to 2030 so transportation projects are usually done 20 years in the future from say the date of opening, so obviously 2030 isn't quite far enough now as we move further in. So we need to update the projections as well as the analyses into 2035 and then we're going to project to 2040.

Why two different ones? Well the RTC regional model has been updated to 2035, but we're going to project out beyond that into 2040. It's going to be awhile before their traffic models are done out to 2040 but we feel we need to take both steps. Why? The 2035 model in particular, we need to be in compliance with the approved air quality conformity for the whole Las Vegas valley and we need to design and construct our projects based upon the 20-year projections which we currently aren't in some cases because time has gone by.

Why is it so expensive, why so difficult to do this? I will add before that I believe this is a requirement of the Department of Transportation. I mean we need to have updated traffic modeling for our system. This is beyond the ability for us to do it ourselves. We really have two people in kind of that traffic modeling and analysis section. And they pretty much will approve this model as it's done but it's beyond our capabilities to do it because we have to have consultant help.

The 2035 Southern Nevada regional model is quite complex. We use the word mode choice in there. What does that mean? In theory it shows that people will make a decision whether to take transit, whether to use a car pool and use the

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HOV lane or whether to drive their vehicle themselves, so that's an added complication that is in the Southern Nevada model, was not in the 2030 – model is in the 2035. Again we're updating and projecting out to 2040 and the extent of the freeway system being covered is so extensive. It includes four system interchanges and each side link and then obviously a lot of lane miles of freeway.

I know those acronyms don't mean anything to you but they are complex computer modeling. TRANSCAD, that really models the travel demand to where people want to go, kind of a gravity model of taking people from their homes to work, et cetera. CORSOM, HCS and VSM are modeling programs that then model where the traffic goes, how the traffic operates on the freeway to a level of what speeds they will get and other analysis of that, and then the benefit cost model after that is quite complex.

I'm not going to get into why the team. We approved this team. We talked about we have a team that does this and that we approved this item. But kind of to address the Governor's comment before, this isn't research – just – or traffic projections for no purpose. We need this information to move forward and we are going to utilize this information moving forward. We need to assess and prioritize future projects. We're literally analyzing billions of dollars of existing infrastructure and billions of dollars of improvements, but we're not going to do those billions of dollars. We're only going to do some of those. We need to prioritize which ones to do.

We are doing this traffic data in a way that we have a planning and environmental linkage very similar to what we did at the Reno Spaghetti Bowl where we did the traffic study up front and that was sort of a leader item into the environmental document. This will be a leader into environment documents that we do on any of these freeway systems moving forward. Some of the areas that it's needed, we need to do noise analysis based upon updated traffic. Those are included in all major freeway analysis. We use that to – where to put noise walls.

I mentioned earlier mobile source air toxins. Those are the localized air quality impacts of major freeway projects and we need updated modeling to in order to do that. We use our traffic modeling for our pavement designs of how many axel loads we're going to get over the next 20 and 30 years. And we do change and control of access studies for the Federal government and we have adopted that on ones that are not interstates as well so any new improvements or any new changes to the interstate you need to do detail traffic analysis at these dates to analyze the

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system and then the I-15 link in the eastern Las Vegas valley. And with that I can answer any questions as to what this is or isn't as a part of the study.

Sandoval: Thank you, Mr. Terry. Questions from Board members? You may not be getting questions because we used them all up on that other agenda item. [laughter] Mr. Lieutenant Governor, you have any questions?

Hutchison: Just a quick question about the impact of I-11 and whether there's going to be a valuation for I-11 and its proposed routes or how it's going to, you know, affect the Las Vegas area. Is that going to be a focus of this study?

Terry: What we do as a part of this study will roll into what would be done on I-11, the portion of I-11 in the Las Vegas urban area, but we are choosing not to start on the environmental at this time, but we want to study Interstate 515 with this east side link in there to really look at the traffic ability of I-515 to carry it and how much it would be improved with some sort of link in the eastern valley, but we're not going to the level of where that link is, what properties are impacted, those types of things. We're pushing those off later to an environmental document.

So what we do here will absolutely not be wasted. It would roll into an I-11 study and we really need to study the impacts to 515 which frankly is becoming a very congested corridor in the Las Vegas valley.

Hutchison: Thank you. I know we have talked about this earlier. I don't want to rehash what we had said before, but so much of these studies are going to be dependent on what happens in the future. I mean you're necessarily projecting out into the future 20 years. You may have another, you know, MGM city center situation or a stadium or, you know, the gaming control board recently considered a major gaming development in west Las Vegas. So I think you just can't anticipate everything, but how do you anticipate major structural changes to our city over the next 20 years or do you even take that into consideration?

Terry: Land use planning, especially land use planning in a growing area like Las Vegas is complicated, but I think many of you would be surprised at how much is already anticipated in the regional model. In other words, they take vacant land that's out there and how it's zoned and it's a complicated process. Yes, there's some major things that may happen, but I think you'd be surprised how many of those are already anticipated in the regional model. I don't think as a department

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of transportation it's up to us to change that model. We need to incorporate that model from the urban area and we do that.

That being said, if something major happens like Faraday and that development at Apex happened, we were already doing our I-15 North study and we decided finish that study or do those projections but then do another run with Faraday because that may be above and beyond the regional model, and I think that's what needs to be done with – as these other things, whether it be the stadium or other major developments; you need to look at where those are already accommodated in the regional land use plan, and if not perhaps consider doing a secondary run to look at those.

Hutchison: Great. Thank you very much. I appreciate you responding to my questions. Thank you, Governor.

Sandoval: Member Skancke.

Skancke: Thank you, Governor. Lieutenant Governor just sparked something. I'm really glad that we're looking at the eastern connector as it relates to how we look at additional mobility throughout the Southern Nevada region. I think it's also important to point out that as we look out to 2040 some of these projects are not going to be extremely popular and both politically as well as financially. And so what's important for a study like this to look out to 2040 is that we start at least informing the public that something may be considered in the future and so as local land use planners take a look at future development.

If there is an eastern connection we're not going to put up a 10,000-unit apartment complex or it puts people kind of on notice that these are the types of infrastructure needs that are going to be needed in 2040. And 2040 is just around the corner. So it ultimately saves the Department of Transportation or the RTC or the local jurisdiction money on rights of way acquisition in the future and also informs people in the community of what might be coming 20 to 30 years down the road.

So in addition to being prepared for future development and large developments in the region and taking that into consideration, having a conversation of how we connect the eastern part of the valley in Southern Nevada is critical to the future of Faraday, or other future economic developments in our community as we continue to diversify our economy. So I think on that point alone, encompassing

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all of this and taking a look at I-11, et cetera, et cetera, is very critical to the future of Southern Nevada's economy. So thank you, Governor.

Malfabon: And if I may add to Member Skancke's comments, we definitely feel that it's good to look to the future in Southern Nevada and to figure out what are our priorities going to be in transportation improvements. By no means any kind of planning study or traffic study is going to preclude any developer from making their decisions. We don't want them to not build something because we draw a line on a map for planning purposes.

So we just want to make sure that city councils, county commissions don't take any actions that put them at risk or the department at risk of lawsuits for not developing because of a future consideration for a corridor. We don't want to prevent any kind of private citizen from developing their property the way they best see fit.

Sandoval: Any other questions or comments? Thank you, Mr. Terry. We'll move to Agenda Item No. 14, Briefing on Naturally Occurring Asbestos, et cetera.

Terry: I guess that's back to me and again, John Terry, Assistant Director for Engineering. I wanted to stand up because I'm only doing a portion of this and turning it over to some of our consultants that know a lot more about this than I do. So the purpose of this presentation, really we said we'd do this back in February Board meeting and when you approved the item to hire the NOA consultant kind of statewide. We said we'd only do certain things until we came back to this board and presented about it and this is that presentation.

You requested this follow-up. NDOT has continued with some aspects of this work, assessments for NDOT right of way and easements and we've been doing other activities kind of leading up to this presentation to study asbestos issues statewide. I think most of this board is kind of aware of all these issues but to kind of summarize, we're not talking about commercially processed in any way asbestos. We're talking about naturally occurring asbestos that's in rock and soils that have a potential to pose a risk when you disturb the soils.

That erionite is also a naturally occurring material similar to asbestos that the experts can kind of tell you I believe is not directly regulated by the EPA, but we and many others are studying it because it's believed to have similar impacts. Inouye, we're not the first ones to deal with this. It kind of started with this study

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in the Boulder City area. California has it in many of their counties. Thirty-five states deal with it. We came to this board when it was discovered in Boulder City.

In Boulder City we have dealt with it. Both contracts are proceeding. Yes, it's cost us some time. Yes, this cost us some money. Both projects are proceeding. Some elements of our team and other teams have helped us deal with it on that project and we're moving ahead. But this issue of erionite in Nevada, there's the potential, only the potential, that it's found in some of these areas in volcanic ash and debris and it's deposited across the state or could be.

