

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

Governor Brian Sandoval
Attorney General Catherine Cortez Masto
Controller Kim Wallin
Frank Martin
Len Savage
Tom Fransway
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. We will commence with Item 1 of the Agenda, Received Director's report. Director Malfabon.

Malfabon: Good morning, Governor, Board members. I wanted to make a correction. We had reported last time that the Board meetings would be held at 3:00 p.m. in the year 2013. And they actually remain at 9:00 a.m. on Monday, so there was a misinterpretation of communication. So that's good news. I think it'll help us to avoid any overtime from staff that are attending some of the meetings. Also for Board members, we don't have to rush through the afternoon meetings. So the next thing I wanted to report, Governor and Board members, was the -- I attended the annual meeting of American Association of State Highway and Transportation Officials, also known as AASHTO. That was held in Pittsburgh in mid-November. And one of the highlights of the meeting was having the new chair of the House Transportation Committee, Phil Schuster, he's from Pennsylvania. So he was available there in Pittsburgh to address the group of DOT and federal highway administration folks, and AASHTO, which is the support agency for the DOTs, about Map 21, the new transportation authorization that we're currently under. But I think that it was hopeful -- he mentioned that he knows that he's got to start very first part of next year when Congress convenes on the next authorization bill, which will start after this one expires in the fall of 2014. So he knows that it takes a couple of years to get that thing together politically. It's a -- always a negotiation in Congress, so I'm glad to hear that he is going to start on that right away. The counterparts in the Senate Transportation side will also do the same. They talked a lot about risk management at that agency level. We do a lot with risk management at the project-by-project level at NDOT, so we will be

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

looking at how we can implement more of an agency level view of managing risk. The Federal Highway Administration Administrator, Victor Mendez, spoke to all of us about working with the states as they develop and implement Map 21 requirements. One of the big requirements that I mentioned before was performance measures that are on the national level. So each state wants to definitely have their say in the development of those performance measures and other rule making that's required under -- to implement Map 21 policies. I also wanted to report, Governor, that the AASHTO 2013 calendar is coming out, and Julie Doole, our photographer has two photographs in it. And she actually won an award. We'll get copies of this calendar to the Board members, but she won an award. There were -- it was a competition in three categories of certain themes, and Julie won for Building the Future category. And she actually had a photo of a granite construction employee on the I-80 design build project as her award-winning photograph. I'm going to show it to you. There was another one also of the -- I believe it was on the -- when 580 was opening up and they had that -- kind of the bike and the fun run, she had another photograph that was included. So it's -- we're very pleased that she's getting the recognition of -- for the second year in a row, I think, or at least -- if not the third, with, you know, a couple photographs in the AASHTO calendar. So she's doing a great job as our photographer.

Sandoval: And I recall last year it was the cover picture with the gentleman hanging on the rope underneath the bridge. She does do a wonderful job. And I may have mentioned this last meeting, but for Halloween she -- what, did you take about a thousand pictures, Julie, of the trick-or-treaters. But you do a great, great job and thank you for what you do.

Malfabon: And to wrap up the AASHTO portion of my report, I wanted to talk about the individual award. This is not a pizza box. This is actually an award box. The -- in that, we'll do our -- we'll announce our departmental awards at the quarterly, and we try to do that once a quarter. So January is the time for that. But I wanted to acknowledge that Jamie Tadao won the President's Transportation Award for highway traffic safety. There's about seven or eight categories of awards that the president of AASHTO gives out. But I wanted to have him receive just individual recognition from the Board. And this says, "For performing exemplary service to the state's furthering transportation." And it was presented to Jamie Tadao, Senior Safety Engineer, Nevada Department of Transportation. What this award is recognizing is Jamie's efforts implementing our strategic highway safety

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

plan. We have a zero fatality goal in Nevada, and he's worked a lot, especially with law enforcement, with some of the emergency medical responders and the district folks in maintenance and construction to do road safety audits, as well as our engineering group will ride along with all those groups represented and tour a certain section of roadway where we've had some safety issues. And Jamie's responsibility is to get all that stuff recorded down and see that he can get some of those improvements implemented working through the system. So I wanted to give him individual recognition and hopefully have a photograph by our award-winning photographer. Thank you, Governor. Continuing on with the Director's Report, we're watching our budget very closely at NDOT, and we're going to devote this Wednesday's division head meeting to a discussion about the measures that we can take to reduce our costs. That's a monthly meeting that we have with all of our division heads, so it's a good time -- and also our employees watch it on the Internet. So it's a good time to talk to the entire department about the importance of watching our budget and measures that we can take to reduce costs. This week, we'll be at Scott Sisco's, Assistant Director for Administration, and I will be attending the Interim Finance Committee meeting. They've asked for us to talk about the settlement with Clark County. And just for the benefit of the Board members that might not be familiar with it, Clark County was -- had a lawsuit against the State of Nevada for the shifting of local funds to the state, that happened in previous session of the legislature. This settlement, which was negotiated recently, will put that issue to rest. We won't have to go to court on that issue, but it -- what end up we'll have to do is program \$35 million of federal funds to a project in Clark County called the Airport Connector Phase 2. And that project will build a flyover bridge. If you're coming -- if you're familiar with the airport, there's the tunnels there if you're headed southbound away from the airport to get to the beltway. And they're going to build a flyover from the southbound to go to eastbound towards Henderson, so a huge improvement that will help traffic flow in that area. It's one of the county's highest priority projects and, in fact, the Department of Transportation maintains that section of the beltway, which is termed airport connector. So from the tunnels all the way to the beltway and a section of the beltway from Interstate 15 to Warm Springs is under our maintenance responsibility. That section of the beltway actually has interstate designation from the Federal Highway Administration, so -- I think that it's a -- it was a good project. We've supported the county on the previous phase 1 project, which is under construction. It's about a \$36

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

million project. We'll be done in about another year. This new project that's coming out, the county has to come up with about another \$20 million of -- or \$25 million of local funds in order to deliver this project. So they're in the middle of doing the repackaging of the design so they can get that out. We'll be working with the Federal Highway Administration Division Office here in Nevada to make sure that the county's doing everything they're supposed to, to remain eligible for those funds. And we think that it's a good project and a good settlement for the state. I wanted to mention in closing, there's -- we -- you will received some information later about our performance measures as a department. And we are -- we collect information on the condition of our pavements, pavement smoothness. And what we do is we have a, what we call a ride van. So it's a van equipped with a measuring device. It's called a noncontact device, because it uses a -- these devices usually use a laser, so it actually measures the amount of pavement roughness by -- not by contacting the pavement like a wheel or something that makes a graph, but also -- it's just a noncontact device. But we want to see if there's some issue with the suspension of that van, maybe giving us rougher numbers on our pavements. We know that if we're not doing overlays or treatments on the pavement, the smoothness should get rougher a little over -- year by year. But we're thinking that maybe the roughness numbers from the van's readings are maybe a little bit more rougher than we think that is actually occurring on the road. So when I inquired about it, I found that there is a calibration station for these -- for all the ride vans that the state DOTs use, but it's in Texas. So we have not sent our van over there to be calibrated. We have other ways of doing a different calibration, but we -- we'll check that out, Governor, and report in the future about whether our roughness numbers on our pavements are a little bit rougher than they should be. It's something that all state DOTs are reporting to the Federal Highway Administration, just as an indirect measure of the condition of our pavements. So we'll report on that in the future so that we're not getting rougher numbers than we should be on our pavements. With that, that pretty much concludes the Director's Report, unless you have any questions on whatever (inaudible).

Sandoval: Thank you, Director. Any questions from Board members?

Wallin: Governor, I just have one comment. I appreciate you looking into that, because not only does it affect, you know, what we report to the Federal Highways, but it will also impact our financial statements. Right now we have -- we have a, what we call a modified method, where we expense the

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

repairs and maintenance costs and we don't do depreciation. And so if our roughness numbers keep going up then we have to start depreciating all the assets, all of our infrastructure projects and stuff. So thank you for --

Malfabon: Yes.

Wallin: -- bringing that up and looking into it. Thank you.

Sandoval: We'll learn about that (inaudible) stuff, so --

Malfabon: Yeah, asset management is definitely a huge issue for not only our department, but all departments of transportation.

Sandoval: All right. Any further questions? We'll move on to Agenda Item Number 2, public comment. Is there any member of the public here in Carson City that would like to provide comment to the Board? Anybody in Las Vegas?

Martin: Not here, Governor.

Sandoval: Thank you. Agenda Item Number 3, approval of November 6, 2012 Board meeting minutes. Have all the members had an opportunity to review the minutes? Any changes to the minutes? The Chair will accept a motion for approval.

Wallin: Move to approve.

Savage: Second.

Sandoval: Madam Controller has made a motion for approval. Member Savage has made a second. Any questions or discussion on the motion? All in favor please say aye.

Group: Aye.

