



Department of Transportation
Board of Directors
Notice of Public Meeting
1263 South Stewart Street
Third Floor Conference Room
Carson City, Nevada
October 13, 2014 – 9:00 a.m.

AGENDA

1. Presentation of Retirement Plaques to 25+ Year Employees – *Informational item only.*
2. Presentation of Awards – *Informational item only.*
3. Receive Director's Report – *Informational item only.*
4. Public Comment – limited to no more than three (3) minutes. The public may comment on Agenda items prior to action by submitting a request to speak to the Chairman before the Meeting begins. *Informational item only.*
5. August 18, 2014 Nevada Department of Transportation Board of Directors Meeting Minutes – *For possible action.*
6. September 8, 2014 Nevada Department of Transportation Board of Directors Meeting Minutes – *For possible action.*
7. Approval of Agreements over \$300,000 – *For possible action.*
8. Contracts, Agreements, and Settlements – *Informational item only.*
9. Briefing on the Proposed USA Parkway (SR-439) Delivery Method – *For possible action.*
10. Acquisition of right-of-way, including compensation for existing improvements and acquisition of certain contractual rights for right-of-way easements for the USA Parkway (SR 439) Project – *For possible action.*
11. Briefing on Proposed Digital Billboard Policy – *Informational item only.*
12. Old Business
 - a. Report of Outside Counsel Costs on Open Matters – *Informational item only.*
 - b. Monthly Litigation Report – *Informational item only.*
 - c. Fatality Report dated September 30, 2014 – *Informational item only.*
13. Public Comment – limited to no more than three (3) minutes. The public may comment on Agenda items prior to action by submitting a request to speak to the Chairman before the Meeting begins. *Informational item only.*
14. Adjournment – *For possible action.*

Notes:

- Items on the agenda may be taken out of order.
- The Board may combine two or more agenda items for consideration
- The Board may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.
- Reasonable efforts will be made to assist and accommodate physically handicapped persons desiring to attend the meeting. Requests for auxiliary aids or services to assist individuals with disabilities or limited English proficiency should be made with as much advance notice as possible to the Department of Transportation at (775) 888-7440.
- This meeting is also expected to be available via video-conferencing, but is at least available via teleconferencing, at the Nevada Department of Transportation District One Office located at 123 East Washington, Las Vegas, Nevada in the Conference Room and at the District III Office located at 1951 Idaho Street, Elko, Nevada.
- Copies of non-confidential supporting materials provided to the Board are available upon request.
- Request for such supporting materials should be made to Holli Stocks at (775) 888-7440 or hstocks@dot.state.nv.us. Such supporting material is available at 1263 South Stewart Street, Carson City, Nevada 89712 and if available on-line, at www.nevadadot.com.

This agenda was posted at www.nevadadot.com and at the following locations:

Nevada Dept. of Transportation
1263 South Stewart Street
Carson City, Nevada

Nevada Dept. of Transportation
123 East Washington
Las Vegas, Nevada

Nevada Dept. of Transportation
310 Galletti Way
Sparks, Nevada

Nevada Dept. of Transportation
1951 Idaho Street
Elko, Nevada

Governor's Office
Capitol Building
Carson City, Nevada



1263 South Stewart Street
Carson City, Nevada 89712
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MEMORANDUM

September 25, 2014

TO: Department of Transportation Board of Directors
FROM: Rudy Malfabon, Director
SUBJECT: October 13, 2014, Transportation Board of Directors Meeting
Item # 2: Presentation of Awards – Informational Item Only

Summary:

This item is to recognize the Department of Transportation and staff for awards and recognition received.

TRPA Best in the Basin Award U.S. Highway 50 Spooner Summit Wall (North of Glenbrook)

TRPA recognizes projects that demonstrate exceptional planning, design, and overall compatibility with the Lake Tahoe environment. NDOT was presented the award for their innovative reinforcement soil slope technique that provides a more natural look, promotes infiltration, reduces pollutants, improves safety and reduces maintenance. The project is part of NDOT's dedication in helping to preserve the Lake Tahoe Environment and not only met the TRPA's requirements for beauty and environmental sensitivity but NDOT's requirements for strength, stability, and durability as well.

Bronze Telly Awards NDOT and The Nevada Department of Public Safety

NDOT and Nevada Department of Public Safety won three bronze Telly Awards for outstanding public service TV messages (PSA's). The Zero Fatalities Traffic Safety Campaign PSA's won in the commercial, public service category. The Telly Awards are the communication industry's most prestigious awards honoring film, video, online productions and TV commercials. This year, more than 12,000 entries were submitted from every state and across five continents.

AASHTO's Faces of Transportation Award Julie Duewel, Tahoe Shared Use Bike Path Photograph

Each year, AASHTO presents awards in National Faces of Transportation Photo Contest. This year, Julie Duewel's photograph of the Tahoe Shared Use Bike Path was awarded first prize in the "Taking the Road Less Traveled" category. Julie took the photograph during the dedication ceremony for the second segment of the Stateline to Stateline Bikeway bike path.

Recommendation for Board Action:

This is an informational item only.

Attachments:

None

Prepared by:

Julie Duewel, Public Information Officer

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Governor Brian Sandoval
Controller Kim Wallin
Frank Martin
Tom Skancke
Len Savage
Tom Fransway
Rudy Malfabon
Bill Hoffman
Dennis Gallagher

Sandoval: Good morning. I will call the Nevada Department of Transportation Board of Directors meeting to order. Can you hear us loud and clear in Northern Nevada?

Unidentified Male: We can, sir. Thank you.

Sandoval: All right. It's great to be here in Las Vegas. I understand that it's been several years since the Board has met here, and I think it's particularly appropriate given the Agenda that we have today. We will commence with Agenda Item No. 1, Receive the Director's Report. Director Malfabon.

Malfabon: Thank you, Governor. First off I'd like to report to the Board that we have another retirement pending. Rick Nelson, who's our Assistant Director of Operations announced that he has a new gig coming up with AASHTO running their snow and ice control program on a national level. So we wanted to take this opportunity to wish the best to Rick and have a photo op with the Board. Rick, thank you for your years of service to NDOT. We're going to miss you, but I know you're still going to be around the area.

Nelson: Yeah, I've got to get one of those consultant badges.

Sandoval: Your job will just be a blizzard of opportunities.

Nelson: It could possibly be, yes.

Malfabon: And while everybody's coming up, I just wanted to thank Mary Martini, our district engineer, for all the effort in setting up and making sure that parking was available for several folks to come for the Project NEON presentation. Governor, if you could.

Sandoval: Congratulations. How many years of service?

Nelson: Thirty -- I don't know.

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Sandoval: 30 years. Wow.

Skancke: Welcome to the consulting world. It's great.

Malfabon: Moving on to the Director's Report. Good news on the transportation bill front. President Obama signed an extension of MAP-21 through the end of May next year. This eliminates the need to slow down the payment of reimbursements to NDOT from the FHWA and FTA, Highway and Transit Administrations. And what Congress agreed on was to approve pension easing, which basically allows corporations to defer the payment of pensions -- the money that's deposited for pensions, which means there's more revenue, more profit that results in more corporate income tax. So that's how they paid for this shortfall. But next session, huge issue that Congress has to address with the long-term transportation bill.

As I've reported in the past, the federal gas tax is only enough to support about 70% of the program needs currently, so they have to address that shortfall or cut the amount of revenue that -- I mean authorization that's given to the states.

On Interstate 11 Boulder City Bypass, the testing by our consultants, both RTC and NDOT, indicates that there'll be no supplemental EIS, which is good news. It doesn't mean a huge delay to the project. That's avoided. Our project is scheduled to advertise October 29th for seven weeks. The bid opening for this project actually ties in well with the design-build project for the RTC. It'll be one week after the RTC Board approves the design-build contractor. We could gain economies of scale by having that contractor that wins that project know and possibly chase that project for NDOT, which is the low bid process on us.

The NEPA reevaluation public meeting is scheduled for October, date to be determined specifically and the location. But that's when we present to the public some of the items associated with the test results and the mitigation measures that we're going to have on our construction project. Amendment 2 between the NDOT and RTC interlocal agreement, cooperative agreement, for \$180,000 is going to be approved this week. That's for our consultant, Tetra Tech, to do additional surface sampling for asbestos. Then the measures to address the naturally occurring asbestos on our construction contract are going to be included in our contract specs.

Regarding the corridor study that we're doing jointly with Arizona DOT, the public comment period ended July 18th.

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Sandoval: And, Rudy...

Malfabon: Yes.

Sandoval: ...let me interrupt. I'm sorry. At least with regard to the bypass. So we're on schedule and...

Malfabon: Yes.

Sandoval: ...I just want to make sure we're clear on that.

Malfabon: Yes. One thing to point out, Governor and Board members, is that the federal funding for this project stayed in the same fiscal year so we didn't have to move projects around to address that shortfall. So it's on schedule.

Sandoval: And in terms of public safety and health, it looks like we're going to have that completely under control as well?

Malfabon: Yes. The test results are indicating that there is asbestos in the rock up in the mountainous area that the RTC is going to have to excavate, but down in the valley areas we're in good shape. So we'll have the mitigation measures to address that. No public health concerns.

Sandoval: All right. Thank you.

Malfabon: One thing that I wanted to mention on i11study.com there's a narrated presentation available that's very comprehensive. A lot of materials available as far as reports and study materials available on that website. So I would ask that those that are interested go to that website, i11study.com, to review those materials and see the presentations.

Next month, Project Manager Sondra Rosenberg will give the final presentation to the Board. And a lot of folks are requesting to address the Board, and I would recommend that we have a public comment period included as part of this Agenda item so that those folks will have that three-minute period as typically on our public comment period, but specific to this actual item on the Agenda.

Some project updates. Up in Northern Nevada, Mt. Rose Highway, we're paving the upper half. We're finishing up the pipe work up on the upper half. We plan to finish this project by November. We extend our appreciation to Granite Construction for the efficiency that they've shown on this project, and also having to accommodate the special events, too, in Northern Nevada.

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One of the projects down here that's received a lot of attention is the I-15 Dry Lake. It's the repaving and reconstruction project between Las Vegas and Mesquite. We met with concerned officials and businesses in Mesquite. We constructed a crossover to help the northbound uphill side in an area that was -- trucks were slowing down. Once they were stopped they had a tough time getting up that grade. So it helps serve as a bypass for the regular traffic through that construction zone.

We're also using freeway service patrol to assist on vehicle breakdowns. And we expect completion before Thanksgiving. Now, we looked at some alternatives that would reduce productivity for our contractor, Las Vegas Paving, so we recommend that we proceed with the measures that we've taken and including the aggressive media campaign so that people are told to leave early or plan on staying late and having actual delay times posted on the message boards and dynamic message signs, so we feel that it would be best to bite the bullet and complete it before Thanksgiving rather than extend into next year.

Sandoval: And how is it going? I mean we've still got backups...

Wallin: Ask Member Martin.

Sandoval: Please.

Martin: Actually, it's going quite well. I've communicated with Tracy and Mary a lot on this issue, because it seems like I get a lot of phone calls. And I travel that road at least once every week. And this week, going out northbound, a little bit slow just before Glendale. Coming back southbound this weekend, the travel time was 18 minutes faster for that stretch of road than it was two weeks ago. So things are working better.

Sandoval: Great.

Malfabon: And I wanted to express appreciation to Tracy and Mary for their efforts in trying to find some good solutions to that traffic problem out there. Some Northern projects; U.S. 50 Moundhouse recently started paving operations. On the first day of grinding and milling operations we had an equipment breakdown that affected traffic, unfortunately, but we're back on schedule on that project and we're looking forward to when it's completed with the safety improvements planned at Virginia City, the junction there with U.S. 50.

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Kingsbury Construction Manager at-Risk project; the final paving operations are taking place, completing this project in the fall, along with the I-80 Carlin Tunnels, a CMAR project, which will also be completed this fall.

Martin: Rudy, could I interrupt you for one minute.

Malfabon: Yes.

Martin: On the Kingsbury CMAR, is there a report available to the Board for the number of CORs, change order requests, that have been made by Q&D to NDOT on that project and what they're for?

Malfabon: We'll have that information at the next Board meeting...

Martin: Okay.

Malfabon: ...and the next Construction Working Group meeting, Member Martin.

Martin: Thank you.

Malfabon: A good success story on this State Route 160 traffic signal project. As you recall, Governor, I mentioned, back in December at the Transportation Board meeting, that I was going to be attending a neighborhood meeting that evening. We heard loud and clear that a signal was needed there, as well as some other pedestrian improvements, and we acted quickly based on your direction, Governor, at the January Board meeting to accelerate this project. We used some innovative methods to acquire some of the signal equipment and the poles ahead of time and provide those as state-furnished materials to the contractor. The contractor, Fast Trac Electric, started around late June and they just finished last week. The signal was activated. So a very successful project. I wanted to thank everybody involved in delivering that project. A great success story that was covered well by the media last week.