And with that I'd like to kind of turn it over to our team to discuss the more technical issues of this. This is the team that we hired to study NOA statewide. I'd like to have the experts kind of explain where they've gone to so far and where they're going in terms of the scope of work on this contract.

Surbrug:

Thank you, Mr. Terry and Governor and the Board. I appreciate this opportunity to provide an update on the agreement to provide technical services for NOA and erionite to NDOT. Again, I'm Ed Surbrug for the record. I'm the project manager. Also have Steve Bradley along, our engineering geologist. And Colin Willits who is our GIS specialist that's help prepare one major important part of the agreement and that is to provide or to create a web mapping application that can be used by NDOT and others to look ahead at the potential of encountering NOA and erionite in the area.

I also would like to note that we – that it is a true team effort. We've worked with NDOT on the Boulder City bypass project back in 2014. We also worked with Klinefelter and Broadbent, a couple other consultants in the area, and so we've included them on our team. But we also work very closely with Dan Harms and Steve Cook and others in the environmental services group.

There's four major tasks to the agreement and the first one is to build this GIS based web mapping application, and that's the tool that we'll talk mostly about today. Part of also going out and doing any fieldwork or whatever, you do need to prepare some sampling analysis plans, some other quality assurance plans and health and safety plans so when we go out we know that we're not being exposed ourselves and also just what the risks are out there.

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And then the third task was to procure some analytical labs because a lot of this is sampling and analysis. And then the last part is to provide the fieldwork and the response for the assessments of going out and supporting NDOT. Today we'll just be talking about the first task and the fourth task for the most part. So task one, we created this web based mapping application.

It's kind of a compilation of both geospatial data which is all the maps and the roads and all the layers and stuff that we could get from NDOT and other resources like the Nevada Bureau of Mines and Geology, putting them all together and then starting to put some intelligence into the application so that we could see what the potential is for the NOA and erionite. Colin will be giving a brief little demonstration like it's a minute or so of the application today, and then Steve will be talking about some of the geologic stuff.

Today we have tested and screened over 25 sites in Nevada using this application, so we know it works. We're going to continue to improve on it. We've done some sampling and support of NDOT to build some decant basin sites for your storm water related issues, and then also just material pits across the state for the roads.

So this is some of the screening that we do I've put just two examples in the table. The first one is a decant basin site, and this is in support of the storm water program. There's a site up new Tonopah that was provided to us. We looked at the geology and the soils in this area and we saw sure enough there's some interesting rocks up there in Tonopah area that could potentially have some NOA. It wasn't erionite. It was NOA in this material.

So we looked at that. We decided it did have the potential and that we would need some sampling before we could safely tell NDOT yeah, you can go ahead and, you know, construct a decant basin in that pit site. The second one is another example, and this is kind of planning for the future like you were saying. We were tasked to look just generally at a pretty high level for the soils and the geology around the Garnet interchange upgrade project. And again we don't have any specifics. We don't know the materials pits or whatever, but we did look at that site.

Now the geology for these sites, this is just some screen shots from our application. Colin will show a little bit more, but the one on the left shows the site up at Tonopah where we went out. And the rock material on the left has the

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potential to have erionite in there. Steve, I should probably turn this over to Steve. He can speak more about the specific geology and the Garnet site is the interchanges on the right side. All right, Steve.

Bradley: Thank you. Steve Bradley with Tetra Tech. As Ed mentioned the Tonopah site shows some volcanic rocks in the source areas. The area with the bulldozer out there, that's the material site where the decant basin may be constructed. So we looked at source rocks and also downstream the alluvial materials that may be affected during any kind of construction or disturbance. The Garnet site we were basically asked to do a preliminary desktop research which we did. Fortunately we had a crew already working at Glendale and we were able to do a visual drive by.

And again kind of the keys for us are what are the source rocks? Is there potential that it might be NOA in the source rocks and/or erionite and what's downstream of them and are they in areas to be impacted. As we look at the intrusive volcanic rocks in Tonopah, yes, there is a potential. That site had a high potential or moderate to high potential for NOA and erionite. And the Garnet side had very low potential, and that's because most of the source rocks are sedimentary, older sedimentary rocks.

So we kind of do an initial prescreening, able to do the geologic reconnaissance and then in the maintenance station decant basin site we actually did physical testing, and we're waiting for the lab results on that. Here's another material pit site south of Searchlight. It's an area that actually was already redeveloped and you can see the old pit areas in 10. And here's kind of an application where we used the geologic source areas, as you can see on the map to the left. There are some extrusive volcanic rocks in the area.

Again the pit itself is primarily lying in alluvial material or recent sedimentary soils. And then we did use the soil conservation maps to identify sampling areas. So with this program we did these 11 sample areas collecting aliquots or multiple samples in each one to get a good representative sample of whether or not asbestos or erionite are in that natural material there. So I'm going to hand this over to Colin because he's going to talk a little bit about how we drill down from the global maps down to the local sites.

Willits: Thank you very much, Steve, and thank you again for allowing us to be here. Again, my name is Colin Willits and I am a GIS coordinator and a web-mapping

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specialist for Tetra Tech. And just have a couple more screen shots here and a brief video that just shows a little bit more of the functionality within the mapping application. The mapping application is developed using ESRI's web based technology and that's important because ESRI is the leading manufacturer of GIS products and this will help us to maintain this application and improve upon it in a much more cost effective way.

The image on the left shows just a brief introduction to the project and a little bit of a disclaimer. And this is what users would see when they first log in to the application. And then the image on the right shows I believe the maintenance stations are turned on there, and then it just kind of gives a brief snapshot of the various layers that are actually currently in the application. In the next slide, this is a short screen video of the application actually in use, and as we play that you can see some basic navigation here very similar to your Google maps or Google earth panning and zooming, turning on and off layers.

We're looking again at the maintenance stations here. As we zoom down into an area here this will show us a little bit more about how we can actually click on a feature and see more information about particular features in the map. That just happens to be the Searchlight station. Here we're depicting – actually turning on more information. These are the materials pits provided by our NDOT mapping folks, and there's some more information behind those as well.

There's various ways of actually pulling up information about a particular feature or location. You can actually look at this in a tabular form or by clicking and interacting with it in a mapping application itself. And this is – what we're showing here is just the ability to drape more layers on top of each other so you can kind of paint a better picture of what's going on at a given location. Either there's some sample locations that were collected during a task of our project and this just shows actually drilling down into the area looking at this materials location and the sample locations along with some of the geological features that surround that area. And with that I believe I'm going to hand it back to Ed.

Surbrug: So task one is not fully completed yet. You saw that we do have the web map application pretty well built. We will keep adding more information as we get it and as we collect the data we can add the results into this model as well. But we also need to confirm some of the geology and stuff, especially like you saw the green triangles for the erionite deposits, and they claim they are actually there

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because it was the USGS back in 1996 that published this report that they would want to go mine this material.

It is a valuable resource for water treatment and other things, so we would want to drive out and see if there is some erionite and some of the other major geologic units are where they're supposed to be in the map. So and there could be some selective sampling in the road right of way or whatever to help confirm the web mapping application data.

We plan to work with NDOT's IT and GIS departments to make this available from their web page and all the details on how it would be hosted and those things are yet to be determined, but we have no doubt that it should work well in that respect. And then the ultimate goal is to have this project such that we can turn it over to the NDOT environmental services group or the maintenance staff or others within NDOT so that say there is a big, you know, rainfall event, precipitation event, and they have to go out and put in some new culverts or clean out something and do some maintenance activities along the roadway.

They would be able to go to this application, click on there, see if there's any potential for encountering erionite or NOA before they go out there with their backhoes and start doing any major excavation. Also it would provide some information on to see whether analytical sampling and analytical data would be needed to back that information up. So I did mention that we did have task two and three also. They are mostly completed.

We completed a master sampling plan such that then we can be very responsive when NDOT calls and says they want us to sample material pits in Nye County or another place, location. We would have the plans already. All we need is a new route to the hospital and a couple other numbers on how many samples to collect and we can quickly get that done. And we have already procured some analytical laboratories. I went through a process where I made sure they had the credentials and knew what they were analyzing for and had the good qualification.

Finally, task four is the one that's kind of the on-call task where we can be tasked to go out and today just within the last month or so we were tasked to sample the locations for six decant basin sites, and they are all within maintenance yards, Alamo, Pinaka, the Tonopah one which you heard about, Searchlight and a couple others. And they had them laid out and we had utilities cleared and we went out and collected surface and subsurface samples at these locations.

