

Transcript of Nevada Department of Transportation  
Board of Directors Meeting  
July 11, 2016

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

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

Hutchison: Yes, we can Governor.

Sandoval: Thank you Mr. Lieutenant Governor. We'll proceed with Agenda Item No. 1, which is the presentation of Retirement Plaques to 25+ years employees. Mr. Director.

Malfabon: Thank you Governor and I'm going to go through Items 1 and then 2 and then we'll do the photo opportunity with the Board Members up here in Carson City.

Beginning with the presentation of retirement plaques, we'd like to acknowledge the years of service from several people that are former employees of NDOT that recently retired. Starting with, Ed Wilson, first name is Donald, but we call him Ed. He recently retired. He was a Program Officer III and worked in the public information section of NDOT. He did a lot of the responding to concerned citizen calls, questions and we wish him well. I know he moved to Washington State recently. 20 years of service.

Raymond Figueroa, Highway Maintenance Supervisor on the Reno Landscape Crew in the Reno Office District II. 31 years of service for Raymond.

This next one is kind of heartfelt for me, Tommy Burroughs was a Supervisor I, a Survey Crew Chief in Las Vegas, Crew 915, in Las Vegas, 34 years of service. It's heartfelt because he was on my crew when I was a Resident Engineer and he recently passed away. We wish his family, just to be in our thoughts and prayers.

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Dale Lindsey, I know is here today, Professional Engineer in the Planning and Performance Analysis in Carson City here. 30 years of service to Dale. Hold your horses Dale, we'll get your photo op.

Catherine Cuccaro, Transportation Analysis II in Planning and Traffic here in Carson City, with 26 years of service.

Dan Lightfoot, Supervisor III, Associate Engineer, just recently retired. He was on Crew 905 as the Assistant Resident Engineer there in District 2, 34 years of service.

Mike Bridges, another Assistant Resident Engineer. This one from District 1 in Las Vegas, Crew 914 with 28 years of service.

So, a total of 203 years of experience with those individuals that had served our Department very well in the State of Nevada as well. So, let's give them a round of applause. [applause] As I mentioned, we'll do the photo opportunity in just a second. If I may Governor, if there's any comments that you would like to make or the Board Members?

Sandoval: It's always difficult for me because I really do appreciate the years of service to these individuals that have spent so much time and committed their lives to public service and serving the people of the State and making sure that it's safe and connected, our slogan. I'm sure it's—I'm hope I'm there someday, in terms of being able to have the satisfaction of having committed your life to the betterment of the people of Nevada. Then having something to look forward to after that. To be able to, as I like to talk about, sit on that chair on the porch someday, be able to think back of all the great things that you did for the people of Nevada, and have that sense of satisfaction. For some, also have a second career. And for others, again, after spending 30 plus years, that's inconceivable to me. It's just such a badge of honor and a badge of service and is something that I truly appreciate. For everybody that we're recognizing today for their retirements, I truly appreciate their service.

Malfabon: Well said Governor. I'm going to move on to Item No. 2, Presentation of Awards. NDOT recently won the International Partnering Institute 2016 Partnered Project of the Year Award of the Under \$25M category for the Kingsbury Grade, State Route 207 Reconstruction Project. This was our project that was construction manager at risk, built by Q&D, managed by our Project

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Manager, Pedro Rodriguez. Our Resident Engineer was John Angel, assisted by Jerry Bradenberg. We just wanted to acknowledge the efforts also of our—lots of folks were involved in this project, from the design to the construction phase. People involved in our Water Quality Program and Environmental Program helped deliver this successful project. A lot of outreach was done with the community on the traffic impacts. You recall, this was a complete reconstruction of the highway, so a lot of residents, commuters and business owners were affected by this project, but all in all, it had a lot of positive comments after and during construction phase.

I'd like to have—I don't believe that Pedro Rodriguez, our Project Manager is here, but John Angel, I believe is here. Jerry Bradenberg, if you're here and a representative from Q&D, I think Brian Graham was the person that we contacted but if there's an individual from Q&D, we'd also like you to come up.

And, I'd also like to close award by saying that, it's really the leadership of our partnering program and I'm going to mention something about our partnering program during the Director's Report. Lisa Schettler has really worked with our Construction Division Office and the AGC and other construction stakeholders across the state to really ramp up our partnering program. There's some good news coming on an event that's going to be planned in Nevada in the coming months.

So, with that teaser, I'm going to have the group that I mentioned, if John Angel, Jerry or a Q&D representative are present, we'll take the photo op and then we'll have Dale Lindsay come up for the retirement plaque. Board Members, if you would.

[photo opportunity, set up, pictures]

Governor, if I may, I'll proceed with the Director's Report. Really great news this 4<sup>th</sup> of July weekend, zero fatalities. We really want to give our thanks to the Department of Public Safety, the Nevada Highway Patrol and the Office of Traffic Safety for helping us achieve that zero fatalities goal that weekend. Over the last 10 years, we've had fatalities over that weekend. Just looking at the snapshot over the last five years, we've had two per year and then it jumped up to four last year. It's really a great news to report with 2016, zero fatalities.

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What the Office of Traffic Safety and NHP did was partner with MADD and Uber to raise awareness about impaired driving. Uber offered discounted rate cards for rides as a promotion and NHP helped pass those out to drivers. It was really great news for Nevada as we strive to reach that zero fatalities goal.

Wanted to update the Board Members on the possible rescission of Transportation Funds. As I had reported previously, the Senate version of the appropriations bill for the next federal fiscal year did have a rescission of some funds. The House version does not. Unfortunately, when they had kind of some gridlock in Congress with other issues that caused a sit-in, they couldn't get their business done. It's unlikely they're going to pass something before the August recess in Congress. They'll have to reconcile between the House and the Senate on this issue. Definitely, we've been advising our delegation how it will impact us if funds are rescinded. It will really cost us some real money this time. In the past, when the rescissions occurred, it didn't hurt us because that money wasn't being put to use, they could take it off the top, nationally. This year, it would be different because there is another built in rescission in the fifth year of the FAST Act.

It's complicated but we're keeping in touch and communicating with our delegation to let them know about how we're concerned about it and we'll see what happens. We're likely to see an ominous bill where they collect all—several appropriations, acts into one bill and pass that before the end of the year.

We had submitted some Fastlane Grant Applications. One of the largest being that \$135M request for the Clark County 215 Beltway US-95 Interchange, which we call that Centennial Bowl. Other projects included 395 in Lemmon Valley Interchange. The applications, as typical for these grant programs at the federal level, exceeded the available funding. Just to give you a sense of that, there was \$800M available and that was nearly \$10B in applications received. 18 projects were selected, 10 State DOTs were recipients, National Park Service for a large bridge project, two cities and four ports were recipients for the large and the small projects.

It's unfortunate but under Item 10, we would like to look at the possibility of fuel revenue indexing vote in Clark County in November, assuming that that passes. When that passes, we are anticipating that we could continue doing our project that we've been building, the first phases of the Centennial Bowl, the two ramps that have been under construction. You'll be asked to consider approval of the

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design-build procurement process for that project. Although we weren't successful in the grant, we still feel that it's prudent to fast track so we don't lose three months of time in preparing that project based on the FRI2 passage in Clark County, anticipated in November.

I had mentioned a partnering issue. One of the things that the Federal Highway Administration is partnering with us on is funding a conference along with Ohio Department of Transportation. It's going to be held at the Reno/Sparks Convention Center in September. It will be an offer of free training to agency representatives and a nominal fee for construction/contractor representatives that want to attend. The first day is training. The next two days are sharing best practices. A lot about how we're using technology to assist us in our partnering efforts. We do a lot of surveys. We're using electronic construction documentation methods that are assisting with partnering. Better flow of some of the submittals from contractors and rapid approval. All those things keep a project on schedule and really help to partner with our contractor partners on these projects.

AASHTO, the national organization of State DOTs, the American Road and Transportation Builders Association and then the Associated General Contractors are also promoting the conference. Again, it's a testament to our folks that are leading the program, Lisa Schettler in Construction Division, Sharon Foerschler. It really is an effort by all the District Engineers as well to promote partnering with the Resident Engineers that work on the construction projects.

Governor, I wanted to thank you for the USA Parkway groundbreaking. It was a great event. There you see Ames' equipment behind the podium there. It was a pretty cool event with the large loader that dumped into that heavy—it gives you a sense of how much earthwork is going to have to be moved on this project. A great turnout for the project and I was very impressed with just the size of the buildings I saw at the Industrial Center on the way out there, that means jobs. That means employment for Nevadans. It also means commuters that are going to be benefitted by this USA Parkway Project. Opening up a whole new economic development area to people that could be—they could draw employment from Carson City, from Yerington area and Silver Springs. It's just going to open up that whole area to commuter traffic and we're glad to see this project advancing. We're about 50% complete with the design and the construction has just started with this kickoff.

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We recently, as part of our conducting county tours, we talk about transportation issues with each county in the State of Nevada. The Douglas County tour, a lot of discussion about Airport Road. We previously had reported to our Transportation Board about a consideration of a roundabout for this intersection. We're looking at plans to offset the northbound right turn lane. We've decide that it will be best to proceed with a High T signalized intersection, similar to what you see on Johnson Lane, up the road, less than two miles on US-395. With the High T, that green arrow represents the traffic southbound will not be impeded by a traffic light. The people turning left on to State Route 759, that are headed southbound to go to the east, will have to be stopped if traffic is allowed to turn left out of Airport Road. I think that it will improve safety at that intersection. We struggled with what was the best solution and I think that we've landed on a good solution there to advance. It won't please everybody because people don't like to be stopped on 395, but I think that it will improve safety.

We have a public meeting coming up for the SR-28, Shared Use Path and Safety and Storm Water Enhancement Project, up in Lake Tahoe, Tuesday, July 26<sup>th</sup> at the Chateau at Incline Village. Presentation will be made at 5:30. Also, we're tentatively scheduled for a groundbreaking event on August 19<sup>th</sup>. I wanted to make Board Members aware of that. The schedule still has to be tightened up, so we'll confirm that but it will be a great opportunity to showcase, really a good enhancement up to the trail system up at Lake Tahoe that will be attractive to residents and tourists.

Just to give you an update on Project NEON. On the right side, I have some graphics that I pulled off of the website. We have construction commencing on the east side of I-15, not on the freeway itself, but on the eastside, on the local streets and also at Grand Central Parkway and Western Avenue. Recent milestone as of July 1<sup>st</sup>, Kiewit is responsible for the maintenance of the project roads within that footprint. Local roads, any state routes that are affected within their project footprint, they're responsible for maintenance now.

We've had a lot of stakeholder meetings with the homeowner's associations, businesses, the Traffic Incident Management Coalition to coordinate on what impacts they should anticipate. Our website has a map that shows what activities are going on, what to anticipate as far as traffic impacts from work zones. And, soon we'll have our webcams up and operating on our website.

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By no means, not to forget our other major projects. On the right side, you see the project I was talking about, the Centennial Bowl. It's an amazing project to see that bridge being built on that tall false work. Then on the left side, the I-11 Boulder City Bypass, Phase 1. We recently did a YouTube video to highlight the efforts of the project and still anticipating completion at the end of next year.

We're using our communications staff to produce these YouTube videos on our NDOT Channel so that we can get the word out and get the public informed about the progress of these projects.

Sandoval: Do you have the ability to play that right now, Rudy?

Malfabon: We could. DJ, if you Google the NDOT YouTube I-11, it should come up. We could just wait a moment. I would like to acknowledge the efforts of Tony Illia, the Communications, Public Information Officer in Las Vegas. He's been working really well on these productions. Our staff up here has really done a great job with editing and production of these. They look very professional, well edited. They flow very well and give a lot of good information to the public. So, kudos to the communications staff. I know that Sean Sever has been doing a great job leading that group.

Sandoval: Rudy, if you want to keep going and then we can come back.

Malfabon: Sure. We do have a video that's actually—the next slide is actually intended to show you a video. It's related to Item 6, you'll be considering a bridge inspection contract to supplement state forces that perform bridge inspection. We have a video that we can play of the I-580 Galena Creek Bridge Inspection. Again, this was a YouTube video that our staff produced. I was not that involved in that Galena Creek Bridge construction project but it was amazing to see the interior of that bridge and how we improved the ventilation for the inspectors that have to go into that enclosed space. Other stair steps along that arch so it's easy access for the inspectors and that bridge inspection program for the Galena Creek Bridge.

Okay, I-11 first and then Galena Creek. [video plays] I would like to reiterate some of the things that Tony mentioned. Reconnecting the railroad tracks that had been severed by the highway and also having a new connection to the River Mountains Loop Trail with a new bridge so that pedestrians and bicyclists, it's a multi-modal path that folks can use to get across the new interstate freeway to maintain access to the trail system there in Southern Nevada.

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[video plays, for Galena Creek Bridge] So, great job by our staff producing that informative video. They did a great job as usual. It really gives us a chance to highlight some of our workers too, Doug Fromm in District 2 is one of the bridge inspection folks and I've been able to talk with him about it.