Sandoval: No, and thank you for getting that done. It was obviously a safety issue and something that needed to be a priority. And I really want to compliment you, and as you say, everybody that was involved with the project in getting that done and particularly right before school starts.

Malfabon: Yes. Thank you. A little update on the EPA storm water update of the Department's operations. We just recently drafted a field guide for illicit discharge detection and elimination. So this is -- illicit discharges are when you don't want polluted water getting into the storm drain system, particularly when it empties into a river or a lake. We presented that to the

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Nevada Division of Environmental Protection for their review and comment recently, and we look forward to revising and finalizing that document. We also kicked off a multidisciplinary team to look at storm water. And Bill Hoffman, our deputy director, is leading that effort throughout the Department to really change the culture of the Department and show the USEPA that we are taking this audit seriously and enacting those measures in response of the findings.

Sandoval: So I'm going to see them tomorrow. So are we going to have a...

Malfabon: Oh, great.

Sandoval: ...good conversation?

Malfabon: Yes.

Sandoval: Yeah. Good.

Malfabon: And we thank you and (inaudible) draws off of your advocacy with the USEPA. We filled three positions and we have three additional positions in the districts to monitor the Storm Water and Clean Water Act program at the Department. One additional supervisory position is also being added in headquarters. So these positions will help us to have better documentation and oversight of the program at the district level.

Some future public meetings coming up. Project NEON, which is going to be addressed later on in the Agenda, we have an environmental document reevaluation on August 27th. So whenever we have the original environmental document and there's changes, we have to present that to the public in a reevaluation meeting so that the Federal Highway Administration can approve that revised document. The changes on -- pretty clear were results of the HOV lane study that John Terry presented a few months ago to the Board, so there will be some changes implemented on Project NEON. And also that the Martin Luther King Bridge over Charleston Boulevard is a change, as well as the at-grade intersection at Grand Central Parkway with Charleston Boulevard.

There's also another reevaluation for the environmental document for the Carson Freeway; September 17th is the date of that meeting. What we're changing on that is hauling surplus material from the project up to reclaim a maintenance site on U.S. 50 that we will abandon. So it'll be a nice environmental approach to get rid of surplus material, but also reclaim that site.

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USA Parkway environmental study, we're pushing this off into early part of October. We were thinking September before, but we think that that's a more reasonable schedule to maintain for the environmental document. After that public meeting then the FHWA will review the public comments and how NDOT addressed those public comments and then eventually approve that document, and we'll get that into the STIP, the work program for the engineering of the project.

I-11 Boulder City Bypass, the NEPA reevaluation I mentioned for the naturally occurring asbestos, that public meeting will also be held in October.

Some recent settlements and verdicts. In your packet, you have the determinations for Jericho Heights and Highland properties. Jericho Heights is related to I-11 Boulder City Bypass Phase 1, about \$4.5 million. That's the one that had a significant risk north of \$30 million, at least, up to as much as \$100 million, that was alleged by the property owner for impacts. So we're pleased by that settlement that was approved by the Board of Examiners. And also the Highland properties. In your Board packet, I wanted to mention that you'll see a different number. That's the amount of the actual difference between what we had previously deposited and what the Board of Examiners approved additionally. But the total amount, in the end, was \$13 million for that property.

Just last week the Board of Examiners approved a settlement that was \$62,500. This issue had to do with a construction project where our contractor apparently trespassed on the private property owner's property. Initially, it started out as an inverse claim and a taking, but we showed that the railroad did have the right to allow us to build the construction channel in the railroad right-of-way. Although this property owner was the underlying fee owner, they didn't have standing in that case, but they did have standing in the use of their property temporarily. So we feel that because the construction resident engineer put the contractor on notice to cease and desist that activity on the private property, that we're going to go after the contractor for this amount so that they can reimburse us.

The one to be coming to the Board of Examiners in October is the Travelers claim. We reached a tentative settlement for \$1.6 million, approximately, on the -- this was related to three contracts including Kingsbury project up in District 3 in Wells, and also a project down here in District 1 with Williams Brothers. So this settlement will go to the Board and then

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subsequently be reported to the Transportation Board thereafter. We don't have -- I know that we -- the details will be provided to the Board of Examiners, but if there's any questions we could take them at this time. But we're pleased with this settlement and we feel it was in the best interest of the state.

Another one that's going to be going to the Board of Examiners, Jenkins. We have some issues still to address, but we reached a tentative settlement of \$1.6 million. This was a direct acquisition and a counterclaim for inverse combination that are settled through this action. Again, Board of Examiners approval is expected in October.

I have a report to the Board that we did receive our triennial DBE goal approved by the Federal Highway Administration. We had submitted 5.99%, and what they came back with was a determination that NDOT had actually doubled-dipped on the correction. So we had a number and then we had a correction, a step-two adjustment is what it's called. And we ended up at 5.99, but they said we could only choose one of those corrections, so we chose the larger of the two. And it ends up that what they approved was 5.59% for our triennial goal for the DBE program. So in the ballpark, but a little bit less than what we had submitted.

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

Sandoval: Member Fransway.

Fransway: Thank you, Governor. I have two questions, one in reference to the recent settlements and verdicts on Page 11, Travelers and Jenkins. And, Mr. Director, I'm wondering how far off were we with the actual settlement and the original offer from NDOT?

Malfabon: On Travelers, they had a claim that we owed them about \$4 million. And what they were alleging was there was substantial change because of utility work that they -- unforeseen utilities. So we were -- approximately a couple of million dollars that we felt they owed us, and they were saying that we owed them \$4 million. So that's how far apart we were. On Jenkins -- Dennis, I don't know if you have any particulars or if anybody from Right-of-Way has any particulars about what that amount was. But I believe that we had started about \$800,000 and went up. We reconsidered our appraisal for about \$1.1 million. They were above \$2 million on Jenkins, and we settled it at \$1.6.

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- Fransway: Okay. And Page 8, in reference to EPA storm water audit that I believe you mentioned that Bill Hoffman would be handling that. I'm just wondering if the Tahoe Culvert Cleaning contracts in that will be part of that audit, Bill.
- Hoffman: Well, yes, they will be, Member Fransway. It's one -- you got to look at the thing from a very high level, so 30,000 feet. So any waters where our roadways have culverts, you know, that feed into some of these bodies of water, a lot of the culverts throughout the entire state we need to monitor and make sure that there aren't illicit discharges. Tahoe is certainly one of those. So the culvert cleaning, that plays into the program, especially with Lake Tahoe that's considered an impaired water body has total maximum daily loads. There's a lot of additional requirements for Tahoe on top of just our general permit requirements, so...
- Fransway: Okay.
- Hoffman: But yes. Yes.
- Fransway: One day when you get some time, I wouldn't mind meeting with you and get educated a little more on it.
- Hoffman: Sure. That sounds good, Member Fransway.
- Fransway: Appreciate it. Thank you.
- Hoffman: Sure.
- Malfabon: Thank you, Member Fransway.
- Fransway: Thank you, Governor.
- Malfabon: One last thing to report, Governor. I did draft the request for proposals for the operational audit, and I'm going to send that to the Board members for their comment, as well as solicit comments from NDOT staff on that. But I ended up with a portion of it would be related to more a financial audit on some materials. There was about six items for financial audits and about another six items that were operational, more for efficiency improvements and suggestions along that route. So the areas also covered -- addressed some of the comments that I received from Governor's staff to add additional emphasis of certain areas. So you should receive that today, and I'll distribute that as well to NDOT staff and get that out as soon as possible.
- Sandoval: All right. Thank you. Any other questions for the Director? Does that complete your presentation?

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- Malfabon: Yes, Governor.
- Sandoval: We'll move to Agenda Item No. 2, Public Comment. Is there anyone here in Las Vegas that would like to provide public comment to the Board? Yes, sir.
- Malfabon: Please state your name for the record.
- Pelnik: My name is Thomas Pelnik. I am a senior vice president with ACS Infrastructure Development. Governor Sandoval, ladies and gentlemen of the Board, ladies and gentlemen of the Department, good morning and thank you for the opportunity to address you today. As I said, I'm a senior vice president for the ACS. We're an equity investor and an infrastructure operator-based (inaudible) support of (inaudible).
- Since 2008, we've worked with public agencies across North America to finance and develop more than \$9 billion of (inaudible) transportation infrastructure. Local contractors, directors, and material suppliers are all part of what teams where we (inaudible). In the interest of...
- Sandoval: May I interrupt you just for one moment?
- Pelnik: Certainly.
- Sandoval: Can we mute the microphone on the other end, please?
- Unidentified Male: (Inaudible) the other end.
- Sandoval: Okay. All right. Go ahead.
- Pelnik: Thank you. In the interest of full disclosure, we are part of the (inaudible) that submitted the unsolicited proposal that sort of kicked off this process with P3s for Project NEON. It's been a privilege to work with you for the last three years together, and we would like the opportunity to finish what we started together. We have in response for your invitation for qualifications and subsequent (inaudible), spent more than \$2 million at risk to develop a proposal to (inaudible) finance (inaudible) Project NEON.
- Based on your agenda, you might make a decision today on the delivery model for Project NEON.
- Fransway: I'm having a hard time hearing you. Could you pull the mic closer to you or something or get it turned up.
- Pelnik: Oh, I'll try and project a little more...

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Fransway: That's better. Thank you very much.

Pelnik: ...(inaudible). You may make a decision today on the delivery model for Project NEON. While I now work for ACS, I previously had similar considerations to make when I was the director of the Innovative Project Delivery Division for the Virginia Department of Transportation. And I was responsible for developing a multibillion dollar program for design-build contracting and public-private partnerships during the period from 2003 to 2011. So I offer these comments with the perspective of both my former public service and my current responsibilities with the ACSID.

Now, I have less than about two minutes, I think, to address a very complex topic, so I'll offer a few simple points and then provide the written background to these comments. Most simply and importantly, P3 delivery is your most reliable choice if you want to not just cut the ribbon on the groundbreaking for this project, but also open the project within the next term of your governance.

Four recent complex highway P3 projects were delivered on time or early. Three of those are ACS projects that we now operate and maintain in Fort Lauderdale, Vancouver, and Montreal. They are worth nearly \$4 billion in total, and we opened each one on or ahead of schedule and on budget. Please compare those results to the schedule and cost records of the largest P3 projects here in Nevada, in addition to the cost of capital, the cost of congestion and the value of private capital to your economy. If Project NEON's delayed and the average wage earner in Las Vegas sits in traffic for about 10 minutes each day, one month the delivery reaches nearly \$19 million. Three months of delay would exceed \$56 million, and such costs would quickly erode any perceived savings aimed at the public debt.

So, Governor Sandoval, ladies and gentlemen of the Board and of the Department, thank you for your consideration this morning. We're ready to invest more time, effort, and private capital in your state, if you choose to proceed with the Project NEON P3 Phase. If you came today prepared to change the course of the project, then I would ask respectfully that before you make such a decision, you would give all the proposers the courtesy of analyzing the information that you're considering, comparing public finance to private finance, and let us give you our expert analysis of the business piece for Project NEON and the value for money that P3 provides. So I welcome any comments or questions that you may have, and I'll leave you with a written copy of my statement.

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- Sandoval: And will you spell your name just for purposes of the record.
- Pelnik: Sure. It'll be in this, but it's Thomas Pelnik. T-H-O-M-A-S, Pelnik is P-E-L-N-I-K.
- Sandoval: Okay. Thank you, Mr. Pelnik.
- Pelnik: Thank you.
- Sandoval: Is there anyone else present who would like to provide public comment? We'll move to Carson City. Is there anyone present in Carson City that would like to provide public comment to the Board? We'll move to Agenda Item No. 3, which is the Approval of the Board of Directors Meeting Minutes for July 7, 2014. Have the members had an opportunity to review the minutes and are there any changes?
- Madole: Excuse me.
- Sandoval: Oh, I'm sorry, sir. Oh.
- Madole: I did have -- John Madole with the Associated General Contractors. I did have a public comment, if it was still appropriate.
- Sandoval: Yes, please proceed.
- Madole: I had trouble hearing the last gentleman. Can everyone hear me?
- Sandoval: Yes.
- Madole: I had some of the same concerns. I've been following Project NEON, which we all agree needs to be built. But I was a little taken aback that all of a sudden we're considering a different delivery system this late in the game. One of the questions I had is if there was a better delivery system, it seems like it should've been pursued initially and it seems like a lot of resources and everything might not be efficiently utilized if we change at this point. So just thought I'd put that on the record.
- Sandoval: Thank you, Mr. Madole. Any other public comment from Carson City?
- Unidentified Male: No, sir.
- Sandoval: All right. Back to Agenda Item No. 3, which is the Approval of the July 7, 2014 Department of Transportation Board of Directors Meeting Minutes. Have the members had an opportunity to review the minutes and are there any changes?

