

Transcript of Nevada Department of Transportation
Board of Directors Meeting
March 14, 2016

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

Sandoval: Good morning everyone, I will call the Department of Transportation Board of Directors Meeting to order. Can you hear us in Las Vegas?

Las Vegas: Yeah, we can hear you.

Sandoval: Let's proceed with Agenda Item No. 1 which is to receive the Director's Report. Director Malfabon.

Malfabon: Boy, everybody is boisterous in the crowd, it must be that extra hour they lost. Thank you Governor.

Good news, again, for the second year in a row NDOT is number one in the nation in Bridge Condition Ranking. This report is put together by American Road and Transportation Builder's Association. You can see the lighter colored states in that graphic are less than 6%, percentage of structurally deficient bridges and their inventory of all the bridges in the state. In Nevada, we're actually 1.8% and we have some bridge projects that are constantly going out the door too, so we're going to keep at that low level and hope to stay number one in years ahead.

I wanted to make a point about, the percent of structurally deficient bridges, that doesn't mean the bridge is not safe, it just means that it needs some work, rehabilitation work on the deck, on the supports that you see above ground or the foundation structure below ground. We have seismic retrofit projects, for instance, that are making our bridges even safer to handle earthquakes.

Governor, you had a recent media event to highlight the US-95 Electric Highway. We had Director Dykema from the Governor's Office of Energy here to present

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recently. This electric vehicle charging station that was highlighted was in Beatty, Nevada. Really, the work of NV Energy, the Office of Energy and Eddie World, where this one was sited, I believe. The business model, as was explained, they get a private business owner to supply the power, work out the deal with NV Energy and then the infrastructure gets installed. NDOT is working with the Office of Energy on Tonopah. We're looking at some sites in town that are within NDOT right-of-way, which would be a better location for tourism and people seeing the sites and going to the restaurants and businesses there. In Hawthorne, the rest area is right in town so we're going to still develop that one. We have our plans in development for that work and acquisition of some of the actual charging equipment which will be supplied to the contractor to install, so it will fast track the process.

NDOT is really excited about this program that the Office of Tourism is working on. The details are at TravelNevada.com, but it's an exciting opportunity for Nevada high school students that are enrolled in Career and Technical Education Programs for Graphic Design to come up with some ideas for the Welcome to Nevada signs. This was your idea Governor, and I think it's a great idea to revise these, bring them up to date. There are four distinctive areas of the State and the website has some links to some ideas, some graphics that they can use, the students can use as a starting point. Once the graphics that are selected win, those students will work with NDOT to make sure that the work is going to fit on the sign and any kind of technical issues. I'm sure it's exciting for the students to compete for this contest.

Sandoval: If I may add this, Rudy, thank you. It's for the high school students in those upper level art students with technical capabilities and resources to get this done. I was at an elementary school in Southern Nevada and there were some fourth graders that were interviewing me. I got all the typical questions, you know, what does a Governor do? What's the hardest part of your job? Why can't we be part of the contest? [laughter] True story. That was the hardest question I had to answer that day.

As I travel throughout the State, there is nothing negative about that sign that we have now, but obviously, it's 25 years old. I thought it was time to update it and hopefully bring it up in line with the new theme and with what the Department of Tourism is doing with the World within the State. I also thought it would be appropriate, given that we have a new very robust website with regard to

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opportunities for travel that when somebody travels the stateline, they'll know exactly where to go and immediately brought—they're not doing it while their driving, the passenger is doing it, but in any event, they'll be able to bring on their iPhone or their device, the ability to see what's happening in Nevada.

I'm really, really excited about seeing what the high school students come up with. I don't recall off the top of my head when the contest will be completed, but I appreciate your cooperation and the Department's cooperation, Rudy, in getting this done. Mr. Controller?

Knecht: Governor, why can't they be part of the contest?

Sandoval: Well again, I think that we wanted to make sure that these high school students do have the technical resources, because there are some very specific technical guidelines that have to be followed. It's not just an art contest. There are some technical specifications that have to be followed as well. That's the purpose for limiting it to that. Mr. Director.

Malfabon: One of the things that, as this was announced, we're getting a lot of inquiries about the existing signs and we're considering maybe some type of raffle or something for the existing signs. Usually we would recycle those but there's so much interest in people that want to own those iconic signs, as they get replaced, maybe we'll do that too. These signs will be put up in this summer, early summer. We'll contract out the majority of the signs but maintenance will work on the ones that are winning and installing them for the media event.

A lot of news reports recently about earmarks, once again, and I just wanted to underscore that the earmarks that Nevada currently has on the books that are unspent, you see there are over \$27M of remaining balance. As I've stated before, a lot of those projects were in development already. North Las Vegas, on the top line for the I-15 and 215 Interchange in North Las Vegas; that project they're going to ask their City Council for approval of the engineering contract for the design of that project and then go forward with construction. So, that's being used for that project. Star Interchange is under development and will be underway in 2017. The Las Vegas Boulevard Interchange is a smaller one. The Colorado River Bridge; I spoke with the Clark County Public Works Director, Denis Cederburg and he's in the same position hiring the final engineering consultant and going forward with the actual construction phase of the project soon. Then, Lake Mead Parkway Phase 2 was the only one—back in the day,

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developers could actually approach our delegation and get earmarks, that one was one that's 100% available that is a smaller one, but I feel that we would still put that one to use following the guidelines that were recently issued from the US Department of Transportation. Not a lot of the money is out of the \$27M that's actually not already going to projects that are under way.

Recently US DOT announced the availability of the Tiger Grant Program. So, \$500M and there is the rural element to this program. 20% is going to be spent in the rural areas, the rest in the urban areas. \$5M is the minimum award if a state wins, not that every state is going to win, but that's the minimum award for the grant program and a smaller amount for the rural projects. 20% match is required, but typically, 50% is about what you see with the types of funding that are cobbled together for these applications to make them more competitive. Applications are due relatively soon and then there's obligation and when the money has to be spent, those requirements. And Tiger is very broad, all types of projects can compete for that. Historically, the RTCs in Washoe County and Southern Nevada have been successful in winning some substantial Tiger Grants for bus rapid transit projects. You may recall the Paiute Tribe at Pyramid Lake won for a smaller boat ramp project.

There's also this other grant that was made available, FASTLANE. I don't recall what the acronym stands for but it is an acronym. It was mentioned in the FAST Act. This was the five-year transportation bill, called it the nationally significant Freight and Highway Projects Program. So, this grant program is FASTLANE now. And, substantial amount of money, \$800M. This is going to be an ongoing program, for this five-year term of the FAST Act. You see the criteria for large projects and small projects that will be used to select across the nation. There's a significant match requirement, 40%, but other federal funds are allowed to be used to match. You can have 80% max of total federal money in a project with the grant and the other federal funds that are used to match. Applications are due April 14th. This one is more specific to highway freight projects on the National Highway Freight Network, or the National Highway System for Bridge Projects.

So, the National Highway Freight Network is really the interstate system or select portions of the interstate system. You see I-80 in the north, I-15 south, in Nevada. The NHS system is much more broad, so a lot of those US routes and State Routes that carry significant amounts of freight are included, ineligible for this grant program that will develop. Right now, NDOT is looking at US-95 in the

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northwest as a possible grant application candidate. We have a lot of freight that moves up there. We're also looking at considering I-15 in the area from—we're widening right now from Craig to the Speedway Interchange. We have the Speedway Interchange to Apex has been environmentally cleared. We think it would be something to look for in the future from the Apex Interchange to the US-93 or Garnet Interchange for widening. That would be easier to get the environmental clearance, but it might be for something for the development for next year, if we don't anticipate it for this year's grant application. We're looking at those two corridors for a lot of movement of freight, I-15 in the north and US-95 in the northwest.

Sandoval: Rudy, if I may, I apologize for interrupting. What about the interchange at USA Parkway?

Malfabon: You took the words right out of my mouth.

Sandoval: Okay, I'm sorry then.

Malfabon: We actually are looking at from the Patrick Interchange to the USA Parkway Interchange what acceleration lanes between the two interchanges could be built and then some improvements at the actual interchanges. Some of the ramps might be a little bit tight for turning movements on some movements of freight, on doubles for instance, on trucks, or large pieces of equipment that go out there to put up some of the large buildings. We're going to look into those areas on specifically those interchanges and the section of I-80 between those two interchanges.

Sandoval: The reason why I ask is because I recently visited Jet.com and Zulily, and they are anticipating a massive ramp-up in—I mean, I just saw on the news, last night or this morning, Zulily is going to be adding 100 new full time employees, not even seasonal employees. Based on my conversations with their management, they plan on doubling and tripling their size within the next 18-24 months. That's not even including what's going to be happening with Tesla. That's a lot of trucks, obviously. I don't know if those fit within those definitions, but you've heard me talk about before that America Parkway Interchange and the Patrick, I would anticipate and you guys are the experts, but the volume of trucks is probably going to double or maybe even triple in the next 18-24 months. I just want to anticipate all of that.

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Malfabon: Good observation, Governor. With USA Parkway underway, that's going to draw a lot more truck traffic as the time savings between Interstate 80 and US-50. Let alone the work that's already going on at the Industrial Center.

To give the Board an update on the Apex Industrial Center improvements. We selected Parsons Brinkerhoff just last week as the engineering company that's going to help us on development of an RFP for the design-build project. The scope of work for the contractor, the design-builder will be, as mentioned before, US-93 widening, about five miles up from the interchange with I-15; redoing the interchange at I-15; realigning the frontage road and a flyover into the Industrial Center off of US-93. The request for proposals, they asked to do some preliminary engineering, the environmental work and put together the RFP Package to hire a design-build firm or team to deliver the actual construction. We'll fast track this negotiation, so we'll request Board approval in April.

I gave the Board an update on the Transportation Investment Business Plan which was worked together collaboratively and spearheaded by the RTC of Southern Nevada. That included this improvement at City Parkway Interchange. I had mentioned before that we were going to work with our design-builder on Project NEON, Kiewit to accommodate this in the future and not prevent it from being built or advanced. We want to—there's a lot of interest from the redevelopment. You see the purple area there, that's the redevelopment area and Symphony Park of the City of Las Vegas. You have the Smith Center; a lot of other attractions around there. A lot of input received from the City of Las Vegas and business owners in that area and downtown that want to see that improved access. We're going to look advance that through the process, which requires changing control of access request and environmental clearance. We can advance it through those two more phases and get this closer to reality. Also, look at the possibility—if we do get those approvals, this could be either built as part of another project, either NEON or another project. We do have some work anticipated on the 515 viaduct coming up. It's something that I think is worthwhile to advance and it will improve access to that downtown Symphony Park area.

Recently we briefed the Board about a rock fall project at Cave Rock Tunnels. Lo and behold, we had an exclamation mark on our presentation. This large boulder fell on the highway near Cave Rock and caused some damage to the pavement. It was actually caught on the guard rail there, luckily, because I think that there's some homes down the slope. It took us a while. We used a hoe ram. I know that

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Cal Trans recently had to blast a boulder about that size with dynamite. We used more conventional means. It took a little bit more time but appreciate the work of NHP and our maintenance workers in addressing that, and our contractor.

Wanted to inform the Board that in order to have a successful launch of the T-Mobile Arena, the MGM Resorts, which is a joint-venture partner in that arena has asked us to lay the pedestrian bridge project construction start. We were anticipating starting soon but we're going to delay that until mid-June. That will be more aligned with—give them several weeks of opening events for that arena. We have a contingency fund built into this project so we'll have to likely use some of that contingency money for any additional costs for the subcontracting efforts. I think it's the best thing to do, to accommodate the arena and have a successful opening there, I think the first week of April, April 8th is their big concert.

A lot of stuff happening on Project NEON. Wanted to thank the Treasurer's Office and Laurie Chatwood specifically for their assistance on some issuing of the bonds for the construction phase of NEON. Also, we included about \$168M of existing bonds that were refunded and we had a 2.2% interest rate. Eight bidders on those bonds. Wells Fargo was the winner. We still have our AAA rating and lower interest rates. We saved over \$14M on that bond sale. Good work by Robert Nellis and his financial management team on that. We still have—we didn't refinance the right-of-way bonds, that's nearly all expended and didn't have the interest rate savings. A substantial amount of savings, over \$14M over the term of those bonds.

I wanted to also mention, on NEON, there's demolition work going on and we're going to recycle about 6,000 tons of rubble from one of the major furniture stores there that we're removing part of their building structure.

Carson Freeway just recently hit a milestone and really, it's a testament to the ideas that Road and Highway Builders, our contractors came up with, with moving that dirt through the conveyor belt system so that the public wasn't inconvenienced at that important intersection of US-50 and 395. It's a \$42M project and we recently reached 25% completion and over 650,000 cubic yards of earth work has been moved. The full completion is in 2017 and we hope that they keep on at this pace and hopefully open it sooner, as soon as possible.

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Quick update on USA Parkway. The groundbreaking event is scheduled for June 10th. Myself and several execs from NDOT met with Ames and the District Engineer and his senior lead for construction. Had a good conversation about the expectations from this Board and from the Department on having a successful project with no big construction claims or anything of that sort. Very, very good conversations and we'll continue that through the partnering efforts with the project team.

Sandoval: Rudy, as part of that due diligence, are you meeting with the folks that already have continuing operations so that they'll know what the transportation plan is going to be?

Malfabon: Definitely. That's a big concern. Especially with not only the existing but the new businesses that are moving in there, want to have access to the highway. We're coordinating it on all accounts there Governor.

The right-of-way acquisitions are continuing for the project and the project is on schedule.

An update on the Reno Spaghetti Bowl. HDR is under contract for the brainstorming session which we call a charrette. We're developing the list but a lot of coordination with the RTC of Washoe County anticipated and development of the details for planning this event. We have a tentative date, I know that there's probably going to be some conflicts with that April 28th date, but that site should remain the same, Reno Sparks Convention Center is where it's going to be. A large group of about 50 or so attendees that we're considering inviting. Hopefully most of those folks can make it. It's a mix of elected officials, Public Works officials, NDOT folks that are in the engineering or environmental areas. The woman who addressed the Board will also be invited because she has an interest in the North Valleys.

Sandoval: Ms. Rodriguez?

Malfabon: Yes. Exactly. Very good Governor. I forgot her name. NDOT Traffic Study is ongoing and the early recommendations are expected in September of this year. A lot of the brainstorming ideas, hopefully will generate some of those things that maybe were not thought of as part of the traffic study that feed into that, those recommendations coming this late summer.