Sandoval: Opposed no? Motion passes unanimously. And I should make a note that the Lieutenant Governor will not be in attendance today. He's out of the country. Agenda Item Number 4, approval of contracts over \$5 million. Mr. Sisco.

Sisco: Thank you, Governor. Approval of contracts over \$5 million; on Page 3, you will note that we have two contracts this month over \$5 million. The first contract, Number 3525, is for basically bridge work on I-80. Basically, the engineer's estimate was \$14,386,015. The Director is recommending that we award this contract to Road and Highway Builders, LLC, in the

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

amount of \$14,222, 222. Governor, would you like me to do both of them and then come back for a vote?

Sandoval: Yes, please.

Sisco: Okay. The second contract here is also for bridges and pavement work, contract number 3524. Engineer's estimate of \$34,493,342. And the Director is recommending that we award this contract to Granite Construction in the award amount of \$32,106,106. I do want to mention on the second one we did have a DBE protest. We did look at the protest and basically found that it was without merit and we are proceeding with the contract.

Malfabon: And just to mention a few details about that bid protest, we had a, as Assistant Director Sisco mentioned, we had a DBE goal on this project. It's a federal funded project. One of the other bidders protested the fact that they felt that Granite was not going to be able to have that much trucking, which that was where they were meeting the DBE goal. And when we inquired with Granite, they actually had a different approach to the project, which will use some recycled materials out of their Lockwood pit where they're stockpiled. So there was a lot more trucking in their approach to construct the project than other contractors that were probably planning on only working out of the pit that was closer to the job site.

Sandoval: I'm sure member Fransway has a question or comment. This is your backyard.

Fransway: It is. And thank you, Governor. Mr. Director, I want to ask you if there is any specific time frame when the construction project on the Line Item 2 will occur. It's in tough shape and I -- there's some public safety issues on it. There's been some complaints and we need to get started as soon as we can.

Malfabon: We'll definitely communicate that with Granite Construction once they're awarded the contract. Typically, they will -- since it's winter time, I would say that they're probably not going start until March-April time frame. They could start some mobilization efforts during the winter, but they probably won't start the actual repaving that's been addressed (inaudible) concern until around the spring time.

Fransway: Thank you, Governor.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

- Sandoval: Any further questions from Board members?
- Martin: I have one. This is Frank Martin in Las Vegas. Rudy, are you going to monitor Granite on this thing to make sure that they do, in fact, do their trucking from the pit they claim that they were going to, since that was the defining factor on the DBE?
- Malfabon: Yes, thank you, Member Martin. That is a good point to make; is that we are going to be monitoring their efforts to make sure that if there's any underuse of -- underutilization of that DBE that they're using to meet their DBE goal, that we will inform them right away so they can make their correction during the actual contract. And in our standard specifications, we also have requirements that if a contractor does not meet the goal, that we can have some measures taken against them to take some money back, so that they can't play any games of listing a DBE subcontractor and then not using them during the performance of the contract.
- Martin: Was this a percentage goal or how is the goal established?
- Malfabon: Yes. Typically, what -- we'll set it as the percentage in the contract so it's based on the contractors total bid. The method that we use to establish the goal is to look at what items of work could be subcontracted out to DBEs. We're familiar with what DBEs perform what types of work on our highway projects, and we look at what subcontract -- or what bid items there are in the contract and what lends itself to that. And so there's a goal calculation process that takes place, and then we put that into the contract requirements.
- Martin: Okay. And then you monitor how much is actually paid to that DBE?
- Malfabon: Yes. And that way --
- Martin: Okay. Thank --
- Malfabon: -- it's based -- we see how much is paid each bi-weekly pay estimate.
- Martin: Okay. Thank you. No further questions.
- Sandoval: Thank you, Member Martin. Any further questions on this agenda item? Hearing none, the Chair will accept a motion for approval of the Department of Transportation contracts numbers 3525 with Road and Highway Builders, LLC, and 3524 with Granite Construction Company.
- Sandoval: Motion for approval --

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

- Martin: Second.
- Sandoval: -- by Member Fransway. Second by Member Martin. Any questions or discussion on the motion? All in favor, please say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes unanimously. Agenda Item Number 5, approval of agreements over \$300,000. Mr. Sisco.
- Sisco: Thank you, Governor, members of the Board. On Page 3 of 15, we have two agreements for approval over \$300,000 for your approval this time around. The first agreement is with P.K. Electrical. This is part of a company that was assisting us in the CMAR Project, so the first original agreement was basically written for up to 30 percent of it, and then this amendment finalizes it so that they take us through the design process of the CMAR Project. And, again, it's an electrical contractor that's helping us with that design. The second -- the second agreement that we're asking you to review and approve is with Chapman Law Firm. It's for legal services for Project Neon Imminent Domain Action. And I just wanted to call out that the backup memo in it talks about \$324,000. When we write that memo, we don't include the \$100,000 expectant witness fees and \$25,000 in hard costs up to it. So this amount is correct that we're asking for approval on at \$449,575.
- Sandoval: And this is a brand new contract, the Chapman Law Firm?
- Sisco: Yes, it is.
- Sandoval: And do you know how many cases they're handling for us now, Mr. Gallagher?
- Gallagher: Governor, it's in the litigation report. I believe there's four in the litigation report, and this would be the fifth, all related to Project Neon.
- Sandoval: And not commenting on the quality of services, which I know are good, but at some point is there a tipping point on how many cases that we have with one law firm before we start perhaps spreading it around a bit?
- Gallagher: Certainly. And given the size of the firm, you know, we may be rapidly approaching that. The database, just to give you an example of how document intense these cases are in condemnation for Neon; one of the

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

cases, the database now is over a half million documents. And so you're absolutely right, Governor, there comes a point when it just will not be able to be physically handled by a firm of that size.

Sandoval: And do we get any kind of consideration for the volume of work that we've provided that law firm?

Gallagher: Yes, Governor. They -- when they submitted their bid for this work, they gave a very good blended rate for their hourly fees, very competitive.

Sandoval: All right. Madam Attorney General?

Cortez-Masto: Sure. Quick question. So, Dennis, when we go out for these types of contracts we do an RFP, so law firms bid for them?

Gallagher: The Project Neon, my understanding, General, a number of firms were interviewed. A number of firms declined to be interviewed; simply weren't interested. And there were three firms that were finalists, and this firm was selected out of that group. Recently, we've sent out to about a dozen firms, not including the Chapman Firm, to see if there's any interest in their assisting in the Boulder City Bypass Project, because we're going to have some, regrettably, it would appear, some very complicated litigation given the nature of the businesses that are going to be affected by that project. So far we've heard back from just two of the firms that were asked if they had any interest.

Cortez-Masto: And then just to -- for the benefit, I know the Governor knows this. This is a unique area of the law. There's not a lot of attorneys that engage in this type of practice. And trying to keep it -- the work in the state of Nevada, you're going to only really have a few law firms that will bid, even on this type of work, correct?

Gallagher: That is correct, General.

Cortez-Masto: Thank you.

Sandoval: I think most of them that do it are representing the landowners, too.

Cortez-Masto: Right.

Sandoval: Any further questions from Board members with regard to Agenda Item Number 5?

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

- Fransway: Governor?
- Sandoval: Yes, Member Fransway.
- Fransway: Just one question on Line Item 1. I noticed that the amendment is \$349,000, and the original was \$110,000. I remember specifically talking about the original one that came before us. And my question is am I correct to think that the original was for steps 1 through 6, and for the intact lighting that's currently there? And then the amendment is for steps 7 through 12, and both of them were necessary for the CMAR Project; is that true?
- Malfabon: Yes. The initial work that P.K. Electric was doing was to develop the project up to a certain point. And then as part of the CMAR construction manager at Risk Process, once we get the -- and you'll see it later on in your agenda -- get the contractor on board then that design firm works with our contractor to develop the actual design. So that's why it's more of a two-step on the design process. And, eventually, the Board will have the -- we'll come back before the Board for the actual construction phase after we negotiate the price with the contractor.
- Fransway: Okay. But for the lighting, it was necessary to complete the CMAR Project all the way from step 1 through 12?
- Malfabon: I'd have to look at that flow chart to see the steps. But I don't know if Dale Keller is in the office. Our project manager, Dale Keller, could probably respond to that.
- Keller: Good morning, Governor and members of the Board. Dale Keller, Project Manager for the I-80 Carlin Tunnels Project. That is correct, Rudy, you -- and Member Fransway, you do need all 12 steps. And this will finalize those 12 steps.
- Fransway: Okay. Thank you very much. I just wanted to be sure that the first six steps for the current system were necessary for the overall --
- Keller: Correct.
- Fransway: -- project for CMAR.
- Keller: Correct. So the first --
- Fransway: Okay.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