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- Wallin: Governor?
- Sandoval: Yes.
- Wallin: I don't think the Lieutenant Governor was there last time. I don't recall him being there.
- Sandoval: That's my recollection as well, is that the Lieutenant Governor was not present...
- Wallin: And I don't see him making any comments so I don't think he was there.
- Sandoval: ...at the last meeting.
- Sandoval: So if we'll make that change. Any other comments? If there are none, the Chair will accept a motion for approval of the July 7, 2014 Board of Directors meeting minutes.
- Martin: So moved.
- Sandoval: Member Martin has moved for approval. Is there a second?
- Wallin: Second.
- Sandoval: Second by Madam Controller. Any questions or discussion on the motion? All in favor say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes. And for purposes of the record, it's my understanding that the Lieutenant Governor is out of country today, and so we would mark him as not present. We will move on to Agenda Item No. 4, Approval of Contracts over \$5 million.
- Malfabon: Thank you, Governor. Assistant Director for Administration Robert Nellis will present this item to the Board.
- Nellis: Good morning, Governor, members of the Board. There are two contracts under Attachment A found on Page 3 of 19 for the Board's consideration. The first project is located at U.S. 93 at Currie to Junction 232/Clover Valley Road in Elko County to add six-foot shoulders and passing lanes, flatten slopes and extend drainage facilities. There are three bids and the Director recommends award to Road and Highway Builders in the amount of \$8,363,363.

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The second project is on Interstate 580 from Moana Lane to the Truckee River in Washoe County. This is for crack sealing, spall repair and diamond grinding to reconstruct southbound from Moana Lane to the Truckee River grade separation, and seismic retrofit and rehabilitation for two grid structures. There are three bids and the Director recommends award to Q&D Construction, Incorporated, in the amount of \$12,114,205.11. And for the Board's information, you may find additional information on each of projects located on Pages 5 and 13. This includes a map of project location, brief history, length of the project, start date and estimated completion. Does the Board have any questions on either of these items?

Sandoval: Mr. Nellis, the natural question is that the contracts both exceed the engineer's estimate. Do you have any comment on that, please?

Nellis: John.

Terry: John Terry, Assistant Director for Engineering. Yes, they do. We're looking at, you know, comparing it to our engineer's estimate. We're also comparing them to each other. By my math, the first one's about 6%. We have an informal rule if it's outside 7% that we really look even closer. But both of these we looked at. These are not issues in terms of our overall budget that we can afford to do this extra work. We evaluated the contracts and feel they're reasonable to award.

They are a little bit different work than on our normal paving projects. The first one is a safety project in a pretty rural area with a lot of slope flattening and some shoulder widening. And the second job is right in the heart of Reno on I-580. While we have done crack sealing and spall repair and diamond grinding projects before, it has been a while, so our pricing is a little off. But these are outside of our normal, but we still recommend the award.

Sandoval: And just for my benefit, what is diamond grinding?

Terry: It's essentially grinding of the concrete pavement to provide a smoother surface. It's a diamond grind-type machine.

Nellis: The blades have little bits of diamond to grind the concrete with, so durable.

Terry: And it gives it a new friction course, as well, it gives it a little bit of a longitudinal surface so that we still maintain the (inaudible).

Sandoval: Any other questions from Board members? Thank you, Mr. Terry.

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- Nellis: Governor, that completes the contracts under Agenda Item No. 4.
- Sandoval: Are there any questions with regard to the contracts described in Agenda Item No. 4? If there are none, the Chair will accept a motion for approval.
- Fransway: So moved.
- Wallin: Second.
- Sandoval: Member Fransway has moved for approval. The Controller has seconded the motion. Any questions or discussion? All in favor say aye.
- Group: Aye.
- Sandoval: Opposed no. Motion passes. We will move on to Agenda Item No. 5, Approval of Agreements over \$300,000. Mr. Nellis.
- Nellis: Thank you, Governor. There are three agreements under Attachment A found on Page 3 of 15 for the Board's consideration. The first is Amendment No. 4 with Snell and Wilmer, LLP, in the amount of \$425,000. This is for estimated litigation costs and fees for pretrial motions, a 16-day trial and post-trial measures. This does not include expert witnesses.
- Malfabon: And, Governor, if I may interject. This was in case we had gone to trial. As I reported, we've reached a tentative settlement subject to BOE approval, so we won't have to expend all this money, but just a small portion of it.
- Sandoval: And obviously there'll be a substantial savings if we approve the settlement?
- Malfabon: Yes.
- Sandoval: Yeah. All right.
- Martin: I've got one follow-up question on that, Rudy. There is still, by what I read in a subsequent document, there's still about \$172,000 left to expend under the current allocation. And so I question why you want another \$425,000. If the case is settled, isn't \$172,000 enough?
- Malfabon: I'll defer that question to Dennis Gallagher.
- Gallagher: For the record, Dennis Gallagher, counsel for the Board. Board Member Martin, this agreement was put in prior to the settlement. We were anticipating having to go to trial and we were trying to get additional monies ready. The trial had been scheduled to commence in September. So...

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- Martin: Yes, sir, I understand that. The Board will hear a withdrawal of that item though.
- Gallagher: It's certainly the Board's prerogative.
- Martin: I'm looking for your expert ability to tell us that that project -- or the contract amount remaining in that item is adequate to get the settlement documents finished.
- Gallagher: We may need a small portion. There's a difference between the litigation report closing date, so there may have been one or two invoices processed since then. It'll be very, very close if it's not within that amount. There was a great deal of time expended prior to the settlement in pretrial motion work, so that \$172,000 may dwindle, and then, of course, the settlement negotiations and resulting documentation for the settlement. I would point out for the Board that the settlement is a global settlement. There are two cases that have been filed by Travelers in the First Judicial District, and then there was a third claim that was outstanding. So all three matters will be resolved as a result of this.
- Martin: And I was mistaken. It's \$376,000, not \$170,000 that's remaining by this report.
- Malfabon: And, Member Martin, we will do our best to stay within the budgeted amount up to Amendment 3, and if we need any additional support, this will allow us to pay Snell and Wilmer for their efforts in reaching the settlement. Should it exceed the amount that was approved in Amendment 3, we will come back to request additional funds.
- Martin: Amendment 3, which is a total then of \$1,120,000 and then you've got a second amount of \$170,000 and a third amount of about \$10,500, which there's amounts remaining in all three of those accounts as well, for a total of a little over \$400,000. So the additional \$425,000 should not be necessary?
- Gallagher: It should not be necessary, Board Member Martin.
- Martin: Thank you.
- Sandoval: And, Mr. Gallagher, not only will we save those attorney's fees, but what would be the potential exposure from the adverse party's attorney's fees going through a six-week trial?

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- Gallagher: In this litigation, Governor, we did not feel that the real party in interest, Travelers Surety, had any claim for attorney's fees against the state. However, I do believe they alleged, but we did not think that it had any merit.
- Sandoval: But given a bad outcome, what could it be?
- Gallagher: Well, as the Director alluded to, the claims that they had made against the state range from \$4 million to about \$7.8 million at one point in time. Their attorney's fees would probably come in, I think, comparable to the state's, and that would probably be \$1 million plus.
- Sandoval: Please proceed, Mr. Nellis.
- Nellis: Thank you, Governor. Again for the record, Robert Nellis, Assistant Director for Administration. Line Item No. 2 is with Kimley-Horn and Associates, Incorporated. This is for the development of a comprehensive multimodal master plan for the I-15 corridor. \$1,250,000 of this is federal grant funds that will provide 80% of the funding. Each state in the alliance, Nevada, California and Utah, shall be responsible for the remaining 20% match in equal shares. Nevada's net responsibility for state funds under this agreement is \$104,167.
- Then, finally, Item No. 3 is Amendment No. 1 for Laura Fitzsimmons' risk management analysis and litigation. This is to provide additional funds for an extension of work described in the original contract. And we'd like to note that the bulk of the funding has been consultants hired under this contract. Does the Board have any questions on these remaining two items?
- Sandoval: Member Skancke.
- Skancke: Thank you, Governor. Mr. Nellis, on Item No. 2, multistate corridor operations on I-15, can I get a little more information on what exactly that -- what we're trying to achieve with that? We've studied I-15 since the Interstate Highway System was accepted and created. So how many more studies do we have to do on I-15 and kind of what's the scope of this project?
- Nellis: Yes, I believe Sondra Rosenberg is in Carson City and can answer that question.
- Rosenberg: Hello. Good morning. For the record, Sondra Rosenberg, Federal Programs Manager and project manager for this effort. As you know, a couple years

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ago we completed a corridor system master plan on the I-15 corridor from essentially San Diego through the Salt Lake area. And this has been a priority for all four states for quite some time and will continue to be. What this effort is, is a multistate corridor operations and management program grant, the administration of that. And it's to enhance our multistate coordination and operations. So we're developing coordination plans between the operation centers so that we can better coordinate when there's an incident, when there's a natural disaster, how these operation centers coordinate across state lines and develop a plan for that. Does that answer your question, Member Skancke, or would you like a little bit more?

Skancke: No, that's great. Well done. That's great. Thank you.

Rosenberg: Thank you.

Sandoval: Any other questions from Board members with regard to Agenda Item No. 5?

Martin: On Item No. 3, is this in addition to the fees for Ms. Fitzsimmons as shown on Page 249, that's about \$2.7 million?

Malfabon: Yes. As Assistant Director Robert Nellis stated, the bulk of the expense under this contract has gone to subconsultants who are advising the Department through Ms. Fitzsimmons, and also developing some software tools to help us manage and mitigate the risks associated with right-of-way acquisition. But we'll have some good products developed under this amendment that will allow us to have, more or less, a decision matrix developed electronically that will help us when a case has a finding or a settlement that's higher than we initially estimated. It'll help us to track that along and strategize as we look at each case by case in the acquisition process. One of the subconsultants is dealing with risk and one is dealing with decision making on the project.

Martin: On this agreement, 00614, has there been any money paid out of this agreement at this point in time?

Malfabon: Yes, but primarily to the -- yes.

Gallagher: Board Member Martin, for the record, Dennis Gallagher. Yes, funds have been expended out of this. The invoices that we've received from Ms. Fitzsimmons include all of these consultants. To date, Ms. Fitzsimmons has not requested anything for her time or her hired costs.

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- Martin: I heard that in an earlier meeting. That's why I was asking the question. But I couldn't find it.
- Sandoval: You could've just being direct, yeah, huh?
- Martin: But I couldn't find it in the other reports that we get that there was any money paid out of this particular agreement. So that's why I was asking. If there's no money been paid out, which is what I heard Ms. Fitzsimmons say, why are we asking for another \$300,000?
- Gallagher: Perhaps it may be that's it's not reflected on the other report, but it should be.
- Unidentified Male: Dennis, Laura is in person, so if you wouldn't mind deferring to Laura.
- Malfabon: Yes. And I would like to state that Laura has put in a lot of time and effort and travel costs and she should be reimbursed for that effort in association with this contract.
- Martin: Please don't misunderstand me. I'm 100% for...
- Malfabon: Oh, yeah.
- Martin: ...Ms. Fitzsimmons, okay.
- Malfabon: I am too.
- Martin: Even though I'm 100% for them, there's still a fiduciary responsibility that ends right here.
- Sandoval: Ms. Fitzsimmons, please proceed.
- Fitzsimmons: Thank you. I'm sorry I can't be there. Is everything on? Can you hear me?
- Sandoval: Yes.
- Fitzsimmons: Okay. Because we've been having a little difficulty. This has been an effort that has been undertaken by -- under the direction of Mr. Malfabon, and with some key NDOT people that I have -- I am not charging. I understand Mr. Malfabon would like to pay me, but this is my view of pro bono work. It has been an effort that has been necessitated -- very intense work by very high-quality consultants. The money has gone to those consultants. I have worked in litigation. I did Jericho Heights. I'm not always going to be pro bono for the Department, but this is such an important issue and I support what the Director has done so much that the money comes to me, I supervise

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everything. I consult with the client. I advise the client. I do not charge the client.

Martin: Thank you.

Fitzsimmons: Okay. Thanks.

Sandoval: Ms. Fitzsimmons, thank you.

Gallagher: Governor?

Sandoval: All right. Mr. Gallagher. Yeah.

Gallagher: Board Member Martin, the reason I think that this contract is not reflected in the back, the back report is for litigation matters only, not specific cases. Because this is not litigation, per se, involving a particular case, this contract's not reported under the outside legal fees.

Martin: Okay. Thank you.

Sandoval: Any other questions with regard to Agenda Item No. 5? Mr. Nellis, does that complete your presentation?

Nellis: It does, sir. Thank you.

Sandoval: Thank you. If there are no further questions, the Chair will accept a motion for approval of the agreements over \$300,000 as described in Agenda Item No. 5.