Governor, I wanted you to thank you for including bridge preservation as one of the elements in your strategic plan for Nevada. Your strategic framework establishes what the next Governor should really start thinking about, as well as setting us up for the next biennium, what to consider to put into our next biennium request. Thank you for including bridge preservation as one of the elements in your strategic initiatives.

Sandoval: Thank you Rudy, I'd like to compliment everyone who is involved on that video. It really gives you a perspective that you otherwise wouldn't have. We drive over and we look at it and we think—I'll speak for myself, I don't get a full appreciation for all the things that are going on there in terms of making sure that it's safe. So, Julie great job and Sholet, I guess you filmed that as well. Were your knees wobbling a little bit when you were in there, in that bucket.

Rudy, I just wanted to ask you, I saw that 'Rudy was here', underneath there...

Malfabon: That might have been Ruedy Edgington. I don't know.

Sandoval: That was well done. Then for the I-11 as well. Because we get these books and it's on paper and we might get a photograph or two but a video is just invaluable in terms of getting the perspective of what's going on and a much better understanding of the progress we've made there in Southern Nevada. That's going to be an exciting day. I agree with you Rudy, in terms of those connections so that there's public access to trails and such and that there aren't those man-made barriers, so more people will be able to appreciate and enjoy the great outdoors. That's very thoughtful planning and construction.

Malfabon: Thank you. Some recent settlements and verdicts. We did reach an agreement with the Watts Family. This was the group that previously talked to the Board about trying to achieve some kind of middle ground with the Department. It shows that we continue negotiations. We ask the Board to consider a condemnation resolution, which allows us to continue with the schedule of a project. It doesn't mean that we stop discussions with the home owners or the business owners on the affected properties that we're acquiring. Whether it's in

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part or in whole, we try to be fair on assessing the value of that property and following the federal process for right-of-way acquisition. I know that you have a condemnation resolution before you today and I think that the property owners want to talk to the Board during the public comment period. I just wanted to make a point about that. It doesn't stop discussions and negotiations.

We had deferred from June to July, to tomorrow, the US EPA Consent Decree. Wanted to provide the Board of Examiners a little bit more detailed information on that consent decree and what's involved. We feel very confident with what was included in the consent decree that we can deliver that. We're going to work in partnership with the Division of Environmental Protection, at the State Office here across the street, to make sure that we meet our commitments on the permit that they issued to us on behalf of EPA.

Tentatively, we reached a settlement with Walker Furniture Parcel Owners for Project NEON and the owners of the K&L Dirt Parcel on the Boulder City Bypass Phase 1 Project that Tony Illia was providing information about, the project on the video earlier. We still have to get second party signatures on the paperwork and then eventually go before the Board of Examiners. We're hopefully going to be ready by August of this calendar year with those requesting BOE approvals of those settlements.

Just to give you an update on the August Transportation Board. We're going to commence that at 10:00 AM, but we will bring the digital billboard regulations back to the Board for consideration. We'll give you an update on the freight plan and update on the radio system replacement. An update or more detail on the consent decree and Dave Gaskin, are Deputy Director for Storm Water will give you an update on where we're at with our Storm Water Program, so you can have the confidence in the Department that we are meeting our obligations under the consent decree and the Clean Water Act.

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

Sandoval: Thank you Rudy. Back to the settlements, obviously you're aware that that's on the Board of Examiners agenda tomorrow and it was just kind of a little bit of a hiccup why it wasn't approved earlier in terms of situation with the Open Meeting Law and proper phrasing on the Agenda.

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I'll say it here and I'll say it again tomorrow, that was a phenomenal outcome. For me and for this Board to know where we were and the exposure that we had, and frankly, doing the right thing and how far we have come in such little time and how we've been able to minimize the result in terms of penalties. The penalties compared to what they were are a fraction of a fraction and half of that comes back to the State, to DEP. I really want to compliment everybody that was involved with that. I know that the team that we had together is moving full force, that project on Highway 50 is associated with that. Selfishly, it gives me something to talk about at the Tahoe Forum, in August. It's something really to brag about and point to California and say, look at Nevada and look at what we're doing up there. It's a proud moment for me and I'm really excited about what's been accomplished there.

On this Walker Furniture, Mr. Gallagher, I'm going to compliment you on the result in that case because it was another one of those situations where frankly the demand was really high. Through negotiation and discussion and reasonable heads getting together that we were able to achieve a result that I think is fair to both sides. I know that a lot of time and effort went into that as well. That's an important component to Project NEON and moving all of that forward. Little by little, we're chipping away on that property acquisition there to get that project done and I can't wait to see the video as we move forward on that. On Project NEON and how things are going with that.

Finally, thank you for resolving the Watts Family. That was very emotional for them. They presented here and it's a matter of sitting down and having these meaningful conversations. Being able to look someone in the eye and be able to share those thoughts and concerns. As you say, the State can't just give away money. We have to find a reasonable result. All of these speak well of everybody who was involved.

Does anyone else have any questions or comments with regards to the Director's Report?

Martin: Governor.

Sandoval: Yeah, Mr. Martin.

Martin: Thank you sir. Rudy, on the Project NEON update, you'd mentioned the website showing the points of impact and so on. A few meetings ago, we saw a

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presentation on Waze. I'm wondering, where does that stand? I've been looking at Waze and I haven't seen any updates or maybe I just don't know how to use it properly. Are we still headed in that direction, as far as the app on the phones?

Malfabon: Yes, we are Member Martin. With the Waze App, we're trying to get—along with the public agencies in Southern Nevada, we're trying to get the contractors, traffic control personnel to populate. It's a crowd source application, so people that drive, once they get to the destination that they observe something then they enter in the data on the application. We're asking—it's more beneficial if we get the contractors who are setting up and taking down traffic control devices to populate the app. That's definitely on top of what we're trying to do with Project NEON's website.

Martin: Okay, thank you sir.

Hutchison: Governor?

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you. Just a follow-up on the Project NEON. Question, when do we expect the construction to commence, actually on either I-15 or Highway 95 so that we see lane closures? That's when I think we're going to begin to see the public become concerned and want to know what's going on there.

Malfabon: Mr. Lieutenant Governor. We anticipate that the US-95 work will start within a few months. Some of the bridge construction work there, as was previously presented—the I-15 work is still a ways off. I think it was anticipated in possibly early 2018. The primary amount of work initially is going to be some of that bridge work and on 95. We also did some viaduct work at the I-515 viaduct, south of Spaghetti Bowl there, I guess it's east of—I always get confused in Las Vegas with the east and west and south. We did add some additional viaduct deck work there.

The work that primarily will be on Martin Luther King, initially. A lot of demolition to still do on some of the properties. Basically, the footprint of the freeway will eventually go all the way out to where Martin Luther King Boulevard is currently. They're going to be doing work on that section on the local roads initially.

Hutchison: So we expect lane closures on Highway 95 within the next couple of months?

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Malfabon: We should see some. We'll get some clarification on that and next month is the quarterly reports on all the major projects to the Board Members.

Hutchison: Thank you.

Sandoval: Any other questions from Board Members on the Director's Report? Thank you very much Mr. Director. Agenda Item No. 4 is Public Comment. We have two individuals signed in for public comment from Carson City. Take the lectern please.

Clark: Thank you Governor. Governor, Members of the Board. I wasn't sure if we were going to speak to you in public comment or if you pulled a public comment for each individual item, but we're more than happy to address it at this time.

Sandoval: Now is the time, Governor.

Clark: Thank you. Mr. Passalalpi, would you like to join me? I'd like to introduce Dario Passalalpi. He's the property owner for the 303050 LLC, that's under Item 8 for the condemnation.

Passalalpi: Governor, Board, thank you for giving me this time to speak. I was hoping to talk after you guys discussed the condemnation process, but I just wanted to make some comments. I was hearing you guys discuss the Watts Family Acquisition and how that was done in face-to-face and you got to look someone in the eye and try to get a resolution on that.

We were approached in July. We met with your representatives on site. It's been over 12 months. We've been really open and tried to be fair and reasonable in this process and from July to December was the first time we got any kind of an offer. That's when we got the offer for \$207,000 for our property. What we were trying to do is understand that obviously this highway was going in and we totally support that. We're on board with that. We think it's great. We thought the road was going to go down Opal. It was moved to go right down the center of our property. So, all we've been trying to do since that July meeting was try to get a face-to-face sit down and get fair market value. We just don't think it should take over 12 months and all the money we've spent and not get communication from the NDOT acquisition team, routinely and have them meet the dates they set forth and told us they would meet.

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We're here to say, I'm representing my partners in this LLC, that we want to come to a resolution. It's our intent to be reasonable, but we feel like we need to sit down with the parties involved, NDOT representatives and try to get a resolution to this and not just keep dragging it on for 12 plus months. If \$207,000 is a fair market value, then as your own NDOT representative said, that was not a fair way to start the process. It was insulting to me. And, I told your representatives, why did it take us 12 months to get to that point. We should've been there six months ago. If we had been, we probably would've been resolved by this time now.

That's all I have to say. I'd like to have a face-to-face. I understand you guys are going to take our property, we just want a fair process that allows us to present our case and negotiate something that's fair and reasonable for us and for the State. Thank you.

Sandoval: If I may, when did you acquire the property?

Passalalpi: We went into contract in October of 2014.

Sandoval: And what was the purchase price?

Passalalpi: \$449,000.

Sandoval: And there has been a subsequent offer that's increased above the \$200,000, correct?

Passalalpi: Yes.

Sandoval: And what's that amount?

Passalalpi: \$484,000.

Sandoval: And have you had the property appraised?

Passalalpi: We've had different appraisals and different valuations done.

Sandoval: What's the amount of that appraisal?

Passalalpi: They vary from \$700,000 plus or minus to some broker opinion of values and different valuations go as high as \$1.6M.

Sandoval: That obviously was subsequent to October 2014.

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Passalalpi: Yes.

Sandoval: And then when were you first notified of the acquisition?

Passalalpi: NDOT contacted us end of June to meet, that's when we set the July 7<sup>th</sup> meeting.

Sandoval: June of 2016?

Passalalpi: '15.

Sandoval: All right. Any other questions? Okay, thank you sir.

Passalalpi: Thank you.

Clark: Governor, may I approach one more time? Thank you. Again for the record, Tom Clark, I just wanted to make one clarifying point as well. When Passalalpi and his partners purchased this property, it was with the understanding that USA Parkway was going to go down Opal. They didn't buy it because they wanted to sell it to NDOT at some later time for a better price. Then when the road design was moved over into their property, they had already closed escrow. It was a matter of, okay now we can go in negotiations, as best we possibly can, work with NDOT staff. As Mr. Passalalpi pointed out, it's been quite a long amount of time and they have put tremendous amount of money into the property, simply from the perspective of their own mortgage payment; but also because they can't plan ahead to do anything with the property without it having some level of indication and understanding of what the property was going to be like. Investors are looking at this property, big time. We want to get through this process as quickly and fairly as possible so we can increase that and make that corner a nice complement to the USA Parkway, which we totally support. Thank you Governor.

Sandoval: Thank you. All right, any further comment from Carson City? Yes sir.

Ault: I'm Don Ault, from Lyon County. I have the range land that this road is coming through for three miles. I have prescriptive easements on that road. The Supreme Court has said they're three miles wide. That's been the only court decision on that. I met with DOT for some underpasses, two underpasses and they haven't got back to me or anything. It's going to separate my shipping corrals, the well, from two reservoirs up above. Those are the prescriptive easements.

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I've been in conflict with BLM. They say they will not issue me a permit, but I still have the preference. When I die, my boy will pay inheritance tax on that preference. It is property and DOT has never got back to me. I need some sort of communication.

Sandoval: Thank you sir. Any other public comment from Carson City? Any public comment from Las Vegas?

Martin: None here sir.

Sandoval: All right. I'll close public comment and move to Agenda Item No. 5 which is the Consideration of the Board of Director's Meeting Minutes for June 6, 2016. Did the Board Members have any changes? Member Savage.

Savage: Thank you Governor. On Page 35 to 36, I was making comments. The correction comes on Page 36. At the top it says, this package is full of competitive bids in different sections. It can be a very brutal mystery at times, but at the same time, it's very gratifying. I want to thank—this is where the correction comes in. I want to thank the Department for their due diligence, specifically agreement services, construction, project management, and also the contractor's most importantly.

The second correction would be on Page 54, at the bottom. After I seconded, the Governor had chaired by saying, 'second by Member Savage', not Savage. The Governor was making that comment, I believe, at the very bottom.

That's all I have Governor, thank you.

Sandoval: Thank you. Any other changes? I have one at Page 34, Paragraph 6. There's the word elevators and it should say escalators.

Any other changes by Board Members? If there are none, the Chair will accept a motion to approve the Board of Directors Meeting Minutes of June 6, 2016 with the changes suggested by Member Savage and myself.

Savage: Move to approve.

Sandoval: Member Savage has moved to approve. The Controller has seconded the motion, any questions or discussion on the motion? Hearing none, all in favor, say aye. [ayes around] Oppose, no. That motion passes. Mr. Lieutenant Governor, with your permission, I'm going to say that you didn't participate in this—

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Hutchison: Yes Governor, I did not vote, thank you.