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We've also screened multiple other sites like Steve talked about. So this is just a visual of some of the surface and subsurface soil sampling that is typically done. For asbestos and for any mineral like this you need multiple aliquots of samples. You can't just go out and collect one sample and put it in a jar and think it's representative. So the one on the left is the 30 surface soil aliquot sample, and then the one on the right is where we did contract with a backhoe to come in and collect subsurface soil samples. And I believe that's it. So thank you again very much for this opportunity.

Sandoval: All right. Rudy, how much have we spent on all this?

Malfabon: John, do you know that number?

Terry: We had a presentation awhile back on what we spent. I believe on consultants we spent 3 or 4 million dollars on mostly labs and testing and stuff. I believe the bigger cost is the impacts to the Boulder City project which we thought was a few million dollars because we found it and we had to deal with it and delay it. So we spent millions of dollars but we could follow up with the exact amount.

Sandoval: Because I had thought that our activity was limited to what was going on around Boulder City and that the next discussion whether it was whether we should go statewide, but apparently we've done that already then?

Terry: Well again statewide outside of District 1 or Southern Nevada all we've done is this map research essentially, another tabletop thing and pulled together all the existing geological studies, imported them into this model and looked at the geology of the state compared to the NDOT system. We anticipate following up in the areas that show a potential with some actual testing, but so far before this meeting in the rest of the state we've just done the tabletop stuff of getting all the geological data overlaid with the NDOT facilities.

But we plan to do selective testing on identified locations. The rest of the testing's been done not just in Boulder City but remember we said we were going to move forward with our material sites, et cetera, in the Southern Nevada area and that has proceeded.

Sandoval: Yeah. And that's what I recall the discussion was. But you know, I guess, you know, I'm not an engineer. I'm the first to admit that. But you know and I can see the wisdom in having done it with the Interstate 11 project and the bypass because there was massive grading and bringing in materials from outside, but now we're

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looking at these very small sites throughout the state where, you know, is there really a health risk out there with regard to those sites?

Terry: I'll let the experts follow up but again, part of this desktop exercise is to essentially clear many sites and say there is no potential out there. You don't have to do much of anything, but on the few sites that there are a potential then before we sent our people out there and start disturbing the soil we have to do some – I'd like to turn it over to you to answer that.

Surbrug: Sure. So I think the major aspect would be say for a two-lane to be widened to a four-lane for, you know, seven miles or whatever. The bigger road jobs is where you would do testing of both the material pits coming into that job and maybe, you know, the material within the right of way as well. For the small ones, you know, to do some surface soil sampling or whatever and then send it off to the lab is just good information. And again, I think there's going to be a lot of non detect which is good to know as well.

It's not, you know, it is to provide information so that you don't run into an I-11 surprise where all of a sudden you're halfway, you know, or started on a project and you find out there is NOA in that material. And I guess the whole building of the GIS web mapping is to provide that up front screening opportunity, that information there to screen these sites and then you, you know, a lot of the sites may not need any further information, any sampling at all.

Sandoval: No, I just, you know, and I'm not trying to diminish this, but it seems like it's a solution in search of a problem, and we're spending millions of dollars on this and even my recollection is with I-11 is that we really didn't – I mean we did dust control, but there wasn't a significant amount of airborne asbestos that we found out there and we spent a ton of money on that. And so, you know, I don't know why we're doing all this testing when we don't even know where we're going to be doing road projects in the future.

I get that if we're going to widen something somewhere that we go in and do a sample, but right now we're going to some pretty remote areas and testing when there isn't a significant health risk out there. So I don't know if there's a question there, but you know, I'd kind of like a comment. Rudy?

Malfabon: And if I may, the – in some areas maintenance is conducting activities to mine out the aggregates of a pit and that's an example of where the testing material deposits

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as we call them or gravel pits. We just want to make sure that we do the mapping and take the necessary precautions if there is an area that has potential likelihood of having naturally occurring asbestos or erionites to protect our employees and our contractors because we open up these pits to maintenance or to our contractors for construction projects.

But we are – we feel that it's just taking some precaution in the areas where it's likely to occur is the smart thing to do, just so we protect the health and safety of the public and our employees and the contractors.

Sandoval: Well and you've introduced something new because two years ago we never had this conversation and I'm not aware of ever there being a risk and now you're saying there's a potential risk to every citizen in the state as well as every employee at NDOT.

Malfabon: No, Governor, I think what I'm saying is that there are some, as was noted in some of the maps, it could be there so we just want to make sure that we do know where it could occur and then do additional testing. But I also think that it is – I-11 was a game changer nationally and I think that something will probably be coming as far as from the NEPO requirements, environmental studies will have to be looking at this on our major projects that have earth work so that we are assured that we're not disturbing any areas that could have it potentially.

But we're not looking for a problem. We're definitely trying to be very just focused on where is it likely to occur and having that assurance that it's not there I think it gives us some peace of mind as well. So that's why we're taking this approach of looking statewide at our materials pits and looking at the mapping of the geology in that area. We're not checking areas where it's very low likelihood. We're looking where it's a high likelihood of occurring from the sediment from rock formations, for instance, that goes into a gravel pit. But it is something that is a game changer. I would like to reiterate that.

Sandoval: Well you're saying it for the first time today. You've never said that before.

Malfabon: Well I had a discussion, Governor, with a member of AASHTO and he was asking some questions about what's happening with our project because I think that there is some interest from US EPA and those that deal with environmental studies, environmental impact statements, on large projects in some areas that

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might likely have it, so that's why I say that it's new. We were, you know, the first to come across it.

There's been other projects such as dams and other projects in California that have come across this before but it was the I-11 project that really I think is starting to get the interest of Environmental Protection Agency and Federal highways because of their involvement with I-11 and the environmental study for that, that is – it could change – impact other states, not just Nevada where this mineral could likely occur naturally.

Sandoval: Well, as I said, this is a massive policy consideration and change based on a conversation at an AASHTO conference and, you know, with regard to the I-11, we spent millions and I know [inaudible] as well and did hundreds of test holes where there was a finding of non-detect. Ms. Quigley is here and I think she had said that it's easier to find a desert tortoise than there is naturally occurring asbestos.

But I would love to have the benefit of your perspective or the RTC's perspective on this, but I mean this is much broader than I had ever thought. I can see testing the pits where we get the fill or wherever you're going to take the fill and replace it where there's a massive disturbance. But now we're going to be looking at every maintenance yard in the state, we're going to be looking at every highway in the state. There are thousands of miles and places that are now under consideration here.

Malfabon: And I would like to ask to have clarification on that. When they say maintenance facilities are they talking the gravel pits?

Terry: Yes.

Surbrug: To clarify that we did meet with some of the maintenance staff as well and they expressed concern that when they go out and, you know, re-mine and replace their material for sanding roads in the winter and that sort of stuff that they really would like to have some information on whether that material has any NOA or erionite in it. So this would be sampling material pits that would be used in that aspect of maintenance.

The culverts and that sort of stuff, you know, I can't say other than you could – I think I was trying to say you could use this tool to go to that part of the NDOT

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property right away and see if there was anything geologically in that material, but I wouldn't know about the road.

Sandoval: Where do we get all our sand for winter maintenance?

Malfabon: It's a combination of mining from gravel pits, but typically we purchase a lot from commercial sources in the urban areas.

Sandoval: And that was my thought. So wouldn't that be the responsibility of the provider to certify that it's safe?

Malfabon: That's what we're doing now in requiring that in our specifications, that they take some...

Sandoval: But we didn't do it before, correct?

Malfabon: It wasn't done before. It was something – it's a new requirement that we – we've done some testing ourselves and we're requiring that they do some testing on their own if they're going to provide that source of sand or gravel to the state for use.

Sandoval: What proportion of the materials that we use for that purpose are purchased externally?

Malfabon: I'd have to get that information, Governor. We could look into that and inform the board of what we purchase and what we produce ourselves.

Sandoval: My concern is this, is that we have that issue on the Boulder City bypass and the I-11. I said it before, public health always has to come first. We invested a massive amount of money and hired a consultant to do that testing out there and essentially there was a finding that you only had to do typical maintenance that you would do anyway which was dust abatement in using the water and those things.

And now this has expanded, as I said, to if there is any disturbance whatsoever we're going to be spending that money when for 151 years there's not been an issue and now suddenly there is and there hasn't been any health issue that I'm aware of other than that which was brought up by the UNLV researchers which was to be – which we determined not – I mean we tested and found that it wasn't a public health risk as long as you use that abatement program.

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But now it's everything, and it just concerns me that today you've said we want to protect our NDOT employees, which I do as well, but they've been using external stuff, so I think it's the responsibility of the provider to be testing that and being able to certify that it doesn't gain that rather than us going and testing every time a load comes in to make sure because that happens a lot.

And so I don't want to be spending millions of dollars to be testing sand and things that keep coming in from external places when we can go to the source and certify them there instead of having these one offs time and time again. So I just – I feel like we're moving into this a little haphazardly rather than being a little bit more strategic in terms of how we do it.

