

Transcript of Nevada Department of Transportation  
Board of Directors Meeting  
May 9, 2016

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

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Sandoval: Good morning ladies and gentlemen. We will call this Nevada State Board of Transportation, Board of Directors Meeting to order. I just want to make sure, can you hear us loud and clear in Las Vegas?

Las Vegas: Yes, we can hear you.

Sandoval: Thank you. Agenda Item No. 1, Director's Report. Director Malfabon.

Malfabon: Let me get this slide pulled up. We're requesting to remove, pull Item 11 from the agenda, otherwise your agenda is in order. I wanted to point out that the quarterly updates that we have for Project NEON status, USA Parkway, I-11 and pedestrian safety project status reports are moved to Old Business, but we have the project managers here and the presentations loaded so we wanted to keep the meeting moving along.

An update on grant opportunities from USDOT. We submitted our Fast Lane grants and also assisted the Office of Energy on their application for electric vehicle charging stations throughout the state. The Tiger Grants were just submitted at the end of April. To remind the Board and the audience about the Fast Lane grants, we submitted a \$135M grant application for I-15 North. That was a \$225M project for widening I-15 and improvements along some of those interchanges, in North Las Vegas, north of there. Northwest US-95, we submitted an \$85M grant application on a \$142M project; that's for widening the rest of the way, up to Kyle Canyon and the improvements at the interchange with the 215 Beltway. And then, Lemmon Drive Interchange is about a \$7M project. We submitted a grant application for Fast Lane.

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There's also a new grant program called the Advanced Transportation and Congestion Management Technologies Deployment Initiative. So, they didn't invent a cool acronym for this one, but it's all about applying technology to address congestion management, primarily in urban areas. It's not a lot of money, nationally, but \$60M definitely would—one of the things with operational improvements that you can get out of technology is you don't need a lot of money to get the bang for the buck. Those applications are due early next month. We've been in discussions with the major urban area MPOs. The RTC of Southern Nevada is looking at possibly for the FAST System, which is their system that operates the devices along the freeways and arterials, the signals, ramp meters and cameras and such; that looking at transportation system performance data collection and analysis as an opportunity. We're looking at autonomous vehicles for advanced safety systems aspect of that grant. Also, advanced mobility technologies.

Governor, you know that DMV was looking at licensing for basically an autonomous vehicle to help a handicapped person get where they need to go and that could be right up that alley for that grant. So, we'll be in discussions with DMV about opportunities there.

An update on the I-15 and US-93 Design-Build Improvements. Last month, the Board approved the contract for the preliminary engineering and environmental clearance with Parsons Brinckerhoff. We wanted to let you know that we're proceeding—we've had some meetings with the developers there. Once we get to the construction phase, then we will bring a significant amendment to the Parson Brinckerhoff agreement. So, it is a phased approached on their agreement. You approved a substantial agreement to get us through to that point of procuring a design-build contractor. I wanted to just remind the Board, so when that comes up, you're apprised of that. We're on track and moving forward with that.

A significant event occurred recently in Las Vegas that I wanted to mention. We had a sound wall crash with a concrete truck on 515. We had to have an emergency contractor come in, over the weekend, clean up that debris, get the road safe and open underneath. We will have a separate contract to repair the sound wall and this involves insurance claims. We will be tracking our costs so that we can submit our claim to the concrete truck company to get reimbursement.

Another significant event in District 1. We had a power outage on May 4<sup>th</sup>. The power was out about 10 hours that day. You can see, that pole got snapped by a

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vehicle. It exposed some challenges we had with the road operations. It gets routed through the fiber, through our maintenance yard on Washington Avenue. We have a significant campus there with a lot of office buildings. We had to send our employees home since we didn't have power the entire day, except for employees that were needed for critical purposes. We will be proceeding with a contract to install a generator there, so we don't face this problem again. It's very important for public safety and for operations to maintain that site. We've never had that happen before, where there's an all-day power outage.

I wanted to mention to the Board that the Q&D Construction Project for Cave Rock has started. We had the pre-construction conference recently. As well as the project at Mt. Rose Truck Escape Ramp. We had some discussion previously about what this technology is and there you see it, a photograph from an installation in Wyoming. They have dragnets that catch the vehicle, bring it to a safe stop. We will have—instead of the gravel surface that you see on the left side that's existing, we're going to have a heated asphalt surface so that that will prevent any snow accumulations in the winter time and be a much safer project for a truck escape ramp. We are prohibiting commercial vehicles during that phase of the project, except for construction vehicles that are working on our projects. We coordinated that with Nevada Motor Carrier Association, the trucking association.

We'd like to show you a quick video of the Reno Spaghetti Bowl Charrette and then I'll go over some of the outcomes that was held about a week ago. [video plays] Thank you.

The group there, and I wanted to thank Bill Hoffman for leading that discussion and as well as the project team at NDOT. They really did a lot of work to set up those presentations and information gathering. Kent Steele, Natalie Caffaratti, Julie Maxey, Denise Inda, all the folks from Roadway Design and Traffic Operations had a lot of work to do to prepare for that. Our consultant HDR did a great job of putting it all together as well. I wanted to also thank RTC Washoe, the Cities of Sparks, Reno and Washoe County and the Washoe Tribe and several elected officials, as you saw, that were present. A lot of stakeholders came in and put the time in to have a very successful brainstorming session on the Spaghetti Bowl. We explained the project development process. We talked about similar footprints for big system-to-system freeway interchanges in Utah, Colorado and Wyoming and some of those major areas where interstates really come together

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with major highways. We talked about short-term, mid-term concepts, as you saw and did a lot of multi-voting to gauge stakeholders' support of some of those priorities and concepts.

We asked them, what were the top priorities and between access, mobility and traffic flow, safety and delivery timeframe, the outcome was overwhelmingly, safety and mobility and traffic flow were the top two categories that were high priorities. We also presented many concepts for consideration by the group. These four that I mentioned, two short-term and two mid-term really rose to the top. Temporary closure of I-80 and Wells Avenue during peak hours, peak periods of travel there because of—it will eliminate the merge situation that you have currently that is causing some problems with operations of that interchange. As was shown on the videos, variable speed limits on I-80 would also have a lot of support for a short-term concept. For mid-term, we're talking later than 3-5 years to develop, fix the gap at the Nugget on I-80. The gap is an area that the lanes can't be widened. We looked at it with a design-build contract a few years ago with Granite Construction. Just didn't have enough room to widen those bridges with the buildings that are on that Nugget complex there. We'll be working to fix that gap and widened that bridge for more lanes on Interstate 80. And, braiding the Wells Avenue eastbound on-ramp. So, braiding is one ramp goes under, one ramp goes over, so you avoid that conflict once again with some of the traffic flows there at that interchange.

We're looking at temporary measures to close the on-ramp at Wells Avenue, eastbound, during peak periods of travel. That would give you just a concept of what it could look like.

The variable message signs were for speed limit. We would have to relocate the one at Valley Road, but this gives you an idea of what it could look like. Then there would be other signs on the side that are similar to that, black lettering on white, that could be modified, as needed, depending on incidents or traffic flow at the interchange to give advanced notice to drivers.

The idea of ramp braiding is shown here. The blue line shows that there's two different photographs there that you would piece together length wise. You see there, on the top, the existing on-ramp and we would start—in the yellow, you kind of see the bridge that would be built on the lower half, it says, new structure. You'd have a bridge to get on to I-80, you'd go on the ramp and then over this bridge and get on to I-80. Otherwise, you could split off and go to the other ramp.

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It does have—since it's so close to the interchange, there's some limited movements there from Wells Avenue that would have to be addressed. It would eliminate this merging situation that you currently have.

That shows some improvements that would address the Nugget gap. Looking at a new structure there in the center of Interstate 80 to add more lanes and some restriping.

That's a lot to present, but we're willing to take some questions. We'll have a more comprehensive presentation at a later date to the Transportation Board. To give you an update on some upcoming public meetings. We have a Project NEON Public Information Meeting at the Historic Fifth Street School in Las Vegas on the 12<sup>th</sup>. On the 19<sup>th</sup>, Glendale Avenue, we're going to ask for community input on adding a bike lane in lieu of on-street parking which currently exists on Glendale Avenue. We have held that reconstruction project. Glendale Avenue, we know is in really bad shape, as a pavement condition, but we want to get stakeholder input on putting the bike lane at the request of the RTC of Washoe County, who has added that into their master plan for Complete Streets. That will be held soon at Sparks City Hall and then the action will be taken to adopt the—whatever input that we receive and proceed accordingly with the direction that we receive from the stakeholders.

Let's go ahead and go back to that one on Project Neon. I'd like to show the Board some of the visuals that were developed for the Project. We're going to show a quick video. We've done some things with development of computer aided graphics. Give you a sense of the scope and the magnitude of Project NEON. It's the largest public works project but it really gives you a sense of how large this project really is when you see this video. [video plays] So, you can see how wide the freeway is going to be at the end of that project. It's amazing. There you see the flyover ramp for the HOV system at the Spaghetti Bowl. A significant amount of lanes, separation of traffic with ramp braiding and obviously a lot of signage to let you know where to go. This is pretty cool here. The beyond Gateway is the area around Charleston, a lot of landscape and aesthetic improvements. Some sculptures and a lot of rock treatments. Not a lot of irrigation or trees, but a lot of use of hardscape and rock. Thank you. We'll have that type of graphic displays and also use of virtual reality, that folks can actually put on goggles and look around and see how the project is going to look

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from the air. We're using several ways to communicate what the project is going to look like so we can get more information out to the public.

We have some upcoming settlements to the Board of Examiners. One is a smaller one associated with sound wall construction on South McCarran Project, that was the project that RTC and Washoe did with funding from NDOT and local funding. A small settlement there, \$3,000 to the Chavez Parcel. Also, property acquisition related to Project NEON in Las Vegas, for the Las Vegas Golf and Country Club, an additional \$250,000 for a final settlement for acquisition of that property for \$3,127,000.

Wanted to wrap it up with mentioning that we're going to be going on our County Tours. We visit all 17 counties and present to them our work program and get feedback on what's the important transportation issues that they're facing. We'll be going down to Mineral County in early June to address some of their concerns with Interstate 11, but we have a lot of information to present to them on our work program and to listen to any concerns from any county. We also reach out to the tribes across the state during this time of the year to develop our work program. Then the Board eventually receives the annual work program in the fall for final approval.

With that, I'm willing to respond to any questions from the Board.

Sandoval: All right, thank you Rudy. I don't really have any questions. With regard to the charrette, it sounds like it went well.

Malfabon: Yes, it went very well.

Sandoval: One thing I would've appreciated though is, having at least myself or the Board a little more informed on what you were going to present, maybe, because I've seen all those for the first time in terms of closing off Wells Avenue and slowing things down. I would've liked to have known what we were going to present at this before it happened. I feel like we knew more about Project NEON than we know what's going on with this study of the Spaghetti Bowl. Like I said, I'm not an engineer and I'm not trying to substitute my judgement for anything, but as I get approached in the community about things that happen there, I didn't know. It would've been helpful for me to have been aware of what we were going to propose at that charrette.

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Malfabon: Very good Governor, yes. And, I think that what happened was, we were wanting to do this as quickly as possible and did not do what we should've done with presenting that to all the Board Members in advance. It was quite a lot of information that the charrette team, and they did a great job of preparing for it, but unfortunately, we didn't work into that schedule all the briefings for you and the Board Members. Next time, we'll definitely take that into consideration, Governor.

Sandoval: Well, I think you should do it instead of considering it. I just—like I said, this is going to be a massive project that could proportionately be as big as Project NEON when the time comes and even a slide deck for me or meeting with someone on my staff so that again, I can have an idea of what's going on because frankly, I got caught flatfooted in terms of what happened there.

Malfabon: We definitely can give you the slide deck.

Sandoval: All right. Mr. Controller, I saw you had a question.

Knecht: Thank you. Rudy, my question goes to the variable speed limit controls. Since this is the first I've heard about those, I'm still a rookie I guess. The question is real simple, do you have the full NRS/NAC authority that you need for that and is there some, at least information, if not review—informational presentation that you make to this Board, if not a review or is that purely an administrative thing that you handle offline? Give me the background there.

Malfabon: Very good. Mr. Controller, the NRS allows the Department to establish speed limits, regulatory speed limits and it also requires that driver's obey the posted speed limit and obey traffic control devices. They are allowed by NRS not specifically—there's not an NRS Chapter on variable speed limits, it's just NRS allows the Department to establish regulatory speed limits and to put devices out there that convey the speed limit and then law enforcement can enforce that speed limit.

Knecht: I can certainly understand that and that's something that's necessary, for example, during construction when you change the controls from what they normally are. Does this Board or will this Board get any report about where we have variable speed limit controls or how that's working, that sort of thing?

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Malfabon: We could present to the Board next month about variable speed limits and also a more comprehensive presentation on the NEON Project. We'll give the slide deck to all the Board Members and present on variable speed limits specifically.

Knecht: Thank you. Thank you Governor.

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you Governor. My question is just a quick one on this Wells Avenue entrance ramp closure. I don't know if I've seen that before. Is that common to—is this a common technique, when you see these closures like that? That could probably drive some people crazy, right? When they see that and just not know what the alternative is.

Malfabon: Definitely. And, Lieutenant Governor, we would not implement that without the proper amount of public outreach. A lot of public information meetings would go into that. This is not typically done—I think that what you have here is a situation where—since it was built in the 70s, different design criteria back then, so that typically you would want ramps at a system-to-system interchange, which is what the Spaghetti Bowl is, you don't want ramps within a certain distance. These ramps were too close. They don't meet that design criteria that's currently in place for that type of—what you would want to see out of traffic and safety considerations in design.

Hutchison: Is there an easy alternative or a way that can be avoided, that ramp can be avoided or are people just sort of left to their own devices to figure that out?

Malfabon: That's definitely one of the things that was discussed at the charrette, was what are the alternatives? If it's closed—you need a lot of public outreach so that people know and it's mainly the locals, but there are some people that might be there that are unfamiliar with the area. Definitely some challenges with implementing that. We would have to consider any type of weight trailblazer or way finding methods that we've had as ITS devices. A lot of details have to be worked out and considered to implement that recommendation. The path forward right now would be to finish the traffic study that's ongoing right now in Washoe County for the freeway system and then proceed with the development of the project's environmental clearance. If we would see that perhaps the interim improvement could be something that gives us a couple of years while we develop the more robust solution, which would be the braiding of the ramps; one

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ramp goes over, one ramp goes under. I think that it wouldn't be in place forever. We would anticipate that we would have to fast track that other solution so that the public is not inconvenienced in that way and businesses as well.

Sandoval: Member Savage.

Savage: Thank you Governor. I have a question and then a comment. To follow-up on the Governor's concern regarding the Spaghetti Bowl information follow-up, would it be possible—because I got to attend it for a couple of hours, but in speaking with Mr. Edgington, with HDR and some of the NDOT staff, would it be possible to have a follow-up package of what took place and what was displayed so we have that when people do approach us as to what information was gathered at that charrette?