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Governor, you had asked for an update on what NDOT is doing as far as regional project coordination in Southern Nevada. Definitely the RTC of Southern Nevada deserves a standing ovation for what they've been doing in leading the effort with NDOT, Clark County, Cities of Las Vegas, North Las Vegas and Henderson. When the public sees a work zone out there on the local roads, they really don't care that's it's a public works agency or the sewer company or a utility or a developer, they just want to know, how long is it going to be there? Is it there in place because workers are there or is it in place when there's nobody working? They want to know how long that inconvenience is going to be in place. RTC and those partners, NDOT and the local agencies have been working together with utility companies and the folks that install the work zones for contractors/developers, to make sure that we have a better system of information and coordination.

Sandoval: Before you leave that, Rudy, I just—

Malfabon: Oh, there's—

Sandoval: Oh, do you still have more to present?

Malfabon: There's—yes.

Sandoval: Okay, please proceed.

Malfabon: Okay. The RTC has a Regional Project Coordination Committee. RTC and NDOT and all the public works agencies are around the table but also Water Reclamation District, the Flood Control District. A lot of these other agencies that do public works projects are around the table. Utility companies are there. The public agency representatives are knowledgeable about the permits on traffic control activities on their roads. Then, there's a separate group that meets every two weeks. The Cone Management Working Group is what that's called. It's the local agencies plus traffic control companies. There's a group called the Nevada Chapter of the American Traffic Safety Services Association, (ATSSA), that those contractors are the ones that are trained to set up the work zone traffic control devices. Also, working with the Nevada Contractors Association, the AGC down there in Southern Nevada. We have the contractors at the table with us, with the utilities, with the public works agencies. This is really the operational group that meets bi-weekly. They can discuss what's going in and look for those conflicts and needed coordination.

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The RTC has really done a lot with the Seeing Orange website and the hotline. They've had, I think over 500 calls since they put the hotline in place. This website allows you to get on and see maps of what projects and whose project it is. When there's a call-in, they will have a response back to that person or get back to them personally. It's a lot more—having the information at hand is very important, but getting back to that person in a timely manner is also very important.

The RTC is also working with a company called Waze. It's an online app that's associated with Google. If you have an account in there, you can look at the maps in your area—I just highlighted one that I saw this weekend, a car accident. You can see that it was posted by the person that observed it and has an account on Waze. So, if you have an account, you can go in there and see, on the left side of that graphic, you see a little hard hat guy, it says, Construction, for the Flamingo Road Project. You'll see on the Construction one, it says, posted 24 days ago. The RTC is working with Waze for having accurate date on this. Sometimes they hear of, they let them know that there's a construction work zone up and then they look a few hours later and the information that was on there about the work zone is gone. They need some coordination with Waze to make sure that things are not taken down when they're still active and that information is accurate. It's bigger than RTC, obviously, with people that just have an account there that report a car accident or construction. They even report when travel is a very good experience and traffic is light. It's a good application that's gaining ground in Southern Nevada for usage in coordination with RTC, it's critical to make sure that the information going into Waze is accurate and that's it's set up, taken down when appropriate, but left up there when it's going to be a long-term project like the Flamingo Project.

The next step is that, the Coordination Committee that meets monthly for regional projects is going to set the roles and responsibilities. The expectations for its members to bring to the table the information that's needed. They're going to establish the data needs for the group, how accurate that data needs to be, how often it needs to be updated for those work zones. Then work with Google in ways on that information gap so that they make sure that things are taken down off of the application when they're still active and that when they're inactive, they are taken down in a timely manner from their map. Then, looking at ways to minimize the [inaudible], so some good ideas being talked about around the table. Examples of a sewer lining project, they had the boar pits right in the

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roadway when they could've put them offsite. That was a Water Reclamation District Project. Talking about, in public works contracts, to incorporate utility work in the actual construction project or at least so it tightens the schedule. Right now, the utility company, when they're under permit there, they go out there and they're told to move their lines, the underground lines or pipes. Then they have to—maybe there's weeks of delay between when the utility did it or months of delay and then here comes the public works project and the public says, you guys were just out here. They don't know that it was a utility company and it's a public works contractor. The idea is to move that schedule a little bit tighter and have the work done so that the contractor anticipates it being done in advance of his construction work, but it's all more seamless to the public. Also, use of marathon work has been effective in the past and they want to get that out there and get more agencies using marathon work when it's a heavily traveled corridor so that it's over a weekend or several days instead of several weeks. Then, looking at specifications that would require removal of traffic control devices if no work is being performed within a certain amount of time, 24-48 hours, for instance. We know that costs a lot more money but at least it gets the devices off the road when there's nobody working and it addresses those questions from the public.

The other thing is the RTC is really putting their money where their mouth is and hiring a Regional Traffic Control Coordinator to work with these groups to really emphasize the need to coordinate and collaborate on traffic control.

Sandoval: Before you leave that one, Rudy, is that all you have?

Malfabon: That is the end of that.

Sandoval: I wish Ms. Quigley was here because I thank her and I want to thank you. This is a really big deal. To have this coordination; it is frustrating for the public and there really is, as a practical matter, indistinguishable. It doesn't really matter if it's the utility or if it's someone else or if it's us or the RTC. To keep this up is going to be very important. Then, for us, or from somebody that sits as a Board Member, the only other thing that's as frustrating as all of that is when we put in a new road and then it gets dug up and something gets put in there. All we can do to participate and coordinate and work with this, let's continue to do it.

Malfabon: Definitely.

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Sandoval: I really appreciate your bringing this to my attention. I didn't know this was going on. It is heartening to know, but I don't know if it's really made it out there yet in terms of on the ground coordination. The feedback that I'm getting out there is that there's that practical problem of, as you said, the utilities out there and then someone else is out there and then we're out there and then RTC is out there. The more that we can plan those together, do it all at once, get it done before we go in and do major work the better. I don't know, this is an important topic. Mr. Skancke, anybody else?

Skancke: Thank you Governor. I'm sure you all have missed me at these meetings for the last two months. It's been very quiet. I looked at the minutes and there was nothing said by me for two months so I'm going to play catch up today.

I actually call this the Seeing Red Campaign, because one of the things I think we really have to be careful of to your point Governor is making sure this is all really coordinated. Right now in Las Vegas, Tropicana, Flamingo, Harmon, Frank Sinatra and Dean Martin are all under construction with some agency, organization, utility or somebody. This morning Las Vegas Boulevard at 4:15 was down to one and a half lanes in front of City Center to Tropicana. Tropicana was down to one lane. Harmon is down to one lane and so is Flamingo. That's at 4:00 AM.

There needs to be some more coordination. That's not our fault, but we're going to start a one-point something billion dollar project here in just a few months, so if there's any way—because we'll be blamed for that. If there is any way that we can make sure now, not in June, July, August or September, that Frank Sinatra, Industrial, Western, Oakey, Alta, Charleston and Spring Mountain are not going to be under construction? If those north/south arterials which are going to be packed, right now Industrial is backed up, which is under construction, from Sahara to Caesar's with a water line or a sewer line. It's down to one lane in each direction. When you close I-15 for three years, if the sewer company or Clark County Flood Control or sewer or water is in that Frank Sinatra or Dean Martin or Western or Industrial right-of-way. It's going to be a nightmare. If we have to close Charleston and Alta and Spring Mountain at the same time because someone needs to get in there while we're under construction, the phone calls unfortunately don't come to the private sector members, they go to the elected officials. So, I think we need to be very proactive with the gas company, the

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power company, whoever else in that right-of-way now, get them in, get them out before we start Project NEON.

I don't know how you do that. I just want you to know, the 495 phone calls, none of them were from me, I just want that for the record. Five of them were. I say this in all seriousness. This Project NEON is going to have a huge impact on our community and I'll bring it up every month Governor, because people will forget. This is a huge project and we have to be very proactive in reminding people that this is going to inconvenience their life for three years. I don't think we need to have any more other inconveniences along the way, or at least reduce them as best as possible.

I will say that I think that this is a superb program. Well thought out, well intentioned. The fact that everybody is on board to do something, it's just going to take a lot of coordination and leadership. I wish you all the best of luck to make it happen. Living in Las Vegas, if I can help in any way, I'm happy to come to any meetings and do the best I can to help or just stay the hell away, but again, if we can get everything done before that Project NEON starts, I think that's a really good thing for us to do. Thanks Governor.

Sandoval: Any other comments on this portion of the report? Please proceed Rudy.

Malfabon: Just to conclude. There were no settlements at the March Board of Examiners Meeting. We anticipate that there will be a smaller one in April for a property associated with Project NEON. That concludes the Director's Report and I'm able to answer any other questions.

Sandoval: All right. Thank you Rudy. Three quick things. First, I wanted to complement your public relations team. There was a Road Warrior Inquiry with regard to Indian Springs and Blue Diamond. There was a prompt response and a good response. I think that worked out extremely well. So, thank you for that.

Malfabon: Thank you.

Sandoval: Following up on my comments and I don't know if you know the answer to this Rudy, but with regard to some of these internet fulfillment centers; obviously they are going to have a lot of traffic that's going to be coming through the Spaghetti Bowl and to the airport because they need to get goods to the airport to get out. The question for me is, 1) when is USA Parkway going to be done and 2) what are the plans for the Silver Springs Airport, because they felt like if Silver Springs

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Airport becomes available for this type of commerce where they can instead of having the planes coming in and out of Reno Airport through out of Silver Springs that it would be much more efficient for them and also be very helpful with regard to traffic patterns in Washoe County. I'm not looking for an answer right at this moment, but I was kind of curious about that.

Finally, in another one of my roles as Chairman of the Board of Finance, we just approved industrial bonds for very large multi-family project at the Summit in Reno at the Mt. Rose Highway and Virginia Street. One of their selling points is—as I said, this is going to be 517 units, 20% affordable housing. Obviously it's going to have a lot of kids there, but one of their selling points was access to the soccer fields, the library and the baseball fields there. There really isn't any access, I wouldn't even say meaningful access. There is no access for any of those kids to be able to get straight over there. My concern is what we're seeing in Southern Nevada, in terms of kids trying to get places. I know this isn't cheap and I would like to look into what it would cost for some type of overpass or under tunnel for the kids—there's a library over there too, maybe I didn't mention that. Anyway, it's something that we should look into. Again, these kids are going to want to go over there and god forbid that they would try to cross the highway. I know we have big fences and things, but then they would have to go up to either the Mt. Rose Highway or around the other way. If there's an easy way for them to get there, we ought to explore that. God forbid we have some type of fatality and then three years from now think, oh we better build something. If that's something we could look into as part of the safety projects that we're doing, I would appreciate it.

Malfabon: We'll do that Governor.

Sandoval: Any other comments for the Director? Mr. Lieutenant Governor.

Hutchison: Thank you Governor. Mr. Director, thank you for your report. Just following back up on your report on the Regional Project Coordination in Southern Nevada and following up on Member Skancke's comments; do we know what authority this Regional Traffic Control Coordinator will have? If there is coordination or coordinating that needs to be done, does this person have authority to say to the utilities, you're not going to shut down Spring Mountain because we just can't allow this to happen, or is this just more sort of informational, sharing of information? Do we know, is there someone with authority that can coordinate

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conflicting schedules and desires among the various participants who may or may not want to be involved in construction?

Malfabon: I don't believe that position will have statutory authority, but typically the authority lies with the local entity that owns that road. Whether it's the State Highway, then it's NDOT or the County or one of the cities. Even then, you have to—usually the utilities will work with us, but right now with residential booming again, there's a lot of—sometimes we find ourselves waiting for connections for brand new traffic signals for instance that need power. We try to work our best with the utility companies but right now, I don't believe that there's that statutory authority that says you will do this on this date. They usually—obviously with—even we face it with power company things with Southern Nevada in the summer. You don't mess with the power distribution during those timeframes and transmission lines. You do look at certain times of the year for those types of installations. Gas it's the opposite, in the winter time. You work your best with the utility companies but you kind of have to see things from their perspective too and their contracting procedures. Sometimes those are things that you have to consider as well.

Hutchison: Thank you very much. So, is there anything really in place? Any kind of authorization or statutory provisions that address what Member Skancke was talking about, which is, if they want to get in there and tear up all these roads at one time, is there any way to stop that or is this just a matter of voluntary compliance and people trying to work together? Which, I think people do for the most part, but as you said, there's a lot of competing priorities down in Southern Nevada right now.

Malfabon: The Agency that has responsibility for that road can tell them, stay out of there during this time frame or do it, but you have to work with them to try to get a window, not definite dates typically. I know that the utilities are at the table and they want to work with us. I would say that right now, it's more of a collaboration than a, you must do this, type of thing.

Hutchison: Thank you.

Sandoval: Mr. Skancke.

Skancke: Thank you Governor. I just—Oakey has been under construction or the 27 years I've lived in Las Vegas and it's still under construction, just for the record. A

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couple of comments. First of all, back to the freight grants Rudy. I think with the work that Sondra and her team are doing on the freight study, in the last presentation we saw by that team, there are some amazing things going on there. Again, I try to stay up to date on what's being posted on the website. I think with the freight study that the Department is doing, I think we stand to be a very good contender in that competition with DOT. The work that has been produced to date is one of the best freight studies I've seen in my 25 years of being in the industry. To you and Sondra and the rest of the team, Tracy, etc., I think that work that's being done is well worth going after one of those grants.

The second thing is, I had a thought as I saw the Governor plugging in an electric vehicle and the excess parcels that we have been selling off over the last two and a half years that I've been on the Board, would it make sense for us to reevaluate that program and maybe take a look at putting in charging stations on some of those excess parcels as they come along the freeway? Maybe sell off a portion but keep a portion for ourselves to install our own charging stations. Which may be a revenue generator for us at some point. I'm not certain how that whole industry works, but I realize sometimes it's better to sell off the parcel because we need the money, occasionally, but it might be something for us to investigate and take a look at as we continue to electrify our freeways and use the right-of-way that we have and excess parcels that we have for those things.

The third and final comment that I have on your report, which I thought was superb from start to finish was, I think it's great that our Finance Department, Mr. Nellis and his team were able to save \$2.4M. Any time we can save those types of dollars, when people can refinance our financial obligations, well done. I think that this is the type of thing our employees should be rewarded for. Often times we don't get those types of acclamations, so well done on saving the Department that money. I have some ideas of where we can use that money. I'll bring my own list next time. Thank you Governor.