Malfabon: And Governor, we have added that requirement to our – when we procure those materials so that it is the responsibility of the provider of those materials. And I didn't want to leave the board with the impression that we're testing everything. We're only looking at where there's a very high likelihood of it occurring in a material pit, a gravel pit, that maintenance could use to basically process their own sand or dig out for say flood improvements, they dig out some of the soils and we just want to check out some of the pits where there might be a high likelihood. We're not going to check every single project or every single pit where there's a low likelihood of this occurring.

Sandoval: Well this is – what we just saw is a little broader than that.

Surbrug: But just really as far as a GIS mapping application it's fairly broad, but in a way what I guess I see is that it eliminates the need for a lot of different sampling because it can help through just information that is known in the geologic materials and through our experience. We can essentially eliminate the need for any additional samples so rather than cause more sampling it seems like this tool and this whole NOA technical services could actually minimize the costs for NOA and actually still while you're adding a high level of security for knowing if that material has any risks in it for the NDOT workers or others as well.

Sandoval: Yeah. Well I'm going to support this but I'm going to remember this conversation as well because we've gone from tens of thousands of dollars to hundreds of thousands of dollars to a couple million dollars to several million dollars and it has escalated from where we started. And today is the first day that I've heard that there's a possibility of a public health risk as well as a risk to NDOT

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employees which adds a completely different element to all of this and it sets a legal standard for us as well, Rudy.

So I think, you know, that as I said it's changed the complete dynamic on this going from well maybe we should do it to where we have to do it. And so I, you know, and just so we set this record straight, and I'm hoping because on these pits that there is a one-time determination that we can get a certification but these don't contain any of these materials and then we're done with those pits.

And then the materials that are brought from the outside that we have an absolute foolproof certification that those materials that are brought in which I would imagine is probably 80, 90 percent, that they are certified that they don't contain any of those materials as well so that we're not having to test a trust because like I said you've set a standard today that every material that's brought in and is going to be exposed is not going to pose a health risk to NDOT employees as well as the people in Nevada. Any other questions or comments? Mr. AlMBERG.

AlMBERG: Thank you, Governor. From a health risk standpoint who is the risk to? Is that to Joe Public that drove by a dusty gravel pit one time? Is it at risk to him or is it a risk to the person that actually works in that gravel pit every single day? And what risk is different from that person that works in that gravel pit every single day? There's already measures in place as the Governor said with mitigation of that by keeping the dust down, keeping it watered, following procedures to come in here. Will those procedures keep this risk down and is this risk only a risk to that person that works daily in that environment?

Surbrug: Risk to asbestos exposure is a very complicated beast as you well might imagine and I'm not a risk assessment specialist. I did work for many, many years in Montana on an asbestos site and so I went to lots of conferences and listened to a lot of expertise. It is not one-fiver and it is not one day and it is not driving by. It takes multiple times and how you're exposed and your age that you're exposed is all, you know, parts of that aspect. And it's a very slow 20 to 30 year latent period as well so unfortunately that complicates things even more.

But what – if you know that you're working in an environment that could have asbestos or maybe does, and we're doing the ambient air sampling for phase 1 and phase 2. I could tell you our 10 stations around that project find asbestos in a five-day sample almost every time we sample. So fibers are out there. It's just

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the amount and the concentration and how you're exposed that's going to cause the health concerns. I don't know if I answered your question but...

Almberg: Well I mean you did answer the question in the fact that I don't believe that the public is the one that necessarily is at risk from driving by and was thinking maybe more of those workers that are in that pit every single day.

Surbrug: Yeah.

Almberg: The next question based on your GIS information that you had up there on the screen, is that background information that you're using on here, is that stuff out of the soil conservation surveys?

Surbrug: The soil mapping units are from the – yeah, the NRCS.

Almberg: Okay.

Surbrug: [inaudible] database.

Almberg: Okay. And so based on that, I can understand us looking at a larger portion of the state based on these studies, but that would identify potential risky areas and then that – wouldn't that not eliminate all the other areas so that we can come back in here and say hey, really based on the information that the NRCS or this soil conservation has out there we can look at it as a grand scale and basically eliminate 90 percent of our state...

Surbrug: Definitely.

Almberg: ...right away. And that would preclude us from...

Surbrug: And one of the...

Almberg: ...having to go out and sample all over the place?

Surbrug: Yes. Sorry to interrupt. Yeah, one of the layers that we're hoping to develop and confirm and get confidence in is to turn on the potential for NOA and erionite layer and you would see whether any of those units are in your five-mile long road project or whatever and then you would have some concern. We also hope to build some intelligence in there that might help assist with whether any sampling would be needed.

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If it's still low potential and we know that that material was sampled five years ago or two years ago and it came back with non-detect you wouldn't need any additional sampling versus material that might be a high potential and had never been sampled if that geologic or soils unit had never been sampled.

Almberg: And so that is something that could possibly be looked at from your desk analysis of all this information that's available, that you don't have to go to every single site and we don't have to go to the expensive part of the survey to go and actually dig and sample and test, that we can narrow this down to very small segments of the state that this could potentially be an issue. And then come back at those point in time and identify to us where our areas are possibly of concern. Then the ground plan could be made on how we proceed from that point in time.

Surbrug: That is correct.

Almberg: Thank you, Governor.

Sandoval: Member Savage.

Savage: Thank you, Governor. And as you very well said we had a high insight fastball with the Boulder City project. Tetra Tech has been a sub-consultant now for several years to this department. Our ultimate concern is public health and safety and doing it right, and I believe that we have done that right to this point. But we want to ensure the fiduciary responsibility along with the public health and safety is within the box. And is it my understanding that this NOA is not a danger unless it's disturbed?

Surbrug: That is correct.

Savage: Okay. And how about storm water? Can it be disturbed under a hard storm or any of these other issues?

Surbrug: Apparently so because in our ambient air monitoring done on the Boulder City bypass we have noticed that after rainfall events new alluvium material gets exposed during that time. Then it also dries on the surface and you can get some additional spikes in NOA after a large rainfall event.

Savage: But is it within the limits of the acceptable range?

Surbrug: For ambient air it is. And so what they're using – our data, the data that we're providing is the amount of NOA that is above zero and then they're monitoring

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the perimeter airs – maybe you guys know all this as well but they're monitoring the perimeter air on both sides of the project there, two on the downwind side and one on the upwind side, every day that the construction is going on on that project. Then they can add that perimeter air concentrations to the ambient air concentrations and that is the level that's supposed to be below the threshold.

Savage: And I think that's very important here is that we're reasonable and we do the right thing to protect the people of Nevada, and nothing more than that. We don't need to go looking for something. Because this one picture here that was on the display where the guy was out digging the two dozen little holes...

Surbrug: Six inch.

Savage: six-inch holes.

Surbrug: Yes.

Savage: This doesn't look like a pit to me.

Surbrug: Well that is the exact 20 to 30-foot site where NDOT wants to construct a decant basin. So they're going to dig down in that area five feet on one side and then it tapers down to one foot on the other side, and it's to dump the storm water sediment that is collected in plugged culverts, and I'm not sure where they will get all this storm water sediment and place it in these decant basins to let it evaporate and dry and then sample it before they dispose of it.

Savage: Okay, that's good to hear because I can understand that due diligence.

Surbrug: Thank you.

Savage: I didn't think it was – I thought it was a maintenance yard.

Surbrug: It is in a maintenance yard actually. That is in the Alamo Maintenance Yard.

Savage: Okay, so as long as we get the direction and have the clear understanding of what the rules of engagement are I believe is what we really need to be reassured about because nobody wants to risk anything that is a danger to anybody else. That's all I have, Governor. Thank you.

Sandoval: Any questions, Mr. Lieutenant Governor?

Hutchison: No, you've all covered them. Thank you.

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Sandoval: Anybody else? Is there any further presentation on this agenda item? All right. Thank you, gentlemen.

Surbrug: Thank you.

Sandoval: All right, let's move to Agenda Item 15 which is a briefing on the Nevada State Freight Plan.

Malfabon: Sondra Rosenberg will present this item along with her staff.

Rosenberg: For the record, Sondra Rosenberg, Assistant Director of [inaudible 03:13:00] Planning. This is an informational item this month. I'll come back at a future meeting for hopefully approval, adoption, to figure out what the appropriate action is per the items of Federal Highway Administration. But as you know we've been working for about 18 months on the Nevada State Freight Plan. It's something different than we've ever done before, definitely more extensive look at freight movement in the State of Nevada. We do have the draft plan out. You should have all received a copy.

It's also available on our website. It's out for public comment right now until August 15 although we take comments at any time. So I just wanted to emphasize that it is out for public comment. I encourage everyone to take a look at it. It is a fairly hefty document. There's several appendices that are quite thick, but there was a lot of work to be done. So in the interest of time I'm going to hand it over to Bill Thompson, the project manager and the freight program manager. He has a lot of slides. He's probably going to go through it pretty quickly so that we can get any comments or questions from you afterwards. Bill.