Malfabon: Definitely, Member Savage. That is the next step also, I failed to report that. We will make a comprehensive summary of the outcomes of the charrette. What was presented, what was voted on and have that as the final report on the charrette as well.

Savage: Good, that would be very helpful. And then secondly, this is a comment. This is directed at Mr. Director, the Deputy Directors, Assistant Directors and the District Engineers. I wanted to address the upcoming legislature budget requests. Speaking from a private perspective, as well as a Board Member, I see a lot of similarities concerning human resources. We are all so very fortunate to be a part of the New Nevada and the phenomenal economic success. As we all know, along with the strong and vibrant economic engine, we must retain and have proper personnel in place for good oversight of our employees and it's operations. In our private world, we've had to increase positions for personnel, as well as ensure wage and benefit packages remain ahead of the competition. At the same time, we're very realistic of what we can afford.

As the Transportation Department, we must do the very same. I know we are very fortunate to have very strong men and women here, we want to keep it that way. With the many positive and I mean very positive and optimistic forecasts, with the increased business comes more people wanting to utilize our roads and highways. We need to ensure all our requests are aggressive but yet fair and very respectable. I truly feel that we have the very best in both people and roads here in Nevada.

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Just last week while attending an EDAWN luncheon in Reno, they had an outside national recognized guest speaker who emphasized two of the most important aspects of economic attraction for new business, of which one being transportation. Second, education.

Please Mr. Director, Deputy Directors, Assistant Directors, District Engineers, your leadership is important. It's not easy. We can make every effort within the Department to remain a strong leader in the betterment of transportation here in Nevada. I thank you all and most importantly, I thank you Governor.

Sandoval: Do we have any questions from Southern Nevada, or comments?

Martin: No sir.

Sandoval: Okay. I guess my last comment on the Spaghetti Bowl, Rudy is, and maybe it's not me but I just don't feel a sense of urgency. Like I said, I'm really disappointed that I—at least, I myself, wasn't made aware of what actually is happening. We need to know. I know it's taken months to hire the consultant. To do the charrette and we're doing this traffic study that's going to take two years and then there's these short-term proposals that we'll take to get us by through another two years and then suddenly, we're four years down the road. As I said, I don't think we can wait that long with the amount of growth that's coming. As I said, as we move forward, I would really personally appreciate being made more aware. Like I said, I'm not a traffic engineer. I'm not a road engineer. I am none of those things, but I am the Governor and a lot of people ask me, and I'm the Chairman of this Board, about what's going on.

As I said, I had no idea what any of those proposals were. I mean, in terms of seeing that closing Wells Avenue, and as I said, that might be a viable option, I don't know. Slowing the speed limits, but those feel like things we could've done 10 years ago. I mean, we really have to be forward looking on this. I think we do need to have a sense of urgency because this, at least both ends of the State, we're doing Project NEON but Northern Nevada is going to change in a big way in the next five years. I just don't feel like that Spaghetti Bowl is going to be ready for it. It's going to be a choke point and it's going to be an issue because I know for a fact that a lot of these distribution companies are ramping up massively in terms of the number of employees they're hiring. That means a lot more trucks and it means a lot more people that are moving into the area.

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In any event, if we could get that perhaps at the next meeting. As I said, I feel like it's not a priority for you, to make us aware of this. When you tell us, we'll take it under consideration, that's not what I want to hear. What I want to hear is that you're going to present it to us and give it to us. In any event, you know, it is progress and I know the community—the positive is the community is very excited about the fact that we brought all the stakeholders in and that we brought the RTC and the City Council and all those folks. I really want this to be a priority as much as we made Project NEON. We got that squared away. I know it was a long time but when we really started to focus on it, we got it going. I know Member Skancke, the Interstate 11 is a big priority for him. I haven't heard any updates on that as well, except for again, criticisms in terms of what the proposed routes are going to be and it is helpful to me when I know those things, when people ask me when I'm out in the community, about that. Again, I'd appreciate a heads-up on those things.

Malfabon: It is a priority Governor. We'll make it happen.

Sandoval: Yeah, okay. Any other questions or comments on the Director's Report? Let's move on to Public Comment. Is there any Public Comment from Northern Nevada here in Carson City? Yes ma'am.

Malfabon: If you could, state your name please.

Sandoval: If you would just identify yourself please.

Ritchie: [inaudible, off mic] Governor Sandoval, Members of the Transportation Board.

Martin: Governor, we've lost all audio down here.

Sandoval: If you don't mind starting over again, so they can hear you. Thank you.

Ritchie: [inaudible, off mic] --and to create a new recreational amenity. We are so appreciative of the great work NDOT has done since taking the lead on this project. We have seen tremendous progress in moving this project planning into pre-construction. Mr. Hoffman and Mr. Johnson should be especially recognized for their great work to bring a myriad of project partners together to facilitate this expedited construction timeline, which many are anxious to see happen. On behalf of our donors and Board of Directors, the Tahoe Fund supports your approval of the agreement with Granite Construction Company for pre-construction services for this project. This will ensure the momentum of the

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project continues forward and ultimately results in the start of construction this construction season. Given the very short construction season in Lake Tahoe due to environmental permits there exists a narrow window of time to bring on a contractor to ensure something can be constructed before the October window closes. On behalf of our donors, thank you for everything everyone at NDOT is doing to make this project a reality.

Sandoval: Thank you Ms. Ritchie.

Ritchie: Thank you.

Hasty: Good morning, Governor, Members of the Board. I'm Carl Hasty, I'm the District Manager for the Tahoe Transportation District. I too am here for Item 4. The District led the corridor plan approach that led to this project and working with a lot of great partners, removing a lot of the institutional impediments, not to mention getting at the physical solutions. This project really represents some of the key physical solutions there for this corridor.

We have an excellent partnership that's working with NDOT and NDOT has always been part of that. This project definitely builds key safety improvements that are the cornerstone of what needs to happen there along with what we're doing with transit and those types of solutions.

I too want to thank NDOT project management team for taking this on in a very short period of time and for also using the CMAR process. We think this is really the right solution for constructing this project and designing it. We then support the recommendation that's on Item 4 today for your consideration.

Sandoval: Carl, before you leave and I typically don't ask questions during public comment but we've known one another for a very long time. Can you put this in perspective, how really big this project is, because you have been working on transportation for a very long time.

Hasty: We last tackled this in a serious way I believe when you sat on the TRP Board in the late 90s, early 2000. We had lots of impediments, not the least of which were institutional. This is a heavily used corridor. I think Sand Harbor State Park itself is receiving a million visitors a year, or so, just within their park bounds let alone, we can see a thousand cars on a busy day parked in that corridor in the summertime. We have lots of pedestrian activity and lots of conflict with that, that happens during that season.

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The trail improvements here are significant in being able to remove that pedestrian activity from the corridor itself. With transit that we've implemented on the east shore that has greatly cut down on the number of cars parked, waiting to get into Sand Harbor State Park. It's not all of the solutions here, but by removing parking from the roadway itself, dedicating it to offsite parking, having the trail that provides the access to folks along the transit, it is a major through flow improvement, safety improvement and really enhances that whole recreational aspect as well as the business that that corridor must conduct when it comes.

It's a very exciting project, these first three miles. It will be something that I think is a great asset to the State of Nevada and to its residents and visitors. When we're out—just one little anecdote—on a field trip a couple of years ago, looking at clay alignment, it was noted that this project in itself will be Tahoe's Emerald Bay. I think it's a pretty exciting thing. We're very appreciative of the State of Nevada and the role that it's playing, as well as the federal government in supplying these monies that combine with local government dollars, and Cheryl, next year Washoe County can speak a little bit to how we've all come together and how local government is stepping up addressing maintenance and so on and so on. Especially with partnerships like the Tahoe Fund.

So, it's the way for us to get things done at the Lake and we're very pleased to have NDOT as part of that solution. Thank you.

Surface: Good morning, Governor Sandoval and Members of the Board. Cheryl Surface, I'm a Natural Resource and Park Planner for Washoe County. Washoe County would like to thank NDOT for stepping up to take on this as our 28 Shared Used Project, as listed in Item No. 4. This is such a critical project. It's on one of the most popular segments of Lake Tahoe. It's 11 miles of undeveloped shoreline.

Over the years, many have tried to tackle the shoulder parking but it failed, because it has not been a coordinated approach. This partnership has 13 agencies. We've been successful in looking at the challenges and finding solutions. The Lake Tahoe Basin Management Unit is the largest visitor use on a forest in the country. This 11 miles is on that segment of forest.

We know that in 40-45 days each year, when the peak shoulder side parking along SR-28, approximately 2,000 people a day are forced to walk on the narrow highway. If you've driven on SR-28 between Incline and Sand Harbor on a peak

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day in the summer, you know how scary it is. This project will relocate that shoulder side parking, to safe parking lots. It will provide alternative transportation, in the form of a pathway, so people can get to the recreational opportunities they so desire. Well over 80,000 people on just those peak days use this corridor. That's just based on some—some surveys that we've done up there.

This is a very dangerous situation. Having these unmanaged pedestrian crossings and the unmanaged parking situation.

This first three miles of segment will take care of this problem. It will relocate this dangerous situation to the safe parking areas we so desire. It's going to provide a showcase on how to holistically approach these dangerous situations, not only on this 11 mile segment, but throughout Lake Tahoe. As Carl mentioned, they're looking at this from the Emerald Bay problem that they have in California.

Washoe County will be maintaining and operating a portion of these facilities. We support NDOT's safe and environmental improvements in this partnership approach. Washoe County has been a partner in this project since 2006. We are committing Washoe County 1 Bond Funds from 2000. We've acted as the fiscal agent with the Tahoe Transportation District on the State Question 1 Grant Funds. As well as, committed thousands of staff hours to address the safety and recreational concerns on the east shore. Washoe County supports NDOT. We support this Item No. 4 and the CMAR process in hiring Granite Construction to get this project kicked off the ground this summer. It's a very important project for our Washoe County Commissioners, our Washoe County citizens and the Washoe County staff.

So, thank you NDOT, thank you staff, Mr. Johnson, Nick Johnson, Bill, you guys have been amazing in working with the partnership and getting this going, so we support this project. Thank you so much for allowing us to speak.

Sandoval: Good morning sir.

Lake: Good morning Governor, Mr. Lieutenant Governor, Controller, Members of the Board. My name is Ray Lake. I'm Vice-Chair of the North Valley Citizens Advisory Board. I also sit on the City of Reno Ward 4 Neighborhood Advisory Board and the Golden Valley Property Owners Association. I wanted to speak for a minute or two about the traffic from the North Valleys into Reno and the Spaghetti Bowl.

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From my perspective, heading south, I don't have a big problem with the Spaghetti Bowl. My bottleneck starts at about North Virginia Street and lasts until I hit McCarran Boulevard, where there's a lane added. I can't really say that there aren't improvements needed at the Spaghetti Bowl. Specifically at Wells Avenue and the southbound exit from eastbound I-80, there definitely is a problem there. From the North Valleys, I think more important to us is an additional southbound lane. As soon as I hit McCarran Boulevard, where there's a lane added, traffic speeds up. Even this morning where the first five miles took me 25 minutes. That's just all I wanted to say. Thank you.

Sandoval: Thank you very much. Any further public comment? Is there any public comment from Southern Nevada?

Martin: There are none here sir.

Sandoval: All right, thank you. Agenda Item No. 3, April 11, 2016 Board of Directors Meeting Minutes, have the Members have an opportunity to review the minutes and are there any changes? Mr. Controller.

Knecht: Thank you Governor. I have just one item, very briefly on Page 55. The middle of the page where second line, where I'm speaking. It says, doing—right now it says, doing evaluation of the electric system, that was actually, doing a valuation. I wasn't looking at it for safety or reliability or anything. We were estimating the value of it, if the City wanted to take it over. So, change 'evaluation' to 'a valuation'. Thank you.

Sandoval: Thank you Mr. Controller, any other changes? If there are none, the Chair will accept a motion to approve the April 11, 2016 Board of Directors Meeting Minutes with the change noted by the Controller.

Savage: Move to approve.

Sandoval: Member Savage 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, please say aye. [ayes around] Oppose, no. That motion passes unanimously. Let's move to Agenda Item No. 4, Review and Ratify the Selection of the Contractor for the SR28 Shared Used Path, etc.

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Johnson: Good morning Governor, Board Members. I'm Nick Johnson, NDOT Project Management. I'm here to present the State Route 28 Shared Used Path, Water Quality and Safety Improvement Project.

The project is located on the east shore of Lake Tahoe. Primarily along SR-28. There's three major elements of work on this project. There's the shared use path from the southern part of Incline Village, down to Sand Harbor State Park. There's water quality and erosion control improvements along SR-28. Then, a handful of safety improvements from the southern end of Incline, all the way down to US-50 or Spooner Summit.

Before I get into the details of the project, I just want to acknowledge all the agencies and entities that have been involved with this project. This project has been in the making now for close to 10 years and it's truly a multi-agency effort. Through the planning process, through the environmental process, bringing it to where it is today. Now that NDOT is the lead agency through final design and construction, we're continuing and intend to continue that partnership, that collaboration and communication through project completion.

Now to the shared use path. It's roughly a three mile section. As I mentioned, from the southern end of Incline Village to the Sand Harbor State Park. This project also includes two new parking areas adjacent to the Ponderosa Ranch and the Tunnel Creek Café. It will accommodate about 90-100 spaces, with the idea to get the folks that are currently parking on the shoulder into these parking stalls. By having the path in place, as some have mentioned, it gives them the means of reaching their destination. This path will take them along the east shore, within that three miles, all the way down to Sand Harbor.

It will also include an undercrossing. The path will go underneath SR-28 and I'll show you a high level photo here in a second, and will include multiple bridges and thousands of feet of retaining wall along the alignment.

What you see here is the first mile of the three miles of path. On the right side of the screen is the northern end of the project. The southern end of Incline Village. You can see where it's labeled 'New Parking Areas'. Those are going to be adjacent to SR-28, right in front of Ponderosa Ranch, Tunnel Creek Café. The trail will tie into that. That light blue line is the alignment of the trail. It will head up on to the hillside of 28 and then drop back down, right around the Tunnel Creek area, where it will go underneath SR-28.

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Then on the right side of the screen is that tunnel crossing I just mentioned. The white line is the last two miles of the path leading all the way down to Sand Harbor which is on the left side of the screen. This is certainly the most challenging area. It will run along the lake side, below the sideline of 28, all the way down to the park. As of right now, it includes six bridges and retaining walls as the path is built on the side of the slope.

As I mentioned, there are also safety and water quality improvements as part of this project. One of the major safety improvements is, installing center aligned rumble strips, south of Incline, all the way down to Spooner Summit. We'll also include some formalized maintenance and emergency pull out areas between Incline and the Washoe Countyline. Then water quality and erosion control improvements—basically between Sand Harbor and just past the Washoe Countyline, headed south, to help with the water quality and runoff into Lake Tahoe.