Sandoval: Thank you. Are there any comments from Southern Nevada?

Almberg: No comments here.

Sandoval: Any further comments on the Director's report? All right, thank you Rudy.

Malfabon: Thank you.

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- Sandoval: Let's proceed with the next item on the Agenda, Public Comment. Is there any member of the public here in Carson City that would like to provide public comment to the Board? Hearing and seeing none, I'll move to Southern Nevada. Is there any public comment from Southern Nevada.
- Almberg: None Governor.
- Sandoval: Thank you very much Mr. Almberg. Let's move to Agenda Item No. 3 which is the Approval of the February 8, 2016 Board Minutes. Have the Members had an opportunity to review the minutes and are there any changes? If there are none, the Chair will accept a motion for approval.
- Hutchison: So moved.
- Sandoval: Lieutenant Governor has moved for approval. Is there a second?
- Knecht: Second.
- Sandoval: Second by the Controller, any questions or discussion on the motion? Hearing none, all in favor say aye. [ayes around] Oppose, no. That motion passes unanimously. Let's move to Agenda Item No. 4, Approval of Agreements over \$300,000. Mr. Nellis.
- Nellis: Thank you Governor. Members of the Board, just before I begin, thank you very much Member Skancke, just quick correction for the record, \$14.7M savings on the bond sale, not \$2.4. Just a minor, minor correction.
- Malfabon: He's still going to spend it.
- Nellis: That's true. Maybe I shouldn't have said anything.
- Sandoval: Mr. Nellis, I said this at Board of Finance, because obviously the Treasurer's Office deserves credit as well, because it really was great teamwork to save that money.
- Nellis: Yes.
- Sandoval: We do have a state employee program where we reward state employees for saving money for the State and sometimes it's 10%. Not applicable in this situation. [laughter] We do thank you for that. It really shows how hard you're working for the taxpayers. Obviously we can turn around and reinvest in other

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projects and get more people back to work and get more projects done. It truly is a win-win and I personally want to thank you.

Nellis: Thank you very much Governor. You're absolutely right, it couldn't have been done without agencies working together, like the Treasurer's Office and multiple units within NDOT to pull that off. So, it isn't just one person doing it. It's a lot of committed folks in the State. Thank you.

Moving on to Agenda Item No. 4, there are four agreements that can be found under Agenda Item No. 4 that are on Page 3 of 30 for the Board's information. The first line item is Amendment #2 with Stantec Consulting. This is to increase authority and extend termination date due to the addition of four major elements to the project scope. These elements include Park and Ride, an HOV exit ramp, a new intersection and decorative rock surfaces.

The second item is with DYE Management Group. This is in the amount of \$531,152. Various segments of the Nevada Highway System will be surveyed to collect condition assessment level of service data, of the roadway features maintained by the Department. This survey data will be input into the Department's Geographic Information System.

Item 3 is with URS Corporation in the amount of \$3.9M for construction engineering services, for administration of State Route 604.

Finally, Item 4 is with HDR Engineering in the amount of \$5.1M for augmentation services for Crew 905 for State Route 439, USA Parkway Design-Build Project.

With that Governor, are there any questions from the Board?

Sandoval: Thank you Mr. Nellis. I only have one and that's with regard to Contract 4. Was that money that's included within the budget that we already approved?

Nellis: Yes sir, that is correct.

Sandoval: Okay, that's all I needed to know. All right, questions from Board Members with regard to the contracts described in Agenda Item No. 4? Mr. Lieutenant Governor.

Hutchison: Thank you Governor. Let me just ask a quick question, overview question on Item No. 2, which is the surveys. Is that something that just is not collected on an

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ongoing basis? You know, as NDOT is out maintaining roads or constructing roads or out around the State, do we just not collect that data as we're out there and expose those conditions? Or, is this just something that happens on a periodic basis that you want to do a complete kind of survey of the State's—

Malfabon: I can respond to that Mr. Lieutenant Governor. We've asked the same question of, can we train our maintenance folks to collect this data and they're typically involved in the day-to-day maintenance activities, which are critical to hold our system together and they're not able to go out there and do all the measurements and photographs and a lot of the documentation and data collection. The idea was that if we can get away from a consultant doing that work to more in-house, let's work towards that, but for now, the maintenance folks are so busy doing the actual maintenance activities they were unable to actually collect the data that's needed for this system.

Hutchison: But is that something then we see in the future doing when we have maybe a little more time and maybe we're not so pressed with resources to train our folks in the field to do this type of work on a regular basis?

Malfabon: That's what I asked the maintenance and asked the management group to do is look for ways to do this more in-house with existing staff. Or, even if it's—sometimes we hire interns or summer construction work force or maintenance work force, so let's look for ways to do it more effectively in-house.

Hutchison: Great, thank you.

Sandoval: Mr. Savage.

Savage: Thank you Governor. I must not have had enough to do this weekend because I drilled down on a couple of these agreements so bear with me Mr. Nellis and Board. On Agreement No. 2, along with the Lieutenant Governor's concerns, when was the last time the Department had this work done and by whom?

Malfabon: I'm going to have to ask Anita to come up here and address that.

Bush: Good morning Governor, Members of the Board. My name is Anita Bush. I'm the State Maintenance Engineer. The answer to your question is, we started this program in 2012 and the idea is that we keep track of—in the maintenance management system, we keep track of the labor, materials and equipment that our maintenance forces do. To put it in perspective, about 80% of NDOT's total

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budget is the maintenance budget. It's about \$80M to \$100M that we spend in maintenance.

We can tell you how much we spend, but prior to 2012, we couldn't tell you what we get for the money. Right, so what we are trying to do is, actually they look at 38 different things on the highway. We look at graffiti, slopes, guard rail, barrier rail. So, we look at all these different assets and then we can tell you exactly how much we spend on certain activities, we've achieved that "level of service" is what they call it, what we call that basically, the level of service on the certain asset condition, on the asset [inaudible].

The last funded date was 2014. The report was completed in 2015. We did try to do it in-house in 2013 and you know, to get us statistically valid—because we just do samples on the road. We do about 1,000 samples on the roadway. It's a tenth of a mile segment and to get us statistically valued results, we have to do over 1,000 surveys. In 2013 when we tried to do it in-house, we only could complete like 523 and we borrowed people from construction. We do not have the people inside the maintenance headquarters office. We tried to talk to maintenance, as Rudy mentioned, really they are—the maintenance guys are out to do the maintenance work itself.

The answer to your question is that the last one was done in 2014. This agreement would cover two years, so it would be '16 and '17. That would be just the data collection.

Savage: Thank you Ms. Bush. It is a lot of money. It's a half million dollars for two years. It's good to hear the Director and yourself look to keeping it internally. We could certainly use it on the road. I appreciate your answer.

Bush: Sure.

Savage: Mr. Nellis, I have a couple of other questions on Agreement No. 3 and 4. I'll start with Agreement No. 3 first, with the URS Construction, Engineering Services for Las Vegas Boulevard. Again, like I said, I probably didn't have enough to do over the weekend, so I drilled down a little bit and looking at some of the names that were listed for the DCS Group, as the subcontractor for the Las Vegas Boulevard Agreement, the same individuals were also listed on the USA Agreement, also in this packet. To me, that's perplexing. The individuals were

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Watson, Smith and Ford. Can someone please explain to me how the same crew can be in the north and the south at the same time?

Kaiser: For the record, Reid Kaiser, Assistant Director for Operations. Member Savage, those three individuals currently work for DCS and they'll actually be working for DCS as they finish the I-580 work that Q&D is working on with the reconstructing the concrete. The way the technicians work with a lot of these consultants is, they're mostly seasonal employees. The upper management of these consultant firms are typically salary or full time employees of the consultant firm, but a lot of these technicians, when they give their name to a consultant firm, they won't be working for three, four, five months until that consultant potentially goes to work on that project. When they give their name, they're not even guaranteed that that consultant will be awarded that contract.

What they do is, since they're a seasonal employee, they need to make sure that they have employment. They will give their names to numerous firms to ensure that they do have a contract or that they will be working for that season. And, if Consultant A loses his employees to another consultant, we have requirements and language in our contracts that says that consultant has to supply NDOT with a technician that will give us equal or better performance. That consultant is still on the hook, even though he may not have that by name to give us and a technician that will meet the needs of the Department. There's also a back log of staff that the consultant potentially can draw from listed in the proposal, that they could go to should they lose employees.

Malfabon: If I could add, Member Savage, there probably wasn't as much overlap anticipated but we had to re-advertise the State Route 604 Project in Las Vegas. They probably were planning, with the design-build approach on USA Parkway, the contractor has to design the first design package first and then several months down the line they actually start construction. It was probably more of a gap or less of an overlap between those, the USA Parkway Project and the other project in North Las Vegas.

Savage: Thank you Mr. Director. Thank you Mr. Kaiser. As a vertical contractor, we do a lot of submittals. We like to ensure that that team stays on that project. It's very frustrating, I think, from a Department level to see the same names listed on different projects in the north and south. I would expect more professionalism from the consultants and some better oversight from the Department moving forward. That's all I have on No. 3.

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No. 4, the HDR Agreement, again, some of the same personnel were listed on the agreement that we approved for Project NEON in December. Like I said, I didn't have enough to do this weekend. I apologize for taking this to the Board level, but it was so glaring to me that I think we have to do better from the consultant side of things and how would they justify this by utilizing the same individuals, again, that we already approved on NEON being utilized on this USA Parkway? These individuals happen to be listed for DCS on Project NEON and they're listed for HDR on the USA Parkway. Do they no longer work for DCSs and now work for HDR or just who's on first, what's on second? I'm a little confused.

Kaiser: Again, Reid Kaiser. Most likely, we're not going to be needing a handful of technicians for Project NEON. There's not going to be a tremendous amount of work going on in the field this year. A lot of those technicians will be working for HDR up on USA Parkway. What they do next year, again, it goes back, these are mostly seasonal employees and they have to go where the work is. Again, those prime consultants who work for us in supplying us with the technicians will have to give us acceptable technicians who will meet their requirements as listed in their proposal and our agreements.

Savage: So, is there an expectation from the Department that the consultants disclose the possibilities during the time of proposal?

Kaiser: Sometimes we kind of put ourselves into this situation. We'll put numerous proposals out in the field at the same time. There might be three proposals for either augmentation or full administration, out in the field at the same time and these consultants are trying to acquire a group of technicians and testers who will meet their needs for their RFP that they're putting forward. I would have to say that again, they have to give us an acceptable staff to meet our needs. If they can't, then we'll have to go to maybe number two, the consultant proposal number two.

Savage: Thank you Mr. Kaiser, that's all I have on that Governor.

Martin: I have a question sir, along those lines.

Sandoval: Yeah, I'll go with you first Frank, go ahead.

Martin: Okay, so I have the same concern, Len, thank you very much for not getting anything else done except reading these minutes this weekend, but I have the same basic concerns, specifically with DCS. The way that my research shows, we

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got DCS providing augmentation on Crew 916, on the Boulder City Bypass; for Crew 915 on Project NEON; and also the Crew 604 and also the Crew 905 on USA Parkway. It seems like, in these four contracts, do you have an idea what the amount of money on the 604 and the amount of money on the USA Parkway goes to DCS of the totals?

Kaiser: I don't have that information with me right now but I can definitely get that to you.

Martin: It would appear to me, off of my research and it was a couple of weekends ago that I took the time. It would appear to me that DCS is getting a preponderance of this crew augmentation work that's available through NDOT; either as a prime consultant, because they are a prime consultant on the Boulder City Bypass. They are a prime consultant on Project NEON. They're a sub consultant on 604 and they're a sub consultant on USA Parkway. I don't know what the capabilities of this firm is, but their contract is on Boulder City Bypass is around \$8M, spanning from 04/13/2015 to 04/30/2019 currently. On Project NEON their contract is \$15,218,706 and that goes all the way through May 31, 2020. That's why I was asking what the awards were for the—as sub consultants. It would seem like we're putting a lot of eggs in one hen's nest here by loading this one particular contractor up with so much work.

Kaiser: DCS, all they do is supply consultant agreements with testers and inspectors. They don't do any design work. Right now, with the work that we have at USA Parkway, we have Project NEON ongoing, we have the design-build in Boulder City Phase 1. There's a lot of consultant work out there. When those things happen, take as an example, Project NEON, for the Project Administration, to augment our construction crew, we had two firms submit proposals for that augmentation. It was DCS and the CA Group. A lot of the consultants who historically have submitted proposals to the Department are busy on the design side of NEON. That's not what DCS does. That's not their line of work. Their line of work is to supply technicians and testers for the Department. Occasionally we'll have them supply an Assistant Resident Engineer or Resident Engineer. Historically, DCS, we've never had a problem with performance from them. They've given us good technicians. They've given us good testers. We've never had a problem with them in the past. I sure wouldn't expect to see any problems with them in the future, even though they have all this work out there.

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Martin: Have they ever accomplished this much work all at one time? I mean, by my numbers, just in these two projects, just in the Boulder City Bypass and Project NEON, it's \$22M and I don't know what the contract values are on the others. That just seems like, have they had that much work going, four projects, on two different ends of the State, going at any point in the time in the past for NDOT?

Kaiser: I can't recall that long, them having that much work in the north and the south, but they're sub consultants on the URS project on State Route 604 and also on the USA Parkway. The prime consultants on those two projects would be able to hopefully pick up some of the slack should they run into problems. Again, we don't foresee any problems with DCS and the amount of work that they have.

Martin: Okay.

Sandoval: Anything else Frank?

Martin: No sir.

Sandoval: I think you're hearing loud and clear and thank God for the contractors on this Board. I mean, we just don't want to get burned on this. These are—I don't need to tell you.

Kaiser: Oh, I know, you don't have to tell me.

Sandoval: There's a lot riding on this. We don't want to have a meeting later on where something fell through the cracks, no pun intended, because we have a consultant that's spread way too thin.

Kaiser: And honestly Governor, my concern with the knowledge I have of this work is not really with the technicians or the consultants, it's with the contractor performing. If we get a contractor that performs and we get the confidence with the contractor, we can always pull back the number of consultants that we use in this work. Again, I don't foresee any problems with consultant administration in all this work.

Sandoval: All right, any other questions?