- Keller: -- six steps might -- correct.
- Fransway: Good. Thank you. Thank you, Governor.
- Sandoval: Member Savage?
- Savage: Thank you, Governor. Member Fransway, just to reassure you; we -- in the construction work group, we have discussed thoroughly the consultants phase 1 and phase 2 dollar issue. So we're very confident the Department's doing the right thing remaining with the consultant. And we've talked about that at the last meeting, and we continue to talk about it at every meeting. So just to reassure you, Member Fransway.
- Fransway: Okay. Thank you, Member Savage, for being so diligent on that. Appreciate it.
- Sandoval: Any further questions from Board members with regard to Agenda Item Number 5? The Chair will accept a motion for approval of Items 1 and 2 as described in Agenda Item Number 5.
- Cortez-Masto: Move for approval.
- Wallin: Second.
- Sandoval: Motion by the Attorney General. Second by the Controller for approval. Any questions or discussion on the motion? All in favor, please say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes unanimously. Agenda Item Number 6, contracts, agreement, and settlements. Mr. Sisco.
- Sisco: Thank you, Governor. We have two sections this time. First section has four contracts that were awarded under \$5 million. First contract is contract number 3517 for demolition of our landmark building out here at the intersection of 50 and 395. The engineer's estimate was \$125,000 and the Director has awarded that contract to Facilities Management, Inc. in the amount of \$103,000. The second contract, number 3522, is installation of advanced warning systems on three railroad crossings at US 93 south of Wells. And the engineer's estimate was \$260,000, and the Director has awarded that contract to Titan Electrical Contracting, Inc., for the amount of \$249,301. Contract number 3, number 3529, is a single system modification for replacement of five section heads to four section heads in Clark County.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

Engineer's estimate was \$1,337,515.83, and the Director has awarded that contract to TransCore ITS Limited in the amount of \$1,753,671.20. Final contract, number 3526, to construct intelligent transportation system elements at I-15 North. Part 2 of Package B, Las Vegas from Craig Road to Speedway in Clark County. Engineer's estimate was \$6,381,891, and the Director has awarded that contract, November 14th, to TransCore ITS, LLC in the amount of \$4,850,856. That's the four contracts under \$5 million that were awarded since we all last met. Any questions on any of those four?

- Sandoval: Only question; is there a limitation within these contracts rather we can provide it to a Nevada contractor? I -- perhaps TransCore, is it a Nevada LLC, do you know?
- Sisco: I don't know.
- Malfabon: I know they've been performing work for years for NDOT, so I'm sure they're considered local, but they probably do work across the southwest. But we've had a good working relationship with TransCore for over a decade, so we would see them as a local firm.
- Sandoval: Okay. Any further questions from Board members? Go on to B, please.
- Sisco: Moving on to Section B, which starts on Page 7. We basically have 35 agreements for you all to look at this month, which is the smallest number we've had in a long time. As I've previously mentioned, we go through them ahead of time and try to see if there's any red flags there, any things that jump out at us that we want to call to your attention. This particular month there's nothing that we identified, but we're sure that you all might have something. I'd be happy to answer any questions. Get the right people up here to answer any questions.
- Wallin: I just have -- Governor, I just have one. And it's -- and I've been reading it and reading it. This is Item Number 21. It's not a large amount. It's the GML -- it's on Page 12, GML Architects, the remodel of headquarters east annex building. And so we've made an amendment here to increase it due to a structural deficiency. And I just was wondering how that came about; why that wasn't caught when they did the original plans, or should they be responsible for this or --
- Sisco: Let me bring Mr. Nelson up here and see what he has to say.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

Nelson: Good morning. For the record, my name is Rick Nelson, the assistant director for operations. In doing the remodeling of the east annex building, which is the building just immediately to the east of headquarters back here. That used to be a series of garages, if you will; big doors where you could park trucks and so forth in. What we're doing is we're in the process of reconfiguring that space for offices. And the first step that we thought we needed was to do an ADA remodel so it could accommodate Americans with Disabilities Act. As we went in and we started doing that work and we dug a little deeper, it became evident that we did need to upgrade it to meet the seismic codes, because it's not for parking trucks anymore. It's for parking people. So that was one of those things that popped up as we got into the project.

Wallin: All right. Thank you.

Malfabon: Governor, I saw on Line Item 12 it was related to Moana Lane diverging diamond interchange. And I would be remiss if I didn't mention that -- I missed it in the Director's report, but I forgot to mention that we met our commitments on -- through the help of our construction crews that manage the construction of the project and our project manager, but also our contractors on the Moana Project and on the Meadowood Project met our commitments to have those open by black Friday, and help those businesses that are affected by those interchanges.

Sandoval: There was a lot of positive public feedback for that, so I think a lot of congratulations goes to the Department, as well as the contractors that were involved in that. And I think it made -- I stayed away from all that on black Friday, but I heard that it went extremely well. And what -- now that we've had a few weeks under our belts, how's that diamond interchange going?

Malfabon: Well, I just drove through it and I was -- we got through it okay. So I haven't heard of any problems of our motorists, so -- if I can get through it anyone can. But I was really -- it was unique, you know, I didn't know what to expect when I drove through it. I'd seen the computer video simulation of it and it was -- when you come off the ramp it's a little bit different from what you'd expect at a -- it was a previous existing interchange. But I thought that it was working well when I observed it.

Sandoval: I've had a chance to use the Meadowood, and that worked really well, I mean, it just was very smooth. Again, I was -- it's good for the transportation infrastructure. All right. Any further questions with regard to

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

Agenda Item Number 6? This is an informational item. Thank you very much, Mr. Sisco. I'm trying to decide who has the better holiday tie through Mr. Neilson and you. So they're both very nice. All right. We'll move on to Agenda Item Number 7, relinquishments.

Malfabon: Thank you, Governor. The first one of these is relinquishment of two parcels along Interstate 80 at USA Parkway in Storey County. These are properties that the Department has reviewed and determined that we no longer require, so we're requesting approval of disposal of these parcels.

Sandoval: Board members, do you have any questions with regard to the relinquishment as described in Agenda Item 7-A? Hearing none, the Chair will accept a motion for approval.

Masto-Cortez: Move for approval.

Fransway: Second.

Sandoval: Attorney General has moved for approval of Agenda Item 7-A. Member Fransway has seconded the motion. Any questions or discussion? All in favor, please say aye.

Group: Aye.

Sandoval: Motion passes unanimously. Agenda Item Number 8, review and ratify the selection of the contractor for the I-80 Carlin Tunnel's construction manager risk project.

Malfabon: Thank you, Governor. We'll call up our project manager, Dale Keller, once again to cover this item, which is for the I-80 Carlin Tunnels Project approval of selection and Q & D for this construction manager at risk project.

Keller: Well, good morning again, Governor and members of the Board. My name is Dale Keller, Project Manager of the I-80 Carlin Tunnels Project. And I'm excited to be here today to talk to you about this project and the steps that we take in -- to select Q & D Construction as our CMAR provider for preconstruction services. As you know, this is NDOT's third construction manager at risk, or CMAR, project, and we incorporated lessons learned from the previous two. This project is on the STIP. We anticipate the overall construction costs of these being \$20 to \$23.5 million. It is federally funded with a combination of interstate maintenance and bridge

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

maintenance funds. A year ago, the Board did approve the Pioneer Program process for CMAR, and the I-80 Carlin Tunnels Project was identified as a candidate. So before we jump in to the RP process, I want to give you a better understanding of the project and why CMAR is the best delivery method to meet our project goals. The Department looks to propose -- not good. Anyway, the project -- the Department looks to propose the service life of Interstate 80 through -- in Elko County approximately seven miles east of Carlin, Nevada. This two-mile stretch of freeway goes through a local canyon and over the Humboldt River. This is a heavy freight quarter, as well as the mining industry uses this route to bus workers from Elko to Carlin on a daily basis. This project is actually more than the tunnels. There's actually three main components to this job, the first one being the reconstruction of the roadway pavement. The Department has unsuccessfully tried to repair this section of roadway, and now we're recommending a full depth reconstruction. Next is the rehabilitation and seismic retrofit of eight structures. The bridges are experiencing significant cracking, as well as deterioration of the bridge decks. We'll be removing lead paint, which has environmental risk to the Humboldt River. And lastly, each bridge will be seismically retrofitted to meet federal level criteria for life safety in event of an earthquake. And last are the tunnels. There are two tunnels. They are 1400-feet long or roughly five football fields. We're going to repair the tunnel flooring. We're going to address any delaminated concrete and remove and replace the existing lighting system. According to District 3, the lighting system is costing the Department \$20,000 to \$30,000 a month in operation cost. We're looking to reduce this -- with the new proposed system, we'll reduce this operating cost to \$2,000 a month. A big benefit. So why CMAR? This is a complex project. It involves multidisciplinary areas of work and is in a tight working environment. CMAR will help minimize our risk such as environmental to our bridge rehab strategy. We will improve our construction schedule, and we will incorporate innovations to meet or exceed our project goals. So we issued an RP at the end of August. We had a lot of interest from industry, and we had five construction firms submit proposals. And they're listed here in alphabetical order. The proposals were evaluated by Department staff, and they had expertise in construction, in roadways, in bridges and lighting; and they all understood the challenges in the Elko area. So the panel recommended the shortlist three of the five proposals, and Director Malfabon approved the recommendation and the shortlisted firms were interviewed. The interview process consisted of a presentation, a