Why did we choose CMAR? I think this picture here speaks to the bullet points listed on the left. I took this picture about two weeks ago, walking the alignment. If you can imagine, the path alignment itself will be just behind that tree line and on the side of the slope. We have very challenging terrain. Very limited access to get equipment, to get materials in there, not to mention just extreme environmental sensitivities of working in this area, working so close to the Lake. So, by bringing our contractor on before construction to have them work with our engineers to help come up with the most efficient and effective ways to build this project.

As for our CMAR Process, this is from our Pioneer Program Guidelines. We did the delivery selection earlier this year and have moved through the RFP Process, getting in proposals, evaluating them, interviewing the proposers and then coming to a selection. That brings us where we are today for the Board's review and approval, the pre-construction services agreement. To give you guys a timeline of that, we put out an RFP on February 19<sup>th</sup>. We had two proposers; Granite Construction and Q&D Construction. Both proposals were evaluated by the Committees. Both of those proposers were short-listed. We conducted interviews with both of them on April 4<sup>th</sup>. That same panel evaluated and scored those interviews. We had our Selection Official approve the evaluation or the Evaluation Panel's recommendation on April 6<sup>th</sup> and then received FHWA concurrence on that selection on April 22<sup>nd</sup>.

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Today, we ask the Board to ratify the selection of Granite Construction Company, as our CMAR provider for this project, and to approve the pre-construction services agreement with Granite Construction in Agenda Item 5, under Agreements. Should that be approved, here's a high level schedule on what we're looking at moving forward. I think as some have mentioned, we are moving this forward as fast as we possibly can and we anticipate or plan to deliver work or get out there and start building as soon as we have some of the elements designed while we're continuing to design more complex elements of the project. Meaning that, we'll probably have multiple GMPs on this project. I anticipate being back in front of the Board here later this summer so that we can take advantage of the working days later this summer and into the fall, so we can get this project started. Then, follow-up that with another GMP early next year, prior to the 2017 construction season.

That concludes the presentation.

Speaker: [inaudible]

Johnson: I'm sorry, Guaranteed Maximum Price.

Sandoval: All right, thank you. So, you don't anticipate any shovels hitting the ground this year?

Johnson: We do. We do. And we want to take advantage of the few days that we can, later in the summer, early fall. Leading up to that point in time, we still have to work through some of the design. We'd like to have Granite on to help with some of that and determine a smaller scope of work that we can begin later this fall and that we can accomplish before the winter shutdown hits.

Sandoval: And in terms of that parking where the old Ponderosa used to be, is that state land or are we leasing those spots?

Johnson: Its still state right-of-way. Washoe County, through agreements is going to maintain that parking area.

Sandoval: Is there more area there that we could take advantage of in terms of expanding the parking?

Johnson: Well, right there adjacent to Ponderosa and Tunnel Creek, I think we've maximized about all the right-of-way that we have in that area to fit in as many parking stalls as we can.

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Sandoval: But, in terms of talking to the private property owner, is there an opportunity to negotiate with them about some parking opportunities?

Johnson: That I don't know. I'm not sure if that's taken place in the past, but we can follow-up.

Sandoval: What did you say, 90-100 spaces?

Johnson: Correct.

Sandoval: And then you've got 2,000 cars that are parking along the road, so that's not good math for us. I've been driving by there since I was a little kid and I know there's a big area there. Again, maybe Carl knows the answer to that question.

Hasty: Yes, I do. Carl Hasty, District Manager for the Tahoe Transportation District. That conversation has been had a number of times with the Duffields, who has the Ponderosa Ranch. We would love nothing more to have some of that parking, but that has not been possible. There has not been an interest on the part of him in doing that. I think the future, we will continue to do that. Perhaps there will be an opportunity. As of today, that has not been an opportunity.

Sandoval: I didn't doubt that we haven't explored that. As I said, my vague recollection is, essentially there's just old—that old equipment that used to be there on display is still sitting there and it's just a vacant lot. I would imagine that that would really help things, if we could get some more parking up there. Maybe we could ask again. The worst thing they could do is say no. But, particularly, if we were willing to make some improvements up there, in terms of the parking area. I don't want to insert myself in this, but I just wanted to make sure I knew that.

Last question for me is, assuming everything goes well, do you anticipate that the entire project will be completed in 2018?

Johnson: That's what we're looking at now. I mean, pending weather delays. If we have winters like this and things of that such. I'm thinking a multi-season construction and that's what we're shooting for. Our goal is to get done by 2018.

Sandoval: Is the dream to continue that path from beyond Sand Harbor and connecting it further on?

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Johnson: Yes it is. I believe Carl and TTD is working with the US Forest Service on those next steps to begin environmental planning for those, I believe it's eight miles down to Spooner Summit.

Sandoval: Other questions, Member Savage?

Savage: Thank you Governor. Mr. Johnson, thank you for the presentation. I'm a huge supporter of this project. I think it's something that's been in the works for quite a while. Just remind me on a couple things on the funding sources. Maybe you can gather this for another meeting but do you have a breakdown of all the different funding entities that are responsible for the total cost of this project?

Johnson: In terms of the entities themselves?

Savage: Yes.

Johnson: Yes, I have a list here. We have the Feds. We have federal money in it provided through Central Federal Lands. That's the acronym that you may see on your paper, the FLAP or the Federal Lands Access Program. We have funding coming from there. Washoe County, I believe, as Cheryl just mentioned, there's some SQ1 funding. We also have the Tahoe Fund, who has been raising money for this and been contributing to the funding of the trail. There's a grant through forest service for scenic byways that will be used on the trail. Then there's some Parks and Recs, I believe that's through Washoe County, a small portion of funding there. Then in addition to the other elements, state funding as well.

Savage: And I didn't see any of that information in the package, so if you could kindly forward us the dollar values, estimated, to submit from each one of those entities, I think that'd be very helpful. And, is it a 95/5 federal reimbursement project?

Johnson: I believe so. I can confirm that when we send you those amounts.

Sandoval: Will you—sorry to interrupt Member Savage.

Savage: No, that's all right.

Sandoval: Do you have those figures in front of you?

Johnson: I have the sources here.

Sandoval: What's the all-in amount and then if you would give us the breakdown of what the contributions are, just roughly. Can you do that right now?

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Johnson: [crosstalk] Well, I don't have all the dollars. I was writing down all the sources here. I do know that the FLAP funding or the federal dollars is roughly about \$12M, total. The rest of them, I think the Scenic Byways is about \$1.5-2M. The rest of them, I'd have to get the exact dollars. I can provide that in the packet, or that back-up information, if that's acceptable.

Sandoval: And, do you know, standing there, what the all-in number is?

Johnson: Oh, for the total estimated construction costs?

Sandoval: Yes.

Johnson: Right now, we're looking at about a range of \$25-30M altogether for all improvements.

Sandoval: Sorry.

Savage: No, that's fine Governor. On the same track, the—that's good, because in the binder, it said \$23-34M and I thought that was a pretty wide spread. It's nice to see that you're \$25-30M. I look forward to seeing that information. Thank you Mr. Johnson. Thank you Governor.

Sandoval: Mr. Lieutenant Governor and then the Controller.

Hutchison: Thank you. Thank you Mr. Johnson. My question is just a follow-up to the Governor's parking question. In order to really solve the challenges out there, do you need more parking or with just the shared pathway, that gets people off the road obviously, but to really address the issues, do you have to have more parking? Because it did seem like such a small capacity compared to what the numbers are.

Johnson: Yes, we certainly do. As I mentioned, the Tahoe Transportation District and the Forest Service are looking at the remaining corridor with additional parking areas throughout with a trail that connects. Trying to bring all the pieces together from a corridor standpoint, but yes, we would need those additional spots to help that whole 11 miles of 28 essentially.

Hutchison: Yeah. When you just think about the growth of Northern Nevada, like we've been talking about, and why people move here. A big reason is to access Tahoe. You're just going to see that to continue to increase. As far as getting people off of the street, is that pathway, does that solve that problem, as far as getting people

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off that narrow road, or do you need more improvements even beyond what you've just shown us to solve that problem with 2,000 people walking up and down that road?

Johnson: We certainly—I mean, that's the goal, is to show we have now a different way for you to get to your destination. Here are the stalls. With the additions of one in the future, use these, get on the path and then you can get to where you need to go.

Hutchison: And if they're parked on the shoulder, is it easy access to that shared pathway?

Johnson: Maybe just at the crossing locations, because the rest of it, at least that first mile is up on the hill. You'd have to go hiking through the forest just to get up there. Then when you get on the lake side itself, it's pretty challenging terrain to get down to start with. If you're going to have bridges and walls and things like that, it's going to make it difficult at those—you know, if you were at any location there, other than the designated areas to get down to the path itself.

Hutchison: So do you worry about this really being a solution, do you think people are going to continue to use that road?

Johnson: Well, we're working towards conversations at least, with enforcement, with those three miles and really trying to establish that. Use the stalls, use the path, don't park on the shoulder.

Hutchison: Okay, thank you very much.

Sandoval: Mr. Controller.

Knecht: Thank you Governor. Mr. Johnson, I'm not typically a rah-rah boosterism kind of guy but I want to say, as one who lives seven miles from the center of this project and who drives this route frequently, I think this is really important. I'm glad to see that we're at long last doing it. The sooner and quicker and more extensively the better. With that, I'll ask you a question about the north end and a question about the south end. Following up on the Governor's and Lieutenant Governor's questions on the north end, is it possible that you might be able to acquire or at least lease some area on the far north end, in the flat there, for additional parking and work out a shuttle service that would eat in to those other 1,900 spaces that the Governor is talking about?

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Hasty: I can answer that, Carl Hasty again, District Manager with Tahoe Transportation District. We've been looking at all of those things. It is possible, particularly at the state line area. I know from the business community's perspective there, they've encouraged us actually and would love to participate with us in a Park N Ride type of situation. We do provide seasonal transit for that east shore. Our connection right now is the old Incline elementary school site, within Incline Village, that we use as a Park N Ride right now. That is what the District will continue to address as we look to expand transit in the Basin. Eventually we're looking at that seasonal transit service to be along the entire corridor stretch. Ideally a Park N Ride at Spooner Summit, as well as in the north end and we're able to facilitate then the access and that in the corridor.

Knecht: Seasonal and perhaps even weekend, during the offseason, might work really well down to Sand Harbor.

Hasty: I would agree. Especially if we've had winters like we've had, we've watched these trails become year round type of use. That's entirely plausible, particularly as the use of Lake Tahoe continues to grow.

Knecht: Great. On the northern end, up to US-50, the uphill portion of the route, you said you're going to put rumble strips in, that sort of thing and that's great. Any chance for widening the pavement? Widening the shoulders? Making that a better, safer drive?

Johnson: I would say that anything is possible but it's very, very costly do so. I think Carl looked at this a long time ago in an evaluation process to determine whether it's more feasible to widened the roadway to accommodate this or to have a separate trail itself and the cost differential was huge.

Knecht: That's such a great road that it makes a good sports car route if we could just close it off to other traffic or motorcycle or bicycle. Anything that you can do is very helpful and very appreciated. The rumble strips I think will help a lot. That will be center and side?

Johnson: Just center line.

Knecht: Just center.

Johnson: Yeah.

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- Knecht: Side would be good too. Again, I'm enthusiastic about this. Any chance that we finish it, essentially before winter begins in '17-'18?
- Johnson: Yeah, it's most likely going to be '18, rather than '17, just specifically with some of the challenges of building on that lake side, that's going to take some time. As I mentioned, that's why we're moving as fast as we possibly can because we recognize 1) there's a limited working season. It's going to take a few seasons. The sooner we can get out and start, the sooner we can complete.
- Knecht: As I said, I'm very supportive of this one and thank you.
- Sandoval: Questions from Southern Nevada?
- Martin: I only have one Governor. The pre-con budget of \$586,000 or \$568,000, seems pretty high. I see that it's about 4,000 man hours, plus or minus. Does that fall within the guidelines? I'm a little bit comforted when you say you have money from all these different sources. As Len asked for the various sources and amounts, but is the \$568,000 seem like it's in line with what this project is?
- Johnson: Yes sir. In terms of overall percentage of total construction cost. It falls right around the—I believe it was like, 4%, 3-4%, it was right between our other CMAR projects. It falls in line in terms of total percentage there. Then as I mentioned as well, we anticipate multiple GMPs, so in some instances you're going—it's almost two separate contracts, in some instances. So you're going through the process twice for two different elements of work, if that makes sense.
- Martin: Yes sir, it does, thank you.
- Sandoval: Member Savage.
- Savage: Thank you Governor. One last question I forgot, Mr. Johnson, do we have much right-of-way acquisition that we have to do on this project?
- Johnson: There are no acquisitions but we have quite a few permits to get for right of entry and construction, things of such with State Lands, US Forest Service, to get out there and build.
- Savage: Okay, thank you.
- Sandoval: Mr. Hasty.

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Hasty: Thank you Governor. Carl Hasty. If I may add, one clarification to Mr. Savage's question about the 95/5. The grant application for the Federal Lands access was requiring a 5% non-federal match. We more than exceeded that. I don't know where we'll end up but our application for this project really leveraged—we were bringing to the table over 40%, in other dollars, local, state, federal, in order to conduct all the improvements in this project that was being proposed. We'll see where we end up but we definitely exceeded not only the 5% non-federal but brought a substantial match to the project in and of itself to these FLAP funds.

Savage: Thank you Mr. Hasty. It will be interesting to see the breakdown.

Sandoval: We kind of diverted because we're actually deciding which contractor to choose today. You feel good about the—about Granite in terms of their ability to get this project done?

Johnson: Absolutely.

Sandoval: Okay. It's always interesting to me, we have these interview questions yet we don't know what the interview question was. Could you give me a little bit of flavor or sense of flavor of what those questions were that you scored on?

Johnson: Sure. A lot of them were, I'd say based around the construction challenges that we face on this project and the environmental sensitivities and their plan of attack. How we can do those efficiently and still meet all of our compliance measures and get this done as quickly as we can. It was really more focused on those, what we viewed as some of the major risks in building this project and doing it within the confines that we have.

Sandoval: And do you also look at each of the contractor's ability to get it done? There's a lot of work out there right now and this is another project. You feel they have the bandwidth to get it done as well?

Johnson: Yes sir.

Sandoval: Any other questions or comments from any of the Board Members? My only thought is, I want the concession to carry people's coolers from Sand Harbor to Incline Village, because that's the other issue. We have this bike path but someone has a cooler, I'm not sure how they're going to get it back and forth. Then, on a serious note, are we—is the state or the county or whoever the enforcing jurisdiction is, going to prohibit parking along that entire point to point?

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Johnson: That's what we're looking at now. Those discussions took place a while ago. We're going to pick those up with the local law enforcement agencies here shortly. The ultimate goal is for having this path in place, parking along all of 28 and then you have a whole entire corridor to enforce. I think that's the end goal with all of this.

Sandoval: I've seen some walls going up already. I don't know if those are from private property or not. Will individuals even have the ability, physical ability to be able to park on the side of the road once this is done? There will be a small shoulder, as the Controller was bringing up, but you won't have that area beyond that, will you?