Almberg: Governor, I have a question.

Sandoval: Yeah, Mr. Almberg and then Mr. Savage.

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Almberg: It's all back to the same thing we've been discussing here. I went back to the September Construction Work Group Meeting and pulled up the data that was included in there. One of the forms that was listed in here is the Construction Consultant Agreement Summary. It has basically for the last 10 years. When you go in and look at that, DCS, according to that and I'm assuming this is when they're the main consultant, this is probably and maybe you can correct me if I'm wrong, does this include any of their sub consultant work in this?

Kaiser: Mr. Almberg, I couldn't answer that. I don't know enough information about all those agreements. I couldn't honestly give you a good answer on that.

Almberg: Because this agreement here, when you look it and for this particular consultant that we're discussing here, they are 20% of what we have spent in the last 10 years, according to this list here. And, if this doesn't include all the sub consultant work, they're taking a substantial amount of this. I think, you had just expressed that normally your issues that you may have out in the field isn't so much by the testing or the consultants, it may be the contractor. One of the points that Frank was making here was that a lot of times you are not having a single contractor running five of your projects.

Kaiser: I don't quite understand what the question. A single contractor running five of our projects?

Almberg: Well, you had just expressed that some of the issues that you normally have on the project isn't necessarily related to the consultants, it's related to the prime contractors.

Kaiser: Correct. It's with the contractors performing, not meeting schedule, having problems on the project and so forth.

Almberg: Correct, but with that being said, this is a consultant that is on five sub consultant projects that he's got going on. Now he's juggling five projects. When you come in and say, your problems have always been with the prime contractor, you probably don't have yourself in a situation that a single prime contractor is doing five construction projects for you at the same time.

Kaiser: What I mean, the prime contractor, this is the construction contractor that's actually building the project. Like on USA Parkway, it would be Ames Construction or Peter Kiewit on Project NEON. Not with prime consultant who is helping us with the augmentation or the administration.

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Almberg: Correct. I understand that. That's what I'm saying. You don't have an Ames Construction out there working on five year projects at the same time.

Kaiser: No, that's true. That's correct.

Almberg: That's all Governor, thanks.

Sandoval: I don't want to beat this to death, but I'm just—these are the experts. We've got, as I said, three engineers, three contractors on our Board here. Is there this group of consultants that bounce around back and forth throughout the state somewhere who provide this service? I'm just trying to envision, in the real world on the ground, who are these folks who are getting paid, that are being retained by consultants to do all this work.

Kaiser: If you went back and looked at the last 10, 15 years, there would probably be five to 10 firms who have historically done most of our augmentation and administration work for us.

Sandoval: I mean, are these the same people? Like I said, you have these consultant groups but somewhere, some place, there's men and women who are providing the consulting.

Kaiser: Again, I'm a little bit removed from looking at the technician and names of the staff, but DCS historically has had a set of technicians that would go with the from job to job. That's going back 10 years. Whether they still have those guys, I'm not sure. I'm not familiar with who they actually employ. For the most part, you do see a lot of the technicians, the same technicians, year after year on our work.

Sandoval: Do they live in Nevada?

Kaiser: Yes.

Sandoval: Do they fly in from somewhere?

Kaiser: They live in Nevada.

Sandoval: Okay. As I said, you guys work on these projects, I sit here 10 degrees separated from it all.

Kaiser: It's kind of like the same thing with our construction contractors. We have a handful of construction contractors who do most of our work in Nevada. You've

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got five to 10 that, you look to the last 20 years, it's the same contractors who bid our work, who award our work. They're the guys that have the material sources. It's kind of the same thing with consultants. It's the same group of folks who typically complete our work.

Malfabon: Governor, specific to the actual employees though, usually a consultant engineering company will have a core workforce and then there's these folks that are, they want to get work in that construction season so they kind of put their name out to several firms as being available. They usually don't work during the winters. They're just retirees that have all that expertise but they're not like a year after year employee of that actual consultant. It depends on the consulting firm. Some have those staff in-house, others kind of augment their own staff in-house with some of these people that offer their services for construction, inspection or testing. Most of them will have kind of a core workforce internally that they rely on year after year, just like we do.

Sandoval: Member Savage and then the Controller.

Savage: Thank you Governor. Very quickly, I can promise you Governor, we're going to take this down to the Construction Working Group and talk about consultants a little bit further. The perception, I think is not real clear. We'll take it down to a different level and get back to the Board on an ongoing basis. I do ask that we have a semi-annual review with the DCS results on both of these projects. That's all I have, thank you Governor.

Sandoval: Mr. Controller.

Knecht: Thank you Governor. I guess my version of this question would be, is there any place where we have a really thin roster of people who have a particular capability so that if one of these retirees up and moves to North Carolina or something, I'm trying to avoid putting it in grosser terms, but if one of them disappears or two of them disappear, that we basically don't have replacements or back-up for them. Is there any place where we face a contingency like that?

Kaiser: Yeah. Again, whenever we go to the consultants and ask them to get a technician, there's never been a time where they have not been able to supply us what we needed.

Sandoval: Mr. Skancke.

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Skанcke: If I could just pile on, first of all, I bet you guys are all hoping football season starts extremely soon so that these guys have something to do on Sunday.

Kaiser: Next year we're going to have the Board Meeting after March Madness starts.

Skанcke: I think what you're hearing is—and we're going to see a presentation today on consulting backlog. We have a lot of work out there and I think what we're seeing in backlogs and what we're seeing in these types of projects is, after the recession, 1) there's fewer companies to work with because a lot of folks didn't make it. Those that made it, we probably have the best of the best that actually made it through the recession. That's what I like to say about my business anyway, we made it through the recession and so the best made it. I think the other thing that's really important is that, what opportunities do exist that are out there. There's really only two or three companies that can actually do some of the work that we need to have required to get done. I think that it is unfortunate that there is one company, or maybe two, that actually have that kind of niche business that we can get it done but we're going to have to deal with and work with that.

I guess the poster that I would put out or the billboard I would put out is, there are opportunities for other companies to relocate their business and bring their employees to the State and make an investment here in our State. It's called economic development. There's a great incentive for bringing companies here. I'm sure the GOED Board and EDawn and the Global Economic Alliance in Las Vegas would love to work with those companies to move their organizations here. There are opportunities here. There's lots of work. We're going to see a presentation on the backlog that's available out there. We're spending billions and billions of dollars. It's unfortunate that we only have a couple of companies that can do this work but I think we have to work within the construct that we have. Again, I would encourage people to take a look at the work that's available here in the State and all the work that NDOT is doing.

Finally, I can't think of anything more gross than actually moving to North Carolina, Mr. Controller, so I think you summed it up very well. Thank you Governor.

Kaiser: Well, one comment. This is the first time I've seen URS actually given an augmentation or a full administration here in Nevada. That's encouraging that a firm like URS is looking at coming to Nevada and opening up an office.

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Martin: I have one more statement Governor.

Sandoval: Yeah, Mr. Martin.

Martin: Reid, you talked a lot about the technicians, which can be related to the guy running the blade, the guy that's running the front end loader, etc. What I'm really focused on here is the firm and the principles. There is a trend or what appears to be a trend towards DCS in the award of many of these projects. All I'm saying and I hear the same thing from Mr. Skancke and from Mr. Savage and to my friend sitting here to my left is that, when we take a look at URS, the augmentation piece or the way I understand it, the augmentation piece still comes from DCS. When we take a look at the USA Parkway, the augmentation piece still comes from DCS. I understand 100%, what you're saying is that URS and HDR have the final responsibility, but there is, I think, a responsibility on NDOT when they see the same names, Mike Glock and some of the rest of them popping up on contract after contract after contract, at some point, doesn't logic set in and say, can this guy really do all of this? That's all I have to say on this subject Governor.

Sandoval: I think message delivered. It will be covered through the Working Group and I'll appreciate the follow-up with regard to that. Mr. Kaiser, thank you, you've been very helpful. Board Members, any further questions with regard to Agreements 1-4 as presented in Agenda Item No. 4? Mr. Nellis, any further presentation?

Nellis: No sir, that does conclude Agenda Item No. 4.

Sandoval: If there are no further questions or comments, the Chair will accept a motion for approval for said agreements.

Knecht: So moved.

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

Skancke: Second.

Sandoval: Second by Mr. Skancke. Any questions or discussion? Hearing none, all in favor say aye. [ayes around] Oppose, no. That motion passes unanimously. Let's move to Agenda Item No. 5, Contracts, Agreements and Settlements. Mr. Nellis.

Nellis: Thank you Governor. There are 49 executed agreements that can be found under Attachment A on Pages 4 through 8 for the Board's information. Items 1-26 are

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acquisition and facility agreements. Items 27-30 are grant and interlocal agreements. Items 31-33 are leases and right-of-way access agreements. Lastly, 34-49 are all service provider agreements. With that, are there any questions for the Department regarding any of these agreements?

Sandoval: Thank you Mr. Nellis, first two for me are just comments. With regard to No. 27, it's \$2M from State Lands to NDOT for water quality projects up at Lake Tahoe. I'm really glad to see that happening and there has been dramatic improvement with regard to water clarity up there and I think that has to do with the Storm Water Projects as well as projects like these. It's good to see that cooperation and these types of projects getting on the ground.

With regard to Contract No. 29, I know that we're going to be talking about this at some point in this meeting but there has been a 46% increase in fatalities, with regard to the State. I know that there was a very provocative presentation that was made by NDOT a week or so ago with regard to pedestrian safety. This is \$2.8M that goes to DPS for statewide safety awareness campaigns. I would hope this Board would at least get a chance to see how that rolls out. Because again, I don't know what the answer is anymore. We've got to keep doing what we're doing in terms of increasing public awareness as well as getting these safety projects on the ground, which we are doing. Rudy, at some point, I know it's an excessive of \$10M plus, it's all hands on deck in terms of trying to do whatever we can and most of it is in Southern Nevada. We know the roads are wider and the speed limits are faster there. Again, I just think we have to do all we can in that regard.

Moving to Contract 37 and 41. I was just curious what an agreement for mindful leadership and emotional intelligence are.

Malfabon: Governor, we actually thought you might ask about this one or another Board Member might. It's really the soft skills, the interpersonal skills and training for our employees and supervisors, managers. I think it's a good program. Emotional intelligence is a term that's often used for how to deal with people that you work with, your people that you supervise, both in good times and bad times. It's really very, very good training on things to consider as you work with people and get people to do things for you as a supervisor or a manager.

Sandoval: I guess I would say this, I'm not trying to diminish the importance of that, because I think it's important to have a thoughtful workplace and supervision and

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those things. It's my understanding that Department of Personnel provides the very same thing. I know they have in the past in terms of providing work sessions and work groups, obviously at no charge to do that.

Malfabon: They do Governor, but usually the seating is limited and we want to capture a larger audience of NDOT personnel at one time.

Sandoval: Because I think we've had this conversation, haven't we?

Malfabon: Exactly. The last time we had this type of contract, yes.

Sandoval: Okay. Well, as long as it's meaningful and we are getting a benefit and we can show some results from it, again, this is a large organization. I think given our previous discussions, it is under stress because it's beyond capacity and that's why we're having to hire all these consultants. That's why we're going to have this conversation later on in our agenda. I know that the employees here are under a lot of stress because we probably have the largest construction program going on in the history of this state. I don't want—I see a lot of heads nodding in the audience. Again, it's important that when we have this stressful situation, you heard this Board talking about consultants and things and that everyone has a good workplace and some place they can look forward to going to work every day. Mr. Controller.

Knecht: Thank you Governor. Just a follow-up on those same two items. Rudy, or Mr. Nellis, or anybody, how do you measure success on each of these contracts? We've got some process going on here. We've got up to four sessions in one case, up to two sessions in another case. How do you tell whether the money was well spent, after the fact?

Malfabon: It is difficult to measure success on that type of training but what we look at is our annual employee survey. We ask our employees questions about how they're treated at work, what they feel about their supervisors, managers, executive leadership of the Department. We can cull some of that from the remarks that are made confidentially in that survey. You can't attribute it back to a person that actually was supervised by somebody that attended the training but we hope that in general that we see a trend that people are treated better at the Department and they want to work here. It's difficult to measure out right, explicitly, but I think that we can usually capture those types of trends from our annual work employee survey.

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Knecht: Thank you.

Sandoval: Questions from other Board Members? Mr. Lieutenant Governor.

Hutchison: Thank you Governor. Mr. Gallagher, you know I'm going to talk about Line No. 36. Maybe we can just start by just an update on where we're at procedurally, you know with the litigation. This is asking for a good chunk of increased authorization and maybe you can just walk us through the need for that to start with, please.

Gallagher: For the record, Dennis Gallagher, Counsel to the Board. Lieutenant Governor, this case was instituted by the property owner who filed inverse condemnation and pre-condemnation damage claims. There was a total of nine causes of action. We took it up to the Supreme Court on a writ of mandamus. The Court granted the writ and sent it back to the trial court, which in fact dismissed seven of those nine causes of action. Since it's been remanded to the District Court, the property owner really hasn't done anything. In the event that they pursue the remaining two causes of action, and this would take it through trial.

I would like to point out, Lieutenant Governor, that the property owner's counsel in this case had filed a couple of other cases, alleging the same types of legal theories related to the Department's activities in connection with Project NEON. Since the Supreme Court granted the writ, they voluntarily dismissed those cases and there were a couple of others that they had made claims but had not yet filed a lawsuit, I think those have gone away too.

Yes, this is a lot of money but the money, I believe, was well spent and covers a number of cases or potential cases and this is that Supreme Court case that I like to talk about because I think it's the best case that the Department has had or the best result in well over a decade. I think strategically, it was definitely, not only in the Department's best interest, but in the taxpayer's best interest because it will mean fewer inverse condemnation claims or cases being filed.

Thank you for the opportunity to say that.

Hutchison: We're proud of that decision as well. Sometimes we are concerned about the amount of money that we're spending on legal fees and we should be. I agree, this is one of those cases where we probably can't really count the benefit from that case going up to the Supreme Court and the collateral effect that that's had on a lot of other cases.

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You did answer my question in terms of, this authority is to take us through trial. When you're talking about that much money, we're talking about completing discovery, completing any motion practice, pre-trial practice, take it through trial. We think that's going to cover it Mr. Gallagher and that's a reasonable and practical budget for taking us through trial if we need to.