Martin: Move for approval, Governor, with the exception of Item No. 1.

Sandoval: Okay. Before I take that motion, could I have an explanation, please?

Martin: I just questioned Mr. Gallagher. He's got \$400,000 sitting in another account over here that's remaining. And Mr. Gallagher said that he felt that that \$400,000 -- please don't allow me to put words into your mouth -- was adequate to complete this. So I couldn't see the logic in allocating another \$425,000 to this same line item, making then a balance of \$825,000 in there, when Mr. Gallagher feels -- we understand that, it's all a guess -- that the \$400,000 sitting in the account is adequate to settle the case.

Sandoval: In other words, it may be premature to consider this if we have the money in the bank.

Martin: Yes, sir.

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- Sandoval: Mr. Gallagher, will it cause any jeopardy or problems if we were not to approve Contract No. 1?
- Gallagher: Governor, for the record Dennis Gallagher, Counsel for the Board. Deference to Board Member Martin, we can proceed with the existing funding that's available and should we be short we'll be back in front of you.
- Sandoval: All right.
- Martin: We'll see you in three weeks.
- Sandoval: Well, with that discussion, there is a pending motion for approval of Agenda No. 5 with the Contracts 2 and 3.
- Wallin: I'll second.
- Sandoval: Controller has seconded the motion. Any questions or discussion on the motion? All in favor say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes. Thank you, Mr. Nellis. We'll move on to Agenda Item No. 6, Contracts, Agreements, and Settlements.
- Nellis: Thank you, Governor. Again for the record, Robert Nellis, Assistant Director for Administration. There are six contracts under Attachment A found on Pages 4 and 5 for the Board's information. Additional information, including maps on each project, can be found on Pages 6 through 11 of 36. And I'd just like to thank the contract services and the design division, as well as the construction division, for putting all this information together for the Board. And, Governor, if it pleases the Board I'd like to start with presenting the first three contracts and then pause for questions before moving on to 4 through 6.
- Sandoval: Yes, please proceed.
- Nellis: The first project is State Route 445 Pyramid Highway, State Route 447 Gerlach Road, in Washoe County to double chip seal State Route 445 and chip seal State Route 447. There were four bids and the Director awarded the contract on June 17th, to Sierra Nevada Construction, Incorporated, in the amount of \$2,404,007. The second project is on State Route 208, Topaz/Yerington Road, State Route 447 Gerlach Road in Lyon County and Washoe Counties for a two-inch surface overlay. There were five bids and

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the Director awarded the contract on June 17th, to A & K Earth Movers, Incorporated, in the amount of \$4,784,000.

And the third project is to cold mill and repave State Route 574 Cheyenne Avenue between Civic Center Drive and Losee Road, including on and off ramps at Interstate 15; cold mill and repave on and off ramps at Interstate 15 at State Route 593 Tropicana Ave. and State Route 592 Flamingo Road. There were two bids and the Director awarded the contract on July 9th, to Las Vegas Paving Corporation in the amount of \$1,390,000. Does the Board have any questions for the Department regarding these first three items?

All right. Moving on to Page No. 5 in the packet. Item No. 4, project is located on U.S. 93 between Caliente and Panaca, in Lincoln County, to reline the U.S. 93 for approximately 5,000 feet using geo-foam to avoid unsuitable soils. There were four bids total on this one. Two were responsive and two were unresponsive. The Director awarded the contract on July 14th, to Road and Highway Builders, LLC, in the amount of \$3,595,595. The fifth contract applies to various Tahoe Basin locations in Carson City, Douglas, and Washoe counties for culvert cleaning services. There were four bids total. Three were responsive, one was nonresponsive. The Director awarded the contract on June 18th, to Clean Harbors Environmental Services, Incorporated, in the amount of \$539,749.10.

And finally, the sixth contract is an emergency contract for the Elko Maintenance Station in Elko County, to provide drainage and sidewalk improvements with installation of backflow prevention, check valves, and washpad. There were three bids and the Director awarded the contract on June 24th, to Canyon Construction Company for \$745,551.95. And we'd just like to note on the engineer's estimate for No. 6, the new engineer's estimate is \$787,177. This was provided to administrative services -- it wasn't provided on time due to it being an emergency contract. The new estimate included three additional items. Number one, an increased cost for asphalt materials in Elko, which was higher than the original estimate; number two, the difficulty of the paving area; and number three, there was sanitary sewer, a washpad in each waterline, and modifications to the irrigation system. Does the Board have any questions on Items 4 through 6?

Martin:

I do, sir. What determined that Aggregate Industries and Meadow Valley Contractors were nonresponsive on Item No. 4?

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Nellis: Yes, Member Martin. Let's see, both of those -- Aggregate Industries was deemed nonresponsive for failing to submit their subcontractor's exceeding \$250,000 report within two hours of the bid opening. This is pursuant to NRS 338.141.

Martin: Okay.

Nellis: And this was added recently in the 2012 legislative session.

Martin: And Meadow Valley?

Nellis: Meadow Valley, let's see, that was also being nonresponsive for failing to submit the contractor's -- their subcontractor's exceeding \$250,000 report within two hours of bid opening.

Martin: Okay. Thank you very much. I'm familiar with those laws.

Nellis: Okay. Thank you, Member Martin.

Sandoval: Member Savage.

Savage: Thank you, Governor. Mr. Nellis, just pointing out the fact that the Department did save \$885,000 on all these projects under (inaudible). I think that needs to be noted. Thank you, Governor.

Sandoval: Thank you.

Nellis: Thank you, Member Savage.

Sandoval: Member Fransway.

Fransway: Item No. 6, we're over by \$180,000 roughly and I just question why.

Nellis: On the engineer's estimate?

Fransway: Yes. That's (inaudible).

Terry: Member Fransway, there was a subsequent estimate that was modified. However, it didn't get into the Board packet because of the emergency nature of the contract.

Fransway: I see.

Terry: It wasn't revised as far as the new engineer's estimate.

Nellis: Yes, sir. The new engineer's estimate in no longer -- it's not 567 anymore, but it's 787,177 for the record.

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- Fransway: Okay. But the scope of the request has not changed?
- Nellis: The scope is actually greater than what was originally put in the first (inaudible).
- Fransway: Thank you. Thank you, Governor.
- Sandoval: Please proceed.
- Nellis: Thank you, Governor. There are 60 executed agreements under Attachment B found on Pages 13 through 19 for the Board's information. On Page 15, I'd just like to note there's an error in the numbering sequence. There's an agreement with Cushman & Wakefield between Items 16 and 17, which is misnumbered as Item No. 51. For purposes of the record, I'd like to renumber this item 16B so as not to be confusing the actual item Number 51 found on Page 19.
- And for the Board's information, Items 1 through 15 are cooperative and interlocal agreements. Items 16 through 22 are agreements for acquisitions and events. Items 23 through 26 are facility and grant agreements. Items 27 through 32 are leases and licenses. And finally, Items 33 through 59 are right-of-way and service provider agreements. Does the Board have any questions for the Department regarding any of these items?
- Wallin: Yeah, I do.
- Sandoval: Madam Controller.
- Wallin: Thank you, Governor. Can you just tell me a little bit about what we're on Items 56 and 57, the bridge repair on I-580 and bridge repair on US 395 (inaudible)?
- Malfabon: Madam Controller, these are smaller contracts which are allowed by NRS to be informally bid by the Department. In this case, what the district does, typically they have maintenance staff that are in charge of the bridge program in that district. The headquarters bridge folks go out and inspect the bridges, identify what needs to be repaired and then the district personnel in bridge maintenance put together a streamlined contract that they receive quotes for from the contractors.
- So these are for bridge deck overlays on the first one. And then typically with an overlay it's with a specialized product that will remain in place and be durable on the deck. And then the deck spall repair -- a spall is when a

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piece of concrete kind of breaks off near a joint, so they have to repair it with a special material that will stay in place.

Wallin: On the 580 one, which bridge is that? I don't know by number the location.

Malfabon: I don't know. I would have to look at a mile post listing.

Wallin: It's not on the new segment, right?

Unidentified Male: No.

Malfabon: No, it's not.

Wallin: Okay. Okay. And then on the -- refresh my memory, please. We did one with the pedestrian bridges at Tropicana for a while and I thought we were turning them over to the county and doing some other work. Item No. 53, we have One Source Maintenance, \$16,976 to do custodial care on these bridges going through 16. So when are we turning the bridges over and all that stuff?

Malfabon: We anticipate that the Construction Manager at-Risk project to replace the escalators will be done in about a year. And then what we're hearing from Clark County is that they're willing, if we bring that system of pedestrian bridges there at that intersection up to a certain level of condition that they will take -- they're willing to take it over. So we'll have those negotiations and enter into an agreement with Clark County during that year period in anticipation of the completion of the escalator replacement.

Wallin: Okay.

Sandoval: No, and we've been having this conversation for 10 years now or so. Is it a little bit more mature than it has been in the past?

Malfabon: More mature than it's ever been with the escalator replacement, Governor.

Sandoval: Okay. Anything else, Madam Controller?

Wallin: No, that's all. Thank you.

Sandoval: Any other questions? Member Savage.

Savage: Thank you, Governor. Mr. Nellis, Item No. 39 on the Tetra Tech naturally occurring asbestos. Was the original amount \$499 or was it \$449?

Nellis: I'll allow Assistant Director John Terry to answer that.

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Terry: Once again, John Terry, Assistant Director for Engineering. This is kind of confusing. This is one step ahead of the earlier agreement with the RTC, so that's kind of amendment one. There already was an amendment one. The original agreement was \$449. It was amended once, I believe, at the previous Board meeting for them to do additional air quality sampling in the Phase 2 area. And this is to do additional field sampling in the Phase 2 area. So it is not add \$176 to \$449. It was a previous amendment and this is amendment two to get to the total amount of \$847.

Savage: Okay. And thank you, Mr. Terry, because I know this is a very quick-moving project and we brought Tetra Tech in...

Terry: Yes.

Savage: ...as the professionals in other states, because this is our first example -- or first instance, I believe, in the natural occurring asbestos. And I thank them and the Department for staying on top of this and not holding up the project. I think that's the most important point. But, again, the fiscal responsibility; do they receive any additional dollars beyond the \$850 with the same scope that they have at this point?

Terry: Yes.

Savage: Yes?

Terry: Okay. So for one, amendment one and amendment two are partners that the RTC of Southern Nevada are actually reimbursed (inaudible). We did not wait for the agreement with the RTC...

Savage: Mm-hmm.

Terry: ...to do this. We executed, told Tetra Tech to do it. RTC had told us they will pay for it, and they will. We're one agreement behind. In this packet earlier, there's amendment one. They have agreed to amendment two. In fact, I think the Director signed that. But we think that we have to maintain the air quality monitors from the point until this work is done until construction has started, and we are already planning on amending Tetra Tech's agreement to maintain those air monitors until that period that we can turn it over to the contractor. So I do foresee another agreement. In fact, we are already working on it.

Savage: And is the Department very satisfied with Tetra Tech's support to this point?

Terry: Yes, sir.

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- Savage: Thank you, Mr. Terry. Thank you, Governor.
- Sandoval: See no other questions. Mr. Nellis, please proceed.
- Nellis: Thank you, Governor. Again, for the record Robert Nellis, Assistant Director for Administration. There are two settlements under Attachment C found on Page 21 of 26 for the Board's information. The first is in the amount \$4,250,000. This is an eminent domain case to acquire approximately three acres of real property located south of the U.S. 93/95 Highway, east of the access road/Dawson alignment, north of Black Hill and west of Railroad Pass Casino at Henderson for the Boulder City Bypass.
- The second item is in the amount of \$2,870,000. Also an eminent domain case to acquire approximately 3.8 -- I'm sorry, 3.18 acres consisting of eight contiguous parcels that contain six buildings totaling 52,242 square feet, as well as parking areas for Project NEON. And Mr. Gallagher is prepared to respond to any questions the Board may have on regarding these (inaudible).
- Sandoval: Questions from Board members?
- Wallin: Just a...
- Sandoval: Madam Controller.
- Wallin: ...comment and follow up, because I know that we've tagged these settlements and stuff with going through them and you're putting on here that NDOT will seek reimbursement from Federal Highways. Could we have a follow-up report that we have gotten that federal reimbursement? I'm, you know, kind of curious, so we have an idea how we're really doing on these things. Is that...
- Malfabon: Yes, we will...
- Wallin: Thank you.
- Malfabon: ...begin a follow-up report. The reimbursements occur over time. They're not as -- in every case, they're not immediate, but we will respond to the Board and report on that.
- Wallin: Yeah. And also the one where we're pursuing the contract to record the \$62,500. I'd like to know that we get...
- Malfabon: Definitely.
- Wallin: ...paid for that too.