Johnson: I think in some locations you will. As we said, we're going to formalize some more emergency pullouts and maintenance pullouts. If you're going to move towards eliminating parking, you need a place for cars to pull off if it's breaking down or emergency vehicles or things like that. It's going to be a matter of appropriate signage, enforcement, combine through that whole corridor.

Sandoval: All right then. The recommended action for the Board is to ratify the selection of Granite Construction Company as CMAR provider for State Route 28, Shared Use Path, Safety and Water Quality Project and approve a pre-construction services agreement with Granite Construction Company, is there a motion?

Martin: Move for approval.

Sandoval: Member Martin has moved for approval. I'll take the Controller as a second. Any questions or discussion on the motion? Hearing none, all in favor, please say aye. [ayes around] Oppose, no. That motion passes unanimously. Thank you and good luck.

Johnson: Thank you.

Sandoval: Agenda Item No. 5, Approval of Agreements of \$300,000.

Nellis: Thank you Governor. For the record, Robert Nellis, Assistant Director for Administration. There are four agreements under Agenda Item No. 5 that can be found on Page 3 of 42 for the Board's consideration.

The first two relate to the previous agenda item, starting with Line Item No. 1, with Stanley Consultants, Inc. in the amount of \$338,686. This is for independent costs for estimating and scheduling services for the SR-28 Federal Lands Access

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Program Project. Item No. 2 is with Granite Construction Company in the amount of \$586,205. This is for the Construction Manager At Risk Services for the pre-construction phase of SR-28, Federal Lands Access Program Project. Item No. 3 is Amendment No. 2 for legal services to increase authority by \$325,000 for complex litigation related to Boulder City Bypass Project. Lastly, Item No. 4, for consultant services in the amount of \$661,951.94, to provide a detailed review and update of the Standards Specifications for Road and Bridge Construction, also known as our Silver Book. With that, that concludes Agenda Item No. 5, are there any questions the Board has for us?

Sandoval: Thank you Mr. Nellis. Perhaps my first question, with regard to No. 3, with the law firm, Mr. Gallagher, what's the—where are we in terms of demands and responses?

Gallagher: For the record, Dennis Gallagher, Counsel for the Board. Governor, the parties are just under \$3M apart. This particular case is scheduled to go to trial in the fall. The property owner has brought on a second law firm, which is perhaps slowing the process down but we're still in active negotiations to try to come up with a solution that is fair to everybody involved.

Sandoval: What's our offer and what's their demand?

Gallagher: Off the top of my head, Governor, I'm sorry. I can get that to you before the meeting is over.

Sandoval: Thank you. Then, just question, I need a little more detail and perspective on Contract No. 4 with Atkins. Your mic is on. [laughter]

Skanske: Sorry about that Governor. Mr. Martin is teaching me how to use my iPad, I apologize.

Sandoval: It's all right.

Malfabon: If we could respond to the Governor's question on Item 4?

Nellis: I actually have staff here to answer your detailed questions.

Good morning Governor, Members of the Board. Denise Inda, Chief Traffic Operations Engineer and I have here with me, Tom Moore, the Assistant Chief Traffic Operations Engineer. We'd be happy to give you a little more detail on this item

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because it is certainly technical in nature. If you want to have any specific questions, please?

Sandoval: No, it's a lot of money. As I read the notes, detailed review and update of the 623 section of the Nevada Department of Transportation Standards Specifications Road and Bridge Construction Silver Book. When I heard, \$623,000, I thought this must be a room full of books. I was really curious to see what the book was. That, at least Section 623 is 50 pages. Maybe it's hyper-technical, but I think we can hire one person for six years at \$100,000 a year. What is it that requires that amount of money, \$623,000, to update this portion of this book?

Inda: Excellent. These specifications are used when we build—they're referred to in our contract documents for any project where we're installing a wide variety of systems and devices. It could be something as simple, straightforward if you will as lighting. The existing Silver Book describes the fixtures, the lighting fixtures that will get installed on the side of the road, but they're quite outdated. They refer to high pressure sodium bulbs. High pressure sodium is no longer the current standard. It hasn't been for a while. It would be doing things like reviewing all of the details, regarding luminaires, lighting and making sure that it reflects the ability to use more current and appropriate bulbs. LED bulbs are the types of bulbs we would use today. They're far more efficient from an energy perspective. They require a lot less maintenance and effort for replacement. It's taking things like that and putting them into it. There is actually a lot of detailed involved in that. Tom, do you want to address that a little bit in greater detail?

Moore: Governor, Members of the Board. Again, this is Tom Moore, I'm the Assistant Chief Traffic Operations Engineer. These specifications are extremely out of compliance with the industry. The last time these specifications were touched was in 2001. At that time, there was not a rewrite or an attempt to bring them up to the current industry standard at that time. It was only to add some components that we were currently using, but we did not have any specifications for them.

What's happened over time, when these were actually written was 1986. Until now, we're so far out of compliance with the industry, I can't emphasize that enough. What has changed out there? LED lighting is one example. What these specifications addressed is not the lighting technology, but the actual components with inside one of the fixtures. An example I can give you is, we have approved two manufacturers for the LED lighting out there, one has been problematic because we were not able to actually specify the internal components of that

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fixture. It's causing our labor, our maintenance forces undue burden on them to go out and replace all of these. Those components are under warranty. They're being supplied by the manufacturer but, our maintenance forces are impacted by having to go out and change those. The transformers that we use on the project to transmit power from a long point where we receive it from NV Energy to our location, those transformers that we specify are so old that you can't even buy them anymore. What happen is, we run into conflicts with our contractors when they're doing these projects. They don't know they have a challenge trying to bid a project because our specifications are so far out of date.

This project is to bring the specifications into industry compliance. It's to add also quite a few other components. Connected vehicle technology, we just completed a project with DSRC. We want to make sure we have the appropriate language in our specifications as we move forward with connected vehicles. Sharing resources, fiber optics cable has changed over time. The efficiency keeps getting improved. The electrical components that generate the light wave within the fiber optics cable, we need to come up with good specifications for that, especially as we move forward with sharing our resources with telecom companies. Wrong way driver technology, we need to incorporate that into our specifications. Again, we have nothing to cover that. Radar detection, which is a primary method of detecting vehicles and which they're moving. Again, we don't have anything in our specifications for that, we need to get that incorporated.

We have 13 standards that we have to adhere to. I don't have them all listed but I can give you a few. NEMA is the National Electrical Manufacturing Association. We have to comply with that. The National Electric Code, the NEC, again, we have to comply with that also. The ASTM, American Society for Testing and Materials. We have to, again, be in compliance. IMSA, is the organization that oversees the traffic signal systems. We need to be in compliance with that. That's the International Municipal Signal Association. The Institute of Traffic Engineers and there's quite a few more.

Something else that we need to incorporate into these specifications is the infrastructure requirements for the new radio system that's coming online. We want to make sure that we have the specifications ready, that when it's time to start constructing the mountaintops with our new radio systems, that we have those electrical/civil infrastructure specifications in place.

I'd be more than happy to answer any other questions that you may have.

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Sandoval: I'm not disputing that we need to update this. Is there a model that other states use?

Moore: Yes. We were fortunate with this firm that they just finished updating Florida's specifications. That was one of the benefits that we saw when we were reviewing all of the proposals. The actual amount of work that the consultant is going to do is approximately 4,500 hours worth of work on this. We feel that the hours are fair and justified for this type of work. We do feel that we would be receiving, or we will be receiving some reduction in level of effort because of what this firm has just completed for the State of Florida.

Sandoval: I guess that begs the next question is, what's to stop them from just photocopying what they did for Florida and—I know I'm really oversimplifying here, I get that. In adopting it for Nevada, perhaps there are some differences. Is it really that Nevada specific where it's going to take 4,500 hours to change 50 pages?

Moore: I think it's going to take—I think that is a good number of the level of effort for the consultants. The reason that I say that is because there's so much additional work that has to be done on our specifications, new items need to be incorporated into there. The connected vehicles, the DSRC, the radio, all of those other items are not there that just have to be looked at and be refreshed, but they also have to be written in the format that's consistent with the Department's specifications. Then incorporated into this document, as well as the time and effort it's going to take to do an industry review. After we get a draft set of specifications, we need to supply those to the industry to make certain that we're not missing anything.

Sandoval: We don't have anybody who is capable of doing this within NDOT?

Moore: You know the Department is phenomenal at hiring Civil Engineers for taking care of roadways but unfortunately, this is an Electrical Engineer, a licensed Electrical Engineer discipline. They are the ones that should develop these specifications. It would be out of our profession to try to take—to be a Civil Engineer to try to generate these types of specifications. We don't have the expertise.

Sandoval: I appreciate you making this record. It concerns me, frankly, that we've got a 2014 booklet that you say has been out of date since 2001. Better late than never. It just seems like an awful lot of money. I'm going to take you at your word in terms that it is hyper technical and it's going to take 4,500 hours to do. That's a lot of time.

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Moore: It's a tremendous amount of work.

Sandoval: Particularly when it's been done once already, in another state. I guess, perhaps were not getting the benefit of being the second state in, in terms of the work that has been done in other states. This one really jumped off the page for me. Then, when I got this book, and as I said, I've said it already during this meeting, I'm not an engineer. When I saw that it was just this amount, that concerned me as well. That's all I have. Board Members—Mr. Lieutenant Governor and then Member Savage.

Hutchison: Thank you. I got to tell you, this was something that was very difficult for me to understand. I spent a lot of time going through the notes and just to understand what's the purpose for this. When you put it in perspective, you've got 4,700 total man hours it says and that's over two people full time, 50 weeks out of the year for a 40 hour work week for 50 pages. As a lawyer, we do this all the time. We have update services. We rely on the law, there's cases, there's statutes, there's code and there's just services that just update this on a regular basis. The law is always changing. The codes are always changing. They're actual national services that you can subscribe to that will just update you and keep you updated. There's nothing like that, where you have—I can't believe that with all these Department of Transportation questions and standards and codes throughout the country that there isn't just some one, sort of like the Governor said, model or unifying organization that says, here's your update every year and just slide it into your book, here's the updates. Nothing like that at all, for what you're talking about?

Moore: No sir. Unfortunately there is no common standard in regard to the specifications throughout the nation that's utilized by any of the states or local agencies. Now, what is in common is the industry standards. National Electric Code, the Fire Code, all of those are there. The challenge for us is, when a new component comes in is that—and we want to utilize that, we need to make certain that we have the specifications in place that describes that product or that component for the contractor to formulate a bid for.

Hutchison: I'm not questioning at all the need to update it. What I'm questioning is, the need to spend \$661,000 to do it. To put that in perspective, we just approved Granite Construction, providing the construction management services on a very complex project up in Tahoe and this is more than that. I'm like the Governor, I'm at a loss—I'm not going to speak for the Governor. I'm at a loss in terms of how it

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could cost this much. Other than just going on your representation, I'm here to suggest that you're not accurately representing this. I'm just saying, in my experience as a lawyer, where we have to update codes and manuals and procedures all the time, I've never come across something like this that was this expensive and that would justify this kind of a cost. The need sounds like we ought to do it immediately because we haven't done for it years.

That's just tough. I just did some calculations. If you're paying somebody \$250 an hour, they're spending \$2,647 an hour, that's a year and a half worth of work at \$250 an hour. That's just huge amounts of money to update a manual that we haven't updated for years you said and now it needs to be update. Certainly the need is there, but again, I'm just groping for a rationale here and an explanation for this type of an expenditure.

Moore: I understand. When you look at the cost breakout, the actual cost for the services, not including the overhead, the profit, all of the other things that we have to take into account here at the Department for our processes is that the actual cost for the work itself is \$205,994.

Hutchison: A big chunk of that is overhead, right?

Moore: Well, that's just—that \$205,000, that's just the work. That's just the labor to actually do the work.

Hutchison: If I may just follow-up. And then, I just noted, when you look at the scope of work that's being done and whose doing it, you only have a Deputy Project Manager who is going to actually commit to attend all the work sessions. The Project Principle, he's going to commit to a single day of any work session. The Project Manager is going to commit to a single day. Then the Deputy, Technical is going to do approximately half of the monthly work sessions. It just seems like this is—it's kind of one of those things where nobody else is bidding for this or nobody else can do it and they're thinking, if we're going to do this, we're going to charge NDOT a ton of money, not going to devote a lot of resources, at least with their top people. We're taking the brunt of a challenging situation and we're paying a fortune for it. It just is tough to understand this.

Moore: The Deputy Project Manager and the individual that will be doing the specifications development, they have the largest dollar amount from an hourly allocation on this project, both of those individuals--

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Hutchison: Right.

Moore: --are the ones that were formally responsible for rewriting Florida's specifications. We felt that we wanted to have the majority of the consultant's time with the people that have done the work and we tried our best to minimize the overhead associated with project managers and principles.

Hutchison: Do you know how much time they spent—these same consultants spent on Florida's update?

Moore: I don't know the number off the top of my head but it was similar in hours. Costs, I do not know.

Hutchison: Okay. Those are all my questions for now, thanks.

Sandoval: Member Savage.

Savage: Thank you Governor. In all due respect, Tom and Denise, this hit my hot button. The Governor and the Lieutenant Governor are being very kind. To me it's absurd. I mean, I look at this, I got more red ink on these pages than I've had in any package in a long time. I mean, if we could only afford so much—we can't be an island in the South Pacific on this thing and I feel like we are. I don't think we're that far off. We have a 2014 book. It's one electric division, Division 16 or Section 623, whatever it might be. I can't believe we can't get something done for half this cost. I just—when there's a will there's a way. At times, you know, enough is enough. When we can't afford it, let's put it in safety and roads. We understand specifications. I'm in the business, on the private side. What about AASHTO? We belong to national organizations and I know we do on the mechanical side. There's national organizations that update these code books and specifications where we utilize, as a private business, the national organizations; whether it be AGC or AASHTO or whoever it might be. That's what those people are for, is to update that. I just can't believe, whether it's—I just feel like we're on an island and we're not. I just don't foresee spending \$600,000 plus for this updated 623 Spec Section. I mean, we're reinventing the whole wheel. I don't believe we are. I'm just not sold. I hate to be so passionate about it. I just think we need to slow down, afford what we can afford, go back—if this hasn't been updated since '01, let's take a couple of months and try to drill down and see what has to be done. Say time out. We can't just give you the \$600K right now.

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Malfabon: Governor, I propose that we pull this item and then look at renegotiating that, considering those statements from the Board Members.

Savage: Thank you Rudy.

Sandoval: I don't know if we're done yet though. Questions from Southern Nevada?

Martin: My friend don't want to talk for some reason here. Len, you said it all. When I read this thing and Governor, thank you for doing the research on the 50 pages, that part didn't even dawn on me, but yeah, I—I agree. This needs to be held over. Did we get another consultant to quote on this work or was this just the walk-in, ask these guys to give us a number and we got one?

Malfabon: Member Martin, in response, we typically issue a request for proposals and then we do not negotiate the fee. We establish a budget and negotiate the fee with the selected firm. The answer is no, we would not have had another quote from another but we typically have that option if we are not able to meet our budgetary goals, we can go to the second. I see some things in the back-up material that we can look at to renegotiate. I'll give some direction to the team.