Thompson: Thank you, Sondra. Governor, members of the board, Director Malfabon, for the record my name is Bill Thompson. As Sondra said I am the department's freight program manager and the freight plan project manager. The draft Nevada State Freight Plan, it's our state's first freight plan that we have identified specific recommendations for improving freight movement within the state. But it has the ultimate goal of growing and diversifying our economy.

Governor, under your leadership, your direction, this freight plan follows your mission, your vision for the New Nevada and its connection to the global economy. But I must tell you, I am so excited to be here in front of you right now. Actually a bit nervous but that's from the excitement. So it's because that

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this is an important undertaking for the state and for the department and for me personally. So thank you.

We were guided throughout the process by private industry leaders and public agencies. You can get a brief look at what the responsibilities are. We created the freight advisory committee per the FAST Act. This is a list of the key private and public industry leaders such as BNSF Railway otherwise known as Burlington Northern Santa Fe Railway, FedEx, Nevada Trucking Association. We have the MPO's Union Pacific Railway.

We created a focus group which was a broader outreach group of stakeholders that we met several times in the northern and in the southern Nevada. We've held webinars across the state and in addition we held numerous one-on-one interviews with stakeholders across the state and in neighboring states such as the Port of Long Beach, Port of Oakland. We found that there was a need for a west coast partnership and collaboration.

So I formed a coalition of my counterparts of DOT freight program leads from these other states. We share ideas, we look for opportunities to leverage Federal dollars on multi-state projects which we will continue in the future. The vision for Nevada's freight system was created with the industry leaders' input and is the driver behind our goals and strategies. The crux of it is to establish a competitive advantage.

The freight plan has two major focuses. First, to develop strategies to sustain and grow Nevada's economy. The second one – it positions us within the global and national trade patterns. So how are we going to do this for Nevada? Today we import far more than we export supporting some of the key industries such as tourism. And yes, we are now undertaking efforts of growing our own exports, but in the future we have the opportunity to become a major western freight hub attracting more export industries.

We happen to be in a very unique position. We are part of three major trade areas in the western United States, Los Angeles, San Francisco and the Salt Lake City major trade area. It's kind of like that Golden Triangle. Nevada's economy is increasingly linked to these economic powerhouses that you see in the green circles area. And we have an opportunity to strengthen these ties and transform our economy. With the congestion at the western ports progress is driving inland a lot further. Nevada can draw economic activity from our neighboring state.

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So Nevada has to change in three ways to capitalize on these opportunities and establish a competitive market position, develop crossroads, multi-modal integration, capacity and performance. So first, on crossroads, our analysis indicates that our major metros are currently just stop along corridors. In order to achieve that goal of significant competitive advantage we need to develop crossroads such as the future I-11. That will provide a multi-directional access to a larger market and a fertile ground for our growing manufacturing section.

The second framework strategy is integration. By combining trucking, rail and air and a pipeline into an integrative multi-modal facility or a freight village, we could create the highly efficient freight system that will improve capacity performance. Within the state we have analyzed the performance of our freight network and we have identified critical factor locations such as freight dependent businesses, the routes that they use to access them, choke points, bottlenecks on those routes and locations where clusters of fatal crashes involving trucks that have occurred in recent years.

We used this information and created a list of projects, programs and policies. Within the freight advisory committee guidance on these eight strategic goals these goals are also consistent with Federal goals. Sustainable funding is the foundation and each of these other goals such as safety and mobility, innovative technology, all of these goals lead to the road of economic competitiveness. This is a performance-based plan and it follows Federal code that defines performance measures and targets based off each goal and objective.

For instance, to measure mobility and reliability we identified chokepoints on the major truck routes. We consider bridge and pavement condition to measure infrastructure preservation. The freight plan presents a suite of strategies to achieve the vision and goals of the plan based on the freight advisory committee goals. Such continuous monitoring and updates and ongoing engagement with the freight advisory committee and the western state freight coalition, the freight plan also presents implementation action, phasing, partners and funding considerations to accomplish the outlying strategies.

Improvement to our transportation system that helps freight users, it also benefits other users such as commuters and visitors. So it's reasonable that the major part of the funding of these projects will come from traditional non-dedicated transportation funding sources. While the FAST Act includes dedicated freight

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funding, for the very first time in the Federal program the amount as you can see up there, top bullet, is relatively small.

But as I mentioned earlier, one of the strategies of this plan is to continue that multi-state collaboration with a benefit of joining and going after larger, FAST lane grants with that nationwide funding of that 4.5 billion, which is by the way over five years, so at the end of the day it's all about funding. And this plan seeks to explore more sustainable revenue funding.

So now I've got to talk about the National Highway Freight Network. It's important because only projects located on the National Highway Freight Network are eligible for funding from the new freight funding allocated to Nevada. The National Highway Freight Network is comprised of four categories. Two categories are assigned by the US DOT already, and they're primarily the interstate freeways shown in yellow and turquoise.

NDOT with the input from the MPO's was allowed to define the other two categories. It was 150 miles of critical rural freight corridors shown in green and 75 miles of critical freight corridors shown in red – I'll blow up Las Vegas here for you. Because of the mileage cap for the nationally defined system is excessively low with large states like Nevada, two additional corridor categories important to Nevada were added to help prioritize state funding for projects not on the National Highway Freight Network. They are shown in blue and grey. Projects on these corridors are eligible for other funding sources.

The plan includes a broad list of prioritized projects across the state. A handful are good candidates for the new highway freight program funding and that we can move forward immediately including environmental documental for the Reno Spaghetti Bowl, truck parking implementation, truck inspection infrastructure and it' tools that go with it.

Other projects' priorities such as the I-80 USA parkway interchange and improvements along I-15. Those also will be looked at and put in as improvements into the long-range multimodal transportation plan and physically constrained plans created for each Federal and state funding source. The plan will be updated incrementally as the projects are completed, transportation needs are evolved, but the FAST Act mandates that we update the freight plan every five years.

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Again, the draft master freight plan is currently out for public comments until August 15. The website that you see at the bottom will take you directly to the documents including appendices and also a link so that you can send your comments to me. Once we incorporate any comments or changes I will finalize the freight plan and I will bring it back to the Board in September for approval. After the state approves it the plan then goes to FHWA for Federal approval. This concludes my presentation.

Sandoval: Mr. Thompson, congratulations.

Thompson: Thank you, sir.

Sandoval: This is a great piece of work.

Thompson: Great, thank you.

Sandoval: I can't imagine the number of hours that went into this.

Thompson: It's all we think about.

Sandoval: And I look at the last page and I was going to bring this up anyway, but there is a company in Southern Nevada that is spending close to \$200M on research that could change the whole dynamic of moving freight and I'm wondering if that Hyperloop is part of your consideration as we put into this freight plan. I don't know how it's going to turn out but if it does, you know, as I said it could change the entire dynamic with regard to the movement of freight.

Thompson: Yes, Governor. In fact the freight plan looks at all innovative type technology and Hyperloop happens to be one of them, automated trucks [inaudible] et cetera. As you pointed out here this is a future technology at Hyperloop. It's a cargo capsule and it will be about 70 feet long, and it's big enough to hold a standard 40-foot container, intermodal container, and it has the possibility of accelerating from zero to 750 miles an hour in less than a minute. I want it when? So...

Sandoval: And you know, they had their first successful prototype test in Southern Nevada. It was on an open track and did all of that, but as I said I don't know how it's going to turn out, but if we're going to plan we should at least consider that and, you know, my understanding is this is in a massive tube and I don't know where the tube goes, if it goes in our right-of-way or what have you along those traditional corridors, but I think that it has to be part of the conversation 'till we

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know how far it's going to go, but I think there's going to be a massive amount of development in the next couple years.

Thompson: I agree. And under Sondra's leadership I believe that the Board is going to be totally brought up to speed on where we're at in the state with that.

Sandoval: Yeah. And then your other picture on the left-hand corner, again Nevada is leading on this, but we've had two successful package deliveries, one in Hawthorne and one in Reno and as I said I don't know how it's going to come out but we definitely have to be open to all of that in terms of changing the dynamic of how freight is moved and packages are moved, and I just want to make sure there's consideration for that within our freight plan.

Thompson: Yes, Governor, they are.

Sandoval: Okay. Other questions from Board members. Mr. Almberg.

Almberg: Thank you, Governor. Bill, I want to congratulate you on doing a tremendous job on this plan, and Sondra and all the other staff and our consultants that put this together. You know it's obviously a tremendous amount of work and I think you got a great plan here. With that being said, I do have some comments, and a lot of these comments that I have are based on some conversations that I've had from out District 3 engineer and assistant engineer, Kevin Lee and Randy Hesterlee and so their support with me in answering my questions and things coming out of this plan, I surely appreciate their support with this.