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- Sandoval: Counsel Gallagher and then...
- Gallagher: Well, I'll defer to Board Member Fransway.
- Sandoval: Well, I wanted you to respond to his question -- or the Controller's questions first, because...
- Fransway: Okay.
- Sandoval: ...perhaps Member Fransway had a different comment.
- Fransway: That's all right.
- Gallagher: Certainly, the Department will report back funds that it receives from reimbursement from the feds. And regarding that lawsuit; that will now appear on our litigation report. So we'll be tracking that and reporting to that. Governor, I also raised my hand because you had the benefit of reviewing the settlement in the Jericho Heights matter. And since the other Board members don't sit on the Board of Examiners, I just wanted to take this opportunity to acknowledge the great work that Ms. Fitzsimmons did on behalf of the Department.
- As the Board may recall, at one point in time this landowner was seeking in excess of \$130 million for this property. And through Ms. Fitzsimmons' hard work and the team that she put together that went from \$130 to \$100 to \$30 and finally ended up at this settlement, \$4.2 -- \$5 million. And I think it's a testament to the services that she has rendered to the state, and I find them extraordinary and wanted to acknowledge that in front of this Board.
- Sandoval: Thank you. And I also want to acknowledge Senior Deputy Attorney General Ruth Miller for her efforts as well.
- Gallagher: And I would point out that she is in the audience here today. I'm very pleased that two of the Southern deputies are here, Ruth Miller and Amanda Kern. They do occasionally get before the Board of Examiners, but rarely here in front of the Board of Transportation. And they are two of the outstanding deputies in the audience.
- Sandoval: Thank you, Mr. Gallagher. Member Fransway.
- Fransway: Thank you, Governor. I would just like some clarification, I guess it would be, relative to Member Savage's comments on Line Item 39. And what I'm going to talk about on Line Item 11. Am I to assume that the payment is \$200,000 that is reimbursable to NDOT from Southern Nevada RTC, and

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basically does that include Item 39? Will that be in there? Would you add it to it later or...

Malfabon: Yes, Member Fransway. The \$176,000 approximately added on Line Item 39 to pay to Tetra Tech from NDOT will be added as a receivable on -- you'll see it next month on the RTC of Southern Nevada item to be as a receivable from them. So as Assistant Director for Engineering John Terry stated, we didn't wait for the RTC's amendment. It is in my -- or at least being reviewed by Legal. We'll sign it this week and get that enacted so that we will receive that compensation from RTC for this effort as an offset.

Fransway: Okay. So will that be an ongoing receivable amount then?

Malfabon: That should be the last of the receivables anticipated for Tetra Tech's work on behalf of the RTC's project Phase 2 of Boulder City Bypass I-11.

Fransway: Okay. So we're going to be looking at one more amendment next time, correct?

Malfabon: Possibly for Tetra Tech, you will see one more amendment for RTC to receive that money...

Fransway: And that's 39, right?

Malfabon: No, that'll be just another one of those similar to Item No. 11. You'll...

Fransway: Oh, okay.

Malfabon: ...see one more of those next month for RTC of Southern Nevada for that amount, the \$176,000.

Fransway: Right. Okay.

Malfabon: And then you possibly could see one more, as John Terry indicated, for Tetra Tech, but that's for the efforts for NDOT's project if they need to do additional efforts. For now, we're going to try to stay within the budget as amended.

Fransway: Okay.

Sandoval: And just to step back from all this, this is all in the name of getting this done...

Fransway: Yeah.

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- Sandoval: ...as quickly as possible.
- Malfabon: Yes.
- Sandoval: And I think the RTC is good for it...
- Malfabon: Yes.
- Sandoval: ...so I'm not worried about that piece of it either. But, again, I appreciate what's happening here because this Board has pushed really hard on getting this bypass done, and this is a response by staff and the Department to get that done.
- Fransway: Mm-hmm. That's correct. I just wanted clarification as to how that \$176,000 is going to come back to NDOT.
- Malfabon: Yes, that'll be before the -- you'll see it on the informational items next month.
- Fransway: Okay. Thank you, Governor.
- Nellis: Governor, that completes the items under Agenda Item No. 6, if there are no more questions.
- Sandoval: Board members, any further questions with regard to Agenda Item No. 6? This is an informational item so we will not be taking a motion. Thank you, Mr. Nellis. We'll move to Agenda Item No. 7, Resolution of Relinquishment.
- Malfabon: Thank you, Governor. Before you is an action item for disposal of NDOT right-of-way located at Lake Parkway in Stateline, Nevada. On June 19, 2014, the Division of State Lands signed a resolution consenting to relinquish a land transfer agreement accepting the relinquishment of this parcel. We recommend approval of this item.
- Sandoval: And that would be the approval of the resolution of relinquishment marked at Attachment 2?
- Malfabon: Yes, Attachment 2.
- Sandoval: If there are no questions, the Chair will accept a motion for approval of the resolution of relinquishment contained in Agenda Item No. 7 and marked as Attachment 2.
- Savage: Move to approve.

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- Sandoval: Member Savage...
- Fransway: Second.
- Sandoval: ...has moved to approve. Member Fransway has seconded the motion. Any questions or discussion? All in favor say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes. We'll move to Agenda Item No. 8, Public Auction.
- Malfabon: Thank you, Governor. This item is for disposal of NDOT right-of-way located on College Parkway at U.S. 395 in Carson City. The Department has completed an appraisal of the surplus property to obtain fair market value in the amount of \$2,050,000, and a public auction will benefit the state in potential revenue.
- Sandoval: Any questions from Board members? If there are none, the Chair will accept a motion for...
- Fransway: (Inaudible).
- Sandoval: Oh, I'm sorry. Member Fransway.
- Fransway: I'm sorry. I'm looking on Attachment 1, Governor.
- Sandoval: Yes.
- Fransway: And I'm just thinking out loud. Is there any possibility that a development of this piece of property would have any effect on the traffic flow entering or exiting 395?
- Malfabon: Governor, in response to Member Fransway's question. Typically, what we look at is there's a control of access next to this freeway, so along College Parkway there'd be limits of controlled access where they cannot put in a new driveway or approach in. So that would be indicated on the sale that we have to comply with our access...
- Fransway: Okay.
- Malfabon: ...control restrictions. So most likely that would be considered during the permit application by a developer.
- Fransway: Okay. So it is part of the language of the sale agreement...

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- Malfabon: We would have...
- Fransway: ...on (inaudible)?
- Malfabon: We would indicate where there's control of access where there's no access allowed.
- Fransway: So we're covered. Okay. Thank you. Thank you, Governor.
- Sandoval: You're welcome. Any other questions? The Chair will accept a motion for approval of the public auction described in Agenda Item No. 8.
- Wallin: Move to approve.
- Sandoval: Controller has moved to approve. Is there a second?
- Martin: Second.
- Sandoval: Second by Member Martin. Any questions or discussion? All in favor say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes. We'll move on to Agenda Item No. 9, Resolution of Abandonment.
- Malfabon: Thank you, Governor. This item is for disposal of NDOT right-of-way located along a portion of State Route 513, Old Carson River Road in Carson City. This parcel is no longer required for highway purposes. The abandonment of the easement interest rights on this parcel is being made in accordance with NRS 408.523, ownership will revert to the underlying fee owner.
- Sandoval: Any questions from Board members? If there are none, the Chair will accept a motion for approval of the resolution of abandonment of a portion of state highway right-of-way as presented in Attachment 2 in Agenda Item No. 9.
- Martin: So moved.
- Sandoval: Moved by Member Martin.
- Savage: Second.
- Sandoval: Second by Member Savage. Questions or discussion on the motion? All in favor say aye.

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- Group: Aye.
- Sandoval: Opposed no? Motion passes. We'll to Agenda Item No. 10, Condemnation Resolution No. 446.
- Malfabon: Thank you, Governor. These are parcels associated near Walker Furniture and they're in support of Project NEON. Typically, we still acquire -- or continue discussions for settlement purposes, but in order to meet the schedule for Project NEON we request Board approval of this condemnation resolution for these parcels.
- Sandoval: So we are, at least, in discussion with the property owners and...
- Fransway: Question, Governor.
- Sandoval: Yeah, Member Fransway.
- Fransway: It's to legal counsel, if I may. These are three separate properties, correct?
- Malfabon: Mm-hmm.
- Fransway: Do we need -- can one resolution of -- will it work?
- Gallagher: For the record, Dennis Gallagher, Counsel for the Board. To answer the second question first, Board Member Fransway, yes, one resolution will work. These are all parcels in connection with one project. I will note that I believe all three of these parcels have affiliated ownership.
- Fransway: Oh, okay. Thank you, Governor.
- Sandoval: Any other questions? If there are none, the Chair will accept a motion for approval of Condemnation Resolution No. 446 as presented by Attachment No. 2 in Agenda Item No. 10.
- Fransway: So moved, Governor.
- Sandoval: Member Fransway has moved for approval. Is there a second?
- Savage: Second.
- Sandoval: Second by Member Savage. Any questions or discussion on the motion? All in favor say aye.
- Group: Aye.

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Sandoval: Opposed no? Motion passes. We will move to Agenda Item No. 11, Briefing on Proposed Road Relinquishment Policy.

Malfabon: Thank you, Governor. As previously reported to the Board, NDOT had been working with Nevada Association of Counties and League of Cities for a road relinquishment policy. We had a bill in for consideration last session. It was approved, but it was amended to say that we would adopt regulations. So to follow up with that formal process this is the first briefing in detail of the road relinquishment process. And in anticipation of further public meetings, we've sent the document out to a lot of the -- all counties, I'm sorry, and cities across the state so they know what we're talking about on road relinquishments.

And Bob Madewell, who's the chief of Roadway Systems, will present to the Board the details of the policy in anticipation of, as I said, further public meeting across the state to adopt the policy that the Board will formally approve later. Bob.

Madewell: Thank you, Rudy. Good morning, Governor...

Sandoval: Morning.

Madewell: ...and members of the Board. For the record, my name is Bob Madewell, spelled M-A-D-E-W-E-L-L. And as Rudy mentioned, I am the chief of the Roadway Systems Division of NDOT.

Our office was tasked last year to start meeting and dealing with the issue of an update to the NRS to make this process simpler and easier and more documentable to affect road relinquishments. As some of you are aware, this process has been going for a while. I'm going to give you a brief history of that so that we can bring those of you that weren't involved in the process up to date on what's taken place, and then we'll go into some issues of how we've changed the relinquishment.

Just as a brief history, in 1999, the legislature directed the Department to identify certain roads that were no longer needed by the Department. After that identification -- the process at that time was very simple; what roads appeared to be local roads. There wasn't an identifiable process at that time. So the Department started on an effort to do that and not much is heard during that time. In 2005, the Department was audited by the Department of Administration to determine how many roads had been exchanged, transferred or dealt with at that time. Again, very few had been dealt with

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during that time. Although the efforts were there, the desire from the other side just wasn't there.

In 2012, some of you may have been here and the Director at that time gave you an update on the process and identified a list of mechanisms that were then beginning to take place to identify roads in a different manner other than just what were local roads. So we created a mechanism to actually identify roads that the state no longer needed. They didn't have connectivity. They didn't serve functional elements that the state should be involved in. And at that time, in 2012, there were some effort put together to form a (inaudible) letter that some of you had the opportunity to review and approve that went out to all the cities and counties during that time. Again, very few responses were received. The effort just didn't seem to be there from the side of the local agencies and recognizing their issue was maintenance dollars. That was the big issue at that time.

So in 2012, my office was tasked with coming up with a process that would work with local agencies, cities and counties to update the NRS to provide a mechanism to explain the process, document the process, make it simpler and easier to understand, but also to give them some focus and direction on who it would be they would work with to start some of the processes with. We revised NRS 408.527. And the basic element of that, there were several revisions. A lot of it was language cleanup and to develop some language to make everything written and to develop the requirement for resolutions. But the main element, as you can see on the slide, was that it required the Department to work with these local agencies and develop a regulation that would govern the process.

As I met with many, many people throughout the last year, the biggest thing I heard was we want something down in writing so you have to follow that. There was limited trust in the NDOT process at that time. I'm not sure why, but there just was. And so through the course of many, many meetings with a number of individuals throughout the state that was the thing that resounded with me a number of times, let's get something in writing.

So when we went to the legislature last year, the language that was presented to them was an element of many, many discussions with a lot of people at that time. And the ending result was -- Item Number 10 of that regulation was to develop this regulation that would make us create a document that discussed the process procedures. So that's what we did. We developed this over the last -- prior to that time and then over the last 12

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months, after that was voted and approved in June of last year, I've had many, many meetings with a lot of people throughout the state. We've had some public workshops. There was well over 50 people involved in the original process of developing the language for the regulation and guidebook that you have in your package, I believe, that describes the process. It's a start-to-finish process.