Martin: Thank you sir.

Sandoval: Thank you. Controller, then the Lieutenant Governor.

Knecht: Thank you Governor. I'll be brief. I want to second all the expressions of concern by the four previous Board Members. I think they did a good job. Tom, something you said clicked with me, because I am an engineer, registered in California, not in Nevada and not electrical but mechanical. You said this is not a civil engineering project, maybe Denise you said this, it's electrical more than civil. If this were a civil engineering project, given the differences between Florida and Nevada, low lands versus high lands, all of Nevada is above all of Florida, something like that, different surface and subsurface soil conditions and substrata conditions, they're humid, we're dry, etc. If this were a civil engineering project, in view of all of that, I could understand how there would not be any economies of scope or scale for the firm doing this, going from the first project to the second project. When we're talking about electrical engineering, we're talking about the some components. We're talking about the same concerns and issues. I would think that there would be some economies of scope or scale in going from the first project to the second. When you said Tom that the

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cost for Florida was roughly what this cost is, I'm a little bit concerned about that too. Thank you.

Hutchison: Thank you Governor. Just one other thing that jumped out at me was this Task No. 4, developing an online document repository. Again, I'm not some IT expert or somebody who understands all of the needs here and maybe I'm completely off base, but aren't there a lot of online document repository systems out there? Why would you have to create a new one? It just seems like this is almost like a recreation of something that's already available. That sounds like DropBox to me, is what it sounds like, or something like that. Where you just have a place where everybody is putting their documents electronically—I mean, depositing their documents electronically. We do that every day, thousands of times in this country.

The way I read this, it looks like, wow this is a really complicated thing we got to work out there when you can simply pull something online and off the shelf. Maybe not. Maybe we'd have to modify it in some way, but I think what may be happening here, my own sense is and you see this sometimes with professional services, they've done it once and they're just going to charge this again, the full price for whatever they did in Florida. Even though it may take them half the time or a quarter of the time, they'll still going to charge us the full boat because it's a product they're delivering. I understand it from their end, but it doesn't seem very fair from our end. Thank you.

Sandoval: Since we're going to be looking at this again, I don't know if you have any closing comments that you'd like to make.

Moore: No sir. The only thing I would add is, I appreciate the comments from the Board. We have no problems stepping back from this, having another conversation or a few—quite a few conversations with the consultants that put in on this and worst case scenario is, we would have to go back out on the street and issue another RFP and do a little bit more due diligence on the cost of this and come back with something that may be a little more palatable for the Board. I do thank you for the time.

Sandoval: And I appreciate it. I think what you're seeing is just a strong sensitivity to how we spend our money. In other meetings we talk about these safety projects in Clark County and I always—this is pure Highway Fund money, is not Rudy? Yeah. I think if we save \$200,000, that's a few safety projects that we can put in

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Southern Nevada. We all want to be good stewards of the public's money and make sure that we can justify every dollar that we spend. Thank you and I guess we'll hear about this at a future meeting.

Moore: Thank you.

Inda: Thank you.

Sandoval: Mr. Nellis, you didn't have to answer any of those, did you?

Gallagher: Excuse me, Governor.

Sandoval: Yes.

Gallagher: For the record, Dennis Gallagher. You had posed the question how far apart the parties are, they're approximately \$2.25M, \$2.5M apart.

Sandoval: Did you know what the demand was and what the offer is, is that confidential?

Gallagher: No, it—currently, the property owner's demand is \$9.2M.

Sandoval: All right. Other questions on this agenda item, Mr. Lieutenant Governor.

Hutchison: Thank you. I just want to state, Dennis, with the Item No. 3, is this the Longfellow Property?

Gallagher: Goodfellow.

Hutchison: Yeah, Goodfellow property. We had some communication on that, right? So this is all very heated litigation and we're going to trial in the fall, right?

Gallagher: October.

Hutchison: Is that firm, do you think?

Gallagher: I believe so.

Hutchison: Okay. Because this contract takes us through what '17, right? June, June '17, I think is that right?

Gallagher: Yeah.

Hutchison: So you expect that will take you through trial?

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- Gallagher: Yes.
- Hutchison: And you think this is a good number for trial and you think we're in good shape that way in terms of total cost to get us through trial?
- Gallagher: I believe so.
- Hutchison: Okay. 95%, did I read, 95% federal funds would be available for reimbursement on this, is that right?
- Gallagher: I believe it is. This would be Boulder City Bypass, I-11.
- Hutchison: Great, okay. I'm going to follow-up with you on something else offline on this, thank you.
- Sandoval: Is this the last piece of property that's in dispute on this project?
- Gallagher: Yes Governor. All the other property acquisitions have been completed.
- Sandoval: And, have we used this firm before?
- Gallagher: Yes.
- Sandoval: Obviously we're happy with them.
- Gallagher: Very happy.
- Sandoval: All right. Thank you. Is there any other questions—or, excuse me, Mr. Nellis, any further presentation?
- Nellis: No sir, that concludes Agenda Item No. 5.
- Sandoval: Board Members, any other questions with regard to the agreements described in Agenda Item No. 5? If there are none, the Chair will accept a motion for approval of agreements 1-3, as described in Agenda Item No. 5. We will continue Agreement No. 4, the subject matter of that to a meeting in the future.
- Hutchison: Move to approve.
- Knecht: Second.
- Sandoval: Okay. Lieutenant Governor has moved for approval. The Controller has seconded the motion, any questions or discussion? Hearing none, all in favor say

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aye. [ayes around] Oppose, no. That motion passes unanimously. We'll move to Agenda Item No. 6, Contracts, Agreements and Settlements, Mr. Nellis.

Nellis: Thank you Governor. Again, for the record, Robert Nellis. There are three attachments under Agenda Item No. 6 for the Board's information. Beginning with Attachment A, there are two contracts that can be found on Page 4 of 20.

The first project is located on US-95 in Goldfield from First Street to Second Street in Esmeralda County, to construct the Goldfield Visitor's Center. There were five bids on this contract and the Director awarded the contract to Trade West Construction in the amount of \$712,369.19.

The second project is located on SR-447, Gerlach Road in Pershing and Washoe Counties to provide a half-inch chip seal with fog seal. There were four bids and the Director awarded the contract to Intermountain Slurry Seal in the amount of \$888,498.

Before turning to Attachment B, does the Board have any questions for us regarding these two contracts?

Sandoval: Thank you Mr. Nellis. I only have one and that was on that first one with regard to Goldfield. My recollection is, we're giving them the property as well as restoring the visitor's center, wasn't that—or, maybe I'm thinking of Wendover.

Malfabon: Good point out Governor. This project will eventually, it will be set up so it could accommodate a future electric vehicle charging station.

Sandoval: You are clairvoyant because that was my next question.

Malfabon: --additional work with the power company and with the contractor, but it's at a minimal cost. It won't actually install the charging station, but it will set it up for it.

Sandoval: It will put the infrastructure in. Okay. Thank you. Questions from other Board Members. Any questions from Southern Nevada?

Martin: No sir.

Sandoval: Now that is a record Mr. Nellis. All right, very good. Any further presentation?

Nellis: There's two more attachments, Governor.

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Sandoval: Okay, please proceed.

Nellis: There are 51 executed agreements under Attachment B that can be found on Pages 8-14 for the Board's information. Items 1-9 are acquisitions and appraisals. 10-14 are cooperative agreements and an event. 15-25 are facility agreements and grants. 26-29 are an interlocal agreement and leases. Lastly, Items 30-51 are right-of-way access and service-provider agreements.

Before we turn to Attachment C, does the Board have any questions regarding any of these agreements?

Sandoval: Member Savage.

Savage: Thank you Governor and Mr. Nellis, one of my favorite ones was Item 39. At the bottom, the explanation on the notes, it says, eliminating wasteful license spending to reduce overhead. Carson City. For \$24,750. I'm not trying to be factitious, I think it's very valuable that we have the checks and balances to try to dial in as far as the accountability. I'm really excited about seeing what they come up with on that one. That's really drilling down and reviewing what's in progress right now.

Malfabon: Just to comment too, to Member Savage's comment there, it's for our IT Department and kind of the help desk. And, software licenses can be very expensive. We have to look to see that they're properly acquired and that we're paying the best price for them.

Savage: Yes, exactly. Thank you Mr. Director and Mr. Nellis. On Item 31, again, we go to the software development. Can someone further explain that service?

Nellis: We have Denise Inda who can answer those questions for you sir.

Inda: Good morning Governor and the Board, Denise Inda, Chief Traffic Operations Engineer. What this agreement is for is to develop the video transcoding, that's taking the video we receive from the cameras all over the sides of the road and putting it into language, essentially, that we can use to broadcast out to the devices and the systems here people want to access our video. What we're seeing is a challenge in staying current, with all of the browsers and interfaces that are out there on the mobile devices. You may or may not be aware, that's one of the areas we are getting comments and feedback, I can't get the cameras on my

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phone. I can't get the cameras on my iPad. I used to get them and now I can't get them because I had a software update on my device.

What this agreement will do will allow us to sort of play catch up and get to a place where we have our system in a format that is more universal, if you will, that will be able to go out on all of the devices.

Savage: Thank you Denise. To me, it's a \$300,000 contract for three months. Does that seem excessive and is that a not to exceed amount?

Inda: It is a not to exceed amount. That's the total amount for that agreement. What it is, it's a piece of work that has to be done, the coding, the setting up of the translators, if you will. It's a very finite timeframe where they create the process that's going to make it compatible and translate it to the right format. It's a three month piece of work so that we can then be pushing out all of this information to all of the devices.

Savage: Again, I'm not saying it doesn't have to be done. I understand that. I think it's good that we try to stay ahead, again, I feel like we're the only one trying to do this. I don't know if that's the case. Please look into that and stay on top of that if you can.

Two other items, Item No. 34 and 42. They seem to be for the same FAST Lane Grant Application. I don't know if that was an error or if we just doubled up on 34 and 42, for \$185,000.

Malfabon: Those grant applications were developed specifically for separate projects, so that the projects I mentioned on I-15 and US-95, were separate applications.

Savage: Oh, it's two separate applications.

Malfabon: Yes.

Savage: Okay, thank you Rudy. That's all I have Governor.

Sandoval: Other questions, Mr. Controller and then the Lieutenant Governor.

Knecht: Thank you Governor. I want to come back to Denise to Item 31, software development by FLIR 360 Surveillance. Is this a unique product for us or is this an adaptation of some package, some solution that they're peddling to other states? Where are they located and what do they do?

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Inda: The 360 Surveillance firm, the provided the interface between our video. They provide that video component. I don't have that specific answer for you right now, Member Knecht, I'm sorry, but we could certainly find that out. This is a company that, it is their business to provide the interconnect between the translator, if you will, between the video that comes in and the other systems where the video gets fed out. Whether it be through our website, the Nevada DOT.com, or other access points for the video. They do this for other places and other firms and other companies, I don't have any details about that.

Knecht: Okay, but they would be doing similar services for other people but not so much a particular package because they'd be doing it on a different system, different configuration elsewhere?

Inda: Thank you, that's exactly it. What we're having—they have their basic package, if you will, their service that they provide but what we have to get it to do is to translate through the system that we have to get the video out.

Knecht: Okay. Thank you. Thank you Governor.

Hutchison: Thank you Governor. Looking at Line 27 and 28, Mr. Nellis, just wanted some background in terms of the lease to department employees, what were the circumstances under there?

Malfabon: I'll respond to that Mr. Lieutenant Governor. These are employee leases to lease the housing at the specific maintenance stations identified. The first one is at Blue Jay Maintenance Station there on US-6 and then at Immigrant in District 3, in Elko, near Elko. Typically the District Engineers establish those lease rates working with the Right-of-Way Division, so it's substantiated and it's kind of a market rate but recognizing that we do receive some benefits from the employees being housed right onsite. Additional security and rapid response.

Hutchison: Is this the State's payment for the lease?

Malfabon: It's actually the receivable from the employee to live on housing on that's provided by NDOT.

Hutchison: Any particular term?

Malfabon: Yes, the terms are provided there. This is—

Hutchison: But is this like a—I'm sorry, go ahead.

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Malfabon: Approximately a four year lease. That's not very much money but we do receive those benefits from the employees.

Hutchison: Because they're onsite, they're providing the service, easily accessible, that sort of thing.

Malfabon: Exactly.

Hutchison: Okay, great. Thank you very much.

Sandoval: Any other questions? All right, Mr. Nellis, please proceed.

Nellis: Thank you Governor. There is one eminent domain settlement that can be found under Attachment C on Page 16 of 20 for the Board's information. The settlement provides for \$500,000 to be paid to Lisa Su, for two parcels on Silver Avenue in Las Vegas for Project NEON.

With that, that includes Agenda Item No. 6, I believe Mr. Gallagher can answer any questions the Board has on this item.

Sandoval: Any questions from Board Members? Does that complete your presentation?

Nellis: It does Governor, thank you.

Sandoval: Before we leave Agenda Item No. 6, Board Members, any further questions? All right, thank you very much. We'll move to Agenda Item No. 7, Direct Sale.

Malfabon: Governor, if it's the pleasure of the Board, I could present 7-10 individually, their direct sales and somewhat similar. So, if I could proceed in that manner.

Sandoval: Please proceed.

Malfabon: NDOT has identified several parcels and we've had that for discussion before at Board Meetings and had public auctions that maybe did not result in a sale. This is the next step, getting Board approval for disposal of some of these parcels.

Item No. 7 is for disposal of NDOT right-of-way, the northwest corner of Highway 50 and US-395. It's a vacant parcel, about 2.35 acres. It's been appraised at \$720,000. Public auction was held on February 29, 2016, although it did not sell.

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Item No. 8, is for disposal of NDOT right-of-way located along North Lompa Lane, north of Dori Way in Carson City. About 0.34 acres. We received public interest to purchase this property and the Department has the opportunity to sell this parcel by direct sale. It's been appraised at \$99,000.

Item No. 9 is for disposal of NDOT right-of-way along US-395 freeway between Hospitality Way and Monk Court in Carson City. It's 1.5 acres. We have valued the parcel at \$387,000. We had a public auction on February 29<sup>th</sup> and the parcel did not sell.

Finally, we have Item 10, for disposal of NDOT right-of-way located at the northeast corner of North Carson Street and Arrowhead Drive. An irregular shape, vacant parcel, 1.76 acres. The value of the parcel is \$693,000. Again, the public auction was held on February 29<sup>th</sup>, however, the parcel did not sell.

We're requesting approval to proceed with the sales of those parcels, Items 7-10.

Sandoval: Thank you. Just a question. Could it be a strategy by a buyer not to bid and then hope to get a better price through a direct sale?

Malfabon: I suppose it could be Governor, but we have no control—if it's a parcel that somebody wants, they'll put in a bid for it at the public auction. Unfortunately, we did not receive acceptable bids or any bids. Ruth might have some specific information about what happened at the public auctions.