Gallagher: Thank you Lieutenant Governor.

Hutchison: Then, I should know this but when we're working on Project NEON and the condemnation cases, is Federal money included with that or is this all—does this come from the State General Fund?

Gallagher: Some of the older cases come from the Highway Fund, but as of a couple of years ago, the Department was factoring it in to its budget and submitting it to Federal Highways for reimbursement.

Hutchison: Great, okay. Thank you very much Mr. Gallagher.

Gallagher: Yes sir.

Sandoval: Mr. Savage.

Savage: Thank you Governor. Just one question. Agreement No. 34, the Acton's North America Agreement, regarding the 40-hour class for the resident engineers, which I feel is very important. The math of \$75,000 a year doesn't quite add up in my mind. I don't know if I'm calculating that wrong or not. How often do they meet every year, with the resident engineers?

Kaiser: The training is just one week every year. One week long. They've got to coordinate all the information. They've got to coordinate all the supplies for the meeting. There's some transportation, I believe, costs associated with this agreement.

Savage: Basically, it's a three and a half year agreement for close to \$300,000.

Kaiser: Correct.

Savage: And again, I didn't have enough to do this weekend but just take a look at things, because the \$75,000—and I know a lot of these agreements are not to exceed agreements and you only spend what they bill, but please look at the billings because it sounds awfully high for one week.

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- Kaiser: What we can Member Savage is, get you a breakdown and I'll send that to you via email. It will give you a breakdown of what all that entails.
- Savage: Perfect, but not during March Madness. Thank you.
- Sandoval: Other questions from Board Members?
- Almberg: I've got a question Governor.
- Sandoval: All right, Mr. Almberg.
- Almberg: On No. 45, is this for pilots that are doing work as far as construction work as in aerial photography? What exactly are these ones here for?
- Nellis: Robert Nellis, for the record. These are actual contract pilots that are flying our State planes, primarily between Carson City and Las Vegas.
- Almberg: I just wasn't sure if that had something to do with construction or quite possibly maybe flying Board Members to meetings to save 10 hours of driving.
- Sandoval: There's always a stop in Ely. Yeah.
- Almberg: I just had to throw that in, thanks.
- Sandoval: Right. I'm glad Mr. Almberg brought this up. We've had quite a turnover in pilots. I'm sure that's expensive to get them trained and such. Do you think this is going to be a long term contract with Reno Flying Service? In the end, it may end up saving us money versus having our own retained pilots?
- Malfabon: I think that we'll have a mix of the in-house pilots, but because of the turnover and reliability concerns, we needed this augmentation of the private side. It probably will have to be re-contracted periodically. We did this one as an emergency so it had a specific time frame. The concern is that we want the—you may recall Governor, years ago there was a lawsuit in another state agency where the people providing these services, I think as archeologists, said that we're state employees, effectively and they won some case for benefits because of that lawsuit. We want to avoid that situation. We have legal looking into the contracting processes and the terms and the duration so that we don't get into that situation. We will have an ongoing need for this type of outside service for pilots on those occasions. It is saving us money compared to commercial airline costs to transport all those people to Vegas and back each day.

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- Sandoval: Thank you. Anything further Mr. Almberg?
- Almberg: No, that's it Governor, thank you.
- Sandoval: Any further questions from Board Members with regard to Agenda Item No. 5? Mr. Nellis, any further presentation?
- Nellis: No Governor, that does conclude Agenda Item No. 5.
- Sandoval: All right. Thank you very much. We'll move to Agenda Item No. 6 which is, Resolution of Relinquishment. Mr. Malfabon.
- Malfabon: Thank you Governor. This is for relinquishment of a road, Grapevine Road in Mesquite. Appreciate the efforts of Deputy Director, Tracy Larkin, on this, working with the City. As we try to transfer some roads to local agencies, this is one that for a small amount of money, I think it was less than or around \$600,000, the City will take over this road for us as-is and use that money for any improvements that are necessary on the road. We think it's in the best interest of the State to relinquish this road. It's more of a local type of road in the first place.
- Sandoval: Rudy, just one question. Is that money that is being paid to Mesquite restricted to road maintenance? In other words, they couldn't take the money and use it for something else, could they?
- Malfabon: We write the agreements so that it does have those restrictions for use of that. That's typically what we're doing with any types of—those types of agreements with the local entity is that it must be used. Similarly with Carson City, the money that we are going to use for the repaving project, we're going to give them that and say that it has to be used on that road.
- Sandoval: Okay. Any further questions from Board Members? If there are none, the Chair will accept a motion to approve the resolution of relinquishment as presented in Agenda Item No. 6.
- Savage: Move to approve.
- Sandoval: Mr. Savage has moved for approval. Is there a second?
- Skancke: Second.
- Sandoval: Second by Member Skancke. Any questions or discussion? Hearing none, all in favor please say aye. [ayes around] Oppose, no. That motion passes

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unanimously. Let's move to Agenda Item No. 7 which is an Annual Report on Construction Working Group activities. Mr. Kaiser.

Kaiser: Again, Reid Kaiser, Assistant Director of Operations. Governor, Transportation Board, want to give you guys a quick update on some of the things we've been working on with the Construction Working Group. I want to take this time to thank Member Savage and Martin and Controller Knecht in helping us to become a little leaner group in the Construction Division and with our processes. It's always nice when you work for the Department and you've been doing this stuff for so long, you get the mindset that that's the way we do it. It's always nice to get a fresh set of eyes on what we do and they've been able to give us that fresh set of eyes and help us to refine some of our processes, reduce time on the closeout of our contracts and scrutinize our consultant agreements extensively. We appreciate it.

Just to give you a brief rundown, when we got the Construction Working Group going years ago, one of the main focuses was to reduce the amount of time it's taken to close out our contracts. There's a tremendous amount of work that our resident engineers have to go through to close out a construction contract. I remember when I worked in the Construction Office, there was this document of about 5-6 pages long. It had all these contracts that needed to be closed out. We'd fuss about them and try and reduce that time but with the focus being put on that, we've actually been able to close out many of these contracts. That document today is about three pages long. It's been a big help.

This last year, we've closed out 39 projects. There were 36 projects awarded. The bid value of the work this last year was \$270M, change orders were \$11.7M, quantity adjustments which is the amount we've paid over and above our bid items is \$9.8M. We paid out \$291M since last year. Our budgeted amount for those contracts was \$292M. We're very close to where we should be in regards to our budget. Regarding to payment to contractors and what we've budgeted for those contracts. Again, the amount under budget is \$730,000.

Again, there were 39 projects closed out in 2015. There were 14 contractors represented in those contracts.

Some of the items that we will be discussing this next season is, we do have—we are rewriting our Construction Manual. The last time we wrote that was about 12 years ago and processes have changed extensively, so we're going to be rewriting

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that document. Again, we'll be updating the Construction Working Group on our Engineering Academy. We'll be going over how we're changing our processes and on writing change orders. We'll go over some of the changes, since we do have a new Division Head running our Construction Program. They made some changes in the Construction Division. We believe it's helped the Department with our constructability sections and helped the designers and helped the resident engineers. We hope we're a little more user friendly in our Construction Division than we have been in the past.

We're trying to get our construction crews more involved in the design process, trying to get them to look at the plans. That helps us reduce the number of change orders we have had in the past.

We're working on our dispute resolution team and trying to refine that process. Again, we're meeting monthly with our construction crews and going over the project close out. Those will be some of the things that we'll be talking about in the future Construction Working Group Meetings.

Are there any questions you guys might have for me in regards to the information presented in the packet or anything I presented today?

Sandoval: Questions from Board Members? Anything further Mr. Kaiser?

Kaiser: That's all I have.

Sandoval: A comment, not a question from me. I just want to thank the Board Members who are participating in this Construction Working Group. It's a lot of time to just sit on this Board but then it's even more time than that to participate on this group. I personally want to show my appreciation for the Board Members who have done that. And, as well as you Mr. Kaiser and your team. I think it's been very helpful. It's something that wasn't done before and it's helping the Department be more efficient and as I said, I think we're very blessed to have the talent that we have with regard to the public members. Not diminishing the other members on the Board, but to have this—that type of practical—I included myself in that. [laughter] To have that type of practical and real world experience working with the NDOT team I think has really benefited this Board, NDOT, as well as the State. I know that it causes, as I said, Mr. Savage and others having the ability to really get into these contracts and ask the types of questions that frankly, I would never get to. It's important. I know there weren't questions

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because again, they've been so thorough with regard to all of this. I know it's more time for your team as well, to do those meetings. We'll continue to do it and again, my thanks.

Kaiser: You bet. I agree, it has been a definite benefit to the Department.

Sandoval: All right, Member Savage.

Savage: Thank you Governor. I would personally like to thank both Member Martin and the Controller as well for their time and effort working with CWG, but most importantly, I really want to thank the men and women of the Department. I mean, they've really engaged on every point that we've worked on. Construction is not for the faint hearted, we all know that. We have challenges every day. This group was initiated in 2011 or 2012. I believe we've made significant progress. It's a pleasure and we're trying to ensure the transparency, the efficiency and accountability each and every day. That's a priority of our Department. Our work will never be done as long as we're building roads, bridges and highways but it takes all of us. I repeat that, it takes all of us. I'm thankful for the people, the men and women of NDOT engaging themselves to better serve the people of Nevada. I thank you Governor.

Sandoval: Well said, thank you Member Savage. Thank you Mr. Kaiser. All right. Let's move to Agenda Item No. 8 which is to receive a report on Consultant Utilization and Backlog. Mr. Terry.

Terry: John Terry, Assistant Director for Engineering. I'm going to do my best to sort of rearrange the presentation based on the earlier discussion. Hopefully as we go through this presentation, I can answer these questions: the resources that NDOT has to deliver projects; historically how we've delivered projects and used consultants; a little bit on the selection process; and then, the issue is, what the backlog is and then to close with the challenges, costs and projects we see moving forward with consultants.

I will bring up that we've more or less kept separate the two main areas. That is the engineering or delivery of projects and the construction of administration which we had the discussion earlier on. Because they really are kind of separate, they have quite a bit of differences.

On the project delivery side. So, these are the engineering divisions that are available at NDOT. I just kind of say, these are the people that deliver the jobs

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day in and day out and the divisions that do so. I won't say that they all the time work on delivering projects, there's other aspects that they have to do as a part of them. Maybe if you move to the bottom of it, you can see that we have basically a personnel budget that delivers projects of about \$26M. We see maybe a third of that time, those people are doing things other than delivering projects. Reviewing other projects, preparing manuals, doing the things that the Department does. I will point out that, yes, we have vacancies in some of these key divisions that deliver projects and that does have an impact on us delivering the projects ourselves.

I would describe NDOT as kind of in the middle of the road for State DOTs. We deliver—we have the ability to deliver pretty much everything we do. We have core competency in almost all major disciplines. This isn't like counties and cities that for the most part in Nevada consult out all of their work. We would say only say bridge design section I the entire State of Nevada.

There are some exceptions. If it was a really complex bridge or some of the ITS stuff that you've seen in agreements that's very technical, we couldn't do ourselves, but for the most part, we could deliver everything that we do. We just don't have enough to do it consistently.

I say that we have the—we don't quite have the ability to do the base program. You'll see later, we have peaks and valleys in our delivery and in our program. We can't quite deliver the trough or the bottom of the peak. We don't have a chance to deliver the trough and you'll see that later. I'd say that we're in the middle for State DOTs. Some consult out everything. Some, like California, do almost everything themselves. Most smaller states are about like we are. They deliver about like we do and consult about like we do. And, we need consultants for very large projects and for alternative delivery.

This is kind of, shows how our consultant usage has really varied over the years. The first one, the dollar value, that's the dollar value of consultant agreements we signed up that year. Consultants paid, that's how much we paid out in that year. As you've seen in the past, many of our agreements run over multiple years and so, the two don't necessarily line up. As you can see, years ago when we had a big Aura Program, that was the federal stimulus program. We had design-build south, where we had extra money from the Convention Visitor's Authority and the Room Tax. We had I-580 going on. We had a bigger program. Our program sort of went down through some of those years and now it's building back up. I

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put over there, comments—some of the NEON, USA Parkway have a big impact on that. You can see our consultant usage does go up and down.

Just to reiterate, I think we've said this before, per NRS and the Federal Code of Federal Regulations, consultant selection cannot be based on price. We cannot bid consultant work that's doing engineering work. It has to be based on a request for proposal. We have a very, I believe, robust process for going through, for selecting consultants. At the bottom you can see, we do give some consideration for work load. We do ask them, in their proposal to submit and say what their current work load is. I, years ago, used to work as a consultant and we used to call that kind of the going out of business curve to show we've got 50 people and we only got work for 20 of them as time goes by and we have this gap available for people to do work. There is some consideration for backlog. It's not a lot of points in the proposal. It is included in all of our proposals.

For the most part, well a good number of our agreements are for the entire design of an entire project. We also have cases where we design a good portion of the project and say one bridge is designed by a consultant or some specialized aspect. So we do do both. You're responsible for the entire project, you're responsible for some part of a project. For the most part, we deliver the smaller contracts. The rural ones, the under \$10M, the 3 R Projects, the district contracts. We do self-perform some of the bigger contracts like Phase 1 of Boulder City Bypass, US-95, the ramps and flyover bridges that are under construction right now and US-95, Phase 2C5 which is coming up that we're doing ourselves. We often times have constructability reviews by consultants and/or some specialized aspects of projects where they help on those.

Project Management Division and you've met most of our project managers that have presented to this group over time. They deliver the biggest projects, as well as alternative delivery, design-build and CMAR Projects. That list—the project managers that we have, if we were full we'd have 10 project managers plus division heads, assistant division heads and project management. Other projects are also consultant projects that are managed by roadway design, structures, L&A, traffic operations, like I say, the biggest ones are by project management.

Construction management, this is why we kind of kept these separate. As we talked some, we have our own resident engineer crews, probably at the trough of our construction project. They were able to handle most of the construction work, but this is how we do them ourselves. Eight crews in District 1. Five in District

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2. I will point out, your handout is a little bit different, I made a change on this one.

Then the Construction Division delivers projects kind of two ways. We have a construction crew on there but that crew isn't big enough to handle the whole job and they do what they call crew augmentation where they add inspectors, surveyors and testing, or full administration where they administer the entire contract including handling the resident engineer.