Sandoval: Yes, so would you mark the Lieutenant Governor as abstained. Before we commence with Agenda Item No. 6, I'd ask the Board if they would consider us taking on Agenda Item No. 8 right away since we just had the public comment on that, while that's all fresh in our minds. Is there any objection to us moving immediately to Agenda Item No. 8? All right, let's move to Agenda Item No. 8.

Malfabon: Agenda Item No. 8 is for the Board to approve a condemnation resolution for the property that was mentioned in the public comment period. 303050 LLC. As was indicated in some of the questions you asked Governor, the State made a counter offer. We're still far apart. Not as much as Project NEON's scope, but still far apart. We definitely will continue discussions with the property owner and his team to reach a resolution. We just want to keep the project on schedule so we request the Board approve a condemnation resolution so that—in a worse case scenario with condemnation, the court will decide how much that the property owner will be compensated for the taking of his property.

We respectfully request that the condemnation resolution be approved so that we can proceed with the right-of-way schedule and project schedule.

Sandoval: Thank you Rudy. Why can't we just keep it on Opal Road and not go through the property? Do you know the answer to that question?

Malfabon: I know that when we establish how much right-of-way we have to take, those kinds of considerations are thought through so that we only take as much as we absolutely need to. We attempt to only take partial acquisitions when we don't require a total take. Sometimes we determine that the impact to the property is enough that we need to take the entire property. In this case, it was thought through by the project team and with right-of-way division. Ruth, I don't know if you have anything to add, but we take a look at the engineering of the project, what is absolutely needed for the project to support it and do not try to take anymore than we absolutely need to. Is there anything you wanted to add Ruth?

Borrelli: Ruth Borrelli, Chief Right-of-Way Agent. Just briefly to expand on what Director Malfabon was stating. When we have a set right-of-way, we do look and talk to the designers to mitigate the taking and to slim it down as much as possible so we don't take even one square foot more than we absolutely have to for the successful construction of the project. That's all I wish to add, thank you.

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- Sandoval: Just looking at the map, what's on the other side of the street? Who owns that?
- Borrelli: I don't know off the top of my head. I can find out.
- Sandoval: Do you know Rudy?
- Malfabon: No, I do not know Governor.
- Borrelli: I do know there's some development over there or plans for development, but I don't know the name of the owner.
- Sandoval: It is private property over there?
- Borrelli: Yes. I can check with my staff within seconds and get that information.
- Sandoval: Okay, why don't we do that?
- Borrelli: Thank you.
- Sandoval: Thank you. I didn't do the math but right now the gap is a little under \$400,000, is that accurate, Rudy?
- Malfabon: Yes, as he had mentioned, the last offer made was \$484,000. They counter offered \$854,000 or \$855,000 approximately.
- Sandoval: I'm not going to negotiate this right now, but I would assume that the demand—are you saying that's not accurate sir?
- Passalalpi: Governor, it's not. That wasn't the [inaudible, off mic] Again, Dario Passalalpi, 303050 LLC. In that offer that he's mentioning, the last one, we had stated that we believed after doing more analysis that a lower valuation of \$854,000 was what we felt was the true value that we would agree to. In that offer, we had stated that we were willing to accept \$754,000. We had lowered our demand and we stated it in that letter, in the interest of resolving the matter amicably and avoiding any further litigation or issues. We had offered that.
- Sandoval: So, we just saved another \$100,000 Rudy. I guess, in all seriousness, I don't mean to be flippant and I shouldn't, I apologize. I just can't believe we're as close as we are that we can't sit down and maybe get this resolved. Because now we're at a less than \$300,000 in terms of resolving this. Perhaps we can—I'm not saying right at this moment, but schedule something to see where we are. It just is very similar to some other things that we've said. If we're getting this close and

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as we know, we usually spend a lot more than this in legal fees. I would really encourage staff to sit down again and see how much closer we can get.

There's a demand and then there's appraisal. We can't, as I said before, we've got to have some hard facts in order to be able to resolve a case. We factor in legal fees and those types of things when we do this but there has to be a justification on our part, being good stewards of the public's money. I want you to keep that in mind as well.

Passalalpi: I understand that Governor. I think that if you talk to your NDOT Board, you would find that the \$754,000 that we put on paper, there was actually another verbal offer that I extended to Ron Dietrich and Ruth on the phone verbally that was even less than that, if we could just sit down in a face to face, in a good faith effort to resolve this.

I understand that, I'm a taxpayer as well. I think there's two sides to that coin. We're trying to be reasonable and we've tried to deal openly and in good faith to resolve this. I appreciate it. Thank you.

Sandoval: Having said all that, Rudy, is it absolutely necessary that we do this today? Will this throw off our constructions schedule?

Malfabon: Governor, if I may, I would like to ask Pedro Rodriguez, our Project Manager to respond to that question.

Rodriguez: Good morning. Pedro Rodriguez for the record. I'm the Project Manager for the USA Parkway Project. Short answer Governor is yes. We are following a tight schedule with completion here, late summer and every bit of the schedule is planned out. We really don't have room for delay. Not to put you in any kind of pressure. Obviously we're here to offer any responses to questions you may have and a more detailed report regarding the schedule will be provided at next Transportation Board Meeting, but yes.

Sandoval: I'm going to take your word for it and we'll move forward, but I think there needs to be a little bit of a sense of urgency in terms of sitting down with the property owner. I think we're close enough where we can get this done. It just always casts a bit of a cloud over these projects, if we're this close and can be able to have these conversations. If I could ask Right-of-Way to sit down with the owners and their representatives to see if we can get a little bit closer on this and

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factor in costs and experts and all those things that we have to think about in terms of getting this done.

Having said all that, this is an important project and we did the groundbreaking. It does need to get done on time. It's going to have a massive benefit to the people of Lyon County and Yerington and Silver Springs and Dayton and all those that we previously talked about. I don't want to disturb the schedule, but at the same time, I don't want us moving forward on this condemnation resolution to in any way undermine the ability to negotiate with the property owners.

Malfabon: Understood.

Sandoval: Any further comments, Mr. Controller.

Knecht: Thank you Governor. I agree with all that. Pedro and Rudy, I'm a little bit concerned. If you negotiate a settlement with these folks promptly, won't that obviate the condemnation resolution that we're being asked to pass here and won't that keep you on schedule?

Malfabon: Mr. Controller, what we do is, the condemnation resolution approval by the Board allows us to go forward if we need to. It in no way stops us from negotiating. It just keeps us on schedule. If we have to use that, the court has the venue to determine the compensation to the owner. It keeps us on track for that schedule, for the project, but it doesn't prevent us from reaching a resolution. In fact, I think there's been a history of condemnation actions approved by the Board and we still reach a resolution before we actually go to the court to file with them.

Knecht: So then substantively, the matter is resolved earlier through negotiation and an agreement then it would be resolved if there weren't such an agreement and you acted on the condemnation resolution.

Malfabon: Yes. Yes, this just gives us the opportunity to maintain the project schedule and go to the court and file if we need to, to keep the project on schedule.

Knecht: And if you negotiate with the property owners in the next few days, weeks, I know we have issues of scheduling things for the next meeting, but I think that can be dealt with by timely notice for the next meeting. If you continue to negotiate with them and fail to reach a resolution, and this comes back a month from now, exactly what will the set back be to the process and what will be the jeopardy to timely and economic and adequate completion of this project?

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**Malfabon:** I could have Pedro speak to the specifics on the project. In general, we anticipate a certain acquisition schedule for the project. We certify to the Federal Highway Administration on federally funded project. This is a state funded project. It's important to maintain that schedule so that the contractor, who signed a contract with us has the property available to do his construction efforts. Even if it's early amount of work, if there is any kind of geotechnical work or investigation on this private property, it helps the contractor maintain its schedule on this important design-build project.

It's really a matter of whatever the promises, in effect, that we made, in signing that contract with the contractor that the property would be available on a certain schedule and keeping those commitments. That's what is critical. We don't have any construction delays as a result of not following our or meeting our obligations on provision of right-of-way.

**Knecht:** I have one other area, Governor and Mr. Malfabon, very quickly. Completely unrelated to that issue, but it's something that hangs over this. We're in the process of reviewing the I-11 Freight Corridor. As I understand it, we've reached the point where we're agreed to routing in general up through Tonopah and then there's a whole wide variety of possibilities going north from Tonopah. I guess my question is, is the choice of the northern part of that route, whether it goes to Reno or wherever, bypasses Reno. Is that essentially completely independent of what we do here today? Is that unaffected or does what we do here today tend to favor one I-11 option or another?

**Malfabon:** It's not affected. This condemnation resolution in general is specific to a project, after a very detailed assessment of what property we need. The I-11 Corridor is really to be determined later through the planning and environmental processes. A lot of transparency in public meetings, a lot of communication with elected boards and commissions to explain as that project advances.

They're unrelated. In fact, the imminent domain process doesn't come into effect until you have a real funded project that you have identified what property you need to acquire to deliver that project. Whether it's property rights or property or improvements on that property.

**Knecht:** I appreciate that answer and that's what I thought. I wanted to make sure we put that on the record. Governor, like you and everybody else, I want to see this go forward. Rapidly. I am going to, under the circumstances, register my

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displeasure with the failure of NDOT to be as responsive and as forthcoming and as timely as they could've been with regard to the property owners, by casting a no vote on this. I don't expect that I'll persuade everybody on the Board, but I do think that the administration of NDOT needs to know that we're concerned that property owners get a fair, timely, adequate deal and that they be responsive—that NDOT is responsive to property owners. Thank you.

Sandoval: Any other questions or comments? I don't know if I'd be as harsh as you are Mr. Controller, but I guess what I would just ask is, before the property owner and the representative leave, if we could schedule a time to sit down with them to have a conversation. At least when they leave today, there will be a fixed time to chat with them. That's not to suggest that there hasn't been conversations or what have you, but we're where we are right now and there's an opportunity here to sit down. I think there's been a really good faith effort on behalf of the property owner to come here today and have this public conversation about this. I think we can get this done. I look forward to that.

Any other questions from Board Members with regard to this agenda item?  
Member Savage.

Savage: Thank you Governor. I'd just like to say that, I know this Board, the Department, department staff don't take these condemnation resolutions lightly. They're very serious. They affect families. It's all about doing it fair and reasonable, for the right reason. At the end of the day, it takes a lot of work on both sides. I believe, like the Governor said, that we will make every effort, as long as you make every effort in good faith to come to a fair and reasonable resolution for the right reason. That's all I had. Thank you Governor.

Sandoval: Thank you Member Savage. Any other questions or comments with regard to Agenda Item No. 8? If there are none, the Chair will accept a motion to approve Condemnation Resolution #455, as presented in Agenda Item No. 8.

Martin: So moved Governor.

Hutchison: Second.

Sandoval: Member Martin has moved for approval. Lieutenant Governor has seconded the motion. Any questions or discussion on the motion? Hearing none, all those in favor, please say aye. [ayes] Those opposed, say no.

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Knecht: No.

Sandoval: The motion passes, the Controller has voted no. That completes Agenda Item No. 8, let's move back to Agenda Item No. 6. I believe that's you Mr. Nellis, correct?

Nellis: Thank you Governor, Members of the Board. For the record, Robert Nellis, Assistant Director for Administration. There are four agreements under Agenda Item No. 6 that can be found on Page 3 of 43 for the Board's consideration.

The first item is with Stantec Consulting in the amount of \$9,335,294.58. This is for safety inspection of all bridges in the State of Nevada, as well as load rating analysis.

The second item is Amendment #2 for the eSTIP report. This is to increase authority by \$192,492 for the addition of the Planning and Needs Assessment Module.

Item No. 3 is with Wood Rodgers in the amount of \$1,898,787 for development of Nevada's Long Range Transportation Plan, necessary for bringing Nevada up to federal transportation requirements, defined in the FAST Act.

Finally, Item No. 4, with HDR Engineering in the amount of \$2,000,000 is to provide biological and compliance monitoring for threatened and endangered species.

Governor, that concludes Agenda Item No. 6. Does that Board have any questions on any of these four items?

Sandoval: Thank you. I have a question on the first contract for the bridge inspection. How much was our prior contract and what period of time did that cover, do you know?

Malfabon: I can respond to that Robert. Governor, the previous contract was a two-year agreement for \$1,900,000 and it was supplemented for an additional inspector. The two-year cost was \$4,300,000. It is a significant increase. One of the things that we asked our structures division is, why the big increase. It is because of the number of bridges that we've been adding to our system. Not only with Interstate 580, the Galena Creek Bridge, as you saw that we were inspecting with our own forces. The addition of bridges on the Carson Freeway, some of the recent new bridges we've added to our inventory.

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Currently we have projects on the Boulder City Bypass, I-11, 18 bridges there. This is just to give the Board a sense of what we're adding to our system. 30 bridges on Project NEON. And we're also including inspection of pedestrian bridges. If you've driven around Las Vegas, you see a lot more pedestrian bridges over the freeway system and over the beltway. It's important to, as you mentioned Governor, to have that connectivity of the trail system. NDOT is taking on over 60 pedestrian structures to inspect as well.