There's a way they introduce the road, whether we introduced to the (inaudible) there's a same process we'll follow, and then there's a process to identify the negotiation process of that relinquishment, and ultimately bring it to fruition at the end of it. So it's a process that everybody in the state would follow the exact same process to do that, and that guidebook was put into place for review and it is in its final draft stages at this time. That's the component that the regulation says -- which you have a copy of the draft regulation language, as well -- that says we will then take that guidebook and put it into effect and move forward with relinquishment process from this part forward.

I might add, just as a point of clarification, when we're talking about relinquishments of this nature, we're talking about full road relinquishment. Sometimes you're going to get slivers and pieces that go through a process with the Right-of-Way Division. These are actual full road relinquishments where it's a start to finish, mile-markered road from shoulder to shoulder and that type of a thing. So the process is very different, very unique. And the guidebook that you have before you is out for review to now the final reviewers, which is all cities and counties in the state. I've made an effort with each one to give them an opportunity to personally meet with me to go over it, as well as comment on it so they'll have it in their hands to comment to this day. And by the end of this month, it's expected back for final evaluation.

So again, who was involved? The 50 people that we talked about initially, but now every city and county manager and members of the NACO group that represent their counties, as well as every mayor in the city has that document in their hands today to review. I've had personal requests to meet with three to four different agencies. I've met with them. I've had a couple of phone conversations. I've gotten some e-mail responses back simply saying looks fine, let's move forward. But again, we don't have that final date until August 29th, which is what, another (inaudible).

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So what's next? Well, we'll get the regulation back. We'll look it over and talk about any issues and try to resolve any issues with anybody that has any issues. At this point, I have not been notified of any, but we'll work with them and try to get it into a final process. Our expectation is that we will give that document to the LCB to start a formal regulation process in September -- toward the end of September. That process, as you're well aware, requires many public meetings, so we'll hold those public meetings. Everyone, again, will have another opportunity to comment. And then we hope and anticipate that in April/May of next year bringing it back to this Board for final approval, as it's finished all of its processes that are required to become a regulation.

I've had good, positive feedback from everybody so far. The idea of getting so many people involved at the beginning was a very good idea. It gave us a lot of information on how we develop that regulation, but also the guidebook. And hopefully the end result of this will be at the end of this month we'll have a final product ready to move forward with. So with that, it concludes the presentation.

Sandoval: No, and thank you. And I know a lot of work has been put into this, and I appreciate your and your team's efforts in that regard. It's a sensitive subject out there, which I know. I see Member Fransway nodding. But in any event, so we got the bill. The bill was passed. You're working on these regulations. At the end of the day, this is still a consent-based process, is it not?

Madewell: It is.

Sandoval: And what is the feedback that you're getting? As long as you've got these stranded roads that have no connectivity to the state system that may be contained within a municipality or a county, assuming that the state is going to, you know, put the road in as good as shape as possible and prepare it for that transfer, is there still reluctance on the part of the local governments to accept those roads?

Madewell: There has been some reluctance. And, of course, the question goes back to what I mentioned earlier, maintenance dollars. And as we talk to them about the strategies that the Department has in terms of bringing these roads to that new-term state of good repair, which is a negotiable item -- and we talked about the money that we can put forward to do that or the efforts we can make to make changes for them -- for a lot of those smaller counties

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we're still getting some feedback that they just don't have the maintenance dollars to do it.

With the Director's recommendations, one of the negotiating strategies we have is to create a mechanism of helping them through a period of maintenance transition, if you will, and then showing them what we're doing today, because some of them have the ideas that the amount of money we spend on these is quite extensive. But on some of the far-reaching roads where there's very limited traffic, those maintenance dollars aren't quite what they think that they are. The roads are still in very good shape, it's just the perception of the amount of money spent is different.

So it's a negotiation strategy. The first step really was to give them a process, because that, again, was the first key. Many of them would say, well, we don't want to talk to you, because we don't know what the steps are. What are the next steps? Who's involved? And so for those that do know that process, yes, there's still some throwback from those agencies.

Malfabon: And Governor...

Sandoval: And do you...

Malfabon: ...if I may add. There are some agencies here in Southern Nevada that are very supportive and positive. Tracy Larkin-Thomason has been meeting with Commissioner Giunchigliani from Clark County. She's identified some roads that obviously would require support of the entire Clark County Board of Commissioners, but there are some roads being identified that they would like to have further discussions on transfers. The other area is all -- the City of Las Vegas with Summerlin Parkway has approached us, and North Las Vegas is willing to take a portion of North Las Vegas Boulevard that will be on next month's Board packet, hopefully, for transfer.

Madewell: And just to key on what the Director said, we actually are having some very good positive discussions right now with -- we're starting the process with the City of Sparks on Glendale Avenue. As Member Fransway is aware, we recently completed the process with Haskell Street in Winnemucca. There's a new process started up with Tracy that's involving the City of Mesquite. The number of roads that we're talking about with Clark County is just a volume to speak of. So there are some very good positive results coming out, so...

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- Sandoval: Do you have a ballpark figure on how much you spent on maintenance on those roads?
- Madewell: I don't at this point, but we can probably get that, because we have them all listed and we could come up with a follow-up with you on that, if you'd like.
- Sandoval: All right. Questions from other Board members? Member Fransway then Member Savage.
- Fransway: Thank you, Governor. And thank you, sir. First of all, I think it's very apparent that this is an issue of equitability and fairness, and I think everybody understands that. And I appreciate, and the Board, I know, appreciates NDOT and the way that we have reached out to our local government partners relative to this issue. My question to you is do you have the level of comment and input from local government that you need -- or that we need to make an informed decision, so we can be fair and equitable or do you need more? We've got two weeks left.
- Madewell: Well, again, I've met with many of these folks long before this formal review process occurred. So to date, I can truly tell you I have not heard any comments that are going to bring this to any kind of a halt or anything. We worked through a number of the issues during the NRS revision process, so many of the people that are commenting now on the guidebook and the regulation were actually the people that helped develop that language to get us where we are today. Yes, we do still have two weeks to go, and I don't anticipate any comments that would kind of slow down the process, if you will.
- Again, on a monthly basis, literally, I'm talking to many of these people. So I don't anticipate any problems. I think that within the next two weeks we're going to get our final comments from anybody that chooses to do that, and then we'll open a public discussion, and, of course, we never know what'll happen at a public forum. But at this point, I think we're on a very good path to bring this forward to the LCB to start this; for you to have all the information you're going to need to make a good decision on accepting and approving this regulation come April/May of next year.
- Fransway: Well, to me it makes all the sense in the world to gather the public comments in advance of a decision rather than have to time them to public forum, so that we can have time to digest the comments and make everything work, because that's what this has to do. It has to work between all the partners, and I believe it will. And I appreciate what you've done and

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I appreciate, Rudy, what the Department has done. But we're getting close now. We've two weeks. We've got to get everything in so that we do it right. Thank you, Governor.

Sandoval: Thank you. Member Savage.

Savage: Thank you, Governor. Along the same lines as the Governor and Member Fransway, I thank you, Mr. Madewell, for your presentation and I thank you, Rudy, and the administration and the staff. This is a very difficult subject. There's housekeeping like anybody has a difficult time doing. But the goal is, again, to neither be a benefit or a burden to either party, but to best service the traveling public and communities of the state. And I think with communication and support on both sides we can make this work. My question to you, Mr. Madewell, is there any federal reimbursement opportunities for any of these transactions?

Madewell: Member Savage, the answer to that probably would relate to whether or not we put a project together. If we were to be able to put projects together, for example, during the negotiation they say bring the road up to these levels and we're able to go to a federally funded, federal aid-type road and we're able to approach federal dollars using that, there may be some money involved that way. The federal government does not regulate relinquishments, per se, from cities and counties in the state in the effort of providing grant dollars and that type of a thing. So the answer, I guess, very basically is yes, if there's a federal aid program and project for that road that we're going to relinquish.

Savage: Okay. Thank you. And on Page 6 of the draft, I was confused with the total amount of miles on the Guide to Roadway Relinquishments. At the top of the page, it had noted 599 miles, and on the lower part it says to date 903 state maintained miles.

Madewell: That's correct.

Savage: So which is correct, Mr. Madewell?

Madewell: Well, they actually both are. The 599 was what was identified in the original study, the original legislative issue...

Savage: Mm-hmm.

Madewell: ...in 1999. That was used in the growth process where it simply said, "Locate roads that appear to be of a local nature." Now used in the new

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process where we've talked about roads that really need connectivity and some of the other things, we've identified this additional number of miles. And that actually occurred on both sides between the locals and the state. So currently today we're looking at the 900-mile range.

Savage: Okay. Thank you for the clarity. And lastly, along the same lines as the Governor had mentioned, the job cost in maintenance, I believe, over the last 5, maybe 8 years, 10 years, whatever that might be, whatever the Department has historically committed to these different roadways, I believe, is imperative in order to have the other entity understand what we have done to this point. Thank you, Governor. Thank you.

Sandoval: Thank you, Member Savage. Any other questions or comments? Thank you, sir. Agenda Item No. 12, Equipment Purchase in Excess of \$50,000, X-ray Fluorescence Spectrometer.

Malfabon: Very good, Governor.

Sandoval: I wanted to see if I could actually do that.

Malfabon: I have trouble with the word. This purchase was anticipated in our biennial budget as approved by the legislature and you, Governor, as submitted for the executive budget. The device tests fly ash which is -- fly ash is a byproduct of coal-fired power generator plants, so this -- not all fly ash is good, but the best quality fly ash is used in concrete production and it lowers the cost of concrete production, because it offsets some of the powdered cement that is used. It's a lower cost product, which actually has some other benefits in making the concrete more durable. In Nevada, some of the aggregates are not the best, and it offsets some of those reactions that can occur as a result of poor quality aggregates. We have good quality aggregates and good specs, but fly ash is a good product to use. So this device tests the fly ash quality.

Also, hydrated lime, which is another product that we use on asphalt concrete to mitigate some of the bad stuff, the clay materials that can be in aggregates, particularly in Nevada's aggregate sources for our pavement -- our asphalt pavements. So we need the machine to do our proper quality control on these materials, lime and fly ash, and we're requesting Board approval that's required by NRS for equipment that exceeds \$50,000.

Sandoval: And what's the purchase price?

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Malfabon: This is anticipated to cost \$89,000. It's a little bit more than -- we, I think, anticipated \$70,000 biennial budget request, so it is more expensive. I know that we've had the other equipment for a while and it's not supported anymore, but we feel that this equipment will last a while for us.

Sandoval: And do you have estimate of how much money it could save the state?

Malfabon: Oh, it'll save the state millions of dollars. I don't have a firm number, Governor, but the two products I mentioned, fly ash and hydrated lime, extend the life of the pavements, whether it's concrete pavements or asphalt pavements.

Sandoval: Other questions from Board members? If there are none, the Chair will accept a motion for approval of the equipment described in Agenda Item No. 12.

Martin: So moved, Governor.

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

Wallin: Second.

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

Group: Aye.

Sandoval: Opposed no? The motion passes. We will move on to Agenda Item 13. Should we be taking all three of them at once?

Hoffman: I'd have to...

Malfabon: We will take the first one, Governor, first, the Approval to Release Project NEON as a public-private partnership to release the final Request for Proposals. Bill Hoffman, Deputy Director, will take it from here.

Hoffman: All right. Thank you, Rudy. Good morning, Governor, Transportation Board members. Bill Hoffman, Deputy Director for NDOT. If I could respectfully request that we hold all questions until the end of the presentation, I think that'll help us get through this much easier and much quicker. So if I could, thank you.

So what we hope to do today is get the right slide up, first of all. Actually, there's three messages that we want to convey very clearly to the Transportation Board. Project NEON is needed, it's necessary for Southern

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Nevada. NDOT can afford it and NDOT has done its due diligence in analyzing hours of work, really rolling up our sleeves and being stewards of the taxpayer dollars, making sure that we understand that we can afford this. All of the work that goes into that, we've done that. So we want clearly to show that the project is needed, we can afford it, we've done our due diligence and can prove that.

So with that, first of all, I'd like to go over benefits of the project. So, of course, we've got safety and congestion, a thousand crashes per year. This is the busiest section of I-15, busiest section within Nevada roadway section. Has the highest crash rate, so over a thousand crashes per year. That equals about three or three-and-a-half crashes per day. That's way too many.

Connectivity and mobility for city development efforts. There's a massive effort going on right now just adjacent to the Project NEON footprint, just adjacent to I-15. Our engineers have been working very closely with local agencies, local staff trying to integrate and implement connectivity between I-15 and our project and provide connectivity to these redevelopment areas just adjacent to I-15.

We're also improving connectivity from the northwest, so HOV lanes at 22-mile -- high-occupancy vehicle -- continuous lanes from the northwest on U.S. 95 to I-15 south. So that connects the northwest to the south via these two roadway segments. And, of course, the economy is doing much better than it was two years ago. There's no question. We've made great strides in the last year. However, one of the hardest hit employment sectors was transportation construction. This project will add 5,000 jobs to that sector that was so hard hit that we're still looking for recovery in this area.