This one kind of shows how our construction program varies over the years. Again, awarded in that year versus contractor pay, as well as our projections of where we think they're going to go in the future. As you can see, we've had peaks in the past. We've been in a little bit of trough of construction at 13 and 14. It's building back up and it's really going to go up here in the next couple of years because of the bonds and NEON, etc.

The Consultant Backlog, this is the question asked of us. This is the current consultant backlog of the largest engineering projects that we currently have. This particular list is both Construction Management as well as Design. Just listed to the right, some of the major projects that these groups are involved in. As you can see, consultants are a big part of our program. Our own in-house design is only, less than \$20M and we've got numbers like these for when we're trying to handle the peaks. We do have a big consultant budget and we're hitting one of those peaks where it continues up.

The next slide, I broke them out for you. This is only design. It has none of the construction administration. These are the biggest contracts. Please don't do the math and add these to see if you get the number on the previous page because I only listed the biggest ones. There are other ones that are still completing so they're not going to add up on the one. These are the contracts that we currently have out there, the biggest ones with the biggest firms that are doing them on the design side. At the bottom, they're not really working for us, but the lead firms that are on the design-build projects, we know who they are. They're working on the design of the design-builds for those firms.

Similar slide for Consultant Backlog. Very similar to your discussion earlier. Again, this slide is slightly different than your handout. I added the one on the bottom. Someone pointed that out to me. These are the major contracts. Again,

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this does not show sub consultants. These are the amounts of the prime consultants.

One other thing I did not mention and I don't know if you're aware of, we do have a provision in our contracts, our consultant contracts, typically that the prime consultant must perform at least 50% of the work. It's often significantly more than that. I know there's been an emphasis on sub consultants in some of these as well.

Looking ahead, where are we going? We have many consultant procurements in the works. You've seen them on every Board Agenda, you're going to see some more. We are bringing back what we call the On-Call Program. We have not had that for a number of years because frankly, in the downturn, it wasn't being used. We make them submit all these on-call proposals and we don't use them. On-call is to have consultants on the list so that we can kind of call them and get them on board for smaller tasks quickly. The best example of that is like, if we have to do potholing, we don't have to do an individual RFP just for that potholing. We have a list of consultants, we can call them up and get them working on them and have it signed up. We're going to bring that back in many disciplines and you're going to see that here again in the future.

We're going to continue with alternative delivery. We already have more projects that are proposed to be looked at for design-build. That would take consultants. We are debating how much to prepare. FRI2 is Fuel Revenue Indexing 2, should it pass in Clark County is a lot more money that we would have to spend quickly in Clark County, as well as Fuel Revenue Indexing if it were to pass in the other counties, would impact our program. Even without that, we do have an increased budget for engineering and construction administration consulting services; especially moving forward in our FY 2017 budget, higher than it's been in the past, for the reasons we've said earlier.

This is an idea, some of the bigger procurements that are coming out. The Director mentioned, we did select on the I-15/US-93, the Garnet Interchange work. We're working on 515 and Charleston Interchange design, to upgrade that and improve that interchange. Southern Nevada Traffic Study that is extensive modeling and analysis in Southern Nevada. Tropicana Avenue, where we did Phase 1 but Phase 2 has a lot of work related to ADA that impacts the right-of-way. As I mentioned, the On-Call and this US-95/215 design and design-build

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administration so we can put in for the grant that the Director talked about earlier and be prepared if that FRI2 were to pass in Southern Nevada.

With that, I'm sure you have a lot of questions that I hopefully can answer.

Sandoval: Mr. Terry, thank you. I don't have any questions, just comments. I think you've done a good job of starting to put all of this in perspective. When you look at your charts by a factor of three, sometimes four, the amount of projects that we're doing, I mean, it's not even close to what we've done historically. That obviously puts a lot of pressure on this Department. You don't need me to tell you Nevada I think is second most urbanized State in the nation. You've got to think about that. We are going to hit 3,000,000 residents by, I believe by the end of next year, somewhere around there. The economic development and diversification that is starting to happen is changing. We are one of the five fastest growing states in the country with regard to population. We have to have the infrastructure to match. We are, or NDOT, the Department is engaging in the most—the largest and most progressive construction program in this state's history. Included within that is the largest public works project in the state's history. Project NEON.

I guess at first blush some would say, oh my gosh, we're spending all this money on consultants. And, you said it earlier on that the Department doesn't really have the ability. I wouldn't really say the ability, I would say the capacity because you have the ability. From what is going on now versus 10 years ago, it's not even close. You heard the discussion from this Board earlier on, it's an internal capacity issue and now it's turning into an external capacity issue. That's the thing that I think is—we just want to make sure we keep our eye on. We have so many different balls in the air right now, across the State with projects that are so incredibly important to the future of the State. First of all, with the quality of life for the people that are living on both ends, but particularly with Project NEON. People in Las Vegas being able to get from home to work, etc., and for commerce to be able to get back and forth. Up here, we had some preliminary discussion with regard to the Spaghetti Bowl and trying to anticipate issues with that.

I want to, even though this Board picks, picks, picks, it's also about making sure that we can get all these projects done and do them in a timely manner. I think it's extraordinary, that one statistic that you put up there, we were [inaudible] below what we thought. I mean, on that amount of projects, I think is a really good result. That didn't happen before. Again, I'm thankful that with your commitment, your team's commitment and all the men and women of NDOT for

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what you do because you have a lot on your plate. We get over this hump and then we start to look at I-11.

It's exciting. At the same time, I hope you understand that. We're building and infrastructure for a changing state and preparing it for this future and for this New Nevada. We have to have that. With the people that are moving here, that are going to be living here and the people that are going to be working here and the companies. We present to them that this is a low tax state with a great quality of life. If they start to discover that we don't have the infrastructure to meet their needs, they're not going to come.

This is just another place that doesn't get a lot of attention until there are back-ups or things of that matter. I think it's important that we try to stay ahead of this curve with regard to the growth and the changing dynamics of our economic development. Again, I appreciate your putting this together. Because hopefully it was a beneficial exercise for you and your team but I know it was helpful for me. I know that a lot of time went into this. It shows. I personally want to thank you for that. I don't have any questions, I just had comments. Other Board Members? Mr. Lieutenant Governor.

Hutchison: Thank you Governor. Mr. Terry, thank you very much. I echo what the Governor has said about the time and energy and the update and information you provided to us. My question is, and it really just is a question I'd like to have you comment on. I noted that some of the engineering division personnel are 20% down, 25% down in some of those very important divisions. Can you just comment on NDOT's, and you've been here a while and just sort of historically, NDOT's ability to retain its employee and to recruit new employees. Particularly in some of those key divisions and maybe the reasons for what you're going to say has been your experience.

Terry: Well I think there's a couple of reasons. Of course, the nature of the State service here and when we hired a lot of people, we're going to get a lot of retirements. It's just, people have been here that period of time and the way the PERS System works, you're going to lose people to retirement and there has been a peak of that that's been happening for years, but I think there's going to be a lot of it.

Yes, we are struggling then to fill those positions because often times, it's not filling one position. You know, this guy retires and this guy bumps up and the next guy bumps up and it's two or three. Frankly, I believe our human resources

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are bogged down right now and kind of overwhelmed with not just NDOT but everybody else that has positions vacant. We've always had vacant positions, we've just gotten more of them, I believe that we've had, that I can remember and we're fighting through it, but it is a bit of a challenge to keep filling those positions and finding people in this area that we could fill.

Frankly, the other issue is, we used to have design in Las Vegas and we don't do that much anymore. We are just not competitive, kind of wage wise and benefits wise in Nevada, in Las Vegas.

Malfabon: And, Mr. Lieutenant Governor, there is a presentation that the Construction Working Group, later today, on that issue, of NDOT and employee retention and recruitment. I wanted them to kind of present it to the CWG first and then present it to present it to the entire Board, probably next month after we get some input from the CWG Members. The statistics are alarming as far as the turnover and the vacancy rates and we appreciate everything that this Board does. The Governor's comments, it's still a sense of pride for our employees that work on project delivery or maintenance. Also, the approvals from this Board for equipment, to replace some of those pieces of equipment that are really in need of replacement. That goes a long way in improving employee morale and it affects retention of our workforce.

Hutchison: Thank you Rudy. And, will the Construction Working Group take a look at, or has there ever been any discussion about taking a look at the cost benefit analysis with increasing NDOT staff versus continuing to use consultants. There are clearly advantages and disadvantages to both. Particularly as we see this upward trajectory and the statistics that the Governor has just given to us, is there going to be some sort of an analysis, an evaluation of, look do we really ramp up and really make efforts to ramp up internally or do we say, it makes more sense to be flexible and use consultants?

Malfabon: Definitely. It wasn't part of today's presentation at the CWG, but it is something that has been studied before, both nationally and in Nevada. We'll have to look into some of those and probably revise them for the current market and availability of some of the technical areas.

Hutchison: But the CWG is working on that or will make a future presentation on that?

Malfabon: Yes.

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Hutchison: Okay.

Malfabon: So, the CWG presentation is this afternoon and then the follow-up presentation to the entire Board will be, probably next month.

Hutchison: Great, thank you then. I'll wait for that. Thank you very much Governor.

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

Nellis: Governor, for the record, Robert Nellis. Just to remind you too, we'll be doing an operational audit that was approved by the Board a few months back. It will be approved by the Interim Finance Committee in April. That will also be looking at our use of consultants and balancing that with the use of in-house staff. So that's something we will be able to report back to the Board on as a result of that audit.

Sandoval: Thank you. Member Skancke.

Skancke: Thank you Governor. John, thank you for this report. I think it's absolutely superb. I think it's a great start for connecting the dots between where the backlogs are, who has what work. I don't think, in my opinion, this is an indication that somebody has more than the other or that there are companies that are getting more work than other companies. I think it's a really good indication of the public and to the Board and to the entire NDOT team, of all the work that we are doing.

I probably want to drill down a little bit and have a couple of questions for you on the engineering divisions and the vacancies that are in these departments or divisions. It appears on the surface, and correct me if I'm wrong, that regardless of whether we had all these positions filled or not in the Department, that would not take away the requirement to have consultants or the number of consultants and the amount of consulting work that's out there, would that be accurate?

Terry: Yes. Again, I would say we're a Department that even if we're at full staff and can't quite staff, that's kind of the troughs of our workload and in no way could handle the peaks of our workload and/or in a peak. So, the vacancies just influence our decision of what to consult out but we would have to consult out the vast majority anyway.

Skancke: So looking at the Roadway Design, if we hired another 14 people, and let's say we have a—God forbid there's another recession, although there will be at some point, and you had an extra 14 people and there wasn't work for them, there'd be

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14 people either sitting around with nothing to do potentially or we'd have to lay those 14 people off, which causes a different amount of stress on those individuals that we would have to lay off. We're actually taking the approach of, you're comfortable and the Department is comfortable with this number of people in these positions. It might be better if we had a few more right now in some other positions, but your comfortable with where we are.

Terry: I would answer your question as well as the Lieutenant Governor's question too; should we do an analysis that looks at, do we think we're ever going to have an upcoming trough, or a low point in our design that's going to get to the point you described. I believe, based on what the Governor said and our population increasing, probably our gap—now we'll have a stable highway built. Our gas tax revenue will probably increase some. Should we look at the Engineering Division's growing a little bit so we're still below that lowest level? Because we don't ever want to get to the point that you described, that a trough comes and we have to lay people off. I think that low point has increased. For that reason, we as management ought to look at approaching that level that's a little bit higher than the level we've had for many years. I don't know if I answered your question.

Skanccke: I think that's—where I'm headed is, we're being fiscally responsible in how we're managing the Department and that we don't have a lot of unnecessary overhead, but we could use a few more people. A few months ago there was a—I think the Planning Department, I think you guys posted and maybe I have this wrong, but I think you posted a few jobs. We had no applicants for these jobs. Part of it is because they pay better at local governments. The private sector right now has a lot of work so it's difficult to attract that talent. There's probably some observations that we can learn from that.

Moving on to the next piece, I appreciate the historical perspective of kind of how we got to where we are and where we are. I think it's important for all of us to have these educational tools and know what's going on. As I fumble to the page that I have my next note... I do appreciate how you drilled down and connected—can we go back to one of those slides that show all kind of the backlog. The couple extra added slides. [pause] This is very helpful when you can take a look at who's the primes and then who the subs are, which is the conversation that we had earlier in the meeting. Again, there's a limited number of companies that we can work with here. There aren't a lot of consulting

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engineering firms, even in the country today. They have to kind of divvy up the work and some of the primes are subs.

Governor, part of the reason why I requested this item and this research several months ago is, I think it's really important for the engineering companies to see just how much work you all have and how much work is available. I go to a lot of different functions and a lot of folks complain to me about how much work they're not getting. This is kind of my, pardon the vernacular, this is the Stop the Whining Campaign. Because you all have a lot of work. There's a lot of consulting work that's out there. And not one company is actually getting all of the work. What's happening is, I think it's being very well distributed and evenly and fairly across the Board. Some of these companies are larger than others. Some of the companies are smaller than others. I think you and your Department and the procurement process have done a superb job of making sure that all of the companies have an opportunity to bid and compete. At the end of the day, I think we're selecting some of the best and brightest and I think we're attracting the best and brightest. I think you said in one of the meetings John, that we want the best engineering firms and the best construction firms bidding on our projects. Looking at this list, you have them.

Thank you for the hard work. I know this was not an easy assignment. As the Governor said, I think it was educational for all of us. I hope that we can continue to do these types of analysis in the future so we can see where things are going and where we've been. Thank you for your hard work. Thank you Governor.

Sandoval: Any questions or comments from Southern Nevada?

Martin: No sir.

Sandoval: Any further questions here? Mr. Terry, thank you. That moves us to Agenda Item No. 9 which is a presentation regarding the cost to administer the Federal Highway Program in Nevada. Mr. Nellis.

Nellis: Thank you Governor. Members of the Board, for the record, Robert Nellis, Assistant Director for Administration. Last fall I believe it was, Member Skancke requested that we provide a presentation to the Board on the cost to administer the federal program.

With our internal discussions, we feel that those costs fall into four major categories of federal laws that are required to administer the federal program.

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Various plans, such as financial plans, risk assessment, cost benefit analysis, that we need to prepare for the federal projects. As well as the fact that we're a pass-thru entity. We receive federal dollars, those go to local governments, so there's a cost associated with that. Also, what potential time delays might there be from administering the program through the federal government versus just a State project.