It's a combination of increasing that and the supplemental staff, adding another consultant bridge inspection crew to cover that because every bridge is inspected on a two-year cycle, at a minimum, so we can report that information to the federal government, as per requirements.

The other thing is the consultant under the contract before you provides different certifications. For instance, on the O'Callaghan-Tillman Memorial Bridge, over the Colorado River, they have to have a professional engineer licensed in the State of Arizona as well, and they provide that. They have a rope access inspection team that—that type of bridge really requires a unique type of inspection personnel and certifications.

It's a combination of additional staff doubling up on the number of consultant staff to assist us and additional amount of structures that we've taken on responsibility to inspect for; pedestrian bridges and the new bridges in our inventory, which every bridge in the State is inspected on a two-year cycle.

Sandoval: Thank you. That background is important because essentially, we're spending \$2,000,000 more but we have a larger volume of bridges and more sophisticated bridges, I guess for lack of a better term. I just want to make sure that we make a record as to why we went up another \$2,000,000. We have other contracts with Stantec, correct?

Malfabon: We do. They provide other services to the department. Design services. They do other work for the department.

Sandoval; I guess where I'm going is, do they use Nevada based individuals to conduct this testing?

Malfabon: Jessen Mortensen indicated that they do. Jessen, if you could approach the podium, in case there are any other questions. Jessen is our Chief of the Bridge Division.

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Mortensen: Governor, Member of the Board, for the record, Jessen Mortensen. Yes, Stantec actually maintains three offices here in the state currently, I believe. One in Elko, one in Reno and one in Las Vegas. So it is all performed, you know, I think we do have dedicated staff here to perform our inspections in-state.

Sandoval: No, I'm just selfish. I want to keep the money here. It's as simple as that. Thank you. That's the only question I had on that. On No. 1. Then on No. 4, for the biological compliance. I get that's for Desert Tortoise. I just have a vague recollection that we approved another contract for like \$1,000,000 for Desert Tortoise not long ago?

Malfabon: Yes Governor. Previously, we were making tortoise inspection services a responsibility of the contractor. In discussions with the Federal Highway Administration, we concurred that it was better if the state performed those services. We definitely trust our contractors but it was the perception of the fox in the hen house and we have an issue, an environmental issue with threatening an endangered species that we have to do our part.

You had seen a previous contract for another construction project for those types of services. It is very costly but it is necessary because the Desert Tortoise is a threatened species in Southern Nevada. I saw that you recently adopted—

Sandoval: I have a soft spot in my heart for the tortoise. Come visit him any time, Carson is doing really well. This is just from my nativity but \$2,000,000 in one year for these types of inspections seems like an awful lot of money.

Malfabon: It is. We pay them for the services they provide, no more, no less. It is expensive because you have to have a certified biologist performing these services. Steve Cooke, our Chief of Environmental Services can answer any questions.

Cooke: Good morning Board, my name is Steve Cooke, I'm the Chief of Environmental Services here at NDOT. The current agreement that's being discussed is going to be for one year and for \$1,000,000. We were originally looking at a two-year, \$2,000,000 contract but we've decided to limit it to one year. We're in the process of revising our whole process for this and rather than extend it to two-years, we decided to limit it to one year.

Sandoval: Did we just hire a single contractor or did we do an RFP for this?

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Cooke: In the past, we have. The previous contract has been administered through our Construction Division. They decided that it was better that Environmental Services take care of this. I believe over the past two years, we've had two agreements. One for biological and environmental consultants for \$900,000. Then, one which was project specific for HDR and that was for \$600,000.

Sandoval: Just out of curiosity, what is the hourly rate for the contractor?

Cooke: I believe most of the staff involved with this, their hourly rate is around \$40.00 an hour. That's for the field staff.

Sandoval: So, how does it add up to \$1,000,000 then?

Cooke: Well, in this particular case, it's an open ended contract. It's project specific. Individual task orders will be issued for project specific. We may not have projects that extend to the amount of \$1,000,000. We may have several projects that are in the order of \$200,000, \$300,000.

Sandoval: I get that it's necessary, that's just a really big number and I need a better appreciation of that.

Cooke: It is. It is. This is required through the Endangered Species Act, Section 7. It's a responsibility really of Federal Highways. They rely on us to keep them in compliance.

Sandoval: I can attest, those little guys move around. I just, like I said, I want a little more background as to that number. Now I feel a little better because it doesn't mean we're going to spend \$1,000,000.

Cooke: No. These costs will be project specific. We're trying to be proactive in having a contract in place where we can accommodate several projects as opposed to try and issue it on a per project basis.

Sandoval: That completes my questions for this agenda item. Member Savage.

Savage: Thank you Governor. Mr. Cooke, while you're up there, I have a question on Item 4, the biological oversight contract for \$1,000,000. Thank you for clarifying the amount of time and the dollars. The question I had, you had stated that biological services is currently contracted under a \$900,000 contract?

Cooke: No, their contract recently expired.

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Savage: It did expire.

Cooke: Yes.

Savage: And is it the same scope of work for this consultant?

Cooke: The scope is kind of broad based. Once the project is identified and we issue a task order, then we refine it to reflect the needs of the project. The work that B&E was working on, they had several different projects that they were working on. Each project would be, the scope would be revised to reflect those project needs.

Savage: And you did state that HDR as well, is currently doing a specific project for biological [crosstalk]

Cooke: Their project has been completed and that project agreement has expired.

Savage: So they're well versed on the tortoise as well.

Cooke: Yes.

Savage: Then lastly, and I should know this answer but I don't being a businessman, I don't see any federal reimbursement. It sounds like its required by the Feds, US Fish and Wildlife, as well as the US Army Corp of Engineers, but we don't get any reimbursement for this expense?

Cooke: No, that's incorrect. When it's a federal project, we will get reimbursement from Federal Highways.

Savage: Because it states 'no' in the package.

Malfabon: What we would do, Member Savage, is if it's a federal project that they provide assistance on, then it's eligible. We put no because it was uncertain about the specific projects. Project specific task orders will be assigned and the method of payment will be as appropriate. We put 'no', because it's initially anticipated to be state funded. It would be eligible for federal reimbursement though, if it's a federal aid project.

Savage: Thank you Mr. Director. Thank you Mr. Cooke. One last question on the Agenda Item No. 2, regarding the eSTIP. In June, there was a no cost extension. Then the cost extension comes out in July. It's always my pet peeve to try to get

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the cost extension—when we get the time extension to get the costs to go along with that extension. Why is this after the fact?

Rosenberg: For the record, Sondra Rosenberg, Assistant Director for Planning. That was just a timing issue. We were negotiating with Ecounteractive for the specific scope for this new year of services. We didn't want our agreement to lapse, so we did do a no cost time extension knowing that we were working on the details of this amendment. In the future, we will watch that much more carefully to make sure we get that all in at once.

Savage: Thank you Sondra. I know that the department does an excellent job with the eSTIP, and your people, we appreciate it very much. That's all I have Governor.

Sandoval: I was going to go to the Controller next, but just a quick question, Mr. Cooke, I don't know if you know or Mr. Nellis, or Rudy; did we exhaust all the funds in that prior tortoise contract? Mr. Cooke is nodding yes.

Malfabon: I do not know, but—where is he? I do not know Governor, but as you mentioned—

Cooke: [inaudible]

Sandoval: It doesn't need to be right now but I'm just curious because that may be an indicator of what we'll spend in this contract. All right, Mr. Controller.

Knecht: Thank you Governor. I want to go back first to Line No. 1, the Stantec Consulting where we've got \$9.3M as the original agreement amount here. What, Rudy, did you say was the previous total? Something like \$6.9M or something like that?

Malfabon: Mr. Controller, it was about half of that on an annual basis.

Knecht: Half of that on annual basis. But this is \$9.3M for four years, right?

Malfabon: Yes.

Knecht: So, would we actually be—do we expect to be spending more per year or less going forward? I certainly understand and appreciate your explanation about the additional work scope, the new bridges, etc., but are we increasing this spending on an annual actual cash basis or decreasing it or about the same?

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Malfabon: It should be increased. It is a cost—they only get paid for the effort that they actually produce for us, that we direct them to produce. Jessen, I don't know if you want to add anything to that. We do anticipate an increase on annual basis to be paid out to the consultant.

Mortensen: Yes, again, Jessen Mortensen. Yeah, the original—to clarify a little bit. The last agreement was an original two-year agreement with a possible two-year amendment. The original agreement was for \$1.9M. It was amended with an additional, I believe, \$2.5M or \$2.4M to get up to \$4.3M over the previous four years.

Knecht: Okay, that was over four years.

Mortensen: Yeah. And it was for one additional inspection squad which is a team leader and an assistant inspector, because of just the higher demand. As Rudy had indicated, we are asking now for two teams. It was originally two, an inspector and an assistant inspector. We now have two teams and an additional assistant inspector to aid our in-house staff. Again, that's just pure volume. As Rudy indicated, a lot of these bridges we're putting in. Like he indicated here, we're expecting better than 100 bridges to add to our inventory here in the next several years with these big projects. Not only is it that number but it's also the size. As you guys have seen, some of these bridges are—we're not building smaller bridges, they're getting bigger and so, as opposed to some of our—I-80 bridges, to give you an example, some of these 100 foot long, three span bridges may take our guys a couple hours to inspect. We're talking 2,300 foot long flyover we're building down there on 95. These take a significant amount of time and it's just, in addition to the number—that increase in our inspections almost just increased exponentially to some extent. We're just doing our best to keep up and meet all of our federal requirements.

Knecht: That's very helpful because I stick just a little bit on a doubling of the outflow, but I do understand what you said and I appreciate it. I guess I'll swallow really hard and live with that aspect of it. One thing you said Rudy caught my attention. You said on the bridge down South, we need an engineer whose got registration in Arizona as well as Nevada. Now, I happen to know firsthand that Nevada is very bad about issues like comity and that sort of thing. We don't recognize, for example, California licenses, for comity purposes. What are the differences between Nevada and Arizona and what are the comity arrangements? Does the

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fact that Arizona says, we want an Arizona engineer and Nevada says, we want a Nevada engineer, does that really add a cost and should it?

Malfabon: It's not. It's just a point made of different requirements for a neighboring state that maybe has a bridge connecting Nevada and that neighboring state. It doesn't add a significant amount of cost. In fact, maybe things have changed but I know the comity, getting reciprocity of your PE registration was a pretty easy process. You just have to go through the forms and go to the PE Board. For PEs, at least, Professional Engineers, it's an easy process. I received reciprocity in another state when I was working as a consultant and worked as a State DOT representative in Washington State DOT.

I think the process was—I know it was a long time ago when I got my PE in Washington but I think it's an easy process. There's probably other boards or commissions that might be a little more difficult to work through getting reciprocity or comity of licensing. The Professional Engineer's Board is easy to work with in Nevada.

Knecht: Well, I won't engage in a public argument, I'll just say this. When I moved over here with my PE license, the problem was real simple. I'd have to go back and find the people that I knew many years ago that signed for me and I think some of them weren't still with us. Okay so it's not always that simple. We'll let that go since you said it's not really a big cost factor here.

Let's go down to HDR Engineering, Item No. 4, biological compliance oversight. Page 3, the summary page shows this as a \$2,000,000 item, but Page 33, I think it is, shows it as \$1,000,000. If we approve this as requested, what are we approving?

Malfabon: You are approving \$1,000,000 contract for the first year with a one-year option for another year. It should've been clarified. I think it was confusing even for the people doing this spreadsheet. It should've either been \$2,000,000 for two years or \$1,000,000 for the first year with the option. In some of these contracts and agreements that are options, I think it's well noted that we need to explain that a little bit better. Steve Cooke from Environmental Services had mentioned that. Have I got that correct Steve? It's a \$1,000,000 contract for the first year with an option for another \$1,000,000 for the second year?

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Cooke: That is correct. As I mentioned previously—first of all, Steve Cooke. Our initial intent was to have a two-year, \$2,000,000 agreement and we retracted that and decided to go with a one-year, \$1,000,000 agreement. That's reflected on the negotiations summary sheet to John Terry.

Knecht: Okay. That's helpful. I'll just reemphasize the comments that, this is a lot of money and quite frankly, I'm not yet convinced of the value of what we're getting for it. I too am concerned that this is a federal mandate that causes us to incur some costs and sometimes we can get compensation if it's a federal project and sometimes we can't.

I would suggest that the Endangered Species Act is really one of the serious public policy problems here. Someday, I think we need an accounting of what it is we pay under these federal mandates and what value Nevada taxpayers and citizens get for them. Maybe that's something we should be showing to our Congressional Delegation. Thank you.

Sandoval: Other questions or comments on this agenda item?

Hutchison: Governor?