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

question/answer session, as well as a team challenge. From there after the interview, the Director did approve the panel's selection recommendation and FHWA issued their concurrence. And kind of as a step back and as a side note, this whole process was open and transparent. We had observers from FHWA, as well as the construction industry observe. They saw the review of the proposals, as well as the interviews. And after the procurement, we had a lot of positive feedback. And even one observer from the construction industry said that other agencies should be using NDOT's process as a model. So where we are today; like I said, we issued the RP, went through the evaluation and negotiations. We're here today for your review and approval. And based on the action today, we'll move forward with final design, as well as negotiate a guaranteed maximum price. And in spring of 2013, I'll come back to the Board and you have an opportunity to approve the construction contract. And that time, we'll start construction, based on your approval, in summer of 2013, and we'll finish in 2014. So the recommendation to you today is to ratify this election of Q&D Construction Company as our CMAR provider, and approve the preconstruction service agreement with Q&D in the amount of \$265,500. And based off possible action today, I'm ready to get out of this suit and tie, put my cowboy boots on and get to work. And I'll be happy to answer any questions.

Sandoval: We like your enthusiasm. When was the last time that there was significant work done on -- in this area?

Keller: That's a good question, and it varies between what elements we're talking about. As for the roadways and (inaudible) and the bridge work, we -- the district's been maintaining these three separate times in early 2000. So they've been deteriorating at a faster pace than the road has. And the bridges, I couldn't tell you the last time that significant repairs have been done inside the tunnel, which I don't believe there has been.

Sandoval: And then when you said as part of the interview process there was a team challenge, what is the team challenge?

Keller: Yes, sir. It's a -- I like it a lot, actually. It's a great way to kind of see how the CMAR team interacts with each other. And this team challenge was actually based on a real-life scenario that we're facing on this project. And they get a chance to digest the problem, come up with different alternatives and actually make a recommendation -- or actually -- yeah, make a

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

recommendation to the evaluation panel and present that to us. So it was a good way to see how they all interact together.

- Sandoval: Thank you. Other Board member questions? Member Fransway.
- Fransway: Thank you. I'm well aware that there is a not to exceed on the CMAR project, but is there also not to exceed on the preconstruction costs?
- Keller: In what regards, Member Fransway?
- Fransway: In -- to regards to the \$265,000 that we're going to be --
- Keller: Yes, sir.
- Fransway: -- approving today.
- Keller: And how this contract is set up is is task orders. So the first task order is for what we anticipate for the amount of work that needs to be done. And the over on 265, that's correct, is not to exceed.
- Fransway: Okay. So there's a guaranteed maximum on the preconstruction also?
- Keller: No, sir. No, sir. This is a service agreement so it's treated the same way as other services and other consultants. So if there's a chance that something happened that we had to -- we needed their service for a longer or more period of time, there's a chance for amendment to that.
- Malfabon: And the amendment would have to come before the Board, typically.
- Fransway: Okay. Thank you.
- Sandoval: Further questions from Board members? Hearing none, the Chair will accept a motion for approval.
- Wallin: Move to approve.
- Sandoval: I was going to read -- and we'll adopt the language as provided in Agenda Item Number 8. So we have a motion for approval from the -- from Madam Controller. Is there a second?
- Savage: I'll second.
- Sandoval: Second from Member Savage. Any questions or discussion on the motion? All in favor, please say aye.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

- Group: Aye.
- Sandoval: Motion passes unanimously. And thank you, it was an excellent presentation.
- Keller: Thank you.
- Malfabon: Thank you, Dale.
- Sisco: Thank you, Mr. Keller.
- Malfabon: And, Governor, it's just good to hear that the industry representatives that observed the process feel confident that NDOT's doing it properly. Hopefully, they'll be partners with us as we try to eliminate that two-year sunset that ends after next session, so that NDOT will be allowed to use the CMAR process for project delivery in the future without that limitation.
- Sandoval: Okay. We'll move on to Agenda Item Number 9, acceptance -- or possible acceptance of the FY 2012 Performance Management Report. Mr. Director.
- Malfabon: Thank you, Governor. Pursuant to NRS 408, we do this performance management report on a regular basis. Our assistant director for planning, Tom Greco, will cover this item.
- Sandoval: Please proceed, and good morning.
- Greco: Good morning, Governor, members. For the record, Tom Greco, Assistant Director of Planning. And let me start with a Happy Holidays to all -- one and all. 2012 report on performance management; I have nine additional slides. I plan to be brief; give you an overview of the who, what, when, where and why, literally. So let's start with the who. This document is a collaborative effort with the Governor's staff, the LCB, DMV Office of Traffic Safety, 14 NDOT staff and our Performance Management Division. And we do this -- what do we do? We meet the legislative requirements. We are aligned with the Governor's performance-based planning framework. We're moving toward the Map 21 guidance. FHWA is smiling on that. And I'd like to focus on the element of 15 performance measures next. I'm not going to read them all. What I would like to do is to break them into four groups that makes them a little more understandable. In the upper left, measures 1, 2, and 3 deal with NDOT staff items. In the bottom left, those measures deal with processes, such as agreements, safety stats; those issues. Upper right is our operations and maintenance. Bottom right

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

is project management. And you might ask why the ducks. Well, project management is mostly about getting your ducks in a row. And looking at those groups in a chart with measurements, the scale that's on the left there, the 0-5100 percent, that's a measurement of reaching the goal. And I'd like to go through about four examples of how we got the measurements we did. The first one is performance measurement number 1, and in our document on Page 8, we would be looking at reducing workplace accidents. And it's measured on two yard sticks. One is the goal of a 10 percent reduction of injuries and illnesses based on 100-employee rate. And the second measurement is reducing injuries and illnesses that require medical attention. Well, if you look at the results in the red box, yardstick 1, we actually lost ground this year of about 5 percent. And measurement 2, we did indeed reduce the medical needs by 18 percent. Well, the graph is showing a 50 percent attainment, and that's based on meeting one goal and not the other. So that's pretty strict measurement. Another one I'd like to highlight is goal number 12, which is one Page 13, Safety. Bottom of 13, Item 12; the goal is a 3 percent reduction in fatalities on our roads on a five-year rolling average. We've done that. Our actual measurement is an 11 percent reduction. So you see a very high attainment of 300 plus. But that isn't the full story. In 2012, year-to-date this year relative to year-to-date last year, we are actually four fatalities higher than last year. Most outstanding in that statistic is a -- is the numbers that are in Las Vegas area. Last year, year-to-date, fatalities at 108 as of this date. This year, it's at 152, which is about a 40 percent increase. We are analyzing that. We are -- we're working with programs that deal with DUIs that deal with pedestrians and bicycles. They seem to be the areas of most need. Another area that I'd like to mention just briefly is Number 10 that's in a minus. On Page 12 in the document, again, maintenance of NDOT facilities. The goal is to increase our building code compliance by 3 percent a year. And we actually lost 1 percent. The reason is this year, 2012, rather than focusing on actual construction items that would reduce our noncompliance, we focused on facility assessment work and prioritizing what we need to do beginning next year. So that's why we slipped a little bit in that element. The last one that I want to mention is Item 14, and that is on Page 14. And that is maintenance of state bridges. That's measured as the goal of replacing or repairing a state bridge one a year. So we either do one and we meet the goal or we do none and we don't meet the goal. We didn't meet the goal, and that is because we advertised a bridge project. It was not awarded. It is -- it's in the process of being reconfigured and will be

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

re-advertised, and hopefully awarded and repaired. The last column on the right is an average of all of our numbers there, and we're at 80 percent. You might ask how does that measure up against '11 and '10 and '09. In 2011, our average was 70 percent. In 2010, it was 60 percent, so we're going the right direction. However, our best year was in 2009, 84 percent. So we are -- we're working in a direction to improve our overall average. And with that, I'd like to move on to the next slide, which discusses when do we do this study. It's a once a year, every year. And in addition to that, we offer a quarterly update to the interest on that bottom line. And where do we do this study; everywhere within the state, every highway, every NDOT employee building and facility north and south. And last of all is why. We do this in the interest of promoting a true performance-based budgeting and decision making process in order to most effectively allocate our resources. In other words, the best band for the buck. And with that, I'd like to wrap up and mention a few other items that are in this document, in addition to the performance measures. Within the document on Pages 74, 75, and 76, we offer an overview of state funding. In the document on Page 81, there are 32 major projects listed. And then in the document on -- beginning at Page 123, the appendixes deal with benefit cost analysis, project priority setting, our performance management plan, and projects funded through the Las Vegas Convention and Visitors Authority. And with that, I'd open it to any questions, please.