One thing we looked at was, what are the key differences between State and Federal and how does that effect our budget. Because we really don't have two separate NDOTs, where we have a state side of NDOT and a federal side of NDOT. It's all integrated together. And, do these benefits and receiving the federal dollars outweigh the potential costs of administering the program.

As all of you are well aware, there's many federal laws that we're required to follow, regardless of whether it's state or federal funding. Most of these laws on this slide, we need to follow anyway and some are best practices to follow. We may want to follow them regardless of whether it's required or not.

The next slide is going to be hard to read in Southern Nevada. We're not going to take the time to go into every single federal environmental law or executive order that affects transportation. The key to this slide is that, obviously there's been a major change in the 1960s through the present time, where there's several environmental laws that affect transportation that we need to follow regardless of the state funding. Just wanted you to see how there was a steep incline from the 60s on.

Wanted to give a brief and just a broad overview of our budget. Not get into all the details of what goes into our budget, but simply to say how, really there's a 50/50 split between the federal and state funds. That's pretty clear based on this slide. Wanted to point out, we've talked a lot about the FAST Act and how we have secure federal funding over the next five years as a result of that Act. That amounts to \$1.9B of federal funding over the next five years. In Federal Fiscal Year 2016, that amounts to \$368M. When we built our budget, the State budget, we anticipated just a flat budget of \$320M from federal funds. We could be entitled to receive up to as much as \$368M in Federal Fiscal Year 2016. That makes up more than half of our budget. The other half is state funded through gas tax, special fuel tax, registration makes up the majority of that for a total budget just under \$700M.

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This slide, I think is particularly interesting. I hope it gives the Board some comfort based on the last discussion. I think it's a good segway from John's presentation. As you can see, the bottom bar where we're spending the majority of our activities at NDOT are spent on construction. You can see that's well over \$300M. General administration is the next largest category and then maintenance is the next after that. It gets smaller from there.

What we attempted to do was look at what activities actually have a large amount of federal administration costs associated with them. We identified five activities in particular where we could extract what's the estimated federal cost if for some reason we stop receiving federal dollars and just receive them directly to the State. Those main project activities are on the left hand side; project delivery, planning, project development, general administration, fiscal. You see in the second column that adds up to \$143.4M per year. The amount that we attribute to the federal programs, to just administer the program is the percentage in the third column. If you multiply that percent by the second column you get the fourth column which is \$37.9M that we can attribute to our cost to administer the federal program. Say if we didn't get those dollars anymore and it just came directly to the State, that's less administration we would not expend.

There's benefits to receive the federal dollars. To be fair, let's look at the other side. There's three main categories that we've identified that are benefits to the State of Nevada directly. First, Nevada always obligates and expends every federal dollar that's available to us. This is where I just have to get a shout out to our staff on this. Financial management, in particular, I'm going to name an individual, April Pogue, who has helped us year after year to allocate every federal dollar. We've received another \$161M in the last 12 years as a result of her efforts, working with other divisions; that's an average of \$13.4M annually, that we get from other states that are unable to obligate their dollars to projects. Not only do we obligate all of our dollars, but we get extra money that comes in as a result and that's due to the hard work of our staff.

The second bullet, the contribution. NDOT, like most other states is a donation state. We receive more money than we contribute to the Highway Trust Fund. In fact, looking at the federal data from 1956 on through 2013, that's been over \$1.8B more that we've received in Nevada than we've actually put in. In 2013, just recent history, Nevada contributed \$254M to the Highway Trust Fund, we got

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another \$112M back. That's a 44% return on our investment into the Fund. That's a pretty great investment.

The third item that we talk about a lot is the 95% federal match. The Feds contribute 95% to our federally eligible projects. We only have to put in as little as 5%, sometimes more on projects, but as little as 5%. Compared to other states, they have to put in 20%. They get 80% federal dollars. When you do the math on that, that's \$52M less we're not having to contribute to our federal jobs so we can actually put out to more state jobs.

These are the primary benefits. On a conservative basis, what are these realized benefits? Well, if you just take the federal donation plus redistribution that we get from the Federal Highway Trust Fund every year of \$112M and you deduct the cost to administer that program, just under \$38M. Nevada receives a benefit of \$74M from administering this program. We're not going in the hole from having to administer the federal program at all. We actually get more out of it than we put in.

What are some of the conclusions we can draw and some broad strokes? We talked about federal laws, a lot of those, most of them in fact, need to be followed regardless of the funding source. In fact, it's the best practice to do so regardless. Perhaps we want to pay prevailing wage or Buy America, so we don't have to go back and replace materials that fail on us. In fact, we talked earlier about how it makes sense within NDOT not to have two separate NDOTs, where you have a state portion and a federal portion. There's projects where we may actually want to follow the federal guidelines so we can receive federal funding in the future. It makes sense for us to follow those same guidelines regardless whether it's state or federal. We don't want to follow a separate set of rules and then find out later we can't get federal dollars on that project. It just makes sense, efficiency wise, to do so.

What's the bottom line? Well, Nevada is compensated more for the program than what we actually put in. Right now, things could always change for the future, but right now, based on our analysis, the cost to administer the federal program are not greater than what we actually put into the program.

With that, I'd be happy to answer any questions the Board may have.

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Sandoval: Mr. Nellis, thank you. Very thorough and tremendous. I mean, that's always music to my ears to see that we're a donee state, those are dollars that come back into our program so that we can do more and put more people to work. I'm thrilled about what you presented here. I just want to confirm one thing that you said, with this most recent federal budget, you said that we're going to get \$48M more than we had budgeted for?

Nellis: In our budget, Governor, that we submitted last session, we had counted on \$320M from the federal government. We're actually, on track with this new FAST Act Bill to receive \$368M, that's statewide. That's not necessarily just for the Department, that's statewide. That's \$48M more than we did not count on receiving.

Sandoval: Are we guaranteed of getting those dollars?

Nellis: We have projects in the queue. As long as we keep obligating all of our federal dollars, which we always do, then yes we'll be entitled to those funds.

Sandoval: So, will those dollars just flow into all these different projects that we've talked about? NEON or what have you?

Nellis: Yes sir, correct.

Sandoval: Again, that's a great day for us. That's wonderful. With everybody—this has been a day of accolades, but well deserved. It's kind of a catch-22 because as I sit here, I have the privilege of sitting on a lot of Boards and Commissions. I don't know if there's a more transparent state agency than this one in terms of what has been presented today and what this Board has been seeing. At the same time, there's a lot of information that I think needs to be told and this is one of them. I mean, we're talking big dollars here and that 95%, the 5% match, that's a big deal. This \$48M is a big deal. The other extra money that we get, those Tiger Grants and that, but it also, us getting the money that other states don't use. I love it. I absolutely love it. This all means that it's a better transportation infrastructure for the people of this State. The work never stops. We have to stay on top of it and we are. At the end of the day, look at the results that we're getting. Rudy, thank you for your leadership and thank you for everyone here for doing what they do.

Malfabon: Definitely, great staff at NDOT but I also want to give some props to the Federal Highway Administration, who is just one of the modes that we work with, but

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having a division office here that works collaboratively with us, both Sue Klekar, the Division Administrator and Paul Schneider, her Assistant Division Administrator are here. I wanted to thank them personally for the efforts because they always work with us to find practical solutions to some of the challenges with policies or procedures that are required.

Sandoval: Thank you. Other comments from Board Members, Mr. Controller.

Knecht: Thank you Governor. It's a good report overall Mr. Nellis. I am struck by one conclusion that you leap to on Page 11, the second bullet. When you say it's a "best practice" and you've got that bolded, to pay prevailing wages. I spent two years in the legislature and eight years on the Board of Regents, in particular on the Board of Regents, I heard time after time after time that prevailing wage laws and related matters increase the cost of our projects 15-20% and more. When you investigate how prevailing wage is set, it's artificially high, it's not a market rate. How can that be a best practice if your perspective is the perspective of the Nevada voter, taxpayer and the broad public interest to be systematically paying more than market rates.

Nellis: Mr. Controller, thank you for your question. Again, for the record, Robert Nellis. This goes back to the whole question of being eligible for federal funding. If we start out a project where we aren't following the Davis Bacon Act, for instance, we may not be eligible to receive federal funding in the future. The best practice is, following those requirement on all of our projects, whether state or federal, because then we're able to tap that funding source. If for some reason that was ever to change where there's no federal dollars available or we don't get the same return on investment that you saw earlier, perhaps that wouldn't make sense in the future, but right now, given the present information, this makes sense. We get more money back as a result, even if some wages paid perhaps are higher than we'd like, but in the end, we get more funds flowing into Nevada. I think it's still a good story to tell.

Knecht: I'll think about that, thank you Mr. Nellis. Thank you Governor.

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you Governor. Mr. Nellis, thank you very much. You may not know the answer to this. This is your third bullet point on federal program benefits about Nevada only having to match 5%, because we've got so much federal land

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controlled by the federal government. Do you know if that's true for other western states? And, is there sort of a sliding scale based on the percentage of federal control and how much that State has to match federal funding?

Nellis: Nevada is unique in that we're over 84% federally owned as most of us know. There's so much federal land that the federal government has said, this is a way to compensate for that fact. Other states are not afforded that. This is a benefit unique to Nevada, which I appreciate.

Hutchison: Are other western states afforded the same sort of funding benefit, because there's Wyoming and Utah and so many other states—

Malfabon: I believe they are Mr. Lieutenant Governor, it's just that it is that type of sliding scale, based on the percentage of federally managed land.

Hutchison: And so we're at the top and so we get the—yeah. We hear a lot about federal lands in Nevada and it's good to know there's a little benefit there.

Nellis: A little bit, that's right.

Hutchison: We'll take what we can get at this point, right? All right, thank you.

Nellis: Thank you sir.

Sandoval: I was going to go to Mr. Skancke. Mr. Skancke, I recall something that was very thought provoking. It was something to do with population and federal funding and such. I'm not sure if you were going to go that direction, but that would be something I would be curious about as well. Mr. Skancke.

Skancke: Thank you Governor. Superb job. This is—both—John, your report and your presentation Mr. Nellis are just superb. I think it really gives the Board and the public an idea to see that the investments that we are making, as well as the funding that we are getting, we're spending every dollar that we need to spend, plus we're getting additional dollars. Kudos to folks in the Finance Department for obligating every one of those pennies. I would be derelict by not mentioning our partnerships with Federal Highways. Sue, you do a great job for our State. Please don't have any ideas of retiring in the next 30-40 years. We're fortunate to have you here, so thank you.

I had a couple of questions. On Page 6, if you would have a breakdown by chance of the gas and special fuel taxes, registration, motor carrier, driver's

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license and other revenues, would you happen to have a breakdown of what those numbers are?

Nellis: We normally get those from the DMV. They track that. I can tell you that gas and special fuel taxes make up the majority of those at \$276M and then registration at \$110M. That goes into the overall Highway Fund, where we're one of three agencies, of course, that receive funds from that Fund. I don't have the breakdown for you of how much goes to each agency, but I could certainly get that for you.

Skanccke: I think it's also important to re-note on Page 7, the amount of money that we take and we invest in construction, that there's not a lot of irresponsible spending that most of this money goes out into our construction, which directly correlates to creating more jobs in our State. We do not have a lot of overhead. There is not a lot of money being spent on equipment. We know that because we spend two hours on a snow blower purchase. Our equipment vetting process is very extensive. I think it's also important to note that on Page 8, how you've broken down the cost here and the fact that our federal investment is—that the amount of money that we're getting in from the federal government that we're getting more than our fair share, but more importantly, we're topping out here at an additional \$37.9M.

Finally, to the population number. Governor, I'm not quite certain—there has been in the past some questions around, and I've asked them as have others, if the FAST Act actually has the right population numbers, whether they were 2000, 2005, 2013 and if those population numbers are accurate. A lot of that conversation is still going on nationally. The EPW Committee says that they used the most accurate census numbers. I think a lot of that was done in the final hours of passing the FAST Act, when a lot of states were making those inquiries. I think Nevada has done extremely well. I will tell you, the fact that we are a donee state, heads up to all of us here in Nevada, that could change substantially in 2017 when our Congressional Delegation changes. I think the partnership between the Governor's Office and the Delegation and the work that the Department does internally and externally, I can tell you all and the public that we are getting every penny. For every penny that we get, we're getting our penny, in fact, we're getting a dollar and a half more than what we're putting into it.

Thank you for the report and Governor, thank you.

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Sandoval: Thank you Member Skancke. I will say, I was almost in a blizzard and I was behind one of those snow blowers and I was very thankful that we approved that. That was my guiding light to get through Washoe Valley. Whoever was in that truck, tell them thank you from the Department. In any event, do Board Members, any of you have any further questions with regard to this Agenda Item? Mr. Nellis, any further presentation?

Nellis: No sir, thank you.

Sandoval: All right, thank you very much. Let's move to Agenda Item No. 10 which is a report on NDOT American with Disabilities Act draft transition plan.

Malfabon: Thank you Governor. Presenting this to the Board is Kristena Shigenaga, she's the Assistant Division Chief in Roadway Design. Kristena.

Shigenaga: Good morning Governor and Members of the Transportation Board. As Rudy said, my name is Kristena Shigenaga, I'm the Assistant Chief Road Design Engineer, over Engineering Services. I'm here today to talk to you about the Department's ADA Transition Plan.

Section 504 of the Rehabilitation Act and the Americans with Disabilities Act or ADA, require that government agencies ensure equal access to services and programs to individuals with disabilities. Title II of the ADA is specific to state and local governments and it requires that agencies with more than 50 employees have a transition plan.

A transition plan is a document that identifies the physical barriers to accessibility and how the agency plans on removing those barriers. The Transition Plan must identify the agency's ADA Coordinator, identify their ADA complaint process, the design standards that the agency uses for ADA. It must identify their public involvement opportunities, identify the barriers to access and the agency's plan to remove those barriers, including a schedule and budget. In addition, it must include a re-evaluation schedule of that document.