And so I do have a few comments on here, and I'll make it brief because I believe that you guys have a lot of the comments that Kevin and I have discussed, whatever, and so I believe that you guys will be incorporated in there, but I do want to bring some of these things up. One of the things that I had a comment on, and this is a comment on my own. This isn't necessarily something that came out of Kevin or Randy.

But in the executive summary it talks about under one of our strategies and our goals, number 14 it says, "Enforcement of regulation through aggressive inspection." I'm uncomfortable with the work "aggressive" and the reason that I says that, I want our public to be safe, I want these roads coming here, but I don't think that we need to be overly aggressive and go out there and over regulate, be overly aggressive to drive truckers around this state.

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You know truckers are obviously going to go to a state that is friendly to them that are easy to get through, and so I don't believe that we need to be overly aggressive to the 99 percent good truckers at the expense or go after the 1 percent of road truckers at the 99 percent of the truckers that are doing everything properly and if they want to. And so that's just, you know, one of the verbiage that was put in there. I mean I think aggressive to me – when I first read it I come up with the word almost "quota" and I definitely don't want anybody being out there on a quota to try to get so many things or anything.

On to some of these other things that was brought up through our district engineers is I think there is some lacking of projects located along Highway 93, especially north of Wells to the Idaho border. I think there's a lack of projects up through there. I won't necessarily go into specifically about the things that we discussed because you have these comments, but I do want to express that concern.

One of the other concerns that I came up and was reinforced through my discussions with our district engineers is there's also – and we actually had this conversation several months ago in one of our sub committees is there was a tremendous amount of funding being put out at SR-278 which is a state route between Eureka and Carlin. At the time there wasn't great answers as to why such was being spent in that location.

Looking through here in these projects there is still a lot of projects associated with there, may not be at one lump sum project as was originally in one of those meetings, but it is broken up and there's still quite a bit of money involved in that state route and so I don't know if there's – I didn't feel that it was necessarily in that area. Based on my conversation with Kevin I think that the majority of that road would be from mining associated activities I believe that would be causing that. And based on my conversations is that stuff is actually more of our mining is taking place north of the freeway rather than south of the freeway. And so I think a re-evaluation of some of that, of your mining activities, could change possibly some of that.

And one other comment that I'll make quickly is I believe through what was discussed in here there was 150 miles of roadway that can be designated for the freight plan, and I just want to make the comment that there are zero miles along 93 that have been dedicated as a part of that 150 miles. And I think that is something that should be also looked at because I do believe it is a major corridor.

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As you go back in here some of the information that was provided by your district engineers, that average daily truck traffic is increasing along that area.

It has increased 50 percent in the last two years, and so I do think this is a very viable freight route and, you know, and I'm not saying any of this at the expense of I-11 and the new Nevada that we're trying to get with these inland ports and everything else. I'm 100 percent supportive of that but I do believe that 93 is a very viable corridor that does for – as a phrase that was said to me in a meeting last week, we're just looking for 93, some of the low hanging fruit.

That can come in here for some very small project we could make a big impact to our Highway 93 in that corridor and increase traffic up and down there. That would be a benefit both to our freight traffic and also to any time that we increase and make it better for the freight traffic we're increasing and making it better for the general public also. So thank you.

Sandoval: Member Skancke.

Skancke: Thank you, Governor. Boy, for a guy who was nervous about making a presentation you did a superb job.

Thompson: Thanks.

Skancke: I want to thank Rudy, you and Sondra and Bill for holding this item for a month. I was not able to attend last month when you originally had it agendized and I'm glad you did because I think this report today, it's not a study and it's not a plan; it's truly a framework for the future. And I think you have truly captured the essence of what our governor has laid down for the past six years of creating a New Nevada.

You connected our economy to our infrastructure which was the original intent of the Department of Transportation when it was in the Department of Commerce. It was about connecting – building infrastructure to move our economy. We have somewhat over the last 40 years lost that and I think what we've done as a state through the Governor's leadership and through GOED, we've connected those pieces. This framework will hopefully change the way Federal Highway Administration looks at studies and plans and reports.

You went beyond really what normally Federal highways wants which is counting land miles and rail cars and trucks and trailers and parking lots and everything

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else that we need. You created a document that goes from today to the Hyperloop, and I think it's important for the public to understand that these types of investments create economic opportunity and it really has taken into consideration the entire state.

And in reading through this no one corridor actually supersedes the other or is more important than the other. The 93 is just as important as the I-11 or the I-15 or the 80. And so I think that what you've created here is a framework for what GOED and the Governor can take out literally and use this as a selling document to other logistics companies. There's a couple of interesting statistics that I think are important to point out and I've only got about 14 percent battery left on my iPad and that's about how much I have left as well, so unless somebody called Dominoes Pizza.

But I think it's really important to take a look at a couple of things. You really drill down and look at airlift and the opportunity for additional logistics movement in using our airports. When I was at the economic alliance in Las Vegas we actually did a study that showed that Las Vegas was 17 million square feet underdeveloped for logistics and warehouse space. This report now gives the private sector the opportunity to go out and build more warehouse space.

If we could, now with the announcement of Hainon Airlines making three weekly trips between Beijing and Las Vegas which is a huge victory for our state, that's as big in my mind as Tesla and Faraday and Hyperloop because those tech companies can now move their product by air right out of our state. They don't have to go on a truck or on a train. Tech moves by air for the most part. Well that opened up a whole new opportunity for the Governor and GOED to sell our state from a technical point of view. We just needed this kind of a framework to literally give that industry permission to out and build, whether that building is in Wells or Ely or it's in Reno, Carson City or Henderson.

So that connectivity that you've created allows us to sell Nevada from a completely different point of view and perspective. Now after that 10-minute diatribe I have questions. You've listed 18 projects, and this can go to you or Sondra or the project team, but you've listed 18 projects or action items, and please don't ever call them early action items. But there's opportunities. How do we as a state, not this board, but as a state, how do we prioritize those based upon limited funding? You pointed out that the funding shortfall is \$13.5B, and that's

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not our fault. That's just the reality of the fact that the buying power, the fuel tax is 50 percent of what it was when it was raised in 1993.

So if you've got a 9-cent Federal fuel tax, right, you know, we're collecting 18.4 but the buying power is 9 cents. I think it's 7, but we'll go with 9. How do we as a Board prioritize these projects because our Office of Economic Development and our regional economic development organizations have a very aggressive strategy. And so if these two things are linked how do we prioritize these 18 things based upon where the new Nevada is headed?

Thompson: First off, as you can see there are 18 strategies with a list of projects that are attached to them and they've already been prioritized and right now we have a list of I think 10, 11 projects that fall under the approximately 60 million dollars that was awarded to – obligated to Nevada for freight related projects. So that's why they were done already. Any other project still has a process that we've already put through with weight, the values and the goals that we came up with and attached to these strategies. They're already ready to go and as we move forward we just start completing them. Would you like to take over, Sondra?

Rosenberg: Yeah, I'll add to that, and for the record, Sondra Rosenberg, Assistant Director for Planning. So with our broad group of stakeholders as the freight advisory committee we started with the vision, those goals. Then we started to develop those strategies based on performance measures. So we identified, in order to achieve those goals what do we need to start measuring and what are the strategies associated with those measures.

So if you go back to slide 18 – and some of the measures were already measuring through the department like pavement and bridge condition because that's important. B.J. as you mentioned what's important to freight is also going to help the rest of the traveling public. So there we go. So obviously we know funding is an issue but we're going to take a look at preservation, economic competitiveness, advance technology and look at those strategies, and as opportunities arise through economic development activities, new partnerships, kind of prioritize based on which ones hit most of those or have the biggest impact on what we're measuring for a performance.

This is also going to be rolled into our statewide multi-modal plan that was approved last month in terms of other measures for the whole system, freight and

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vehicles and everything else. So it's really based on how are we performing, where do we want to be and what's the most strategic way to get there.

Skandcke: Okay. And I think it – at least from my perspective it's important to point out that the creation of this western state's freight coalition, Governor, this department has a record of creating partnerships with other states from the I-15 coalition working with the I-11 coalition and now creating this western states coalition to really create that dialog between these states of how we collaborate and communicate on solving these problems.

So if you look at the I-15 coalition as an example, the three bridges in the gorge in Arizona, that was led by NDOT because if those bridges ever fail that affects our economy throughout our entire state. So that was actually led by NDOT to get the region to support a TIGER Grant for that. If I recall it was a TIGER Grant. So creating this Western States Freight Coalition I think is critical to what we want to accomplish here in Nevada.