Borrelli: Ruth Borrelli, Chief Right-of-Way Agent. As far as the price, NRS requires we get no less than 90% of the fair market value. When they go to public auction, they start at 90% and don't go below that. Same for sales, direct sales, it won't be any less than 90%. It would be a failed strategy.

Sandoval: All right, thank you. Somebody thought of it already. I appreciate that. It shows a little bit of my ignorance in terms of that but that's good that we have that built in. Do we hire a real estate agent and actively market the property thereafter?

Borrelli: Again, for the record, Ruth Borrelli. We are currently going to be soliciting an RFP to bring a broker on board to list these properties, as allowed under the NRS.

Sandoval: Thank you. Board Members, any other questions with regard to the direct sales in Agenda Items 7-10? Mr. Controller.

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- Knecht: Governor, I understand your concern, you can't be too careful with those Carson City folks, they're pretty slick.
- Sandoval: All right. If there are no further questions or comments, the Chair will accept a motion to approve the direct sales described in Agenda Items 7-10.
- Savage: Move to approve.
- Sandoval: Member Savage has moved for approval, is there a second?
- Hutchison: I'll second.
- Sandoval: Second by the Lieutenant Governor, any questions or discussion on the motion? Hearing none, all in favor please say aye. [ayes around] Oppose, no. That motion passes unanimously. Let's move to Agenda Item No. 12 which is a resolution of a relinquishment.
- Malfabon: Thank you Governor. This item is for disposal of a portion of NDOT right-of-way at the Spring Creek Roundabout. We have surplus property there that Elko County has consented by resolutions passed and adopted in December of 2015 to accept the Department's relinquishment of this right-of-way. What we have are remnant parcels that will benefit the Department to relinquish them. It eliminates our liability and any future maintenance responsibilities to the Department. We recommend approval of this disposal through the relinquishment process.
- Sandoval: Thank you Mr. Director, any questions from Board Members? It's pretty straightforward.
- Malfabon: Yes.
- Sandoval: The Chair will accept a motion to approve the resolution of relinquishment of a portion of state highway right-of-way as described and presented in Agenda Item No. 12.
- Knecht: So moved.
- Sandoval: The Controller has moved for approval, is there a second?
- Martin: Second.
- Sandoval: Second by Member Martin. Any questions or discussion on the motion? Hearing none, all in favor say aye. [ayes around] Oppose, no. That motion passes

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unanimously. We'll move to Agenda Item 13 which is request for the Department of Transportation Board modify its policy that it will maintain a certain percentage of each category of its roadways.

Malfabon: Thank you Governor. Darin Tedford, our Chief of the Materials Division will present this item.

Tedford: Good morning Governor, Members of the Board. I'm happy to present this item on behalf of the Department and happy to bring you some more acronyms to learn. Try not to use too many of them.

Sandoval: We always love NDOT humor. This is good.

Tedford: I'll do my best. One of the things that the Department does is report at a lot of different times the condition of our roads. This is one of those times.

First acronym, third slide, first acronym, GASB. I'll say GASB a couple of times. The Governmental Accounting Standards Board was created to require the states to report on many different financial aspects of their State. This is the whole State, this is not just the Department of Transportation.

One of the statements that GASB made, Statement No. 34, you can read but it requires the Department of Transportation, through the State, to report on two of the biggest assets, dollar value in the State, as our roads and bridges. There's a lot of detail to this reporting.

Because of GASB, two NRS were established and require us to use these accounting standards and principles in order to follow the GASB requirements. Because of that, in 2002, NDOT, in cooperation with the Controller's Office and the State's independent auditing firm established a compliance committee and determined how we would comply with this GASB statement.

In the GASB requirements there were options the way the State could report the condition of their assets. One of the options that was provided to us was that we would report our assets not depreciated, but to report them in what they call a modified approach. The modified approach requires this list of bullets. We have our inventory, that was easy. We have a condition level at which we're supposed to maintain the roads and bridges, above, so that we could say our assets were being maintained and you wouldn't have to go through the depreciation process every year.

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We performed our condition assessments. The requirement to follow GASB didn't initiate us having an inventory or performing condition assessments, we were already doing that, but reporting in the State's comprehensive annual financial report was a new spot for us to report the condition of our roads.

In 2002, that compliance committee established this policy. The policy is in the paperwork that you have also with a little more detail. The two main things that we set back in 2002 was the percentages on the left in the red and the number on the right, the 80 in every category. Now, I've got an acronym on the board that I haven't explained yet, IRI. Before I get to that, the two things, like I said, that we set, we were allowed to set ourselves, the percentages and that level of IRI.

IRI, stands for International Roughness Index. It's a measurement of the smoothness of a surface. If you're driving your hypothetically—even your high speed rail, you're going to have a roughness of those tracks, it's going to be really low. Your hypothetical hover car, driving down your glass plane would be a zero and a road that's basically no longer serviceable, you can't drive down it at the posted speed limit would be 200-300, on the IRI scale, 300+. That measurement is done by a device in a van and it sits on a spring and it measures the displacement of a weight sitting on a spring. It's kind of sitting what the seat of the pants ride feel is for a road you're driving down. That's it. If I mistakenly call it ride—ride makes a lot of sense. That's what the IRI number is, for any road that you're driving down. We collect this information for the whole State system, along with a lot of other information.

When the compliance committee decide that we would use IRI for this measurement, select the percentages, select the number, that was during a time of really smooth pavements and I'll get to that in a minute. Before that, we're going to run this video. This video is going to give you some examples of different pavements. Here's 1-15, actually from the Spaghetti Bowl, almost, all the way back down to Tropicana, even to the south of that. We recently put down an asphalt rubber surface over the top of the existing concrete. That was done for ride. It was also done so that you could have better dilation of the lanes because they'd been a lot of construction, a lot of applying stripes and removing stripes. On the scale of 0-300, this pavement out there is about a 63. That pavement is there. Some of what you see isn't going to be there for long, but it's there for now.

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The next section I brought you for an example, I-580, northbound, headed up towards Reno, coming up out of Washoe Valley. The south third of this project is asphalt. Come up to the top of the hill, the first automatic sprayer station on a bridge. Go over the bridge, the rest of the two-thirds of the contract to the north is concrete. You see a couple of numbers there. That is really smooth asphalt. FYI, we're usually in the 40 to 60-70 range. That's really smooth asphalt, which is great. That concrete has been in service a few years. This is last Monday we made the video, it's a little bumpy.

To give you some perspective when I said we collect ride but also other information. Here's South Carson Street, from Fairview, we're headed towards Clearview. This is a section that we're going to do a minor Band-Aid to this year, to hold it together until the City takes it over and does something else with it. To be determined. But the smoothness of this road is right in that range that we're talking. The rest of the cracking on that road may be not what you think was a good road, but just the smoothness.

Here's an example for Member Almberg who is not here, but we tried to get everybody in the loop. This is a section of US-93, south of Wells. We've been out and doing some slope flattening. A lot of projects we have for safety slope flattening. We didn't do anything to mainline on most of this project or two-thirds of this project because it was relatively smooth. You can see, there's a lot of smooth spots, a few bumpy spots. That's the range of smoothness we're talking about.

Here's my last example, one that I think most people are familiar with. Southbound 580 from—you're looking at the Parr Interchange, heading down to McCarran. When we collect this ride information on all of our roads, we drive in the outside lane, the outside thru lane. Not because we know it's going to be the worst, but that's our—we know it's the worst, that's what we need to take care of.

This is a high number. This is a 140. You can see why. You can see it on the camera, that wasn't even on purpose. The camera tells the story. Same thing that you feel from the seat of your pants. You get this idea from a really smooth asphalt to a really bumpy pavement that obviously needs something done to it, thus the range of this IRI that we're talking about.

When we report, we tried to get a smaller font but we couldn't find one. When we report, this information, we do it every couple of years to comply with the

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GASB requirements for the financial report. From the older, 2001 on the top, to the most recent 2014 on the bottom, the six squares that we have highlighted to show failing our goal, or in our Category 4 and 5 roads. We've failed them, dipped below the goal and hovered below the goal for the last three times we've gone out and collected that information. That's talking about our IRI, now that you know of, as far as what percentage of those roads are—this says less than 80, but it's basically worse than 80 because the number is actually higher, but the percentage is what we're talking about. We set our goal of 80 for all of them. Talk about the percentages, that's across the top line. So when our percentage is lower, that's failing. That's why I have it highlighted in red.

Really what the reasons for that—I have a little slide for Category 4 and 5 roads, I can explain that a little bit more, but because we have all the roads that we do, because we have the traffic we do, the lanes that we do, we have also limited funding. Everybody is aware of that and we have to decide where to spend it. We have been spending the money on our higher volume, higher number of lanes roads. That's our Categories 1, 2 and 3. In 2001 also, it made a lot of sense or in 2002, when the policy was set, we were looking at our condition from 2001 and it was a really good condition. We were spending a lot of money on the roads. We had legislation that made us spend a lot of money on the roads. Times are different and the needs of the Department and the State are different. Over these past 15 years, the quality of those, or the condition of those Category 4 and 5 roads has decreased.

Like I showed with the highlighted red squares, our Category 4 and 5 have been below our policy limit. At least short-term, we anticipate that those are going to stay down there, as far as that current policy that was set in 2002. By the way, what's a Category 4 and 5 road? As long as we're making sure we know what we're talking about, anything on the page that is purple or yellow is a Category 4 or 5 road. You can see I-80, march from west to east and there's little dots of yellow, those are just GIS overlap with lower category frontage roads or something like that. There's not any sections of I-80 that are less than Category 1, we determined that or defined that as our interstate. You can look at the southern half and again, purple or yellow, including sections of US-6. This is all determined by the Department, as far as what category it is, for how much traffic is on the road. That's number of cars, it's also amount of trucks. Really that's for the Department to anticipate what kind of rehab those types of roads are going to need. So, we know how much traffic is on a Category 4 and 5. The extent of a

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Category 4 and 5 road will change, if it has something that happens on that road. If it's a USA Parkway, if it's a TRIC, if it's a Faraday and all the sudden there's more traffic on that road, it will get reclassified into a different category because we know that it's going to need more care if the traffic increases, or the opposite.

Why are we here? GASB 34, Statement 34 requires us to either revise the policy or switch to the depreciation method. We have options. First option, switching to the depreciation method has it's downsides. The third bullet, real additional financial impacts to the State is where it stops being a Chief Materials Engineer topic and turns into Administration and Accounting and the Controller's Office. If we get to that point, we'd be happy to answer any of your questions regarding that.

Our second option which we like better, we're allowed to set our policy. We're also allowed to revise our policy. In the grand scheme of things, we'd like to keep our practice the same, as far as the financial report, just revise our policy. We have some good support for revising that policy. The last bullet refers to previous federal funding and requirements that are still implementing performance measures on the Department and all state departments, that was our moving ahead for progress in the 21<sup>st</sup> century, MAP 21 funding and it says, here's how they're going to define good, fair and poor roads. It just so happens to line up that the definition, the more generally accepted current national definition of a good road is up at 95. Here's where we are. We're getting worse as we go up still, but we're sitting at 80. The redline is where we've been. Three dots above the red line represents our previous three years of not meeting our goal that we set. That's the 80. What we're asking the Board to approve is, we change that policy to 95. That matches with what federal legislation says and other states use and give us a chance to track on the green line instead of potentially tracking on the orange line by spending some more money on those roads.

That's our recommendation. Basically switching the 80 to the 95 in each of our categories. The 95 is that smoothness number. The percentages on the left haven't changed, although we did set those too. Those percentages end up being relatively low as you go down. You see the Category 4 and 5 because that 95, if you remember from my previous slide, that 95 on the top is that definition where you change from a good road to a fair road. We've done that with our other performance measures is not strive to have such perfect roads. It's not financially achievable. It's also, we believe it's not expected to have really smooth roads

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when we have a time of not having enough money to do everything. We're requesting to switch from the 80 to 95, give a chance to change our direction a little. That is what we are requesting of the Board.

The result of that, if we went back and redid our 2014 condition assessment is that we'd be meeting. Those numbers jump—the last two numbers jump from 33 up to 51 and from 9 up to 20. The other ones were meeting before, they also jump up but those were the two on the right that were failing. And, like I said, gives us a chance to work on those roads a little bit but also have a realistic expectation of those roads.

That is all I have for the presentation.

Sandoval: Thank you. Now, if we were to adopt this resolution, is it aspirational?

Tedford: That's a good question. We would—it wouldn't be aspirational. We would meet it. Basically, if we went backwards, we would've been meeting it. That's something that has been talked about in the financial report, that we can say we revised this and we would've met it in the previous couple of three years, but it's something that we would be meeting when we revise it and that we would like to keep meeting. It is aspirational in terms of if we want to switch from the orange line to the green line and track away from that failing that goal again, then we would have to spend more money on those roads, yes.

Sandoval: That's my next question. Have you quantified what it will cost for us—even though you're going up to a 95 which gives us a little more—

Tedford: Breathing room.

Sandoval: --breathing room, how much will it still cost to change that 9 to a 20 and that other one to a 51?

Tedford: We've done that in our preservation report, we submit that we brought to the Board and then we take to the Legislature is, we have calculated backlog and we know the dollar amount of rehabbing any mile of road, we categorize it by the category. We haven't determined that amount, but we can pretty realistically.

Sandoval: I'd like to know because I could see in a future meeting, we're going to say we need to build this project because we have to hit this resolution that we adopted in May of 2016.

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Tedford: That's entirely a possibility. We can come up with—I can report back on those numbers and we can say, we have the numbers now based on our most recent condition that our backlog consists—and this is in terms of the preservation report and you can see this. When we reported it previously, it was \$660M. Our condition tweaked a little. It went down to \$419M, as far as the backlog. That backlog would calculate to get—it was all Category 4 and 5 roads, in terms of what our backlog consisted of and it was to get them all into fair. This is not exactly the same calculation to say what would it cost to repair all these and keep meeting this, but we can come up with those numbers.

Sandoval: I would assume that this is going to be used in the budget that you're going to present?

Malfabon: Governor, just to speak to that comment, I know that we have received a lot of direction from the Board for more emphasis on safety, on economic development and mobility. Definitely preservation is important. You'll receive some more information on that, on the asset management plan on Item 15. We do work that into the budget. I think we want to look at your strategic framework. You put together a strategic framework for all state departments to strive towards and in that, it speaks to ridge preservation, providing a state-of-the-art transportation system for the New Nevada. We have to balance our priorities. We don't want this to drive us to spend more money on something that is maybe not as high a priority, with lower volume roads. We know that we need to calculate that backlog. The old backlog under that aspirational goal—I would call it aspirational because we weren't really working towards achieving it was about \$600M. We have to recalculate that with the Board's approval of this policy change.

I think it speaks to the need to preserve our system. We're going to put our highest priorities on the interstates and then the US routes and those levels of road that Darin had spoken about. I think it's just an awareness. We do need to preserve our existing system but not at the expense of safety, mobility and economic development.