Southern Nevada needs a 21st century transportation system. We're 30 years behind on this section of roadway. We need to bring it up to 21st century standards. NEON can do that. NEON can make great strides in helping us bring a 21st century transportation system to this section of I-15.

Benefit cost ratio of 5.8. Exponential improvement. Let me explain what that means exactly. So what we do in the engineering world is we like to do calculations. We like to pull our calculators out, okay. This is pretty straightforward, this calculation. So this is just the benefit of the project divided by the cost of the project, okay. So 5.8 means the cost of the project. The benefits of that project are 5.8 times greater than the actual cost of the project. That means, in this case, \$2.96 billion is what we expect back in benefits from freight not having to sit in traffic, from people not

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having to sit in traffic, the time value of that, and then also, of course -- and nearest and dearest to our hearts are the injuries that take place. The crashes, those have costs. Those have costs and impacts to state resources. Those do have a real cost.

Sandoval: Mr. Hoffman...

Hoffman: Yes.

Sandoval: ...I know you asked me not to interrupt you...

Hoffman: Sure.

Sandoval: ...but to give even further perspective on this benefit-cost ratio, what is your average benefit-cost ratio on a road project?

Hoffman: That is a good question, Governor. I'll explain it this way; if there is more benefit than cost on a project, meaning the benefit-cost ratio is greater than one then you have a legitimate project. If it's in the 3, 3.0 range, you should really, really do that project. If it's 5.8, around 6 or higher, you have to do that project. Absolutely have to do that exactly for the dollars that I just spoke about.

Sandoval: Okay. Thank you.

Hoffman: Thank you. So I'll continue on. So they always say a picture is worth a thousand words. I have eight pictures hopefully conveying eight thousand words. So what we have here -- and I'll just sum it up here. So we have blocked traffic. There aren't any cars moving in this photo. These are our traffic cameras that have caught this. So first of all, first and foremost, you have crashes. This happens way too often down here. Much, much too often. We can improve this. We can make this better. We can catapult this section of I-15 into the 21st century, okay.

So this is -- you've got resources on a very regular basis; fire, local law enforcement. They're out there responding to this. You've got people sitting in traffic. You've got potential tourists sitting in traffic. All they want to do is go to their destination. They want to get out of their hotel or whatever show they're going to see. You've got commuters trying to get back home. They need to try to get home to take their sons and daughters to soccer practice, to basketball practice. This doesn't have to be like this. It absolutely doesn't have to be like this. And, of course, again, you've got

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injuries and fatalities. Fatalities are our number one goal at NDOT to try to reduce that.

So there's so much that can be accomplished, and hopefully I've made it clear in terms of the dollars that are associated with this that this project can help alleviate, okay. So just as an example, freight sitting in traffic, stopped, \$200 to \$2,000 an hour depending on what it is and where it's going. Is it fresh? Is it boxed? You've got the Port of Los Angeles, Port of Long Beach piling tons of freight along I-15 into Southern Nevada on a daily basis. So this is economic. This is safety. This can be better. We can do better.

So this is just a graphic here showing there's about a 50% increase in the crash rate -- or 50% higher crash rate on I-15. So that's this section of roadway we're talking about. 50% higher than the next highest roadway segment that hadn't been worked on. Okay. That's I-15 around Tropicana. 50% greater, so -- and then the roadway segments and the associated roadway volumes, 260,000 on the rise. Okay. That's the top red line, bottom right chart. So you've got 260,000, 270,000 vehicles per day predicted to be over 300,000 by 2025. If we do nothing this is just going to keep getting worse and worse and worse. We have to do something.

Downtown redevelopment. So I touched on this a little bit earlier. And really the point here is there's massive efforts going on in this area. Just east of I-15, just south of the Spaghetti Bowl here, NEON comes through this section here and actually extends up 95 a little bit, but there is all kinds of redevelopment going on. Our engineers have worked on providing solutions to help connectivity throughout the NEON footprint and then trying to get people in to this redevelopment area, economic development, and then, you know, and we've made major strides in trying to improve pedestrian and bicycle. All right. So they're trying -- the downtown is trying to develop their area here and we're trying to accommodate that by providing other modes of transportation into this area, okay.

So with that, I talked earlier about connectivity. We're talking about Summerlin area up in the northwest connecting U.S. 95 southbound, so proposed HOV lanes. This is connecting HOV systems so people don't have to get off the freeway and then back on. That causes congestion, okay. So the HOV lanes will be connected and there -- so this is the connection that needs to be made, this red and yellow striped section. Also, there's a lot of improvements we're doing to the ramps going from 95 to I-15. There's a lot of improvements that will reduce that weaving or those slow congestion

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movements that take place from those folks grinding it out trying to get to work every day in -- you know, down off of I-15, whether they work in the Resort Corridor, whether they work further south than that. So we're going to make the morning commute so much better for these people through this project.

It also falls in line with the Regional Transportation Commission's bus rapid transit plans, okay. So we want to try to get a mode shift and we want to try to get more people to ride buses, less cars on the freeways, less congestion, less crashes. It all makes sense, okay. So we're working very closely with several agencies through this redevelopment area and also, you know, through the regional transportation planning process.

So the redevelopment -- I'm going to have Cole -- if he could just come up and talk about what this means. So I just showed a graphic of city redevelopment, just a moment ago. North was up. North is to the right now, okay. So I've just rotated this 90 degrees so that it matches up. I just wanted to orient you while Cole talks about specific improvements that we're making for the city redevelopment efforts.

Mortensen:

Good morning, Governor, members of the Board. For the record, my name is Cole Mortensen and I'd like to just continue on with what Bill had mentioned there. We'd like to emphasize the improvements that we're doing on the I-15. That, of course, is, you know, one of NDOT's main goals, but one of the -- probably the most under sung stories about this project in general is what we're doing for the local area.

Of this -- the grid that you see there in yellow is essentially a grid of improved streets that will be in place once Project NEON is done. The only one that we're not actually doing physical improvement to there, I believe, is Symphony Parkway. But what that does is that really opens up both north-south connections on both the east side and the west side of the I-15. It provides access in places that there isn't access right now, for example, south of Charleston. We're going to be connecting Grand Central Parkway across. We anticipate that to take between 35,000 and 40,000 cars in the future through that corridor there, which of course, means that you're getting people and goods to and from work faster. You're getting people to the downtown area. Basically, we're improving the local streets as well. Improving those local streets helps those movements during the peak hours, also, which also helps keep traffic off of the I-15 if people are more inclined to use those local routes.

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And moving forward, what I'd like to do is kind of step through and I think I'll probably have to show this again. This is a rendering of projects starting at the south at about Singer, and what we're slowly moving up to here is Ogee and Wyoming Avenue. And then we're actually going to see the freeway ramps on the HOV system diverse at median and drop down to what we call the NEON gateway. From there, traffic will be able to exit out to Western Avenue and hit Grand Central Parkway. We're approaching the Charleston Interchange. We're doing, of course, a major reconfiguration of Charleston into a diamond interchange. If you look up to the right-hand side of the screen, right now you can see we're adding that additional access to Alta and Bonneville, between the I-15 and the Premium Outlet Mall. What that means is we're going to be moving traffic beyond Charleston to that downtown redevelopment area.

The crown jewel of the project, of course, we're flying over right now is almost the mile-long HOV connector. As Bill had mentioned earlier, one of the things that I'm really excited and the Department is excited about with the HOV connection, is we're actually adding additional utility to the system. It's actually going to be going somewhere now. We've got 22 miles of system out there. We're going to have a direct access interchange. What that means is you're not going to have commuters fighting across five and six lanes of general-purpose traffic to get into the HOV system just to do the same thing to get off. They're going to be able to get into it directly. And I'll see if I can play that again here.

One of the things -- you know, we started putting a presentation together and one of the things we looked at is just the number of areas we can talk about various benefits for the project. And, you know, the one number that kept jumping out at me is that the average daily traffic that we see in there is between 260,000 and 270,000 cars a day. And if each one of those cars were carrying one Nevadan, 10% of the population of the State of Nevada would travel through this stretch of road every day. So again, you know, this goes back to who are we benefiting here; why do we want to be moving this project forward. I should point out on this rendering that we don't quite have all the sound walls and some of the other features and pertinences that are involved with the actual project.

Sandoval: Cole, and are you also going to discuss the 95 heading south and that merge as well?

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Mortensen: Correct. Correct. The 95 heading south -- and you can just barely see it there. We're really looking forward to cleaning up that section of road. One of the things that we'll be building as part of the project and actually -- well, I hate to run through that again, but the ramp braiding that we've talked about and discussed. That ramp braiding is what we're looking to eliminate those weaving movements that are causing the accidents on the freeway. What it does is it separates your on-ramp traffic from your off-ramp traffic. And so really you're reducing the number of times where a car might hit another car. And so that will happen basically outside of the general-purpose lanes.

So you'll be able to keep traffic, freight, commuters moving through on the general-purpose lanes, where your people trying to get on and off the system will be making those movements outside of the general-purpose lanes. And that's really going to help from the southbound perspective. And, of course, in the future we'll be looking to do the same thing in the northbound direction for -- I think we're calling it Phase B. All right. With that, I'm going to turn it back over to Bill.

Hoffman: Thank you, Cole. Again for the record, again, Bill Hoffman, Deputy Director at NDOT. So all along -- I talked earlier about showing due diligence and being good stewards of taxpayer dollars. All along, during our analyses, we've held these three goals firmly during our analysis, whether that was an outside consulting firm working for the Treasurer's Office, whether those were our advisors, whether those were our internal NDOT financial staff members. So a lot of groups have taken long hard looks at whether we can afford NEON or not.

We need to maintain a minimum of \$90 million in the Highway Fund. We've told you that. We've told the legislature that. We've told the IFC that. We plan to hold \$90 million in the Highway Fund, and we can do that. We have been doing that. There's no issue of that. Now, as you look out and we start paying back for the cost of the construction of the project, will we be able to maintain \$90 million or will we dip down? No, the analysis that we've shown -- or that we've run through shows that we will not. We maintain the \$90 million no problem, okay.

The second goal, do not exceed historical annual debt service payments. So in years past, all of the bonds that we're paying back, we need to make sure that they don't exceed \$100 million per year, and we've done that. That's a goal that we held. We put together a financial analysis showing, you know,

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the \$100 million will not be exceeded as we pay back construction for this project. Now, we do need to maintain under \$90 -- \$89 million, excuse me, per year to maintain a AAA bond rating with Standard & Poor's, okay. We can do that. We can also do that.

And what I'm going to do is bring up our financial expert, Robert Nellis, in just a moment. He's going to get up and explain how we do this and prove that we can afford this project. And then lastly, and a major concern to a lot of people -- and I understand this. I really do. So maintain the same statewide capital program. So Las Vegas is very critical to this state's economy. We understand that. We need to try to fix this segment of roadway. But on the other hand, we can't let all of our other roads and bridges fall apart and we can't ignore them.

So what we've done is we took an average of the past five years and looked at what we spent on capacity projects. One had a historical construction spending year, which I believe was 2012. But we looked at the average that we spent each year. We took that average. That was another goal. We cannot spend less than we have on average on capital projects throughout the rest of the state. So that goal has been achieved as well. Those three goals have been maintained through this analyses that we've done, okay. So can we afford NEON? Yes, absolutely we can afford it.

What's changed? So people have also asked, okay, well, you were heading down this P3 path, what happened? Well, there are a lot of things that happened. And, unfortunately, a lot of those things have happened within the last six to eight months. So the federal funding cliff, you know, we had to take a bit of a pause there. We needed to know what was going on with the federal funds before we committed taxpayers to something that we didn't really have all the answers to. We needed to make sure we knew what was going on with the federal funding on the federal front.

Quantitative easing, the tapering of the Federal Reserve and central banks investing in bonds. Any time you bring up quantitative easing or QE, the interest rates go all over the place. They started having those discussions for real about six to eight months ago about tapering that off. That has drastically affected -- or has added to the volatility in the financial markets, okay.

In the bonding payments -- and we've known this last one for a while. We've known this 95% federal, 65% P3. We knew that. So there are certain maintenance items -- routine maintenance items that do not qualify for

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federal funding reimbursement, and if we pursue a TIFIA loan with the federal government, we can't use federal funds to pay back a federal loan. So that's pretty straightforward. We understood that.

But there were a lot of things going on. The last thing we wanted to do is commit taxpayers without doing our due diligence. We felt we owed it to them. Absolutely felt like we owed them that. So we put in. We rolled up our sleeves. Before we move out we need to make absolutely certain we're doing the right thing. And we did the analysis and we'll show you what our recommendation is. And I feel very strongly about that. Very strongly, okay. So due diligence.