I'll close with one correction. On page 5 – I'm sorry page 1-5 of the full report there's mention of the CANAMEX Corridor, and Bardia, I called you about this and I just want to make sure that it gets corrected, that the CANAMEX Corridor goes from the Mexico border to Sweetgrass, Montana, and it is not in that diagram. You have the I-11 corridor which is important, but the Federally designated NAFTA corridor really starts in Mexico City, per se, but it's at the Mexican border and comes up the 93/95, connects to the 15 and goes through Salt Lake City, and I think that map should designate that corridor.

Finally, I do want to congratulate you again on creating a new course. This to use a cliché is a game changer for our state and for where we want to go over the next 20 years and it is a tool that we can use here and it is a tool that the Governor's Office on Economic Development can use. It's a tool that our university systems can use. This is – I hope that this report is read by the logistics companies and everyone that's involved with economic development.

What you can take away from here is really good marketing and sales talking points for where Nevada sits, where our global competitiveness is and where we plan to take it. So again well done and Governor, I appreciate the time for the comments.

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Sandoval: Thank you very much. Any other questions or comments? Thank you, Mr. Thompson.

Thompson: Thank you, Governor. Thank you.

Sandoval: That brings us to the quarterly update on the storm water program. Mr. Gaskin.

Gaskin: My God, everybody running away? For the record, Dave Gaskin, Deputy Director. Again, 17-hour jet lag, Governor, I can't imagine, but thank you for hanging in there. I'd just like to hit some of the high points since we've talked quite a bit about what's going on. We have gone over the background.

The only thing I'd like to point out here is the last part of the third paragraph where NRS-408 was recently codified to incorporate the changes from SB-324 and that's very important to me and to those of us who are tracking the progress of this project is that now within NDOT's statutes there is a section entitled "Water Pollution Control" and they're actually detailed requirements and authorities in there for water protection, and that's a critical change in culture and in the statutes themselves.

We've talked a bit about the consent decree already. Once the consent decree is filed by the court which will be sometime in September, then as I mentioned the clock starts. We'll be having quarterly meetings with EPA to go over our progress, say what things were due in the last quarter, did we do those, are we on track and what's coming up in the future. So it will be very regimented measurement of the progress with EPA.

Hiring update, I mentioned about 80 percent hired. That's really an important point because we had nine existing positions in the division. We've got eight of those filled. We're to the point now where people are coming and going a little bit. But of the 42 brand new positions that the legislature approved we've hired 37 of those, so that's a significant portion. And it was easy for me because Rudy just hired me and I just hired Allen Tinney as the Division Chief for storm water and said go do it, and he's been making great progress.

We've got a really team, some amazingly bright people and energetic people, so it's very exciting how it's going to go. The next slide when we get there is just to talk about the equipment part of the budget amendment in the last legislature was money for equipment to make the storm water program go and as you can see in FY2016 we were able to be authorized to purchase some significant equipment.

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Some of the major stuff, the sweepers, culvert flushers were long lead-time and a couple are still coming in, especially the sweepers which are complex pieces of equipment. But the majority of the equipment has been received and we're able to actually get things moving in the field and on the ground.

Program development, not a very exciting slide but basically these are the elements that EPA put in the consent decree, the things they wanted to see in our program. And that's what Allan's staff are doing right now is making these things go and implementing the program, both at headquarters establishing the programs and the policies but also working with the field, with the districts, to make things happen out there.

Technology implementation, a big part of storm water nowadays in a modern compliant program, it's automated, you have to map and locate everything on GIS and then you have to have data bases to put the information together to help you know where all the components are and then automate inspections and operations and maintenance to make it all function smoothly and across the different divisions within the department, so everybody works together.

Maintenance yards we've talked about quite a bit. There are a lot of challenges. We would like to update all our aging yards. It does take time. They are being encroached by the neighbors and a lot of nuisance issues there and that inhibits expansion or improvement, working with unknown underground utilities, it's hard to go in and rejuvenate an existing facility.

It would be a lot easier if you started over from scratch, but we don't have that option in a lot of cases, so trying to do things to improve drainage and repave, upgrade the wash pads and the fueling stations. There's a lot of effort going on. It will take time. There are a lot of these maintenance yards but it's a high priority for us.

In the media, I talked a little bit about before culture change and public education and training our employees, and we've made a lot of progress in this area, and DJ, I think we have a little video to go with that. I think our star is here, Thor. He's hiding in the back there, but this is a good video. This is from Channel 4 News.

[video playing]

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Gaskin: So that was a pretty impressive one because it's a media report that's actually accurate and correct which you don't always get, so I was amazed at that. But it was good.

Sandoval: You better be careful. They're listening online too.

Gaskin: But I know Sean and our communications folks have done a lot with Kim and Sholeh in developing our videos and outreach, but this is sort of external validation from the commercial media, so that was impressive.

Meetings and presentations, just they're ongoing but now we're kind of at a turning point because I don't just say well, it's coming in the future. The consent decree be signed someday. It's actually happening now, so and as I mentioned, the SQMC is the group in the Las Vegas area, the southern Nevada jurisdictions that handle storm water and we'll be coordinating closely with them and working with the others in the state to make sure we implement the storm water requirements all through the state.

Public outreach, now that the consent decree is getting finalized we are authorized to reach out more, kick off our public outreach media campaign and we've gotten a new logo, got a lot of goodies that Kim is sharing with everybody to spread the word and make sure everyone's aware, even dogs and children. The website continues to improve as we lost the media campaign and get more and more attention on it. Maybe we could just show the first video real quick. It's a quick one that Kim did.

[video playing]

Gaskin: So just quick, brief awareness type of videos that keep people thinking and asking questions about storm water and how they can help.

[video playing]

Gaskin: So those were a lot of our storm water staff to get them involved and have them try and be the face of storm water. I think that's about it. Okay. And that's it. So thank you very much. If you have any questions I'd be glad to answer them.

Sandoval: Any questions from Board members? And those public commercials are great, quick and to the point and well done. So I compliment you on those and this is an exciting development and I think we've got a great start and as we continue on I

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think it's going to obviously serve the people of our state extremely well. So keep up the good work.

Gaskin; Thank you, Governor.

Sandoval: Anyone else? All right, then. Thank you. That moves us to Agenda Item 17, Old Business.

Malfabon: Thank you, Governor. Just to mention another person that really was helpful in working with the EPA, Leo Drozdoff, Director of the Department of Conservation and Natural Resources for the State of Nevada was very instrumental in those negotiations along with Joe Reynolds from the Governor's staff. I know that Leo is retiring I think in September, so I just wanted to make that public record that he was very helpful in that.

And thanks to Dave and Allan for leading a very transformative program. It's really changed our culture. And as you saw, Thor Dyson is just an example of a District Engineer that's really led the way with the folks that deal with maintenance and construction at the district levels. It's really just an illustration of what's changed at NDOT and what US EPA recognized as unprecedented show of support and really emphasis in getting our program straight and complying with the Clean Water Act.

On to old business, we have the first items A, B, C, and D are updates on our projects and programs, Project NEON, USA Parkway and the pedestrian safety quarterly report and the I-11 quarterly report. We have some of our project managers sticking around to answer any questions. Project NEON has started construction affecting a lot of the local roads and some of the off ramps, for instance, at Martin Luther King and at Rancho on US 95.

USA Parkway, I mentioned the public meeting that's coming up, but they've also started construction and we're in the process of still acquiring those last parcels of right of way. Pedestrian safety is still a challenge in Nevada but you saw on the updates of projects that are awarded; The Sun Valley Boulevard Project as an example of pedestrian safety projects that have gone out the door under construction. And the I-11 project has been underway and working along – we're really excited about when that project opens up and how it can affect and improve Nevada's economy and give us those opportunities in southern Nevada. Any questions on Items A through D?

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Sandoval: Mr. Skancke.

Skancke: Thank you, Governor. Rudy, if I recall and if you did this last month stop me, but Member Martin and Member Savage had made a request that we would get an update on the Project Neon update, that there would be a quarterly update on the engineering services and the engineering aspect of this. I think there was some comments a few months back on – there was a change order I think or something for the CH2M contract and it might be a good idea to probably have that update in September.

I don't know if you did it last month, but I had a conversation with Member Martin about a month ago and he had asked me if he had missed a meeting where that update had been given, so I just – I thought it might be in this NEON update, but since it's not I thought I'd make a reminder. Thank you.

Malfabon: Member Skancke, in Attachment A there's just some short bullet points on CH2M performance update. But anything outside of those areas, community outreach submittals and design reviews for NEON, but as far as I-11, there are some major change orders that were underway, one with Fisher, our contractor on that project, to add in some additional concrete paving up to the bridge and also an additional bridge that will provide utility access and emergency response access to some properties to the south.

But anything specific we'd include that in updates on the board. I know that that's an interest of the construction working group as well on change orders. So we do report that regularly.