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you very much. Let me just turn, if I can to, Item 2 and 3. Just sort of the macro view. I'm interested in what the relationship is between those items, in terms of the Long Range Transportation Plan. The reason I ask that sort of overarching question is, I looked at the materials and sort of the descriptions of what Agenda Item No. 2 for example, addresses. It addresses the—and I'm looking on Page 14 of 43, under Ecointeractive's letter or report that begins 'Current understanding of needs'. It states, NDOT has implemented eSTIP to meet the needs for managing transportation improvement program, TIP, and Long Range Transportation Plan, LRTP, Transportation Project Data. NDOT now wants to leverage and expand the current eSTIP system to support the initiation of an NDOT Transportation Project. Review of these proposed projects by Planning/Scoping Staff and the flow of these projects into the TIP capital. LRTP or an unconstrained wish list.

Let me just start with this unconstrained wish list. That's always a little bit of a concern when you see that kind of language. Can somebody clarify what that means?

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Rosenberg: For the record, Sondra Rosenberg, Assistant Director for Planning. Excellent question. Very simply, in terms of the macro of what these two things are, they're going to work very closely together. Ecointeractive, eSTIP, is essentially the tool while the Long Range Transportation Planning Process is just that it's the process. They're going to work very closely together.

In terms of the wish list, we probably should've termed that differently. In our current documents, we have, on the state side, the work program. We have our annual work program, our short-range element and our long-range element. The annual work program, the short-range element, tied closely with the STIP, which is the federally required four-year document, the four-year fiscally constrained list of projects. Everything outside of that four years all gets lumped into the long-range element. Some of those projects are projects or ideas that have been requested from the counties or the public. That's where we kind of hold them until more valuation can be done. Some of those projects are also future phases of our larger projects. It's all kind of lumped in together, into that long-range element.

Our goal with this, with actually both is to have a better process for valuating those ideas as they come in and kind of filtering those that are real projects, established, already identified as part of a future project or future phase of a project versus those that maybe will never happen or those that will require additional analysis. Ecointeractive is the tool, the database if you will. The larger agreement with Wood Rodgers is really to look at our process, make sure we're compliant with all the new federal regulations, which there are quite a few new requirements. But, even more importantly, do a lot of outreach. Create a more transparent and defensible process for how we prioritize projects and most likely using the tool that we already have in house. Does that clarify your questions?

Hutchison: Well, what I heard was that, I assume you're removing this sort of open ended and unconstrained wish list from the scope of services?

Rosenberg: Well, so that list already exists. What we're trying to do is better track that list so we can separate out those wish list items, if you will, that will ultimately be removed. Those real projects that are just further out than that four-year constrained list.

Hutchison: Okay. Does Wood Rodgers use the Ecointeractive system in their work or are these independent projects that are being implemented by NDOT independently?

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Rosenberg: They're two separate projects but they will work together. We will work with both entities so they're working together and Wood Rodgers is using the Ecointeractive tool. At the same time, they're going to do an analysis of other tools that might be out there. I think it's important to always see, even though we think we have a tool that we think is great and fantastic and probably the one we'll stick with at least for the foreseeable future. It's always a good idea to see what else is out there and if there are other tools that either integrate with the Ecointeractive tool or eventually replace it. We're going to do that analysis as well.

We anticipate them using that Ecointeractive tool for that long-range piece and helping develop the process that will move those projects from beyond the four years, as they integrate into the four-year STIP so that there's a seamless process for those projects.

Hutchison: Thank you. That's helpful. Do you know whether or not Wood Rodgers uses a different software system as they're performing their work for this long-range planning and they're just using this system that we have because it's something we purchased? Or, do they always look to their customers to provide a software application, to provide the data and information they're going to use for long-range planning?

Rosenberg: I believe they sort of take guidance from their customer. I don't believe they have an in-house software package that does the same thing as our tool does. They're going to work with us to develop any enhancements to it that we might need. However, we do have the consultant here in the room, if you'd like him to address that as well.

Hutchison: Okay. Then let me just ask, the request on Item No. 2 is for a new module. Was this need for the module not expected at the time we entered into the original agreement?

Rosenberg: At the time of the original agreement, our focus was the STIP, the four-year STIP. We knew that we wanted to add this at some point in the future. We didn't have it well defined enough and we wanted to create the electronic STIP as quickly as possible. As you know, we did it in about six months. Now that we have—we felt it was important to have that federally required four-year STIP up and running as quickly as possible. Now we're starting to add enhancements to it, including that long-range element and what we're calling the planning and needs system,

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which is that identification of needs and tracking until they become a project in the STIP.

Hutchison: Thank you. And then on Item 3, just the Wood Rodgers contract, do we just not have the capacity or the expertise or both within NDOT to perform this work?

Rosenberg: A little bit of both. Primarily the capacity. This is a big lift. Our current long-range plan was completed in 2008. It's very light. It's a policy document, which was all that was required at that time. Between MAP 21 and FAST Act, there are a lot more stringent requirements in terms of performance based planning. It's not even the same animal as our previous long-range plan. It's really pulling in all of our existing plans, like our Asset Management Plan, the Freight Plan. Enhanced coordination with the MPOs, we'll actually be rolling in their Regional Transportation Plans. It's a very heavy lift and at this point, we don't have those resources in house to conduct this.

Although part of the goal of this is to develop those skills in house so that this heavy lift is done by consultants and then updates beyond that, we're hoping to be able to accommodate those in house.

Hutchison: Okay. Thank you very much. Last comment is, I just don't want us on the record to confuse the difference between reciprocity and comity. Comity is a constitutional concept or principle that I think the State of Nevada is doing exactly what they're required to do. We may want to have a debate about reciprocity of professional licensing. Just for the record, the State of Nevada is complying with it's obligations to extend comity to sister states, I think, when needed. Thank you Governor.

Sandoval: Thank you Mr. Lieutenant Governor. It begs a response. Mr. Controller.

Knecht: I stand corrected. I thank the Lieutenant Governor. As you know, I'm a numbers nerd and sometimes words get in the way.

Sandoval: All right. Do we have any other questions or comments with regard to the agreements identified in Agenda Item No. 6? Before I take a motion, it does reflect the \$2,000,000 in our matrix here, I just want to make sure that the motion is for one year at \$1,000,000. Having said that, is there a motion for approval?

Knecht: So moved.

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

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Almberg: I'll second it.

Sandoval: Second by Mr. Almberg. Any questions or comments on the motion? Hearing none, all those in favor, please say aye. [ayes around] Oppose, no. Go ahead, Frank.

Martin: Aye.

Hutchison: Aye.

Sandoval: There's that little bit of a delay that gets me every time. I apologize for that.

Hutchison: Frank is usually much quicker on the draw than that Governor. He's losing a little step here so we want to improve on that a little bit and he told me he's going to do that.

Martin: I will.

Sandoval: All right. That motion passes unanimously. Let's move on to Agenda Item No. 7, Contracts, Agreements and Settlements. Mr. Nellis.

Nellis: Thank you Governor. There are two attachments under Agenda Item No. 7 for the Board's information. Beginning with Attachment A, there are seven contracts that can be found on Pages 4-5 of 18 for the Board's reference.

The first is a chip seal project located on State Route 318 in Nye and White Pine Counties. There were four bids and the Director awarded the contract to Intermountain Slurry Seal in the amount of \$1,788,149.81.

The second project is located on US-395 and on Interstate 80 in Douglas and Washoe Counties to install an automated vehicle system. There were two bids. The Director awarded the contract to PAR Electric Contractors in the amount of \$192,938.

The third project is located on Interstate 580, Bridges near the Reno Spaghetti Bowl and on US-395 over 9<sup>th</sup> Street in Washoe County for bridge deck and approach slab rehabilitation. There were three bids and the Director awarded the contract to Truesdell Corporation in the amount of \$1,485,485.

The fourth project is a chip seal project located on US-93 and on SR-225 in Elko County. There were four bids and the Director awarded the contract to Sierra Nevada Construction in the amount of \$2,254,007.

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The fifth project located on Interstate 80 in Eureka County is to install scour, mitigation and erosion control on and under structures. The Director awarded the contract to MKD Construction in the amount of \$354,000.54.

The sixth project located on SR-667 and on SR-430 in Washoe County is for pedestrian safety, lighting and ADA improvements. There were two bids on this project and the Director awarded the contract to Sierra Nevada Construction in the amount of \$1,094,007.

Finally, the seventh project located at the Battle Mountain Maintenance Station in Lander County is for roof structure rehabilitation, asbestos abatement and roof replacement. There were two bids and the Director awarded the contract to Core International in the amount of \$308,982.72.

Governor, does the Board have any questions regarding these seven projects before we turn to Attachment B?

Sandoval: Just to—I want to go back on Contract No. 6. That, I would assume is, part of our effort to make the road safer throughout the state. Rudy, I don't know if you could provide a little more detail on that.

Malfabon: Yes Governor. We've been doing these pedestrian safety and ADA improvement projects and this is just another one of those projects under that program. On several projects, Kietzke Lane is the biggest one that we're looking at here at several intersections.

We did a safety study a few years ago. This is one of the first projects to come out of the shoot for the pedestrian safety improvements and the ADA improvements. We tried to do an assessment of all the—where there is lacking wheelchair ramps at some of the intersections, the corners, in the curb and gutter. We're addressing the ADA improvements as well.

Sandoval: Thank you. Other questions from Board Members with regard to Agenda Item No. 7? Mr. Nellis, please proceed.

Nellis: Thank you Governor. There are 53 executed agreements that can be found under Attachment B on Page 14 of 18 for the Board's information. Items 1-5 are Acquisitions and an Event. Items 6-9 are Facility and Interlocal Agreements. 10-28 are Leases and Right-of-Way Access Agreements. Lastly, Items 29-53 are

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service provider and stewardship agreements. With that, that concludes Agenda Item No. 7, does the Board have any questions on any of these agreements?

Sandoval: Questions from Board Members?

Hutchison: Governor?

Sandoval: Yeah. Mr. Lieutenant Governor.

Hutchison: Just a real quick couple of curiosity questions here. Item No. 5, on the Silver State Classic Challenge. We've got a payable amount of \$14,500 and then receivable amount of \$4,500. Is the \$4,500 the amount that we receive for the permit and that was paid to the State? Is that what that reflects?

Malfabon: The permit fee is a set fee so it's not in that amount. Tracy, is there a representative from District 1 present that can respond to that question? I'm assuming that sometimes when we have a receivable that's associated with a—

Hutchison: Overarching question, a road event that's listed and it shows a payable amount, did that cost the State \$14,500 and then the participants pay \$4,500 for the use of that road in that event?

Malfabon: Mr. Lieutenant Governor, Jenni Eyerly from Administrative Services will respond to your question.

Hutchison: Thank you.

Eyerly: Mr. Lieutenant Governor, Jenni Eyerly, Administrative Services Division Chief. The Silver State Classic Challenge pays us \$14,500 and when the event is completed, so long as there's no damage and it's left to our satisfaction, they receive a refund of \$4,500. The event will cost them \$10,000.

Hutchison: Okay, great. Thank you very much. My next question, just focuses on Items 40-48. There's a couple of different janitorial service contracts. I'm just curious what the duration of those contracts is for. Is it for multiple years or single years?

Malfabon: The services are usually procured for several years with the terms indicated in the dates.

Hutchison: Are these put out to bid or are these continued—

Malfabon: Yes. Yes, they are.

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

Sandoval: Thank you Mr. Lieutenant Governor. Any other questions from Board Members on contracts? Mr. Nellis, please continue.

Nellis: Governor, that concludes all the items under Agenda Item No. 7.

Sandoval: Board Members, before I move on to the next agenda item, any other questions or comments? Hearing none, thank you Mr. Nellis. That is an informational item so we will not be taking a vote on that. Let's move on to Agenda Item No. 9 which is, Resolution of Relinquishment.

Malfabon: Thank you Governor. And, in response to a previous question about USA Parkway. Staff did research that the property is owned by an individual named Ken Dietrich. It's 25.7 acres there along Opal Avenue and it's zoned for commercial and residential.

Moving on to Agenda Item No. 9, we're requesting disposal of a portion of NDOT Right-of-Way located at the Bull Run Creek Bridge. On May of 2004, the Department acquired the property as an easement for highway purposes for a project. Elko County consented by resolution passed and adopted on April 20, 2016 to the Department's relinquishment of the right-of-way at this bridge in Elko County. The Surplus Property Committee determined that the right-of-way is no longer required for highway purposes. It will benefit the Department by elimination of liability and future maintenance responsibility. We respectfully request Board approval of this disposal of a portion of NDOT right-of-way at Bull Run Creek Bridge, B-13-23, in Elko County.

Sandoval: Thank you Mr. Director. Do any Board Members have any questions with regard to Agenda Item No. 9? It's pretty straightforward. If there are none, the Chair will accept a motion to approve the resolution of relinquishment of a portion of state highway right-of-way as presented in Agenda Item No. 9?

Martin: So moved.

Sandoval: Member Martin 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

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unanimously. Let's move on to Agenda Item No. 10 which is Approval of Design-Build Procurement for US-95 Northwest Phase III Centennial Bowl.

Malfabon: Thank you Governor. As mentioned previously, the Centennial Bowl is an important project to the Department of Transportation and Clark County. Jenica Keller is going to present, as the Project Manager for this project. What we're going to be requesting is Board approval to proceed with development of a design-build contract. The funding of the actual construction phase is going to be contingent on passage of fuel revenue indexing, a continuation of fuel revenue indexing in Clark County.