Sandoval: Thank you very much. And just for clarity, back on the bridge portion of the report, when it says that a bridge is structurally deficient, it doesn't mean that it's about to collapse, correct?

Greco: Accurately stated.

Malfabon: Yes. Governor, the Federal Highway Administration has recognized that when -- as the DOTs are reporting those types of factors, they -- those kinds of -- that nomenclature means something to engineers, but to the public it can create some concerns. And that wasn't the -- I think they might eventually change that measurement but -- or the title of that measurement.

Sandoval: And perhaps the Carlin Tunnel ridges over the river would be an example of that.

Group: Yes.

Sandoval: They need some work, but they're not about to --

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

- Malfabon: Yes.
- Sandoval: -- fall down. Okay. Questions from other Board members? Member Savage.
- Savage: Thank you, Governor. I just have a comment to Mr. Greco and the Director and to really all the employees at the Department. This is a very, very good measuring stick. I didn't see it last year. I think we'll have a separate binder for this performance management. It's a good mirror that when the employees are going to work every day, they'll be able to know the challenges that we have. And I know together as a team, from the top down, that the Department's going to be better and better each and every year with these goals that we can achieve together side by side. So I just want to compliment the Department, at this time. And understand that we do have some challenges ahead of us, but together we can win the game. So thank you.
- Malfabon: Thank you, Member Savage.
- Sandoval: Thank you, Member Savage. Madam Controller.
- Wallin: Thank you, Governor. I, too, want to commend the Department. I'm always impressed with this document, and I think you guys are way ahead of other departments in the state as far as this document goes and your performance management. And I think to 2009, I don't think all of them -- we didn't have all the numbers in here, so I think that's probably why we were higher in 2009, because I know that when the document first came out, we hadn't figured out how to measure stuff, and now we're measuring it. So I don't think you're doing worse than 2009. That's --
- Greco: Yes, this is an evolving document with evolving yardsticks.
- Wallin: Right.
- Greco: So good observation --
- Wallin: Yeah, so I don't think you're --
- Greco: -- and thank you.
- Wallin: -- I don't think you're behind. I'd just like to ask some questions on some of them. On the employee satisfaction, it's the one that -- it talks about employees believe management applies policy consistently. That one's

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

been going down, and I don't know if the Director would like to address that and what you have in place to --

Malfabon: Yes. What we -- we've been doing the employee survey for several years now. And what we do is not only give them a question, pose it to them and give them like a 1 to 5 agree or don't agree-type of range to respond to. We also look at their comments, too, and some of them are very pointed. So one of the areas that we want to work on is ethics and -- from the top down really to define what's allowed and what's not allowed. Our employees are constantly watching our leadership, and the standard that we hold them to they want to hold their leadership to. So I think that it starts in the Director's office. And we have to hold each other accountable throughout the Department from the rank-and-file employees to the all the way up to the director level. So that's one thing that we're working on. We look at those comments after the -- we do the survey on an annual basis, and have a meeting with our human resources folks that collect that information and talk about how can we drive those numbers up.

Wallin: Okay. All right. That's my only question. Thank you.

Sandoval: Any other questions or comments from Board members? I, too, want to compliment the hard work of all the men women at the Department of Transportation. I think one of the most memorable moments for me was during the fires, when we had the crews out there replacing the rails. And I had driven around and stopped and wanted to personally thank one of the crews, and did so. And they basically said you can go now, Governor, you're in the way. True story. But I think that really does show the commitment. And they were out there in some pretty tough conditions getting things done. And during this most recent storm event that we had, I know that the crews were out there and are always ready and willing to go. This report is an excellent report, and truly is an example for all the state agencies. It -- there's some tough information in here. There's some things for me to learn from and to pay attention to, but I really appreciate the work and effort that went into this. And sometimes this brutal honesty is a good thing. And I also wanted to compliment the Director for the Muffins with Malfabon and carrying on that tradition.

Greco: Governor --

Malfabon: We'll do a Bagels with Brian.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

- Greco: Governor, may I add last of all that 80 percent of the effort in this document is the credit of Dale Lindsey, in the audience there in the back row. Raise your hand. Good job. Well done.
- Sandoval: Thank you, Dale. Yeah. Any last questions? Member Fransway.
- Fransway: Thank you, Governor. And I would echo what the other members have said. This is a very impressive document. And not only is it a measurement of performance, it's a measurement of accountability to the traveling public. And I also would like to congratulate everyone involved and look forward to just being continued on an annual basis. So thank you, Tom.
- Greco: Yes, sir. Thank you.
- Sandoval: If there are no further comments, the Chair will accept a motion to accept the FY 2012 Performance Management Report.
- Savage: (Inaudible), Governor.
- Fransway: Second.
- Sandoval: We have a motion for acceptance by Member Savage; a second by Member Fransway. Any questions on the motion? All in favor, please say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes unanimously. Agenda Item -- thank you, Mr. Greco. Agenda Item Number 10, supplement to request for approval for purchase of sweepers. Mr. Director.
- Malfabon: Thank you, Governor. This item is to request approval of purchase of five sweepers for District 2, primarily in the Reno-Sparks area, Washoe County. This is what's called a nonattainment area for air quality. These sweepers are called PM10, which means particular matter; is 10 microns is picked up off the roadway surface by these sweepers. NDOT currently had this approved along with several other local agencies. Previously, in 2010, it was the -- money was programmed under the Congestion Mitigation and Air Quality, or CMAQ, category of federal funds. So there was some projects -- equipment that was approved to use that funding for Washoe County, City of Reno, City of Sparks, and NDOT. So it was a combination of sweepers, other systems that are used during the winter to maybe reduce the amount of sand that goes on our roads, which can create dust when it -- when the

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

weather dries out. So it actually, as I mentioned, had been approved previously, but the Department wanted to take some additional measures. I'd ask that we look at contracting out the sweeping operations in Las Vegas, which is the other nonattainment area for air quality, and in Washoe County. So we do have two current contracts, and that's how we were able to do the price comparison for purchasing the sweepers and having our own people operate them versus contracting that out. In the Washoe County area, that contract with a sweeping contractor called Clean Street, is -- we've had to notify them of some deficiencies, but all-in-all it's a little bit different, because we're sweeping the freeways in Washoe County. And in Clark County in Las Vegas, we're trying -- the private sweepers' contractor is working on local streets that NDOT has as state highways. But these sweepers, we're going to view it as a replacement of five sweepers. The criteria for replacement are 8,000 hours or 72 months, which doesn't seem like a lot, but these sweepers have a lot of moving parts. We've had some issues with trying to get some of those parts, because some sweeper manufacturers bought a business. The idea is, though, that there are currently, in the Reno area, seven of these types of PM10 compliance sweepers. We want to replace five of those that we -- that meet the replacement criteria. And this CMAQ fund -- funded sweepers, they're 100 percent federal. So if the Board chose not to approve the purchase then that money would kind of go back to the RTC to determine where to spend that money. We feel that it's a good use of the money, replacing some aging sweepers and improves the air quality in the Washoe County area. One thing to mention was City of Sparks I mentioned was one of the recipients of CMAQ funding. They elected to defer the purchase of their sweepers and contract it out. They had -- you might have seen in the local paper about a year ago that they had some struggles with their contractor not meeting the performance criteria. We developed some performance criteria for the sweepers, and for the most part our issues have been with -- we can work those out. We identify those performance measures. We notify the contractor when they're not meeting those measures, and we can work those things out so they can improve their performance during the life of the contract. So we'll continue with the sweeping contracts in Las Vegas and in Reno-Sparks area. And this -- these sweepers will just replace some of the aging sweepers that our maintenance folks already use.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

Sandoval: Just so I understand, Mr. Director, so we're going to maintain those private contracts. These will be to supplement our own fleet for those areas that are not covered by those contracts.

Malfabon: Yes. And we're looking at replacing, so getting rid of some of those older sweepers. And we can either sell those or we can look with the Equipment Division and see if they recommend using some of those parts. If there's a sweeper, say, that's no longer manufactured and we have another sweeper that's still active, we can maybe use that for supplemental parts

Sandoval: And this supplier is a strong company that is going to be around for a while?

Malfabon: The -- the one that's --

Sandoval: I guess it's --

Malfabon: -- the contractor that's (inaudible)?

Sandoval: Well, the one we're buying these --

Malfabon: Oh, yes.

Sandoval: -- sweepers from.

Malfabon: Yes. There's a -- as they have less competition, they get a little bit stronger every year, so...

Sandoval: Just like you mentioned, I don't want two or three years from now us to have some sweepers that we can't get parts for.

Malfabon: Yeah, typically, this goes to state purchasing for procurement, but it seems like the -- I know that Timco is one of the companies that's doing well in the manufacturing of these sweepers. So they'll probably respond to that procurement.