Sandoval: Rudy, you got to what I'm thinking about. I'm a little reluctant to adopt a standard when I don't know how it will affect that prioritization that you talk about. Even though it is something that gives us more breathing room, as you described. I just want to make sure that if we adopt this today, we don't start hearing three months from now, we must do this road project because, Board, you

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approved this resolution saying we are going to meet those percentage standards, not knowing what else needs help or needs work.

Malfabon: You will not Governor, and Board Members. There's no gotcha implanted in this. It's all about awareness and being aware of where we're at as far as a system preservation and the snapshot that we currently have and will have in the years to come. Definitely the Board always has the approval of the Annual Work Program and our STIP, those projects give you an idea of where we're spending or proposing to the Board to spend the money for your approval.

Sandoval: And, by the way, that presentation was really good. That was very helpful to be able to get that visual perspective, in terms of measuring that smoothness and all. Other questions? Mr. Controller.

Knecht: Thank you Governor. Just a point on the last item you raised. Isn't it the case, Rudy, that with the existing standard in place, if we didn't adopt this revision today, we'd be more likely at the next meeting to hear about a need to spend money to keep up with the existing standard?

Malfabon: In response to the Controller, definitely, you would have those options that Darin presented. We'd have to make some decisions about what process to use on depreciating our assets or other options that the Board would have to consider. I think this is the best. It eliminates an aspirational goal and makes it more realistic and is a good path for us.

Knecht: Governor, I'll move to approve when it's appropriate. I do want to say two things. Page 5, you forgot one acronym, generally accepted accounting principles is GAAP. Second, this is the second meeting in a row where I've taken the family out to eat the day before the meeting. I've made some observation about something we see on our roads and it comes up the next day in the meeting. We were driving down Carson Boulevard, south 395 to Mother's Day brunch yesterday and I said, this road needs repaving soon but it's surprisingly smooth.

Tedford: You nailed it.

Sandoval: Member Savage has a question.

Savage: Thank you Governor. Just a comment Darin. Again, an excellent presentation. I had a bunch of questions on the pros and the cons and the reasons why and you nailed every one of them, so I thank you very much.

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Tedford: Thank you.

Savage: Thank you Governor.

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you Governor. Darin, thank you. My question is a follow-up to your statement that, I think earlier, maybe in 2001 or so, there was a mandate from the Legislature to actually start spending more money on roads and as a result—I took that as a result, we had smoother roads back then. Or, that kind of cause and effect—

Tedford: It was actually before that, the Federal Legislation said, we had to spend a certain amount of our federal money on the interstate. It got to the point where we're not going to pass up any money to rehab anything, but not the public but people, DOT people would say, why are we milling and overlaying this interstate, it was in great shape. It was mandating us to spend the money on just interstate and that's how our interstate has gotten in really smooth shape and depending on which reason report or other report comes out that says Nevada is number one or number two in smooth roads, sometimes those reports are talking about a specific section of interstate or rural arterial, whatever it might be. That's our Categories 1, 2 and 3, where we are spending our money. We hope to be really smooth on those. When you compare all of our roads to other state roads, depending on the report, we tend to fall more in the center. It was as a result of the federal legislation before that we were spending it.

Hutchison: Has that legislation—I take it it's been modified then and no longer applicable today?

Tedford: That's correct. It started with—I think it went through TEA-21, but then in MAP 21, they eliminated the need to spend it only on interstate. I just said a bunch of acronyms, that's all federal funding from before. That is MAP 21, Moving Ahead for Progress in the 21<sup>st</sup> Century and then now we have the FAST Act, with the Fixing America's Surface Transportation. The MAP 21 Legislation opened it up so we could spend that money anywhere, which is kind of a downside and an upside because we know that the interstate is our most expensive asset of all of them. Try to keep those in good shape and then spread the rest of the money around a little.

Hutchison: Thank you Governor.

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Sandoval: Other questions or comments. Any comments from Southern Nevada?

Martin: No sir.

Sandoval: Any further presentation?

Tedford: That's it, thank you.

Sandoval: All right, thank you. I thought it was also ironic that there was a patch of road that Mr. Lake was talking about, coming south from the North Valleys as well. All right then, if there are no further questions or comments, the Chair will accept a motion to approve the resolution for adopting a policy that will maintain a certain percentage of each category of its roadways with an IRI of less than 95 as presented in Agenda Item No. 13, Attachment A.

Knecht: So moved.

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

Savage: Second.

Sandoval: Second by Member Savage, any questions or discussion? Hearing none, all in favor say aye. [ayes around] Oppose, no. That motion passes unanimously. Thank you. We'll move to Agenda Item No. 14.

Malfabon: Thank you Darin. Item No. 14, we're very excited to do our part with the Welcome to Nevada sign contest. There you see the winners working with the Department of Tourism and Cultural Affairs. They really led the effort working with NDOT and the Department of Education to get students involved in submitting their ideas for a Welcome to Nevada sign. There you see the winners by the regions. You have Matthew Henson in Fernley. Emma Harris, that's a pretty nice one. I'm sorry, that's actually Bryn McMurray's from Moapa in Overton, Moapa Valley High School. The students came up with those concepts based on some guidance that was provided for kind of the themes in the various parts of the State. The second one there with the Big Horn Sheep was from Emma Harris in Reno, from the Academy of Arts, Career and Technology. The focus was to get folks into graphic design career prep. The next one, Luke Tedesco, West Career Technical Academy in Las Vegas won for Region 3, Southwest. You see, kind of the Welcome to Nevada, with the state seal. The one that we've seen previously, Bryn McMurray from Moapa Valley High School in Overton for Region 4, southeast.

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What NDOT will do is proceed with working with the—we can make up the initial signs, they will not be the final signs, but we can do it for the media event. The large Welcome to Nevada signs. What we want to do is have them professional produced by a company that makes them typically reflective, so you can see them from your headlights as you're entering the State and have a good Welcome to Nevada by these types of really nice looking graphics. Well done to all four of those winners.

What you have before you today is to have a process for raffling off the obsolete signs, the older Welcome to Nevada signs. We also wanted to present you Governor, with one of the older sign panels. We worked with State Property Management and the Division of State Purchasing on what's an acceptable process. Typically we would recycle these signs and either cut them down to size, reuse them, put more sheeting over them or recycle them if they were damaged and get the recycle costs of the aluminum panel.

What we did was consult with State Property Management and they said, as long as the Transportation Board approves the process, where we do an equipment property transfer form, that's the formal documentation and they'll accept that process and have a record of what happened to the older obsolete signs.

That's what is before you today. We recommend Board approval of this procedure for transferring the old signs to the raffle recipients to be named later. Congratulations to those student winners of the art contest. I wanted to express my appreciation to Claudia and the Department of Tourism and Cultural Affairs. Claudia Vecchio has been a great partner in leading this effort and working with the School Districts and Department of Education.

Sandoval: Thank you. I'm really impressed as well. I thought the students did a great, great job. I know there's some technical aspects associated with, as you say the reflective and such. So, do you anticipate how that raffle process will work? I would imagine that there's a lot of folks that would be really interested in having one of those signs.

Malfabon: I'm going to ask Sean to respond to that. Sean Sever is our Communications Director.

Sever: Good morning Governor, Board Members. Sean Sever, Communications Director here at NDOT. We have been heavily involved in this process with

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tourism. We have a meeting on the 11<sup>th</sup> to decide it further. Basically, we've been taking a list out of each district of people that are interested in the signs. We would just do a random drawing, basically and draw one of those winners and then post the winner on our website and social medial.

Sandoval: How would somebody get their name on the list?

Sever: We would send out news releases to let everyone know that we're giving them away. Get the awareness out there. Then inform them of the process.

Sandoval: You can't limit—I mean, if somebody won it in a raffle and the next day you saw it on eBay, there's no way to really prevent that is there?

Sever: There isn't. We are going to have them sign an agreement, just things that we hope they don't do with the sign but it's basically unenforceable. It's suggested.

Sandoval: There are only so many of them and they're obviously going to be a collector's item. They're nice signs, they've just seen their time. I appreciate all the work that went into this. I was just in California over the weekend and it's really exciting as you come home. I've talked to different people and they see that sign and they take a nice deep breath and say, I'm home. You're laughing because it's true. Home means Nevada. I'm really excited about those getting put up and seeing how they look.

What do you estimate, timewise, that getting done, Rudy?

Malfabon: Do you know that response to that Sean, for the—specifically to the raffle?

Sandoval: Well, and just the installation of the new signs.

Malfabon: We have our sign shop, they've received these now, working on what their timeframe is. Usually they can produce a panel within a weeks' time. Now that they have the artwork, they have to just work through the copy ready art. There is going to be a temporary sign. We're only putting in one for a few locations for the media events to highlight this. We're going to procure the actual final sign panels and proceed with that procurement. That will probably take probably a year to address all the entry points throughout the State and have a contractor install them after we get the work done with the manufacturers.

Sandoval: Do you mind putting those back up one more time?

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Malfabon: Sure.

Sandoval: That's fine. My only request is, whatever that thing is above the "A", and I know that's probably the difference between Nevada and Nevada, but if we could just make it a clean. Rudy, I don't know, it can't be just me, but I think a lot of folks don't know even what that is.

Hutchison: It makes it look like we don't know how to pronounce the name of our State.

Sandoval: Yeah.

Knecht: I'm going to say, I like it.

Sandoval: But anyway, that would be my only other suggestion. I know that's the students' fault because that was part of the requirements that was—

Malfabon: That was kind one of the—that was kind of from the Tourism's artwork. We can remove that punctuation mark, whatever that is called. I don't know.

Sandoval: Does anyone in this room know what that's called?

Malfabon: Something flex, I think.

Hutchison: This is not good.

Sandoval: I proved my point at least.

Malfabon: So, we need to work with the Department of Education some more, I think failed English, but we will remove those in the final copy.

Sandoval: Member Savage and then the Lieutenant Governor.

Savage: Thank you Governor. So, the intent is to have four different signs or one sign at the end of all this? I'm a little confused on that.

Sever: Four, one in each region.

Savage: Okay, thank you.

Hutchison: Thank you Governor. Just a quick question. We're going to be giving away these big metal aluminum signs with sharp edges. Are we going to make sure there's a good release on this, Dennis, you know, not to over think this from a lawyer's standpoint.

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And then, there's other places and other uses that could be even more worrisome than eBay, with some of these signs, you know. You mentioned maybe some limitation on the use of the signs and I hope it will be done in fairly good taste. Can you address that a little bit in terms of what you're thinking?

Sever: Yeah, I'm actually going to work with Dennis on the verbiage of the agreement they're going to sign when we turn the signs over to them. We can include that.

Hutchison: Great, thank you.

Sandoval: Other questions or comments?

Martin: Governor?

Sandoval: Yes, Member Martin.

Martin: Okay, so I would be prepared to make a motion to accept this as a great idea and we should move forward, but I would also add to my motion that we give a sign to all Board Members that have been on the Board for at least eight years, ten months and eight days as of right now.

Skanche: I'm sure there's nothing unconstitutional about that.

Sandoval: How many of those signs are there, Rudy?

Malfabon: There's enough to go around. I believe I can get the final count. I don't know if Denise, if you remember, I'm assuming that they mean the prospector sign, which is really unique and a great graphic, but it's kind of met it's time. I think there's more than four, so we have some ability. You just have to sign the property transfer form and Dennis' agreement to not sell it.

Sandoval: Is it appropriate for the Board Members to have access? I would assume that the Board Members would be interested in having them.

Malfabon: We definitely feel that there's enough to go around. Between the four regions and I think it's applicable to show some appreciation to the Board Members that are willing to—it's a large sign so you know what you're getting into.

Skanche: Governor, I'd like to ask the maker of the motion if he'd amend his motion to include individuals who have served at least two years, seven months and 32 days and 47 seconds, I just wanted to know if that would be possible. Okay, so that wasn't funny. Okay.

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Martin: So amended.

Sandoval: Mr. Controller.

Knecht: Governor, put me last in line. I definitely want one. If I get one, I will put it up in my office. I don't want to get ahead of anybody—any of my colleagues.

Sandoval: All right. Any further questions or comments on this Agenda Item? It's exciting. I'm looking forward to seeing a nice, fresh look. I actually like the idea of having four different signs, depending on what area of the state you're coming in on. I think it's another great story that all of these were designed by students in Nevada. That really speaks well. I think this whole process has worked out extremely well. I want to applaud everybody that's been associated with it.

Member Martin, do you have a motion to approve the raffle of obsolete Welcome to Nevada signs?

Martin: Yes, I do Governor. I'll make a motion to approve Agenda Item No. 14, to raffle off the Welcome to Nevada signs.

Sandoval: All right. Is there a second?

Knecht: Second.

Sandoval: Second by the Controller. Any questions or discussion? All in favor say aye. [ayes around] Oppose, no. That motion passes unanimously. Let's move to Agenda Item 15, report on the Department's Draft Transportation Asset Management Plan.

Malfabon: Thank you Governor, Anita Bush, our Chief of Maintenance and Asset Management Division will present this item to the Board.

Bush: Good morning Governor, Members of the Board. My name is Anita Bush. I'm the Chief Maintenance and Asset Management Engineer for the Department. We can use the slides, let's do that. Does everybody have a copy of the slide presentation? Okay.

Let's move to Slide No. 3, where it says, NDOT Goals and Objectives. NDOT has been using data to manage the transportation system for many years. The Department has established clear goals and objectives in several performance areas. As you can see, asset management is one of them. Asset management has

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a supporting role. It's really supporting all the other six areas by fostering consistent data management and data driven decision making.

The benefits of asset management include the ability to optimize system performance, improve customer satisfaction, minimize lifecycle costs, manage level of service, provide up to public expectations and make more informed cost effective program decisions and better utilize existing assets.

Moving along to Slide 4, some of the stuff that is kind of repeated, that Darin talked about, but you will know what MAP 21 means. In 2012, Congress passed MAP 21, which for the first time included specific requirements for asset and performance management. These requirements were continued in the FAST Act of 2015 and each of these requirements included timelines for compliance and non-compliance and penalties for non-compliance. As you can see, if you do not develop a Transportation Asset Management Plan, it can have consequences of reducing your federal share contributions. Currently Nevada is in compliance with the condition based requirements and is on track to meet all the deadlines.

Moving on to Slide 5, where the title is NDOT Transportation Asset Management Plan. This is a single document that describes the story of NDOT's major transportation assets and how NDOT manages them to meet customer expectations. Pavements and bridges are required in the term, but we elected to include the IT assets, this the stuff that Denise talked about earlier, because they make a huge difference in how they manage our current transportation system. To maximize customer benefits, the time strategy prioritizes the network, focusing resources on the most important and the most heavily traveled routes.

Moving to the next slide, Slide 6. You may ask why we only included three assets. At the beginning of the project, the consultant and the department evaluated all of our data systems. According to MAP 21 and as it can only be included in the term, if we have a management strategy that is based on data. We evaluated all of our assets that we manage and maintain into three categories. The first category had data and processes to analyze the data, so we can use it, actually we can manage our assets through that. Tier 2 was, we have some data but we are missing processes and analytics that we can't analyze the data. And, Tier 3, we had little to no information on those assets. Some of the assets, it makes sense that we do not have information on, for example, the traffic signals, because the locals maintain them.