We are very supportive of this project, doing it in collaboration with the County. It's going to improve an interchange, as Jenica will show you, is really in need of some better, more direct connections. It's a confusing interchange, not only to residents but to visitors to Las Vegas. We're making some good improvements with the initial stage. Jenica will cover some of the future needs of the interchange that are going to be cover by this project. Jenica?

Keller: Good morning Governor, Members of the Transportation Board. Jenica Keller, NDOT Project Management for the Centennial Bowl Interchange in Clark County. Here's a diagram of the interchange as fully constructed. It provides high speed ramps connecting US-95 to the CC-215. It also will widen out the 215 to have three lanes in each direction with a divided highway, much like the rest of the other portions of the 215 on either end of the project. It will reduce the surface street use, congestion and idling and will improve freeway operations, safety and mobility.

As Rudy mentioned, Phase 3 is currently under construction. We've seen pictures of the bridge there before you. That's the westbound 215 to the southbound 95. It's scheduled to be open later next year. The northbound 95 to eastbound 215 opened just before the Memorial Day holiday. The contract is \$47M and Las Vegas Paving is the contractor.

Our next slide there's a—a Resident Engineer [inaudible] forwarded a video that was flown by a drone where you can get a great view of the construction. [music plays] [video plays] This project is going well and is ahead of schedule. A presentation earlier talked about bridges. The one you saw under construction is one. There's 15 more planned for this project.

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To complete the Centennial Bowl Interchange, the estimated cost to do that ranges from \$135M to \$162M. We talked about widening the 215. We will also construct a new interchange that will better serve the local connections to Sky Pointe Drive and Oso Blanca Road.

As you know, the NRS 408.338 talks about design-build and the three different criteria that needs to be met. One of the biggest ones of this project, as currently scheduled, we will construct it in several phases. With construction completing in 2034. With a design-build project, we can shave off about 14 years and get it open quite a bit quicker.

You've seen this slide before. The tail end of last year, Division Heads met to discuss the various delivery methods for this project and design-build was selected. We're here today to seek your approval to initiate a design-build procurement and to approval for the Department to pay a stipend to unsuccessful proposers in the amount of \$450,000.

Happy to answer your questions.

Sandoval: Thank you. That was a good presentation. Is there any participation by the RTC in this project?

Keller: The RTC contributed \$6.4M to the first phase. I don't know what plans are for future phases.

Malfabon: Governor, participation could be discussed with the RTC in Clark County and it would be contingent on passage and continuation of fuel revenue indexing. We can have those discussions about what level of participation we can receive, but it hasn't been negotiated and agreed to yet.

Sandoval: And just so I'm clear on what we're doing today. Just allows the process to continue. We won't be approving the project today.

Malfabon: That is correct Governor. You're approving that we can hire a consultant service provider that is going to help us develop the preliminary engineering and the design-build package. We will not issue that package out for competitive proposals until we're assured we have the funding from the fuel revenue indexing that passes in public vote in November. Then the County Commission has to enact it.

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- Sandoval: Then, I know it was in there, but just to again to help me be clear. We're finishing this project as it has been presented and as that video, as we showed. What will this new piece add to that?
- Keller: What will the new piece that's under construction now or—
- Sandoval: No, we're finishing this construction. What else are we adding to this?
- Keller: The rest of the interchange. That's only two of the system to system movements. The rest of the interchange is what we're proposing to deliver by design-build, subject to available funding.
- Malfabon: Jenica, can you go back to that map? That will be a more graphic depiction of the other ramps that are needed to complete the interchange.
- Keller: Sure. [pause] 95 is headed to the north on the picture and 215 runs east and west. The first ramp is the northbound 95. It's an [inaudible] ramp to eastbound 215, is under construction, actually excuse me, it opened right before Memorial Day holiday. The bridge that we've seen in the video is the westbound 215, to southbound 95. The rest of the movements that you see on the page are remaining to be designed to be constructed. Along with the widening of the 215.
- Sandoval: Thank you. I will say, it's impressive when you drive by it. Other questions from Board Members on this agenda item? Mr. Controller.
- Knecht: I have just one question. Looking at Attachment B, the justification for the \$450,000. I can—it has a table there, [inaudible] in Attachment 1 and the attachment before that. [inaudible] I understand the need, [inaudible] agonize regularly—we review and scrutinize with an occasional fine toothed comb for a lot lower amounts. Can you give me some further comfort on this Rudy?
- Malfabon: Great question Mr. Controlled. The stipend never compensates a design-build team for all of their efforts in developing their proposals. They have to take the initial engineering that the Department has done and advance that further to look at where they can apply some innovations, save us some costs during construction to may be accelerate the project and complete it earlier. In this realm of design-build procurement, the stipend never totally compensates them for their efforts. Primarily the engineering side of the house, but also the construction side of the house for the contractor and their subs.

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As I mentioned, the stipend amount will not be incurred unless we have a real funded project and issue the RFP for the design-build teams to then respond to. This just allows us to not lose three months off the schedule in developing the project. The preliminary engineering work is necessary to develop the project further in any event, even if it's a phased approach with design-bid-build, the traditional method of delivery.

Knecht: That's helpful. I'll just add this. I understand, looking at it from the point of view of contractors or potential contractors, but at the end of the day, our real concern, our real duty is to make sure that the taxpayers and the people of Nevada get full value. And I suppose if one could argue effectively, and I don't see how you could, that we won't get the participation then that might be something of a market price for it. Tell me a little bit more, what value Nevada taxpayers, residents and the economy will get for any of these \$450,000 stipends.

Malfabon: Another great question, Mr. Controller, the value that the taxpayers receive and that the Department receives is that once we pay the stipend, we receive the benefit of all those ideas from the other teams. The winning team, the winning proposer might be told, integrate this other great concept, this cost savings or time savings idea that another team had but they were unsuccessful. It does pay for some intellectual property there that was developed and compensates them for at least a substantial amount of their effort, but does provide some compensation and offsets their costs. We then own their ideas.

Knecht: That's helpful. Thank you. Thank you Governor.

Sandoval: Mr. Almberg.

Almberg: Thank you Governor. We did the same thing for Project NEON, as far as a stipend. As I recall, that stipend was actually more than what this stipend is. One of the things I didn't get out of the packet here is, are we pre-screening these design-build teams so that we get 10 design build teams, we're not paying \$4.5M for people that just want to, for lack of a better word, work. So, are we prescreening them? If we get 10 design teams, are we screening them down to the top four, the top two, that we actually go on and provide the stipend to.

Malfabon: Yes, Member Almberg, that's a great point in that we have a request for qualifications and basically a prequalification of the teams that are shortlisted so

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that we do have just a limited number of teams propose during the design-build phase. It's a two-step process.

For the design-build procurement, it's a request for qualifications initially. They assemble their team members and say what their past experience is, why they have the qualifications to deliver this type of project. Then, there's not a lot of expense in that effort. It's really during the proposal phase. First step, release the request for qualifications and then shortlist. That shortlisted number of teams receives the request for proposals and there's a lot more effort involved in development of the proposal. That does limit the exposure of teams that would actually receive a stipend.

Almberg: That's one thing I want to make sure of, that we are actually shortlisting them and in limited number of stipends that will potentially be out there. And, lastly, one other point, and I've made this in the past. On Project NEON, when we got into RFQ, we had a scoring system that would actually, the most qualified also ended up being the least expensive, so that was an easy selection as far as design-build team that was selected for Project NEON. When we came to our project right here, USA Parkway, that same scoring system didn't quite work out as easily as it did here. We actually had a more qualified design team based on our scoring system, but they were a little more costly so they weren't on the actual selected design team to do USA Parkway.

I just want to reiterate a point I made in the past there. I think we want to make sure that we carefully consider this point system where we do go out with our RFQ so that we make sure that—you know, price obviously is a very, very important factor in this thing, but I think also is the qualifications of that design-build team is also very highly important and needs to be considered.

Malfabon: Jenica, if you could go back to the flow chart of the process. I wanted to make the point that the Board will be asked to approve the actual release of the RFP. That's when we will make a recommendation of what percentage to put to cost, how much to the technical side of the proposal. That's when the Board will direct us appropriately for those percentages of cost and technical score so that combined, we determine who the best value is for the Department under the design-build procurement process. Good point.

Almberg: That's it for me Governor, thank you.

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Sandoval: All right, thank you. Member Savage.

Savage: Thank you Governor and thank you Ms. Keller for the nice presentation. Thank you Mr. Director. I'm a little confused here. Bear with me. This is not for the design-build construction team solicitation. This is for a consultant as a project manager throughout the duration of the design-build project. Am I correct in that statement?

Malfabon: I can respond to that. You're correct. This is for the consultant that's going to support us. The consultant will perform a certain scope of work to develop an RFP for the design-build project. The consultant will also do preliminary engineering to develop the engineering of the project a bit further than the environmental document that NDOT had completed several years ago. A lot has happened with traffic movements and changes to the Las Vegas Valley. The consultant that we hire, you're being asked to allow us to proceed with using the design-build process to develop the project and then to eventually, you'll be asked to approve the consultant contract that is going to support us in that endeavor.

So, this is the initial phase. You're approving the procurement method being design-build. Then we can go out and hire a consultant through the competitive process, through an RFP process for the consultant. That's a separate RFP from the design-build contractor that will build the project. It's in the very initial phase of the project. We're just asking your approval of this delivery method. Then eventually you'll approve the contract. Multiple steps along the way of the development of the project, the Board will be asked for approval of those milestones.

Savage: Thanks for the clarification Mr. Director. To go a step further, I know we have given stipends to design-build contractors, for instance on NEON and other projects as part of that package. Has the Department ever given a stipend to a consultant on a project?

Malfabon: No. Jenica is giving you a heads up in that the stipend for the design-build contractor is going to be in that amount. We don't pay stipends for the support that we need for the development of the design-build package. Just to clarify that point. The stipend that she mentioned is for the design-build team. Eventually, you'll actually approve release of the RFP which will have the stipends identified in it. She's giving you a heads up ahead of time that the stipends are involved for the design-build team, the construction contractor that designs and builds it. The

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stipends are not for the support from the consultant to develop the project further to that point.

Savage: I'm glad you clarified that because I misinterpreted that. I thought this stipend was specifically for—

Malfabon: No, in fact, she's very sharp in catching that to advise you in advance. We neglected to advise you of the stipends for the other design-build project that we're proceeding with for the Apex Project. We still have to come back to the Board for the approval of those stipends for that project because the Board wasn't told what the stipend would be. Hats off to Jenica to catching that and letting you know in advance. For our design-build procurement, you should know what we're going to be paying out in stipends well in advance of selecting that method of procurement.

Savage: So this stipend, just bear with me here, is for the design-build contractors that submit their proposals. Not for the consultant.

Keller: That's correct.

Savage: Thank you. I appreciate the clarification.

Malfabon: And you will be asked to approve that separately when the time is right for issuance of the RFP for the design-build construction and engineering of the project.

Savage: Because this contract or request for consultant I should say is for the Program Manager, not the Project Manager, is that correct? And, is it for the—

Malfabon: Terminology. It's basically the support of services consultant that's going to help us develop the RFP that's going to be issued later, after Board approval. If you look at that, the Board first approves the method of procurement. In this case, we're asking the Board to approve design-build as the method of procurement over construction manager at-risk, CMAR or design-bid-build, the traditional low bid process.

Savage: Yes and I understand that but on Page 1 of the Memorandum, under background. It says, the Department is currently pursuing procurement of a technical advisor to assist in the development of design documents and to act as Program Manager for the duration of the design-build project.

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- Malfabon: Yes and that is contingent on the funding coming through for the project.
- Savage: Absolutely. But it's the Program Manager, not the Project Manager, am I correct in that?
- Malfabon: Right. Jenica is the Project Manager.
- Savage: For NDOT.
- Malfabon: They're managing the program which is the delivery of this project.
- Savage: The last question I have is, I can't remember the Las Vegas 3A Project that's in construction at this moment.
- Keller: Yes.
- Savage: Is that a design-build or was that a lump sum hard bid?
- Keller: It was a design-bid-build.
- Savage: Design-bid-build.
- Malfabon: It was a low bid.
- Savage: Yeah, low bid. Who is the consultant on that project?
- Keller: It was designed in-house. We had some support with the landscape architecture and also with one of our walls.
- Savage: Very good. Thank you Ms. Keller for your work. Thank you Mr. Director and thank you Governor.
- Sandoval: Any questions from Southern Nevada on this agenda item?
- Martin: No sir.
- Sandoval: Any further questions? Any further presentation?
- Keller: No.
- Sandoval: All right. The Chair will accept a motion for approval for the Department to begin the solicitation of a design-build project to complete the Centennial Bowl to tie the US-95 to the Bruce Woodbury Beltway, provide direct connectors that

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eliminate current surface road movement and provide local service connections to Oso Blanca Road and Sky Pointe Drive in Clark County.

Almberg: So moved

Martin: Second.