Sandoval: That's a good looking truck. Questions from Board members? Member Fransway.

Martin: Rudy, what's our cost per mile swept under private contracts in Las Vegas and Reno? I see you're comparison here on the paperwork, and I was just wondering what are -- when we subcontract it out, what's our cost per mile.

Malfabon: Member Martin, I don't know if we have it calculated that way, but I've heard that measurement used by other agencies. So we would probably

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

defer it to Maintenance Division to calculate that and maybe report that as an old business item next month.

Martin: Okay. Thank you.

Malfabon: Oh, I'm sorry.

Sandoval: Member Martin, I think we have it.

Bush: This is City of Vegas and then this is (inaudible).

Malfabon: Okay. Both substantial. So this is cost per mile, Anita?

Bush: Yes, per mile.

Malfabon: Okay. So the -- here's the response from Anita Bush, who is our -- head of our Maintenance and Asset Management Division. It's \$24.98 per curb mile in Las Vegas, and then in the Washoe County area it's \$59.25. Now the difference might be attributed to the fact that we are doing streets in Las Vegas, probably lower speeds. So maybe some of the additional efforts that they have to do to protect their vehicle as it's going down the road are not as extensive as they have to do when they're doing freeway sweeping. But that's what the numbers are, \$26.98 per curb mile in Las Vegas, and \$59.25 per curb mile -- or for per mile in Reno.

Martin: And if I read correctly on the attachment, you're projecting a \$40.16 per curb mile cost by -- with the use of these new sweepers?

Malfabon: Could you repeat the question, Member Martin?

Martin: Yes, sir. I'm looking at attachment -- I can't see it for sure -- Attachment Number 2. You're projecting a cost over a six year -- equipment cost assuming six-year depreciation, other equipment use for the task, equipment maintenance, insurance, fuel cost, labor cost, department labor overhead, et cetera, \$40.16 per curb mile.

Malfabon: Yes.

Martin: And are we talking apples to apples to the \$59 you were talking about earlier?

Malfabon: That's the information I've been provided from maintenance, so -- when we talk about apples to apples, one of the things that we note is the state, you know, insurance requirements are a little bit different for a government

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

entity compared to a private entity. We obviously -- we capture our labor towards this effort and we have an overhead rate applied to that labor. But some of the things from the government side to the private side don't -- are more complicated to compare, but as best as we can, Member Martin, we try to get a good comparison with apples to apples.

Martin: Okay.

Sandoval: Any other questions on this agenda item? Member Fransway.

Fransway: Thank you, Governor. Are these sweepers replacements or are they --

Malfabon: Yes. We're going to -- they were funded -- there wasn't a criteria for replacing existing sweepers, but we feel in order not to increase the size of the state fleet and increase our maintenance -- vehicle maintenance cost, we prefer just to use them as replacements.

Fransway: Okay. What will happen with the equipment being replaced?

Malfabon: As standard procedure for equipment being replaced, we look to see if there's -- we can turn it in and sell that and recoup some of that cost from the salvage of that equipment. And I mentioned earlier that there might be a requirement that we want to keep some of these for parts, for replacement parts, if it's a manufacturer that's -- and we have a vehicle made by that manufacturer that's still operating, we might want to keep one of these replacement ones for parts.

Fransway: Okay. I would ask that -- or ask you to consider if you do opt to sell or get rid of the current machines, that you contact local governments and see if, in fact, they may be interested in acquiring the original equipment.

Malfabon: That's a good suggestion.

Fransway: Okay. Thank you.

Malfabon: We'll follow up with that, Governor.

Fransway: Thank you, Governor.

Sandoval: Thank you. And do the local governments usually show interest in some of this equipment? I mean, perhaps they're not aware --

Malfabon: I know that when we get rid of some equipment, not specific to sweepers, but the state will turn in some equipment. And I know that some local

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

governments don't have that type of equipment on hand, so they could look at getting a good bargain if they buy it from the state as a -- where we're replacing it on our side and just turning it back in for a resale.

Sandoval: Member Fransway.

Fransway: And, Governor, I can almost assure you that the local government in Humboldt County would be interested in having that option, perhaps; because I think that -- I don't know if the City of Winnemucca has replaced it, but I don't believe that their sweepers had the ability to actually vacuum the particles.

Malfabon: Yes, these ones do. Or the one in Winnemucca you don't know?

Fransway: And, you know, if you're just going to spread it around it really doesn't do any good.

Malfabon: Right.

Fransway: And so they may be interested in certainly having the opportunity.

Malfabon: And these are the vacuum type of sweepers, so...

Fransway: Okay. Thank you.

Sandoval: Maybe you could send a notice or something to NACO. That might be a good way so NACO distribute it, excuse me. The -- as I said, it maybe that some of these counties aren't even aware that these -- this type of equipment is available. So, as a matter of practice, perhaps we could let NACO know.

Fransway: And I know that NACO would appreciate that.

Malfabon: Thank you, Governor and Member Fransway. One thing to mention is that this is for the CMAQ funding, which was 100 percent, but there also is another opportunity that we will bring forward next month. We recently heard that NDOT was successful in a grant application for a sweeper up at Lake Tahoe. As we talked about, this is a vacuum-type sweeper that gets that dust off the pavement, so it prevents it from getting in the storm water, which goes to the lake. So that was funded under the Southern Nevada Public Lands Management Act, where (inaudible) auctioned off public land and had this money available for some of the trail projects and actually for this effort, improving air quality at Lake Tahoe. So we're pleased to report

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

that we were successful in that, and we'll request that next month; for one more sweeper for up at the Lake Tahoe area.

Sandoval: Any further questions or comments? The Chair will accept a motion to approve the purchase of sweepers as described in Agenda Item Number 10.

Wallin: Move to --

Martin: (Inaudible).

Sandoval: Motion by Member Martin. Second by Madam Controller. Any questions or discussion on the motion? All in favor, please say aye.

Group: Aye.

Sandoval: Opposed no? Motion passes unanimously. Agenda Item 11, briefing on Tahoe Transportation District projects.

Malfabon: Thank you, Governor. If you didn't hear, that was kind of a cheer from District 2, all the way out here. With us today, Mr. Carl Hasty, is going to talk about Tahoe Transportation District.

Hasty: Good morning, Governor, members of the Board, Director. I really appreciate the opportunity to present Tahoe's Transportation program to you all today. I'd also like to acknowledge and point out the chairman of my Board, Mr. Steve Teshara, who's in the back today in attendance. First, a little bit about Tahoe and also the district. I don't know if you are aware that actually the Tahoe Transportation District is a bi-state compact agency. So the same compact that created the Tahoe Regional Planning Agency also created my district. We have the same outcomes that we're after, but we have two very different jobs to do with TRPA being the regulatory and Land's Planning Agency and the district being a transportation implementation organization. We have the authority to own and operate both services and facilities, where TRPA does not, and we also have the authority to go outside of the Tahoe bounds in order to connect to Lake Tahoe. As you note here with the ownership of land at Lake Tahoe and the tie with the basin with the proximity and economies to this area, the things I really wanted to point out to you is the heavy visitation we have, and also this tie to water quality down here at the bottom, as we were just discussing here with sweepers, which is extremely important. We know now from the watershed modeling has gone on, the transportation system is a major part of the urban development at Lake Tahoe, and therefore is a

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

major contributor to the decline of Lake Tahoe. And so is a constant issue in terms of retrofitting it and getting the ills of the past corrected, as well as the maintenance things like with sweepers, which are going to pick up that very fine sediment. That's extremely important. Just mentioned here about the district, we work with both sides and we work with a lot of players. And that's something you'll see through here as a theme as I go through this project list. We have many partners and we look at NDOT as a very important partner with the district, and we look at ourselves as a very important partner with NDOT for dealing with things on the Nevada side. This map depicts a series of the projects that we are involved in up at Lake Tahoe. Down on the south shore here starting around, and I'll go through these a little more, is a realignment of US 50 to actually create the first local main street at Lake Tahoe, because all of main street Lake Tahoe is a highway. The bike trail we'll be talking about, and I heard that came up a little bit at last meeting on the Nevada side. We worked with NDOT very closely on the Incline Gateway, as well as this summer. You might have heard about the East Shore Express, which was a shuttle service that we offer between Incline and Sand Harbor State Park to alleviate that dangerous parking that happens along the highway. We're also working on, in Tahoe City, to look at a realignment of SR 89, another choke point there right at the junction where the river is. We're also dealing with the bike trail all the way around the lake where we can, and then these transit services, the most recent is up there at the North Shore and tying into ski areas North Shore, which we'll get into a little bit more. Note all participants who were involved in this, this is typical and you'll see through this throughout, but we were very appreciative of being able to work with NDOT. Our role is largely facilitation, working with the community, the outreach and things like that. NDOT did a fantastic job, and Q&D did a super job of building that project. A little aerial picture there of what that intersection improvement is there, and it's working very well. If you haven't see it, go up there and see the art that that community got behind, put together, raised the money to and commissioned an artist to put that in place. It's been very helpful and we had enough accident activity going on there that it's a big safety improvement, as well as water quality. The East Shore Express I mentioned, again, another series of partners. These things don't happen easily. We know how to do that up there. We're very Tahoe oriented in understanding the complexities of the politics and all the different organizations that are involved to get things to happen. This was very successful and so much so now where the community in Reno is now asking