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Moving on to the next slide, you have seen this slide before, not too long ago. Basically, it repeats the same information that Darin talked about. One thing that he didn't mention, I don't recall, that over 60% of our assets, I think it's 65%-70% is Category 3, 4 and 5. These are the lower volume roads.

Moving on to Slide 8, it's basically summarizes the NDOT Pavement Investment Strategy. In this slide, you will see a new acronym, you might, may not—actually not, because it doesn't mention the Pavement Serviceability Index, but it's another—we can categorize the pavement condition based on IRI, that Darin talked about, or we can categorize the condition based on the Pavement Serviceability Index. This basically kind of summarizes the steps that we take when we select a highway project for rehabilitation or maintenance. As we mentioned before, we are going to manage our assets based on the targets that you have set earlier, in Agenda Item No. 13, for pavements. Then for bridges, we are going to follow the federal requirements for minimum ditch condition.

Moving along. The next slide, kind of summarizes current and future pavement conditions. As you can see and what Darin talked about earlier, the blue bars show the current condition. Like in Category 1, as you can see that we are almost 100% in all of our pavements are fair or better, so we don't have any segments on interstate that are in poor condition. In Category 2, those are the routes that are carrying high volume traffic but they don't have controlled access, so they don't have fences around them. But, they are very, very important to move freight and people. They move the majority of Nevada's needs. That's Category 2, we are going to keep them in very good condition. Then 3, 4 and 5, we can expect the conditions to decrease, compared to the current condition, but this is balancing all the other needs of the State, that the State is facing now. You have the targets that you have discussed previously. They fit into what we are predicting 10 years from now. So, even 10 years from now, we are going to meet those targets that has been set earlier.

Let's move on to the bridges. Future bridge conditions, this slide shows the future bridge conditions at different investment levels. The funding level for bridges is expected to be sufficient [inaudible] bridge conditions, fairly stable over the next decade. As you know, Nevada bridges are in excellent condition and it's due to the system's age. It's because our system, the big system is fairly new. Also, NDOT takes—it's one of our priorities to make sure we take care of the bridges. Although conditions are expected to drop slightly, but as you can see the scale is

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like, very, very small. We have between 96% and 100%. The federal target is 10% of the bridges can be in poor condition. Here we are talking about a little bit over 3% at the anticipated investment levels in 12 years. It's very, very good.

The Intelligent Transportation System Devices, although—again, we are only forecasting to spend \$3.6M for a year on those assets compared to hundreds of millions that we talk about for pavements and bridges combine, but they make such a big difference in heavy utilizers in our current system and how we move people. It supports the Nevada Strategic Planning Framework to reduce congestion, these assets. It's saves money by getting the most out of what we have as we talked about earlier. The asset inventories are nearly complete, that's why we included them. Timely maintenance and replacement is essential to maintain traffic flow. We have to make sure that system reliability is there so we want to make sure that the IT system reliability, so we get accurate information and those devices are available. Again, it's a small need but it has a big impact.

MAP 21 requires states doing [inaudible] risks in the asset management plan, consider risks. These are the categories that transportation agencies usually deal with. You do not have to delete vessel collisions, I don't know, this is just the general ones, right. It just caught my eye. To follow the general rules and guidelines of MAP 21 we need to include them. This is really very important because I think the Feds, what they really want us to do is—like, for example, we have a section of the road that floods, rushes out every three year. You need to take a look at the road and how you're going to manage the risk that it's being flushed out every three years, you might need to invest money into permanent improvements so it doesn't happen in the future.

The way forward with the Asset Management Plan, what we sent out to the Board Members, that was totally a draft. We are not in a stage where we can ask the Board for approval of the plan. We would like to have Board approval eventually, probably it may be before the completed FHWA rules. We have been waiting for the rules for a few years now. We are not anticipating that the rules are the final rules of the Feds are really going to impact what's going to be contained in the plan. That's basically the minimum targets for the interstate and the bridge condition, those are going to be in the final rules. Just in case something happens, they might need minor updates to the plan.

Right now, for performance indicators we do have lighting indicators, which basically just measures where we are. Leading indicators would be where we can

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predict the remaining service life, for example. They have different terminologies for leading indicators and its basically just forecasting the future conditions. We might want to change it in the future.

We need to improve and embrace decision making based on long-term lifecycle cost considerations. We would also like to develop a communication plan that can make sure that we communicate that the funding needs to meet minimum performance goals and uncompromised safety, that's very, very important. Although we are going to manage the minimum targets, we would never compromise safety of the roadways.

So moving on to the next slide. NDOT recognizes that we do need to expand our capabilities in data management and it is about to release a request for proposals for an Enterprise Asset Management System which will integrate management of all these assets in a single IT system. This is the system that Dave Gaskin talked about at the last previous meeting, that we are going to need that system to include all the storm water assets as well. Once we have that system, we can include all the storm water assets into the asset management plan.

This is a massive undertaking. NDOT has developed a strategy to roll out the most critical assets first. In the new Enterprise Asset Management System, we are going to replace our current pavement management system, the current maintenance management system, the current bridge management system and it's going to include the storm water assets, as well.

The bridge management system, I need to point out that our current system does not meet minimum federal requirements for a bridge management system. Although they have excellent data and condition data, but they don't have the analytic tools to kind of analyze the data in the system.

I wanted to mention that maintenance and asset management, they do support all the—we will adapt it to emerging vehicle technologies, as we develop infrastructure for autonomous vehicles. If we need to make any modifications or install different elements, then we're going to have to maintain them. Since we are developing all the support system needs for the Electric Highway, as we develop them, we can include them in the Asset Management Plan as well in the future.

With that, if you have any questions, I would like to complete my presentation.

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Sandoval: Thank you. This is obviously information item. What is the budget for this, do you know?

Bush: We are forecasting to spend 18-20% of the total NDOT budget, \$135M per year, to maintain the assets. Are you asking for what is the budget for just the plan itself?

Sandoval: Yes.

Bush: Okay.

Sandoval: Well, you caught my attention with that other one too.

Bush: \$135M, yeah, no—sorry, I was thinking about what is the budget for maintaining all these assets. For the plan, the budget was \$380,000. We spent currently \$280,000. It's not only the plan. It included the first sample of evaluating all of the data systems and the gap—they call it a gap analysis to see where we would like to be with the data management analysis and where we are. Then, if we include the plan itself, then there is going to be a third document that FHWA needs to approve. That's going to include that. And documenting the process, how we develop the plan.

Sandoval: Okay. So, we can talk about the \$135M at another point, but I just—as you come back and look for an adoption of this plan, I just want to kind of have a range of money, given what we talked about earlier in this meeting. Help me understand the distinction between what you're presenting and what we approved in terms of that relinquishment—or, that resolution for the pavement conditions and that smoothness index.

Bush: So, it ties directly to the Transportation Asset Management Plan because in the plan, we are going to have to establish targets for the pavements, other than interstate, because the interstate minimum targets are going to be given to us by the Feds. The target that you set is going to be incorporated in the plan and they have been kind of designed, because we have already been developing this plan. We were asking your approval for targets that we can actually meet, even going down the road in 10 years.

Sandoval: My point being that we just adopted a resolution saying that we're going to have a smoothness index of 80 or less and over here we're talking about determining

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pavement conditions of very good, good, fair, mediocre, poor, very poor, failed. I just want to make sure this complements it.

**Bush:** No, it's completely complementary. Darin can talk more about the analysis, how it was developed, the data that we presented in the [inaudible] is consistent with the policy that we have [inaudible]

**Tedford:** For the record, Darin Tedford, again, Chief Materials Engineer. I referenced that one performance measure and it ties to the GASB requirement to have it in our financial report. In 2002, that performance measure, if you will, was set. We have a performance measure with our local FHWA, with the stewardship agreement that we have that's related to IRI, but as the Controller noticed, you can drive down a smooth road and have it not be in good condition. In our pavement preservation report that I mentioned, that you saw that we send to the Legislature that we have that you can look at, at any time, we use a little bit more complex rating of the pavement. That's the PSI or the Present Serviceability Index that Anita referenced. We take into account the smoothness, the cracking, rutting, graveling, other factors of the pavement to get a number.

So, what you're looking at there and what we put into the TAMP is our more in depth rating of any pavement section that we have. That's on the PSI scale. It goes from zero to five at the very top, very good is the five, at the very top and declines. We're using that because this is our Asset Management Plan. It's not just reporting on performance. We're using that, what we're really use, and that will really control, depending on how we decide to spend our money and what condition we want to have our pavements in, that plan, the TAMP and our pavement preservation report are basically all the same numbers. Then we have the financial report. We have about six other performance measures that we report to, that I would say are less restrictive.

**Sandoval:** Thank you.

**Tedford:** Sure.

**Sandoval:** Other questions from Board Members on this agenda item.

**Knecht:** Just one thing Governor. I want to thank Anita and Reid for coming to my office and giving me a really good briefing on the draft Transportation Asset Management Plan and on this presentation. It was very helpful.

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Sandoval: Reid, go ahead.

Kaiser: Governor, Board, Reid Kaiser, Assistant Director of Operations for the record. In Anita's presentation, she did mention the Enterprise Asset Management System. That's the software computer system that's going to replace our pavement management system, the bridge condition system, it's going to track all of the pipe conditions and so forth. That cost will be presented at a later date, but it will be probably in the millions to replace those systems. I didn't want you guys to think that it was going to be part of Anita's \$350,000, because that will be a cost associated with changing all of the software.

Sandoval: When you say it's in the millions...

Kaiser: What I've heard is like, \$5M, to \$6M, to \$7M.

Sandoval: Rudy, maybe I was going to bring it up in a different part of the meeting. Just a sense, we're talking about a lot of things that require a lot of money. Another thing that was referenced earlier in this meeting is the communications project. My vague recollection is that was like a \$70M item, conservatively.

Malfabon: I think it's over \$100M. I know there's other partners involved in that. It's very expensive.

Sandoval: Well, where I'm going is, we're talking about maintenance and construction and Spaghetti Bowls and we have this Highway Fund and I don't know—I don't have a good sense right now how all of that fits together. I know that we're moving forward in the process in terms of that communications RFP and all of that, but I think it's about giving the \$100M figure on that, it may be appropriate on where we are with that, with regard to the Agenda.

Malfabon: Very good Governor, we'll present that to you at a future meeting and also wanted to mention that we are looking at options for paying for that system over time instead of one lump sum. We'll present that in the next few months to the Board.

Sandoval: All right then. Board Members, any other questions with regard to Agenda Item 15? When do you expect to come back with approval for the RFP and/or the vendor?

Bush: In about six months.

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Sandoval: Okay. Thank you. Then, let's move to Agenda Item No. 16, Old Business.

Malfabon: Thank you Governor. I did find out what that mark is, it's called a diacritical mark. Above a vowel to tell you the pronunciation, it's called a Breve. I learned something today from Google.

Moving on to Old Business, Item No. 16. We have the report of Outside Counsel Costs on Open Matters and the Monthly Litigation Report. Our Chief Deputy Attorney General, Dennis Gallagher is available to answer any questions for Items A and B.

Seeing none, the Fatality Report is presented as Item C. We have our folks from our Safety Office to present. We definitely have some good news with pedestrian safety with the kickoff groundbreaking of our traffic signals on Blue Diamond Road, SR-160. A couple of signal locations going up out of the ground there in Las Vegas. We're pleased about that.

We have the new format for the quarterly reports. We have the project managers here. We have, for Item D, Dale Keller is available to answer any questions. For Item E, USA Parkway, Pedro Rodriguez is here to respond to any questions. We have a groundbreaking event coming up in early June. We're excited about that. Sondra Rosenberg, our Assistant Director for Planning is here if you have any questions on the status report on Interstate 11. Item G, again, the staff from Safety are here, Ken Mammon, Lori Campbell, for Item G, receive an update on Pedestrian Safety Projects, if you have any specific questions.

For D-G, if there's any Board questions, we have the experts here to respond.

Sandoval: Any questions from Board Members? Mr. Controller.

Knecht: Thank you Governor. Rudy, back in the minutes from the last meeting, Pages 12 and 13, I asked you a question about HOV lane safety and circumstances where have accidents due to the inside lanes being jammed and stopped and the HOV lanes still flying by, that's not included here, but we will still get—

Malfabon: Yes.

Knecht: --the best information you can put together on that?

Malfabon: Yes Mr. Controller. We're still collecting the information on that and we'll present it at a later date for old business.

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Knecht: Thank you.

Malfabon: Finally, on Item H, we have the Photos of the Landscape Art. As you recall, this was an item from last month's Board, an informational item. Those sculptures were donated by the [inaudible] Sculpture Foundation. Those sculptures will be used on I-15 north, the Phase 2 Project for widening I-15 there north of Craig Road. Some pretty distinctive looking art work and kind of reminds me of spurs and old western brands and things like that. I think it's fitting and we're pleased we received that as a donation.

Sandoval: I think they'll be complementary to what we have done there. The last one is what's on the New Mexico State Flag.

Malfabon: I made that statement too when I saw it. Maybe they're from New Mexico.

Sandoval: Yeah. I want to just say that I think the Board's lack of questions for the subject matter experts on these large projects that we have that are part of this is a product of how thorough these reports are. I think that these are very helpful. They answered all my questions and I don't want to be redundant in terms of asking the questions again. I know you guys are out there working really hard on each of these. The Project NEON and the I-11 and the USA Parkway and all that, and the safety projects. I really appreciate these updates. I really like the format as well.

Questions from Board Members on Agenda Item 16?

Martin: I have one on Item G, sir.

Sandoval: Please proceed.

Martin: The North Virginia Street at Bonanza Casino in Reno, a temporary signal has been installed. I get that part. When is the permanent solution going to happen? Do we know yet Rudy?

Malfabon: Member Martin, we're still working on the final design of that. I'll have to follow up with that staff on what the time—the schedule is for the final design. We're hearing that the temporary signal is working very well and I'm sure has prevented several crashes in that location. We'll follow-up for you.

Martin: Thank you sir, I have no further questions.

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Sandoval: Thank you. It's not on this list but I drove by the landscape project at the Summit and with all the precipitation that we've had, there's some drainage issues over there. Is that something that we're looking at?

Malfabon: I think that's planned to retain some of the water that drains off, eventually it drains off little by little or evaporates, but I'll check with the designers on what was the intent for that. Typically we collect the water and let it settle out. Then we clean out any sedimentation at a later date, so that we don't have mud getting in our waterways.

Sandoval: Board Members, any other questions on Agenda Item 16? We'll move to Agenda Item 17, Public Comment. Any public comment from Carson City? Seeing and hearing none, public comment from Las Vegas?

Martin: None here sir.

Sandoval: Is there a motion to adjourn?

Hutchison: Move to adjourn.

Sandoval: The Lieutenant Governor has moved to adjourn, is there a second?

Savage: Second.

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



Secretary to Board



Preparer of Minutes