Savage: Yes, on the same issue. Thank you, Mr. Skancke and Rudy. I see Dale Keller down there so that goes to my point. It says 52 percent of the design has been completed, and is NDOT satisfied with this percentage at this stage in the project? Are you satisfied with 52 percent of the design being completed at this stage in the project?

Keller: Member Savage, this is Dale Keller, Project Manager for Project NEON. For the record, yes we are satisfied where Kiewit and Atkins team is at on progressing their design. They're on track as you can see from the report. I believe they're a few submittals ahead at this time. Also we're very pleased on CH2M's effort on design review. For an average design submittal we get 14 days to review. On average they are completing those in roughly 3.5 days. So the cumulative time

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savings has been done through the project, not linearly but total is over 180 days that we've seen, so we are extremely satisfied with their work.

Savage: That's good news. And when do you foresee the design being complete?

Keller: That's a great question. We anticipate having the final design complete early next year in 2017.

Savage: Thank you, Mr. Keller, and Thank you, Governor.

Keller: Thank you.

Sandoval: Any other questions or comments? Please proceed.

Malfabon: We have our chief counsel, Dennis Gallagher, could respond to any questions from the Board on report of outside counsel costs and open matters and the monthly litigation report.

Sandoval: Mr. Lieutenant Governor.

Hutchison: Yes, thank you, Governor. Mr. Gallagher, and you don't have to spend a lot of time doing that today, and if it's easier for you to do it next month that's fine, but I'm interested as we look at the outside counsel contracts, Attachment E, and we see that the remaining contract authority is dwindling down to, you know, anywhere from I think the lowest is about \$11,000, and some of these are getting down to about \$50,000, \$55,000.

If you could just give me your thoughts about whether we're getting close to resolution on those or whether you anticipate that we'll have additional amendments coming back to the board, that would be helpful. As I say, I didn't give you a heads up on that so if it's easier for you, Dennis to go back and look at that and give me a report next month that's fine, or if you're able to just do it on the fly, whatever is easier for you.

Gallagher: Lieutenant Governor, for the record, Dennis Gallagher, I will have something for you for the next month's meeting.

Hutchison: Thank you very much. Thank you, Governor.

Sandoval: Seeing no further questions, the Fatality Report.

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Malfabon: The Fatality Report, we're seeing some downturn in the number of fatalities. The most recent report that I received was August 1 and it's not – this one showed and your packet shows 11 less fatalities than as of July 19 but we did have some additional fatalities and currently as of August 1 we're 5 below where we were last year. We want to continue our efforts, not only for infrastructure improvements but also with Department of Public Safety and the local police departments for law enforcement, also educators.

Our campaigns on motorcyclists have been getting a lot of the airwaves for motorcycle safety, and I know that there's events coming up so that people do lane splitting in Nevada 'cause they can do it in California and we're trying to educate them about what the motorcycle laws are in Nevada so they can drive appropriately on our roads.

But also pedestrian safety is a huge challenge and we had a lot of the outreach and the public information campaigns on those areas as well. We'll just continue our efforts also with emergency responders to make sure that they can do their job in providing medical services to the folks that are involved in crashes. And that concludes the Fatality Report. I'm willing to answer any questions or have staff respond to any questions from the Board.

Sandoval: Thank you, Mr. Director. And today is not the day but I'd be kind of curious with all the installations we made associated with safety, now that they're in, comparing what happened at those same locations in years past and being able to demonstrate that perhaps, you know, this really has made a difference. And then just out of curiosity, I was driving down North Virginia past the casino there where we installed that project, and on the west side it doesn't seem to be to accommodate the disabled, so I don't know if that was part of that project or not, you know, just a wheelchair ramp or something over there.

Malfabon: Yes, there is a permanent improvement that's still on the plans to construct there, so what you see is a temporary signal. There are still some permanent improvements still to be done at that intersection.

Sandoval: Okay. So what is the schedule on that?

Malfabon: I think it's within a year, but we'll have that specifically and along with your request for kind of the history and what some of these improvements have yielded as results.

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Sandoval: Yeah, and I don't know if – I would say wait. Perhaps we should do it at the end of the year so we have a little bit more time or maybe even later than that because some of these installations are very new, and so we may not...

Malfabon: [crosstalk]

Sandoval: Yeah, may not get meaningful information, but like I said if we've saved one life it's worth it, but it's just gratifying for me to see the number of projects that we're installing statewide. I think that's going to have a great impact.

Malfabon: Thank you, Governor.

Sandoval: Thank you. All right, any questions from Board members on Agenda Item 17. All right, let's move to Agenda Item 18, public comment. Is there any member of the public here in Carson City that would like to provide public comment?

Wellman: Bill Wellman here today representing the Nevada Economic Development Coalition or NEDCO for short. I know nobody wants to hear this this late in the day, but I'm here today to address FRI, Fuel Revenue Indexing. Listening to these meetings every month compels me to come up here and talk about it briefly 'cause every item on your agenda every month talks about funding and the shortfall in funding and everything that there is, and I don't know how many times – I started to count after about the third or fourth time I heard it requires funding, it's shortages or whatever, and I quit counting, forget it.

State, local and Federal funding has just not kept up with the needs primarily based on inflation, in its simplest form, inflation. I think there's a lot of other things as well, but inflation is a simple thing that we all live with every day and have for all of our lives and will for the rest of our lives. Living with the status quo is a regression of sustainability, let alone any kind of economic development. FRI adjusts the fuel tax annually to the rate of inflation. In fact FRI as legislated to be fair is a 10-year rolling average so that there is – to take out any of the spikes or any significant increases in any one year. It improves by funding safety.

We just heard about it in Item No. 17 in many different forms. Reduces congestion throughout all the roads that we use, whether they're the rurals or the urbans. It sustains the critical maintenance needs that all of our roads have and it continues creating jobs. All of these items are so tangible, the most tangible tax that there is we believe in the state or frankly in the country because you can see the results. We drive it. When we leave here today you'll see the cones on the

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road doing some kind of improvements, unlike many other taxes, but we don't see the direct results.

FRI is on the ballot this November 8 in every county in the state except for Washoe because Washoe already has it. Because of that this is a state wide essentially initiative. NDOT receives or will receive starting January 1 with the successful passage in each county that does approve it 40 percent of the revenues. You've heard Ms. Quigley here at the RTC talk about all the benefits of funding over the last several years, three years that FRI has been in existence in Clark County.

Today between RTC and NDOT collaboratively they have identified 346 projects in Clark County alone, all valued at \$6.2B. Those are needed projects of which they are all unfunded. Continuation will not fund all of them but it will do a significant amount of them. Past examples of what the current FRI funding, the first three years since January 1 of 2014, which directly affect NDOT is the Boulder City bypass phase 1, the Centennial Bowl 95/215 in the northwest part of the Vegas valley, the airport connector.

Now the uniqueness of those three projects in 2013, in the spring of 2103, this Board put those projects on hold as they were brought forward because of lack of funding and said very specifically, Governor, bring them back in 2018, we'll talk about them again. Those projects are moving forward, clearly. Boulder City bypass, phase 1 is up by I11 along with Phase 2 which the RTC is doing, significance. The Centennial Bowl itself, the two legs of that are being done now in collaboration between NDOT and RTC with FRI funds put into those things with NDOT of two of the main transitions from 95 to 215.

One of them is already open. The airport connector, very significant, it is already a huge construction project, but it has already mitigated a bunch of the congestion in that area during the peak hours. Project NEON, another one that's a little bit different, never put on hold, however all the times that we were proposing on it as well, so we know it intimately, phase 1, phase 3, not going to do phase 2, not going to do the phase 4, back and forth, and as this thing was broken down based on funding availability for that particular project.

Today that project I believe is almost being constructed and 100 percent of its design because of the matching funds with FRI from the City of Las Vegas' portion to do things like Martin Luther King Boulevard and the entryways into the

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government center there in Clark County. Those were pieces that were on hold. The railroad overpass over Industrial and the connector there, those are moving forward with Project NEON even though there's no money in Project NEON I-15 specifically. All the surface areas helping to be funded by FRI.

In closing, we're not sure what this board can do, but we do ask and consider and if allowed maybe some sort of resolution of support and very specific or whatever you can do frankly, and more specifically because I don't get this opportunity all the time I'd like to ask you personally, Governor, that you may as the leader of this great state could possibly support this as well across the entire state. It's very important. Thank you.

Governor: Thank you very much. Is there any other public comment from Carson City? Any public comment from Las Vegas.

Hutchison: Not here, Governor.

Governor: All right. Thank you. Is there a motion to adjourn?

Skanche: So moved.

Almberg: Second.

Governor: We have a motion by Mr. Skanche, second by Mr. Almberg. All those in favor say aye. [ayes around]

Malfabon: This is much lighter attendance.

Governor: This meeting is adjourned. Thank you ladies and gentlemen. Famous last words, Rudy.



Secretary to Board



Preparer of Minutes