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

Washoe ROTC to connect, and Washoe ROTC is in discussion with us for next summer about how can we get a bus from Reno up to Sand Harbor. And I think that's very possible. We ended up with a ridership of over 12,000. Our target was 10,000 for the summer. That was really good. We just had discussions this week with the Shakespeare Group, who are interested in working with our shuttle for their activities there with the theatre there at nighttime this summer. So a lot of positive response, a lot of positive response from the safety folks, state parks as well as NHP. Leaps and bounds with the improvements in terms of the potential accidents, as well as the other safety problems and the reduction in citations that they issue for the kind of parking that happens down there. We're then expanding that and we're looking at the whole 28 corridor. The 28 corridor is the most undeveloped corridor we have at Lake Tahoe. It really is, you know, it should be a nice national park standard for everything up there. And, again, a large number of participants, mixed land ownership there, mixed public land ownership there predominantly. To deal with the parking issue, to deal with the access, to deal with the types of resource management problems down there; we're engaged in this activity right now, which we're looking to conclude at the beginning of next year to really create what will then become our collective action plan. It's how we coordinate ourselves, leverage each other to be able to bring resources and cooperative agreements to serve the public better and protect the resource better. There's a lot there to deal with. That's a good illustration. And the coolers with wheels on them is probably been the worst invention every, because it has now made Highway 28 a sidewalk for a lot of folks who just -- man, they're in a different mind frame when they're coming up there. They're not even thinking of the danger. So these types of improvements for the shuttle, looking to get parking off the highway into kind of satellite parking lots that are adjacent to the highway, but not on it, those are the solutions for now and the future. We'd like to call this America's most beautiful bike place. So this is where we start getting into the bike trail here. And, again, a large number of partners, as you can see, and participants in this. We have two demonstration projects that we've been working on; the south state line and the one at North Shore, that same stretch between Incline and Sand Harbor. We're into the environmental document phase for it right now. We're designing it right now. We have some of the funds we need to begin to construct that right now. We are there to provide an alternative to the automobile. The compact actually gives both organizations the direction of providing alternatives to the car. Unlike most communities, we are not

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

looking to build lane miles at Lake Tahoe. So we have to find other solutions, which is transit, bike trails, making Tahoe more pedestrian friendly, bicycle friendly and alike. And coincidentally, maybe not coincidentally, we find that with the visitor that's really what they want. That's what they want to be able to do. It gives them access to the lands and so on. So we just constructed the first mile on South Shore here. This is a picture of what has gone on at -- on the California side. And I wanted to show you, since the issue came up, that these highly portable documents are with a background of what even got us to those two demonstrations in the first place. And it's been a very large collective effort. We're looking at the full 30 miles or so along the Nevada side of as much as possible providing what's called a Class 1 bike trail, which is a separate bike trail. And, essentially, it's a one-lane road. And the first mile just went through there at Nevada Beach, between Kale Drive and Elks Point. And next year, the next mile will go in and we're -- this is one NDOT's CMAR projects. So this is the enhanced CMAR project, and it'll go to Round Hill and connect to Round Hill Pines resort there, which is a four service facility. So this exemplifies how we're looking to connect our main kind of state line urban areas with these four service amenities of which people want to come. And start to address the next major off -- or on-highway parking problem, there's Zephyr Cove.

Sandoval: Before you move on --

Hasty: Yes.

Sandoval: -- Lieutenant Governor is not here today --

Hasty: Yes.

Sandoval: -- but I know he had some questions or concerns with that area. I don't know if you've had an opportunity to chat with him.

Hasty: We have been working with NDOT here to set up an appointment with him in order to go meet with him and answer any questions that he might have. And so we will continue to do that, because that has not happened yet.

Sandoval: I don't recall specifically what his concerns were.

Malfabon: I think, Governor, his issue was the width of that multiuse path or that trail. He felt that it kind of changed the environment of Tahoe and excessive -- he

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

thought it was a little bit wide for -- but maybe Mr. Hasty can comment on the width of the trail.

Hasty: It is a change. I mean, you're looking at a minimum of a 10-foot wide paved trail with shoulder. And so that's why I say it's essentially a one-lane road. And then the bridge that was built across the creek is even wider than that. It's 14 feet. And working with the forest service, because we're on forest service land, they wanted that thing built so that it could carry a fire truck, and it does. So it's got the width and it has the structural integrity to carry a fire truck to access that area if it's needed. It's definitely different from your three to four-foot wide dirt path that you're used to seeing, but it's designed -- it meets the standards that we have to, especially since we're using federal funds and the like. And all I can tell you right now is that we've phenomenal use out of that since that trail has gone onto the ground there. But we will continue to look to meet with the Lieutenant Governor and answer all of his questions.

Sandoval: Thank you. Member Fransway.

Fransway: Doesn't it transit a wetland --

Hasty: Yes.

Fransway: --of sort? Okay.

Hasty: Yes.

Fransway: And I believe the Lieutenant Governor had some discussion on that also.

Hasty: We can easily answer that. I mean, we've gone through everything we had to go through with TRPA and the Army Corps and anyone else involved with that to do that and design the trail and so on, and minimize impact, et cetera, and successfully so. But it different when you're not used to seeing it in that location and the like, and it's going to take a little getting used to. We also built a -- expanded the parking lot there and put a restroom facility, because there was no restroom facility for that trail at all until you got to Nevada Beach. And these are some of the amenities that need to happen, including along the 28 corridor, because there's really not much there for that either. Our project here on South Shore, we're going through right now, this is the one mile that I'm talking about, and it, essentially, is a bi-state project. It's Nevada-California side working with NDOT and Caltrans, and you can see the list. This has been desired for a long time.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

This is -- we call it revitalization, because what we find for transportation is not only the environmental improvements for Lake Tahoe, but really transportation is one of the most crosscut activities there are in terms of community enhancement, economic development, and environmental improvement. And that's really how we view this for Lake Tahoe. So projects like this are key to Lake Tahoe's future and rebuilding that old infrastructure that's there in the built environment. And our transit service; we took over the service at South Shore. We operate that bus service, which serves the California side; also connects Gardnerville, mini Gardnerville to Carson City and Lake Tahoe; the East Shore Transit, a couple of other things that are ongoing here. We work with Caltrans and NDOT on that then. We do not have any dedicated local funds to this, so our budget comes from private sector, the State of California, and FTA grants that we get. the most of which come through NDOT. We are treated as a rural entity, which is a challenge for us at Lake Tahoe. Part of our transit future is looking to connect North Shore to South Shore, because we do not have a regional transit system. And the most viable way that we see is reintroducing passenger ferry to Lake Tahoe. We're going through the FTA small starts process right now. Again, a number of entities. We're getting ready to go into the environmental document phase on it. We're looking at this type of vessel that would be twin hulled, passenger only; holds maybe 120 passengers. We just went and looked at some high-speed, low-wake vessel types up in Seattle to check that out, and we could be ready to go with that when we get the funding as early as the beginning of 2014. I mentioned the Fanny Bridge there. If you're familiar with Tahoe City, the bridge that crossed just below the dam, that's the outlet of Lake Tahoe. And we're looking -- it's a major congestion and choke point. It's also a major potential here for making it that much more pedestrian-oriented and upgrading all the infrastructure and there. It is a structurally deficient, but not ready fall into the river yet bridge that's 83 or so years old, and it definitely needs to be rehabbed. So we're looking to do that, and working with the county and the community up there. We're also looking at redeveloping themselves economically. And then this is the latest, and this map is also probably going to change this week a little bit. But for the first time, the ski areas at North Shore along with the community of Truckee are all looking to put into a single coordinated transit system to offer free shuttle service to the visitor this winter. We will be starting that this coming Saturday, as a matter of fact. And that's another step in this progression of creating a regional transit system for Lake Tahoe, and that is significant.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

And it exemplifies the types of things that we're looking to do by trying to create in the basin and outside the basin (inaudible) activity. And so then that's a little bit more on that. And it definitely -- for this bottom line here, you know, this is part of our problem up there; is everybody running their own thing. We had the same thing years ago with the South Shore with casinos running their individual systems, the city running theirs. You know, when the visitor comes up there, they don't know what the heck is going on.

Sandoval: Where does that originate?

Hasty: The whole system itself?

Sandoval: Yes.