Sandoval: Member Almberg has moved, Mr. Martin has seconded the motion. Any questions or discussion on the motion? Hearing none, all in favor please say aye. [ayes around] Oppose, no. That motion passes unanimously. Let's move to Agenda Item No. 11, which is Formal Amendments and Administrative Modifications to the 2016-2019 STIP.

Malfabon: Sondra Rosenberg will cover this.

Rosenberg: Sondra Rosenberg, Assistant Director for Planning. This is your quarterly update to changes to the STIP. We have two attachments on there. The formal amendments and administrative amendments, that has to do with the size of the change. Typically a formal amendment is a new project into the STIP or a very significant change in the funding. The other items are primarily a shift in the year or minor modifications to the funding or the description of the project. I'd be happy to take any questions or call out any significant projects.

Formal amendments, there were two actions from the RTC of Southern Nevada and one from Campo. The Southern Nevada is primarily transit projects, changes to transit projects. Carson City, of note, they received a Federal Lands Access Program Grant. That was to add that project into the STIP. Then there's an item in there that has to do with Carson Street, where we're switching out federal funds for state funds as part of the agreement for Carson City taking over South Carson Street.

Those are the items of note that I'm aware of but we'd be happy to answer any questions.

Sandoval: Questions from Board Members? Member Savage.

Savage: Thank you Governor. Thank you Sondra, just a couple of questions. Under Attachment A, the pages aren't numbered so bear with me, it would be Page No. 4, Item No. 3 down. Southern Nevada Transit Coalition. Is that federally reimbursed?

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Rosenberg: Yes, it is. So that is, you'll see towards the bottom there, FTA5310, so that's a Federal Transit Administration, federal funding.

Savage: Very good. Then the following page, Page No. 5, the top item, the RTC Transit Fleet Vehicles. Historically has NDOT transmitted \$6,000,000 worth of funds to the RTC vehicles?

Rosenberg: That is CMAQ funding so that's another federal funding source. That is congestion management and air quality funds that have to be spent in areas of air quality non-attainment. And because those areas are only in Washoe and Clark Counties, we actually sub-allocate those funds to those MPOs. It's really at their discretion. It is fairly common that they buy upgraded buses that have a lower emissions to reduce or improve the air quality in that region.

Savage: Historically the Department has contributed to those—

Rosenberg: The Department is not contributing. Those are federal funds. The RTC is matching those federal funds. They just kind of pass-thru us.

Savage: Okay, thank you Sondra. Thank you Governor. That's all I had.

Rosenberg: You're welcome.

Sandoval: Other questions or comments? So, there's nothing else in here we should be aware of?

Rosenberg: It's a lot. I know it's a thick attachment there, but it's really we track all of our changes to that federal document. I know it's a lot to go through but it's primarily drive by the MPOs, changes in project year. Sometimes it's just a matter of months in a project, a schedule can actually change the fiscal year, it's programmed in. A lot of it is that and truing up the costs.

Sandoval: It's efficiency to make sure we spend, or project spend out all their money.

Rosenberg: Right.

Sandoval: And if we can't spend it here, we can perhaps move it somewhere else to make sure that it doesn't go unspent.

Rosenberg: Correct. That's one of the reasons for the spending on the buses. The CMAQ funding is one of the more challenging funding sources to expend. So because

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other projects had been delayed, that's sort of a way to spend that money quickly in something that still impacts air quality.

Sandoval: Not to give the wrong impression that we're just trying to spend money, if we don't, we have to return it, correct, on some of these?

Rosenberg: In some cases, yes, the funding does expire. We also have a limited obligation limit. If we spend all the money we have obligation limit for, sometimes we'll get additional authority. Typically, Nevada is one of the few states that does, at the end of the year, we get the authority to spend the remaining funds. We work very closely with our MPO partners, both NDOT and the MPOs to obligate all of the money that we have authority to and hope that we get additional funds. We also have projects that are eligible that are good projects, that are ready to go to spend that money on.

Sandoval: No, as you go through these, there's safety projects, there's transportation projects, there's some really good things in here. I can't imagine the amount of time that goes in to monitoring all this to make sure that they're going as they should and moving it around. My compliments to you and whoever else is responsible for keeping track of all this.

Rosenberg: It's a combination of planning and administrative staff, financial management and program development do an excellent job of tracking as things are moving and making adjustments to make sure that we spend every penny that we can.

Sandoval: All right. Questions or comments from Southern Nevada?

Hutchison: Yes, thank you Governor. Ms. Rosenberg, if you could just—I heard you very briefly describe the reason for transferring state funding and using state funding on the [inaudible] rather than federal funding. Can you explain that a little more detail, please?

Rosenberg: Sure, I will do my best. I might look to Mr. Malfabon for some help, but there's been an ongoing agreement with Carson City for transferring Carson Street upon completion of the freeway. Because that completion is not considered finalized until the interchange is built at Spooner, which has been delayed; we've worked out an agreement with Carson to—we were going to do some maintenance, some preservation work on that stretch. Carson wants to develop some Complete Streets elements down there and so, we've come to an agreement to, rather than use federal funds to do a preservation project that once they take over the road,

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they would take out and re-do. We're transferring state funds instead with the agreement that they will only spend that money on that Complete Streets project. In the meantime, we're doing some minor maintenance work on that stretch to keep it functional until Carson City does that, that Complete Streets project, along with that preservation work.

**Malfabon:** I can add to that Mr. Lieutenant Governor. The project was originally funded for the repaving of Carson Street was originally a combination of, I think it was a little over \$1M of federal funds and the bulk of it was going to be state funds. We took the state funds portion, [inaudible] to Carson City to repave the street under their Complete Streets project in the future. It didn't make sense for the Department to repave it now and then the City would basically tear up the road in a few years time. We went with a bare bones approach of surface treatment and some minor ADA improvements on the sidewalks that will hold for a few years while they develop their project.

**Hutchison:** So what's the amount that we are funding through the state instead of using federal funds?

**Malfabon:** The agreement is a net amount of \$5.1M for the state funds. There are some requirements, as Sondra had mentioned. The money can only be used for that project to basically improve the pavement, is what we're offsetting for their costs. They're going to have a lot bigger project than that, than the \$5M project to build a Complete Street. They're talking about possibly moving the center of the road but decreasing it from a six-lane highway to probably a four-lane with wider sidewalks and landscaping and other improvements that will make it more of a Complete Street approach.

**Hutchison:** What happens to that federal funding that was allocated to this project?

**Malfabon:** So that went back to be reallocated to other projects. It was a flexible category and we were able to reallocate it so we don't lose it.

**Hutchison:** Great, thank you very much. Thank you Governor.

**Sandoval:** Any other questions? Mr. Controller.

**Knecht:** Just a really brief request. I think this was implicit in the comment before. On Attachments A and B and similar documents in the future, can you put a page

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number on each page? Especially when there are this many of them and people want to refer to this or that item or page, it's a lot easier. Thanks.

Sandoval: Ms. Rosenberg, you brought up the Carson City Bypass, do you have an estimate when that's going to be finished?

Rosenberg: I would have to look up where we have it currently in our planning documents. It is outside of that four-year STIP and that's back to our earlier question.

Malfabon: The current project should be open about a year from now but the interchange phase is what Sondra is speaking to, we have to—it's in the out years. I think that it was anticipated to be sometime after 2020.

Sandoval: That wasn't quite what I was asking. I understand we decided not to do the interchange and put that money towards the bypass to get that done. There's going to be a little bit of a change where the 50 hits the 395, I'm just curious, without the interchange, how close we are to getting that project done. It looks close. You got rid of that huge mound.

Malfabon: Yes. So, that's about a year from now. If the weather is nice in the winter, might be able to open it. We have to negotiate that with the contractor. Typically when traffic is on a road that it wasn't anticipated to carry traffic during construction, we have to look at those issues and negotiate that with the contractor because they have a contract with us to complete it through the final surface layer of pavement and then open it to traffic. If we open it up early, we'll have to negotiate those terms.

Sandoval: I'm not suggesting that either. I'm just curious because I've been through there a few times lately. It seems like everything is going well.

Malfabon: It is. Our hats off to Road and Highway Builders is our contractor on that. I was just alluding to the fact that once people see paving on a new road, they start asking us, when is it going to open? Hey, it looks like it's done, so, we'll definitely anticipate those types of questions when the paving is ongoing on the project. We're very looking forward to that, opening of that freeway.

Sandoval: All right. Any other questions or comments? Thank you Ms. Rosenberg. If there are none, the Chair will accept a motion to approve the formal amendments and administrative modifications to the FFY 2016-2019 statewide—for the STIP.

Hutchison: So moved.

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Sandoval: Lieutenant Governor 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] Those opposed say no. That motion passes unanimously. Thank you. We'll move to Agenda Item No. 12 which is Presentation on Variable Speed Limits.

Malfabon: Thank you Governor. In response to a question from Mr. Controller, you had asked us to bring back clarification and information on the issue of variable speed limits. Our Chief of Traffic Operations, Denise Inda is going to present how variable speed limits could help us to operate our system better and also improve safety. Denise.

Inda: Good morning Governor, Members of the Transportation Board. As Director Malfabon stated, I'll give you some high level information about variable speed limits and then we can have questions and dig in a little deeper in certain areas if you have more interest.

Variable speed limits, essentially are speed limits that change based on current roadway conditions such as traffic, weather, etc. There are sensors that are located along the road and they detect when conditions meet certain specified thresholds. Then what happens is, that triggers speed limit reductions and then those reductions get posted on electronic signs. The electronic signs slow the traffic down ahead of congestion, crashes, bad weather, those sorts of things and then that smooths the flow, it reduces stop and go conditions and essentially, it can decrease crashes.

Variable speed limits have been successfully implemented in Europe and installations in the United States are increasing month by month and year by year. In some cases, variable speed limit systems are standalone and in other cases they are installed in conjunction with a bigger, active traffic management system which could include lane control, ramp metering, things like that.

This graphic is a graphic showing the active traffic management system that is currently under construction on I-80 in California, between Richmond and Emeryville. It includes variable speed limits as a component of the bigger system.

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These photos are from I-80 in Wyoming. They have a standalone variable speed limit system and it's used during wind events, primarily in the winter to reduce huge, large multi-vehicle crashes due to poor visibility and treacherous weather. The bottom picture in the winter shows the speed reduction, it doesn't show some of the more treacherous situations where they've got trucks blown over and you know, 30 cars backed up in a situation. They're finding this to be really useful for their location across Wyoming.

These photos are from the system in Seattle along I-5. This is another active traffic management system so it includes lane control, variable speed limits, those kinds of things. In this situation, Seattle has experienced a 14% reduction in crashes on weekends and a 1.3% reduction on weekdays. They saw a 10% drop in injury related crashes in the section where they had the variables that included the variable speed limits. So, they've had some positive results from the implementation of this large system.

Then we get to Project NEON down on I-15 in Las Vegas. Active traffic management is included in the project. It's going to include lane assignments and variable speed limits. The system will be installed; a portion of the system will be installed during the early phases of the project so that it can be utilized during construction, which is anticipated to last through 2019. The system will include approximately 50 gantries, that's the over freeway sign that you see there. That's rendering—the design-build contractor is still finalizing the design. This is an idea of what it might look like. That's what we'll be going on in there.

The Department did extensive research on ATM systems and participated along with FAST, the Traffic Management Center down in Las Vegas, in pure exchanges with multiple states and other regions who have designed and implemented these active traffic management systems. We had the support and participation of FHWA as well.

We used this information and the lessons learned from the other locations to develop a concept of operations that's specifically for I-15 in the Las Vegas Casino Corridor. Because we have extensive data, freeway operations data prior to construction and then we will have that same sort of data coming out after the system is implemented. We'll be able to evaluate and compare the system for performance with this system. That will also help us to fine tune and tweak it both during construction, as well as upon final implementation.

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This is just a little graphic giving you an example, you might have seen this at a previous meeting when we talked about active traffic management systems. The gantries get laid out along the freeway. They show the posted speed. They can show a message about a crash ahead, lane closures, work zones, those sorts of things. Then they also can show the actual lane control, helping drivers move over in advance of whatever might be going on.

Project NEON will install some new infrastructure for the system but it's also going to utilize existing devices that are already out there along I-15. Cameras, the flow detectors which identify the speed of the vehicles, the ramp meters, those kinds of things.

We have an existing wind warning system on I-580/US-395. If you drive thru the area, you're familiar with it. It's a corridor that experiences high winds that can and do blow trucks over. We prohibit high profile vehicles under certain wind speed conditions. We're nearly completing an upgrade to the system. The majority of the system was finalized in February. That included a variable speed limit. You can see the small sign in the middle of the picture there. That's on Bowers Mansion Road, US-395A.

The idea is that by reducing the speed limit based on wind speeds, that allows a slightly larger window of opportunity for high profile vehicles to get through the corridor. We are still working with the manufacturer of those signs. They were not functioning adequately and satisfactorily. We're kind of taking a step back, working with the manufacturer trying to figure out what we need to do to make the system functionally accurately. The variable speed limit signs are not active but they are still a part of the system and we intend for them to be in the near future.