As of December of 2015, 50% of all State DOTs had an approved Transition Plan. The remaining half, including NDOT were still working on their plans. As of today however, NDOT has an ADA Coordinator, the position currently is vacant but we're in the process of filling it. We've recently updated our ADA complaint process and our complaint form and changed the location of it on our website to make it easier to find. We have adopted the draft Public Rights-of-Way

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Accessibility Guidelines as our standard for new construction. We worked with the Division of Aging and Disability Services to outreach to advocacy groups for input on our Transition Plan. We've completed the inventory of our facilities. We've developed a plan for addressing the issues we found and we are in fact working on some of the first projects developed in the plan. We've got a re-evaluation schedule and a reporting schedule documented in the Transition Plan.

I am happy to say that we were able to submit our Transition Plan to the Federal Highway Administration last month, in February and that it's currently in the Washington DC office being reviewed.

I wanted to kind of highlight some of our efforts with the Transition Plan. One of the largest efforts on the Transition Plan was collecting information about our infrastructure. My staff and I worked with our GIS Staff to develop a tool to collect and display this information. We had NDOT Staff from the Design Division, Construction Crews, Rotational Engineers and public service interns walk over 800 miles of roads, in both directions, collecting information on our facilities. The collected information on the sidewalk ramps, the driveways, pedestrian push buttons, obstructions, gaps in the sidewalk and vertical discontinuities.

We displayed all this information on a map that is accessible to the public. If you go to Maps, or NDOT.Maps.RTIS.com/home, you'll find the ADA features inventory map. This map allows you to zoom into specific locations. You can change it to an aerial view. All these little points you see on here are sites where we collected information on different features. The different shapes are telling you the different types of features, whether it's a ramp or a driveway. If you click on one of these features, it will bring up the information we collected about that. Here you see a ramp, it's telling you the different slopes and different information we collected on it. We even have pictures of the different facilities that we inventoried.

Once we collected this information, we looked at it and we determined, in our right-of-way that 53% of the sidewalk ramps were compliant. That 55% of the pedestrian buttons were compliant and that 6% of driveways in our right-of-way were compliant with the current standards. We also noted areas where we were missing features, such as gaps in the sidewalk, missing ramps or missing ped buttons or other impediments to accessibility, such as power poles in the sidewalk.

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We are collecting this information and analyzing it and then we are trying to decide how are we going to proceed with our projects. We started looking at facilities on the roadway segments that had transit, that had a lot of essential services and essential services being government offices, schools, hospitals; to kind of focus our first efforts on. Doing that, we develop projects, determining locations, limits and the scope of work and then we develop cost estimates.

Once we have that list of projects, we started prioritizing them. We prioritized those projects considering existing conditions, using the level of compliance as a rating criteria. The pedestrian generators, what types of services and the density of those services along those projects. We also looked at the safety along those projects, looking at the number and the severity of pedestrian related crashes, as well as traffic volumes. And, we considered complaints that we might have received on these routes.

This gave us our initial list of ADA improvement projects. It's important to understand that these ADA projects are projects that are intended to fix ADA issues. They're over and above the improvements that we typically do on our projects, such as improving the sidewalk ramps. Based on the target budget of \$2M to \$5M, we spread these projects out over the upcoming years and came up with a list of projects. The list of projects will need to be refined over time, as impacts to right-of-way and environmental are established and schedules and budgets are adjusted.

This is the list of the projects that we have included in our Transition Plan for the next five years. It's anticipated that when these projects are completed, that our compliance for ramps will increase to 76%, 73% on pedestrian buttons and 44% of driveways.

Lastly, we want to emphasize the fact that a Transition Plan is a living document. It's intended to be updated on a regular basis. NDOT will continue to update its list of projects as projects are completed, new projects are identified, prioritized and added to our work program. In addition, we'll be out maintaining the information we collected in the field, as improvements to features are implemented, new features are added or removed from our system. NDOT plans on evaluating and reporting on our progress for our Transition Plan on an annual basis.

That's my presentation for you today.

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- Sandoval: Thank you very much. I guess just a little more specifically for me, when we have these lists of projects for the next five years and you talk about the interstate, so are these mostly for wheelchairs, so where they exit, the ingress and egress to the interstate, if there's someone who is handicap and needs to get across that it makes it easier? What do these projects look like?
- Shigenaga: So, the ones on the interstate Governor are the sidewalk ramps, as the sidewalks come up to the off-ramps or on-ramps at an interchange. So it is the pedestrian ramps at the interstate ramp locations.
- Sandoval: So do we not have these right now, or are we just...
- Shigenaga: We have them right now, they just do not meet the standards, or may not meet the standards.
- Sandoval: Thank you. Other questions from Board Members. Any questions from Southern Nevada?
- Martin: I have one. It seemed to me like back a couple of pages, you mentioned residential driveways. Is that—that's Page 6 on my deal. You've got residential development, pedestrian generators, but I thought some place in here you had referenced driveways.
- Shigenaga: We did. It says residential driveways, but it's actually a combination of residential and commercial driveways.
- Martin: Okay, so the residential driveways, is that an NDOT expense to correct those, or an NDOT responsibility?
- Shigenaga: It's a responsibility if it's within our right-of-way. The driveways are somewhat problematic because we can fix the portion of the driveway in our right-of-way, but you're probably going to have to change the slope changes on to the private property. So, the right-of-way impacts and the costs will go up as we are looking at the driveways.
- Martin: And that's the same way in commercial areas too?
- Shigenaga: Correct. On a residential, you'll probably be looking at changing the driveway slope. On the commercial, you're probably looking at having to make changes to the parking lot to account for the slope changes.

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- Malfabon: Our policy, Member Martin, is when a commercial business wants to upgrade or revise their driveways, we make them comply with the ADA slope requirements at that time. So you have a lot of older driveways where the slope was more steep because it just went to the back of a sidewalk, for instance, or just not enough far back on to their property to have the slope that meets the current standards. We do address it permit by permit, but as far as, if somebody hasn't upgraded their driveway in decades, then we would have to take that responsibility for the portion in our right-of-way.
- Martin: So, if I have a house that borders one of our right-of-ways and my driveway is 8% and only have of it is in the right-of-way, what happens in that instance?
- Malfabon: NDOT would most likely be responsible for the portion in our right-of-way. As a homeowner, unlikely you're going to be redoing your driveway to address the slopes for ADA requirements. We would take that responsibility and we'd have to work with the homeowner to get their rights to do the construction work on their property too, and coordinate that. It's unique in that it is our responsibility within our right-of-way, but to address it, we have to go on to private property to fix it. That is kind of a longer term area that we have to look at as slopes in those personal driveways.
- Martin: Okay, thank you.
- Sandoval: One more question that I thought of. So, does this schedule that you have with regard to these projects keep us in compliance with federal law and so that we're not vulnerable to any type of litigation?
- Shigenaga: Having a Transition Plan keeps us in compliance and will help us not be vulnerable. Having a list of the projects and the schedule for that is one of the main components of the Transition Plan. So having the list in there and sticking to it, or as close as we can, will keep us safer.
- Sandoval: Thank you. Mr. Lieutenant Governor.
- Hutchison: Just a quick follow-up on that. Is there any federal funding available for any of these projects or is this all coming out of NDOT's just general budget and the state's portion.
- Malfabon: I can respond to that Kristena. So, typically we want to use state funds for this because they're usually minor projects or we incorporate the ADA improvements

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in a larger, federally funded project so that it's—because of the point taken before, there might be some additional requirements on a state funded project, would be simpler to just get out there and do a quick smaller project and deliver it that way. We spend every dollar also that was stated, every dollar in federal funds that are available and so we'd rather keep the federal funds on the larger projects and do these smaller projects with state funds.

Hutchison: Thank you.

Almberg: Governor, I have a question.

Sandoval: Oh Mr. Almberg.

Almberg: Yeah, Rudy, you just mentioned on one of those driveways or as an example if that driveway was installed decades ago, that you now are going in to look at repairing it. Do we have to repair that just because if decades ago or years ago it actually was constructed to compliance at the time? Now that our regulations have changed, do we need to modify and update that if we are not going to have a project on that roadway or not modifying that roadway? Would we still have to go in, the fact that it was built in compliance at the time, and fix that?

Malfabon: In response Member Almberg, we would eventually have to address it, but as Shigenaga had presented, there's kind of a, what's more pressing right now. Obviously we'd want to look at where there's a lot of pedestrians for a transit stop or for a government office, a school. The idea is to prioritize these projects and eventually get to everything, but it might take a while for some of those that are accessible but don't meet the current standards.

Almberg: Okay, thank you.

Sandoval: Anything further? Thank you very much.

Malfabon: Thank you Kristena. I wanted to also acknowledge that the Roadway Design Division at NDOT has really helped a lot for the External Civil Rights Group. Acknowledge Sonny, down South, that is our Civil Rights Officer. He's got the responsibility of the ADA Program, but definitely the engineering side of the house was more appropriate to develop the plan and eventually hand off the program to, when we get that ADA position filled, to the External Civil Rights. Thank you to Kristena.

Sandoval: Thank you again. Next is Agenda Item No. 11, Old Business.

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Malfabon: Under Old Business, we have the standing items of Report of Outside Counsel Costs on Open Matters and the Monthly Litigation Report. Our Chief Deputy Attorney General, Dennis Gallagher is able to answer any questions from the Board. Also, we did provide an electronic copy and a handout because we had the updated information on the printed version for you and recognized that some of the information in the packet that was emailed out was not updated.

Sandoval: Rudy, just a question with regard to the fatalities. I know when we were deciding where to prioritize that safety money, we had a map that showed us where these tragedies occurred. Are we still doing that with these recent fatalities? Again, it's alarming to say the least, in terms of the increase in the number of fatalities this year. Do we need to be even more strategic with where we're programming that money or are we seeing these fatalities occur in new places, same places?

Malfabon: One of the things, Governor, that we want to do is to consider the data inputs and look at the locations, but definitely, we want to when a fatality occurs in one spot, if we focus on that spot then a fatality occurs somewhere else, we don't want to be hopping around. We try to approach it systematically and prioritize the needs. I know that we had presented to the Board the need for traffic signals on Blue Diamond and that project now is out and underway for those two intersections on Blue Diamond Road.

We had fatality at one location that I didn't have a lot of information about where we did some improvements. When we hear about a fatality, we have to dig into the details. Were they at the crosswalk? Were they jaywalking? What are some of the other factors?

We really appreciate the efforts of our partners drawing attention to pedestrian safety recently with a campaign that was kicked off with the help of Metro, UNLV, the RTC of Southern Nevada and Department of Public Safety and NDOT. The idea is to educate drivers, educate the pedestrians, bicyclists, whatever program it is under the Zero Fatalities Program that we definitely always take into consideration some of the locations of fatalities and hopefully that will impact the locations of the projects that are selected. Often, it takes a while to deliver the projects. The ones that are in the pipeline are going to still come out but we definitely want the safety group at NDOT working with its partners to take into consideration those recent fatalities and where they're occurring so we can have appropriate changes to our program in the future years.

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Sandoval: I'm just hoping that we have the same success, in a small example, as North Virginia. I'm not aware of any incidents since the time that we've installed that signal. Hopefully as we put in these projects statewide that one by one that hopefully we'll be able to decrease this. Again, some of these, if you've got jaywalkers and depending on high speed, alcohol, those types of things, but those that we can control, that we get that money in the ground and get those installed, the sooner the better. I know we're doing the best we can. We won't be able to count the people that we've saved because they didn't happen, but at the same point, I think there's some solace in that.

Mr. Whaley is here and I read one of his tweets. He said out loud something that I was thinking of, not a day goes by it seems like when I look at the Review Journal and I don't see that there's a pedestrian death or some type of injury. I know this Board and this Department is doing everything it can and let's just, again, if there's more that we can do and identify and be even more strategic, if we have to drill down even more to get that done and be more efficient, I'd appreciate it. Other comments, Mr. Controller.

Knecht: Thank you Governor. Mr. Malfabon, just one question. Organizationally on our Public Safety Programs, where within the Department of Transportation, what department, what division, what office are they located in and headquartered in?

Malfabon: The Traffic Safety Office is under Planning, at the Department. Definitely they have collaboration with other parts of the Department, Roadway Design does a lot of the project development and engineering. Traffic Operations also deals with signals and some of those issues with the Traffic Signal Warrant Analysis. We're looking at maybe pedestrian activity and counts and larger traffic studies. Everybody has a role to play, in the Department. Definitely the Districts have a responsibility.

One of the things that we want to do this year is, our Department sends out a survey, an external survey, from our Rural Traffic Safety Center that is going to be the springboard for changing our safety culture. Much like we did with our Storm Water Program. It was everybody's responsibility, but in the past it was looked at as an environmental program. Safety is looked at as just a few people's responsibility and we want to make that everybody's responsibility in the Department.

Knecht: Thank you and thank you Governor.

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Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you Governor. Mr. Gallagher, I just wanted to follow-up on the monthly litigation report. I see that we've got one new eminent domain matter related to Project NEON. I'm not seeing any fees or costs, so I believe you told me before that that means it's being handled in house, at the Attorney General's Office?

Gallagher: For the record, Dennis Gallagher, that is correct Lieutenant Governor.

Hutchison: Well, I want to just compliment you again, as I do month to month because I know that you're working hard to where appropriate keep those in house and save those outside counsel fees. So, congratulations and thank you for paying attention to that and bringing where we can those matters in house. Thank you.

Sandoval: All right, any other questions from Board Members with regard to Agenda Item No. 11? Rudy, anything else you wanted to present?

Malfabon: No, I just wanted to just mention the Project NEON groundbreaking event, we're really looking forward to that April 7th. Hopefully some of the Board Members can attend with us.

Sandoval: Thank you.

Martin: Governor?

Sandoval: Yes.

Martin: In last month's Board Meeting, Member Savage had asked for a dollar figure of the total amount that we have taken in over a period of years for auctioned properties. That was in the meeting minutes this month and during the meeting minute portion, I neglected to mention that and I was wondering, Rudy, if somebody had followed up to see what that total dollar amount was from auctioned properties?

Malfabon: Yes. We're collecting that information and we wanted to present it next month, Member Martin.

Martin: Okay, thank you.

Sandoval: Thank you Frank. We'll move to Agenda Item 12, Public Comment. Is there any of the member of the public here in Carson City that would like to provide public

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comment to the Board? Hearing and seeing none, any public comment from Las Vegas?

Martin: None here sir.

Sandoval: Okay. We'll move to Agenda Item 13, Adjournment. Is there a motion to adjourn?

Skancke: So moved.

Sandoval: Member Skancke has moved—

Martin: Second.

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



Secretary to Board



Preparer of Minutes