Hasty: We will be -- each one of the properties, there will be a stop including the town of Truckee there at the airport. And there'll be a connection there for the service that then goes down the 80 corridor to Boreal and into those ski areas there. So what we're looking at is Kings Beach, Tahoe City, Homewood, Alpine, Squaw, North Star, and Truckee.

Sandoval: And that was my question; if somebody was coming along and they wanted to know where they would park so they could --

Hasty: Yes.

Sandoval: -- catch the shuttle. Yes. And there's a new transit center now at Tahoe City, as well. So that will be one of the stops and individuals can park there. I believe parking will be at the Truckee airport, as well, which has got a lot of space and that airport is not used much in the winter time.

Sandoval: All right. Thank you.

Hasty: And, again, a lot of the partners here. We also run some others. We have with our partner up at North Shore, the Transit Management Association, which is a great partner to deal with and interact with the private sector. We run the North Lake Tahoe Express, which connects North Tahoe with the airport. That's under our umbrella, as well as what's called the Night Rider. The public system up there doesn't run that long at night. We help with that in the winter time, as well as the summer time to -- and was very successful with running as late as 2:00 a.m. with all the businesses up there. And then this new -- last summer, North Shore was extremely interested as a precursor to the Lake Tahoe ferry, was to introduce water taxi service at

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

North Shore. So that got going late this summer. That was successful. You'll see it back again this summer. Attractive boat; holds up to 12 passengers, 6 bicycles. And we have a series of about four stops there. So one of the things that I want to conclude with is where are we going. And what we see is, again, I mentioned that our challenge is being considered rural. When you look at the Truckee area on down through South Shore, there's 70 -- over 70,000 permanent residents. And we have well over three million visitors a year plus in that area; not any given busy day. We're well over 200,000 to 300,000 people just in Tahoe alone. So our infrastructure and service needs are that of an urban locale. And for us, that means we need to work with our partners outside and recognize how we're related from a tourist base economically, as well as our transit system. And this is where we start looking to the Trans-Sierra Coalition, because what we also see out of Map 21 is that we're all too little. We're all too little to be competing for the funding there that's now going to the major metropolitan areas, and we need to act as a larger constituency and as a larger coalition in order to establish funding things for ourselves, as well as be competitive for that region. So I just want to leave you then with this map, which is a concept that's been called this megapolitan area, which coincidentally happens to be our major drive-up market. And the projection is that we have 12.4 million people in this 27-county region right now, and it's projected by 2040 to go to 16.3. And from us at Tahoe, that means that many more people looking to get to Tahoe and be at Tahoe. And we need to anticipate that. We need to start working on that. That's where this (inaudible) comes into play. This is what California is looking at with high-speed rail and a connection over to Sacramento. What does that mean? What does that mean to this part of Nevada? And how do we all work together to address that, work together, hook these things up, pay for it. And that's the concept that we are working with our other -- with NDOT, Caltrans, and our other local partners right now to develop that, because that's what we see as the future, and that's what we've seen as having to work right now. And I think this Map 21 underscores that. If we're not starting to address that ourselves then we can't tap what's there. So -- and we're available. So we'll be -- continue to follow up with the Lieutenant Governor. And I really appreciate the time and opportunity to share this with you today.

Sandoval:

Thank you, Mr. Hasty. And is there any new information with regard to that, that federal designation issue?

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

- Hasty: There is not with this exception -- and I very much appreciate and I should have noted this; your letter and joining with Governor Brown on support on the Metropolitan Planning Organization for Lake Tahoe. It is my understanding that, you know, there's a legislative fix in the works to make it clear to federal highways that that is still an intent and a desired need. And that is all I know where it stands right now. We've heard nothing else from the Department.
- Sandoval: Thank you. Other questions from Board members?
- Malfabon: Governor, we have been in discussions with our delegation. We did send in our letter of support to USDOT, but hopefully the delegation is also working on a parallel track to have a correction done to Map 21 that will reestablish that Metropolitan Planning Organization status for Tahoe NPO.
- Sandoval: Thank you. And I know on our agenda this is marked as an action item or possible action item, but it's an informational item, correct Council?
- Savage: Yes, Governor, it is.
- Sandoval: All right. Thank you.
- Fransway: Governor, if I can make a request to depart. I have a commitment at 11:00 that I have to honor.
- Sandoval: All right.
- Fransway: Thank you.
- Sandoval: Thank you, Member Fransway, and Happy Holidays to you.
- Fransway: Thank you. Same to you.
- Sandoval: Thank you. Agenda Item Number 12, old business. Mr. Director.
- Malfabon: Yes. These are a report on outside council costs on open matters in Attachment A. We also have the monthly litigation report and also a fatality report, which we do on a regular basis to advise the Board of where we're at. And, unfortunately, we are a little bit higher on Attachment C as shown there what fatalities. Primarily in Clark County, we've had an unfortunate year with many fatalities there as compared to the rest of the state, as far as the percentage increase over -- compared to the year prior. We're prepared to answer any questions on these reports.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

- Sandoval: Thank you, Mr. Director. And perhaps I asked this last month; is there any kind of strategy or trying to decide how we could decrease the amount of fatalities particularly in Clark County? It just seems like every time we open up the paper there's another tragedy.
- Malfabon: What -- we recently had a safety summit in Clark County attended by the law enforcement folks across the state. The emergency medical responders participated, Federal Highway Administration, the Highway Traffic Safety Administration. So a lot of members along with NDOT and the local agencies to look at our strategic highway safety plan. There's a lot of elements in that plan, but it's focused on certain areas such as impaired driving or people not maintaining their lanes and running off the road. So there's different categories and we have some measures that we're trying to advance in order to drive down those numbers collaboratively with those partners that I mentioned. Unfortunately, sometimes the actions of the drivers, you know, when it's particularly with impaired driving don't -- they result in fatalities that -- very tragic, but we do our best to try to also use other means of communication, education, the public service announcements and also working with Department of Public Safety and the sheriff's and with DUI checkpoints, a lot more media outreach and public service announcements. So we hope that we can get back on track and reverse that trend of the increase. Obviously, with the -- as the economy gets a little bit better, more people drive and there's always some association with increased number of cars on the road and increased number of crashes. But we still feel that some of our measures that we're looking at such as a primary seatbelt law in Nevada would help. Even if it saves one life, we think that it's worth the effort, and we'll discuss that with the legislature next session. The other measure that we're looking at -- as a result of that safety summit, they had some kind of breakout sessions and they had some recommendations that the Safety Division here at NDOT will be bringing forward to us. So what we're -- we can focus some of our available funding into certain measures as we've been doing. But look at where, perhaps, we have to spend more of our attention and our resources to drive down those numbers.
- Sandoval: Thank you. Questions from Board members? Madam Attorney General.
- Cortez-Masto: Quick question. Rudy, I noticed you have the breakdown for alcohol related crashes and fatalities. Can we break it down to impaired driving so that we

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

break out prescription use -- prescription drug use or is that something that's set by the federal -- our federal partners on the measurements?

Malfabon: I don't know if we can break it out into -- the different between -- because sometimes it's actually both, but I don't know if we collect that data. Usually, it's after the fact, so the accident investigation occurs. When it's a driving under the influence of alcohol or drugs, that information comes back in order to charge the driver of that vehicle if they survive that crash. But I'm not sure if we -- if that information gets back into the system. And we are going to try to improve our data collection methods through kind of a cleanup bill draft request so that all the law enforcement agencies collect the information that's necessary to really dig into the causes and help us identify where our resources should go to get the best bang for the buck in reduction in fatalities.

Cortez-Masto: No, I appreciate that. I know, though, chairing the substance abuse working group that prescription drug abuse is on the rise, and the concern I've seen nationally in the statistics is that impaired driving is also on the rise, more so than alcohol related driving. So I want to know is there ability that we as a state can capture that information. So I guess that would be my question to you. Is there ability that we can go back to whoever our partners are and try to capture that?

Malfabon: We'll ask -- I don't know if Chuck Ryder is here today or anyone from safety, but we'll inquire with our safety staff and see and report that next time.

Cortez-Masto: Great. Thank you.

Sandoval: Any further questions on Agenda Item Number 12? Move on to Agenda Item Number 13, public comment. Is there any member of the public here in Carson City that would like to provide comment to the Board? Southern Nevada, any public comment?

Martin: None here, sir.

Sandoval: Agenda Item Number 14, adjournment. Is there a motion for adjournment?

Wallin: Move to adjourn.

Sandoval: A motion by Madam Controller to adjourn.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
December 10, 2012

Cortez-Masto: Second the motion.

Sandoval: Second by the Attorney General. Before I take the motion, I want to wish everybody Happy Holidays and thank you for your hard work and a great year, and look forward to working with you in 2013. Any further comment from Board members? All in favor, please say aye.

Group: Aye.

Sandoval: Motion passes. This meeting is adjourned. Thank you ladies and gentlemen.



Secretary to the Board



Preparer of Minutes