Then we get to I-80 in the area of Reno/Sparks. These are a couple of very simple renderings for a proposed variable speed limit system along the I-80 corridor, in that area. This concept was discussed with stakeholders at the recent Spaghetti Bowl Charrette and this idea was one of the ideas that bubbled to the top and received positive feedback.

We will be moving forward with a more detailed valuation and a development of a concept of operation specific to this corridor over the next couple of months and then the intent is to develop plans and advertise a contract for installation in the future.

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This last little thing I'd like to share with you is an excerpt of a video from Georgia DOT. It describes a variable speed limit system that they installed on a route, kind of a ring road around Atlanta, Georgia. It's a much bigger roadway section than I-80, it's got a lot more lanes, but it gives you a good idea of how a standalone variable speed limit system works. [video plays]

A similar kind of a system would be added into the ITS systems that we already have in place in the Reno/Sparks area. We already have some ramp metering. We have existing dynamic message signs. We have the ability to provide travel times, the cameras, flow detectors. We would be using that existing infrastructure and then sort of filling it out and flushing it out to provide a variable system. Variable speed limit system, through the corridor.

That's the high level I have prepared for you today. I'm more than happy to answer any specific questions you might have or cover other areas that weren't covered.

Sandoval: Thank you. That was very informative. Do you know if all of this connects to the personal travel apps that people use in their cars? They've got their navigation systems that are in there, or they use Google Maps. Will this, I know you have an external way, but will it plug in internally those things?

Inda: Yes, because what we're doing here at NDOT is, we have created a data archive. We call it the Nevada Data Exchange Index. All of our data from the roads goes into this exchange. We make that data available to folks who want to use it. Businesses that might want to use it could be the navigational companies. It could be traffic information kinds of companies. You talked about ways a little bit earlier today, one of the things we are in the process of doing is, getting an agreement, signed with Waze. They call it their Citizen Reporting Program. What that essentially does is it allows us to exchange data with Waze/Google, traffic data and then each of the agencies can use it for their own purposes.

For example, our freeway data from either I-15, I-80, other routes throughout the state would be passed over directly to Waze and then incorporated into their systems as they see fit. So yes, once the systems are up and operating, those after market providers then incorporate that data as suites their needs into their systems.

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Sandoval: That's good because some people will only trust their own phones. I just want to make sure that it's consistent information. Some people will be in their car and their app is saying, well there's no wreck up there, they can't be right. Essentially it comes down to, as you say, that after market provider subscribing to this information. Everyone should trust what's up on the signs first, correct?

Inda: Correct. Absolutely. That's the first line of action.

Sandoval: Thank you. Other questions or comments from—Member Savage.

Savage: Yes. Thank you Governor. Thank you Ms. Inda, very informative, clear presentation. Very helpful. I think that moving forward, like you said, you're leading these efforts. It can help with the Spaghetti Bowl congestion. One of the questions I had was that you said, late 2017 to implement, on I-80 between East McCarran and West McCarran. So, the question would be, can we do it any sooner?

Inda: We will be—and by implement—I don't know if I said that specifically. I think it said it more specifically in the memo that was in the packet. We would be looking to advertise the contract in late next year and so there would be a period of construction from late 2017 out.

We will have to utilize consultant services for this. There is always a possibility of accelerating the design time frame. It just costs a little bit more generally speaking. We could absolutely consider accelerating that. We are in the process of finalizing agreements with several firms for consultant services and you, knock on wood, will be seeing those agreements at the August Board Meeting and we will be using the on-call process that was described to the Construction Working Group at the last meeting. Some of you are familiar with that. We'll be using that process to solicit a proposal from the approved firms and then move forward with a firm for that specific scope of work to design that project.

I can't give you a specific time frame on how much quicker we could make it, but we could certainly investigate that if that's the desire of the Board, or the Director's Office, for sure.

Savage: It's just a point I wanted to bring up. You said a lot of the infrastructure was in place at some of the locations. I'm specifically talking about I-80 between East McCarran and West McCarran. Some of that infrastructure is there and I know some of it's not. A sooner rather than later I think is really the message because

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of the congestion we have at the Spaghetti Bowl. I would appreciate just looking into it to see if we can accelerate the design portion of that.

Inda: Absolutely.

Savage: Then secondly, you had said there's 50, 5-0, or 15, 1-5, of the active management gantries on NEON?

Inda: On NEON, right now there are 52 signs along the I-15 corridor and US-95. There's a lot of those signs.

Savage: But not the gantries, not 52 gantries.

Inda: Yes. 52 overhead signs, yes. And the reason for that, we've been talking a lot about that internally and Rudy, please jump in if you want to. The reason for that is because of that type of information that we're providing on these signs, be it regulatory speed limits, lane control, you need those signs to be fairly close because for example, every time you get on an on-ramp, you need to know what the speed limit is. A driver needs to know which lanes might be open. Is the HOV lane functioning as an HOV or is there something going on ahead and general traffic is being pushed into the HOV lanes, those kinds of things. You need those gantries at a very regular interval to give drivers that information that you see.

In the Georgia video, if you caught it, they talked about 100 and some odd signs on their project spaced a mile to a mile and a half apart. That's based on the spacing of the interchanges. I think that's a newer route that has less closely spaced interchanges than we see here in our urban areas of Nevada. Maybe they can make do with a mile and a half spacing because there's nothing between one interchange and another. Where you have very closely spaced interchanges, the access roads that come in and go off, you really do have to provide that level of information to the drivers.

Savage: Thank you Ms. Inda. I don't pretend to be a traffic engineer. I have full confidence in the Department but as a businessman, I just think of paralysis by analysis. We don't want to fall into that bucket. I thank you for your time and thank you Governor.

Malfabon: If I could add to that Member Savage. When we normally think of Project NEON, we think of the construction footprint where they're widening and

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building bridges from Sahara to just north of the Spaghetti Bowl on I-15. These gantries, these active traffic management structures extend much further south and a little bit further north of that Project NEON roadway footprint but they're still part of Project NEON.

Sandoval: Any other questions, Mr. Controller?

Knecht: Thank you Governor. I'll agree with the previous two speakers. This was informative and appreciated. My question goes not so much to the interaction with apps and after market equipment and that sort of thing, which I think is very important and very foresighted. Overall, by the way, I just have to say, I really am pleased with this effort and with the things you're doing to use new technology.

Let's talk about one other aspect of the new technology here. Namely, automated vehicle control, which we discovered through certain press reports recently, isn't quite everything that we would hope it would be. Still, it's part of the future. It's an important part. When you look at I-80, I was through there a few weeks ago and it's still terrible in the Bay Area. When you look at Vegas and all those problems, it seems to me that you almost have to assume that the drivers are fully, fully, fully engaged.

When you look at that Wyoming example, it strikes me that that's an opportunity to interact with basically automated vehicle control and provide some feedback, some help, some assistance to the driver there under those circumstances, if not in the high traffic congestion circumstances. Is that something you're looking at?

Inda: Absolutely. Wyoming has been awarded a large connected vehicle grant and so they are actually taking their variable speed limit program and adding other aspects and technologies to it. Sort of moving to the direction you're referring to Controller Knecht. So, absolutely.

Nevada has a small federally funded pilot program for connected vehicles that we're working on. We have a corridor between Reno and Carson City and we're gathering real time data from some of our snow plows and maintenance vehicles, to see how that helps us in our snow and ice removal practices. That's just a small portion of what you can do with connected vehicle. We do plan to continue investigating other opportunities. Tracy Larkin-Tomasson is working very closely with the DMV and other areas within the State on the autonomous vehicle

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and connected vehicle programs. We are paying very close attention and being engaged in that because it is an opportunity for us to move forward for sure.

Knecht: Again, thanks. Thank you Governor.

Sandoval: Questions or comments from Southern Nevada.

Martin: None here sir.

Sandoval: Any other comments from Board Members. Thank you, great presentation.

Inda: Thank you.

Sandoval: Agenda Item 13, Old Business. Mr. Director.

Malfabon: Thank you Governor. Good job Denise. On Old Business, we have the report of Outside Counsel Costs on Open Matters and the Monthly Litigation Report. Our Chief Counsel from the Attorney General Office, Dennis Gallagher is present to answer any questions that the Board may have. Seeing none—oh, go ahead.

Hutchison: Governor.

Malfabon: I thought so.

Sandoval: We knew it wouldn't go by without...

Hutchison: Just a couple of quick questions here. Mr. Gallagher, I see again that there's no new outside counsel matters but there are two new cases that the Attorney General's Office is handling under the tort section. Am I reading that correct?

Gallagher: For the record, Dennis Gallagher, Counsel to the Board. Lieutenant Governor, you are reading it correctly.

Hutchison: Okay. And just a couple of quick follow-up questions that were prompted by the description of these tort claims. The first one is this Heisman v. Las Vegas Paving and NDOT. I don't have to know the facts on that or anything, but it raises the question for me, when NDOT is included as a defendant with a contractor, do we have any provisions in those contracts with those contractors for indemnification of NDOT?

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Gallagher: For the record, Dennis Gallagher. Yes, Lieutenant Governor, we have a provision in the contract and typically we tender a defense to the insurance companies for the contractors.

Hutchison: Okay. That was my question on that new one. Then on the inter-pleaded matter with the State Farm case, what is the basis for them seeking inter-pleader, do you remember?

Gallagher: Mr. Lieutenant Governor, I don't recall at the moment but I will find out and get back to you separately.

Hutchison: That'd be fine. Thank you Mr. Gallagher. Governor, thank you very much.

Malfabon: The third item under Old Business is the report on Fatalities. We're pleased to report and in your packet you see that the change compared to this time, the date of the report was June 27<sup>th</sup>, seven less. I have a report from last week, as of July 5<sup>th</sup>, 13 less than last year. We're on the right, positive track to reduce fatalities in Nevada. That is a testament to all of our safety partners. Not only the folks in our Safety Division and the folks that deliver beneficial projects at NDOT but also NHP, Department of Public Safety, Office of Traffic Safety and our local law enforcement and medical responders and educators. That concludes that item Governor.

Sandoval: Thank you Rudy. Any other questions or comments with regard to Agenda Item No. 13? That is 13 less tragedies. You can't even articulate how important that is. All right. If there are no further questions or comments on Agenda Item No. 13, we'll move to Agenda Item 14, Public Comment. Is there any member of the public who would like to provide comment to the Board? Yes sir. And if you'd please state your name for the record.

Lake: Good morning Governor, my name is Ray Lake. I am the Vice Chair of the North Valley Citizen's Advisory Board in Washoe County. I also sit on the City of Reno Board for Neighborhood Advisory Board and the Golden Valley Property Owner's Association. The Property Owners have sort of sent me here to kind of keep the North Valleys traffic situation on the table so to speak. The seats on the cab and [inaudible] afford me the opportunity to see the development that's going on in the North Valleys. This morning I just took a quick inventory, I identified about 4,000 units, dwelling units going in in the North Valleys, north of and around Golden Valley.

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We have a situation with traffic entering town where this morning traffic was backed up from North McCarran to roughly Parr Boulevard. It's two lanes in there. It looks to me like there's room to add a third lane south, but the real bottle neck is at Clear Acre Lane where it enters by 580 heading south. There's a very short entrance ramp and the traffic backs up there. Once you get beyond McCarran Boulevard, there's actually another lane that comes in and another on-ramp and traffic lightens up at that point. The real bottleneck for us is at McCarran Boulevard.

The proposed changes to the Spaghetti Bowl that I saw in the Director's Report last month look really good to me, but I don't think that will do anything for us because our problem is at McCarran Boulevard and north of that.

Thank you for your time. Thank you.

Sandoval: Mr. Lake, thank you for being here. Any other public comment?

Malfabon: Governor, I would like to add that the meeting that you requested with the property owner on USA Parkway has been set up for this week. To Mr. Lake's comment, the Board should be receiving, around September, I believe, the traffic study of the Washoe Valley area and the freeway system gets to the point of making some of the recommendations, the kind of near term and midterm recommendations to the Board. You'll be receiving more information about those types of projects, besides the Spaghetti Bowl.

Sandoval: And you said Washoe Valley, did you mean Golden Valley?

Malfabon: Washoe County, I meant.

Sandoval: Oh, Washoe County.

Malfabon: Yes.

Sandoval: Okay.

Malfabon: It's a very comprehensive traffic study that will have some recommendations for 395 north of the Spaghetti Bowl as well.

Sandoval: Mr. Lake, maybe September is the month for you to be here. All right, any other public comment from Northern Nevada? Any public comment from Southern Nevada?

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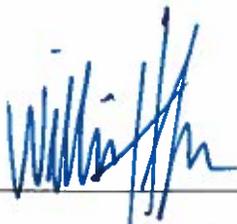
Martin: No sir.

Sandoval: Is there a motion to adjourn?

Knecht: So moved.

Martin: Second.

Sandoval: The Controller has moved, Mr. Martin has seconded, all in favor say aye. [ayes around] The motion passes, this meeting is adjourned. Thank you ladies and gentlemen.



Secretary to Board



Preparer of Minutes