Another thing that happened is we sold right-of-way bonds. \$100 million in right-of-way bonds for NEON. We got a great deal. People want -- firms, companies want to invest in Nevada. They want to invest in Nevada. And to get proved out because we had 16 bidders on our bond, that lowers the interest rate for the state. We got a great deal. That kind of tweaked the analysis model, different interest rates. Plus you have the quantitative easing. You know, we've got a lot of complex things moving around that we're trying to pinpoint, you know, with precision. That's tough to do. Just play it a little conservative and make sure the taxpayers of Nevada are at the forefront of what we're doing, and we feel very good about it. So that was another thing that happened.

Working with the Treasurer's Office. And Robert can talk about this. So we had a third-party independent analysis of what we thought we could afford through the Treasurer's Office. They said the same thing, you can afford this. We've got to mitigate a lot of risk, construction risk, property risk. We feel we can do that. We can do that, okay.

So why bond instead of P3? So why bond instead of P3? So market demand for bonds and competitive pricing makes bonding even more affordable than originally projected, okay. Right-of-way acquisitions may affect the schedule. There's flexibility in bonding that allows us to kind of release bonds based on where we're at with the right-of-way acquisition process. That's very important. P3 teams were concerned about appropriation risks, so there's not a line item in our budget over the next 40 years stating that we will pay XYZ developer. I understand that risk. I do. But we were losing the financial risk leverage that we had with the project originally, okay. The project can be completed within similar a time frame by bonding as with the P3 resulting in no realized deficiency.

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So this is a lot of words that really just means bonding in terms of schedule -- in terms of schedule, bonding and P3 are very similar in terms of -- almost identical in terms of when we can deliver and finish this project, okay. NDOT maintains control of future O&M programs of funding. Now, where that is very important is that if we enter into a contract with a developer, they will build the project; they will be in control of operating and maintaining the freeway after that. Other than specifications, contract language, and those sorts of things, they're pretty much in the driver's seat, okay, in terms of when they think certain things can be done, repairing pavements, repairing bridges, rebuilding bridges, those sorts of things.

With us still maintaining -- so bonding, no P3, we bond, we still own the O&M. We can move things around financially so that it makes better financial sense from when those dollars will exit the Department to pay for pavement rehab, bridges, those sorts of things. We control how those things are done, how those dollars are spent, okay.

Sandoval: Before you move on again, Mr. Hoffman...

Hoffman: Yes, sir.

Sandoval: ...I apologize. But just to give a little bit more detail with regard to Bullet Point 4 on your previous slide.

Hoffman: Mm-hmm.

Sandoval: Can you talk a little bit about when construction would start and when it would finish.

Hoffman: Actually, Governor, if we could, I have a slide towards the end.

Sandoval: Oh, okay. I apologize.

Hoffman: So what we'll do is we're going to have...

Sandoval: We'll leave it until then.

Hoffman: ...Cole talk about the schedule and how that compares and -- if that's okay, sir?

Sandoval: Yes, please proceed.

Hoffman: Okay. So NDOT has very good experience with design-build delivery. We've shown that. Design-Build South was a huge success for NDOT, as John Terry I'm sure would attest to, who was the project manager on the

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Design-Build South project. It went very well. We know the delivery method, okay. But building into structure the bond sales more closely around the right-of-way schedule, this goes back to what we were talking about before. We're starting to see the schedule slide around just a little bit. Then we can structure those bond payments so that they match up with where the right-of-way schedule is.

NEON paid off. We can have NEON paid off by 2039, providing an annual -- this is bonding -- providing an average annual capacity of \$47 million. Annual capacity of \$47 million. So that's the difference between doing minor operations and maintenance work and what our availability payment would have been, okay, for several years. So that's \$47 million per year, okay, for about 10 or 12 years; is that right, Robert?

Nellis: Thirteen.

Hoffman: Thirteen years. And then continue to realize savings of \$250 million. So we came before the Board -- well, actually, we've come before the Board several times. But one time in particular, I remember us saying that by combining phases of NEON, putting multiple phases together actually saves us hundreds of millions of dollars. Throw-away cost, user cost. What else (inaudible)?

Nellis: There's also value engineering.

Hoffman: Value engineering. So we tweaked, retweaked. So by putting four phases together, in this case, saves the taxpayers hundreds of millions of dollars and saves them thousands, if not hundreds of thousands, of delay time to freight, motorists mixed in with the crash piece of that, there's substantial savings here from doing these four phases together.

Now, I will say we would not be standing here today asking to -- you know, making a recommendation to bond if it wasn't for P3. P3, the unsolicited proposal from ACS, is what made this happen. We would have not been this innovative, trust me, if it wasn't for them coming in the door and saying we think this is a great project; combine many phases.

So with that, I will let Robert take -- do you have the next one?

Nellis: Thank you, Governor, members of the Board. For the record, Assistant Director for Administration, Robert Nellis. And to put this slide into context, going back a little bit to what Deputy Director Hoffman stated, when we were working with the Treasurer's Office, we asked if we could --

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because the sale of the \$10 million right-of-way bonds were so successful and we received such a good rate, we asked if we could work with their consultants, (inaudible) to run some scenarios for us online. And so we asked for eight different scenarios to be run. These are the first two.

And in the blue line, which is hard to see for the audience, I'm sure, the first line is the \$500 million base case scenario for construction bonding debt alone, just construction bonding. But we also went with the red line, which we believe is closer to, you know, what contingencies and such would be, a little closer to the \$540 million mark. So that's the second line that you see there. Now, both those scenarios -- really what we're trying to show here is neither one of them exceeds the 3x maximum annual debt service line, which is the green line at the top. Why that's so important is that line allows us to maintain our AAA credit rating that we received when we sold \$100 million right-of-way bonds and we got that AAA credit rating with S&P. So both these scenarios would keep us within that nice credit line.

Now, it's been brought up, you know, several times, of course, on the affordability concerns. What's the concern? Can we even afford this project if the costs are substantially greater than what's projected? And the answer is yes, even with the worst case scenario. We've looked at several different scenarios and NDOT can still afford NEON and can still continue to do additional projects in Clark County, as well as the rest of the state. And we have them here in the audience today. We brought in our risk analysis consultants, our bonding consultants. We have the Treasurer's Office up in Carson City. Working with them has just shown us that bonding provides us the greatest flexibility against any unknown future risks and outcomes, which is what we'll look at on this next slide.

Basically, what this shows is we still have the 3x maximum annual debt service line. That maintains our AAA credit rating. We've talked several times about wanting to stay under a maximum annual payment of \$100 million per year. That's that upper level, and that's the line where -- essentially our comfort zone. That's where we've historically had our highest bond payments. Once we start going over that \$100 million annual debt service line then it gets a little uncomfortable because maybe there are some projects that we can't do in the rest of the state. So we want to stay under that level. And you can see what -- even if we had in the blue there -- I know it's hard to see with all (inaudible). But with the 50% cost increase, we would still just touch the 3x maximum annual debt service line, even if there was a 50% increase in unknown costs for the project.

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A potential disastrous scenario, man-made or otherwise, I like to think of that as the red line, that's where we push up over that 3x maximum annual debt service line. Now, we would not have to do that. That's just showing if we want to stay on schedule with the project and complete the project in the same number of years that we talked to the Board about. But if we want to stay under that 3x maximum annual debt service, we got into a disastrous scenario, there's additional unknown increased costs, then we'd have the option of staging the bond sales further out so we could keep that red line smooth, bring it down below the 3x maximum annual debt service line. So that's always an option the Board could implement in a worst-case scenario. I believe was Cole going to talk about the schedule.

Mortensen:

All right. Well, for the record, my name is Cole Mortensen. I'm the project manager here, and what I'd like to do is just quickly go through what our anticipated schedule would be for a design-build delivery. And what you see on the presentation right now kind of shows the next steps that we have to go through. There are statutory requirements that the Board needs to take action on. But then we'd be developing the RFQ over the next month or so and get that out to industry, await responses while we're developing the RFP. We would have the RFP issued around May of 2015, and allow the response and evaluation period, hopefully getting a selected closure on board in about September of 2015, and then we would anticipate going to design and construction right around the first part of the year of 2016. So...

Hoffman:

So NEON is the largest project in the history of the state, capital project. Certainly the biggest road project in the state. Bonding is more affordable than projected. When originally projected there were a lot of things that were going on that we were monitoring and tracking all along that not until recently did we actually start adjusting for those things and really talking and rolling up our sleeves and trying to get to the heart of the problem. Top benefits the P3 procurement have eroded, okay.

So when we originally ran this a couple of years ago, it was head and shoulders far above P3. Things have changed. Talked about the right-of-way, the investments in Nevada, the great rate we got on -- interest rate we got on our bonds. Things have changed, okay. So bonding provides the greatest flexibility to control the right-of-way acquisition schedule. We talked about that. A little bit more nimble. A little bit more flexible to move and issue bonds based on, you know, what we're seeing with the acquisition schedule. Timing of the bonds and the matching of the payments, very similar thing. We have control. We have flexibility there in

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the O&M and life cycle schedule. We can push things out, move things back, do what we need to do. It's a lot more flexible. So we're respectfully requesting that the Board approve Project NEON for design-build bond procurement. (Inaudible) are...

Malfabon:

Governor, if I may make some closing comments, too. Definitely, this is a momentous decision. It's a big decision for the Board. This is the largest project NDOT has ever delivered under one procurement, and it's here in the heart of Southern Nevada, in Las Vegas. And we have not taken our responsibility lightly to the Board and to the public taxpayers, and we've conducted our due diligence. Early on we established the financial goals that Bill covered for the project. We will meet those goals under this procurement method. We know the project is needed, as Bill covered in the presentation.

When I pushed the team to keep investigating design-build with bonding, there were a lot of questions; are we going against what the Board directed us to investigate? And I think that the Board was very clear that they wanted to make sure the project is affordable, and we've shown that with this delivery method it is affordable. Are we wasting the efforts spent on developing a P3? I believe on the contrary the Department, as a whole, has a better understanding of public-private partnerships. We had to draft performance specs as part of that process, so we had to go through a lot to develop those. And those are still worthwhile work products that were developed under this P3 concept. We developed the requirements for the performance of operations and maintenance by a contractor, and this effort is not wasted.

Throughout this effort, our project manager, Cole Mortensen, has been exemplary. He's been in a tough situation as a result of this dual track of investigating bonding versus P3, and he has risen to the challenge. Another person I'd like to thank is someone that has not worked in the limelight as legal liaison. Ed Miranda has worked to bridge the gap between the AG staff, outside counsel, right-of-way project management, and financial management. He also worked closely with the technical subs on the Laura Fitzsimmons' contract to look at the effects of PISTOL on right-of-way acquisition and how the Department can mitigate those effects.

We're committed to delivering this project and it's a great project with many benefits. As you've seen from Cole's presentation, we can afford bonding. We also have the option to directly apply for a TIFIA loan as an alternative.

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It also makes sense to be a bit more cautious about entering into a public-private partnership with a 35-year term, given that Congress has not even decided on a long-term solution to fund transportation in the United States. Although it's unlikely, Congress could decide that the states will receive federal funds equal to what the federal government has taken in from the federal gas tax. That would result in a 30% cut.

Cole worked hard to mitigate the right-of-way risk on this project, and we have a lot of parcels to acquire. And I can guarantee that we will always receive -- I can't guarantee that we will always receive favorable decisions from a court on eminent domain cases. The schedule for NEON has always run through the right-of-way acquisition process. We have a much better understanding of the right-of-way schedule and risks, and a bonded design-build project will tie in better with this schedule for acquiring right-of-way.

Given all these factors, I'm recommending that the project move forward as a design-build bond project. That concludes my remarks, Governor.

Sandoval: All right. Thank you, Mr. Director, and thank you, Mr. Hoffman. You've completed your presentation...

Hoffman: Yes, sir.

Sandoval: ...as well? What is the estimated out-the-door cost of Project NEON?

Hoffman: Cole, can you answer that, please.

Mortensen: Right now, in total for the scope of work that we're talking about, including right-of-way, including the (inaudible), including utility relocations we're at between \$700 and \$800 million is what our estimate for this scope of work is. For the total package that this -- done as part of the EIS, including the later phases, we're still looking at probably between \$1.2 and \$1.5 billion.

Malfabon: Let me clarify, Governor, if I may. The construction value -- which we feel that we have a pretty good handle on -- we did an independent cost of that construction value for the contract. It's over \$400 million. In a design-build procurement, you would have to add in roughly, you know, 7% to 10% for the engineering of that. We think it'll be quite competitive. So we're about \$400 million in the P3 -- I mean design-build procurement. I don't know if you add in all the right-of-way costs, definitely it's up in that area, because we -- the Board previously approve \$150 million under Phase 1 acquisition and this \$100 million bond for Phases 3 and 4 acquisitions. So that's \$250

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million for right-of-way and probably \$400 to \$450 million for the design-build project. Plus, the engineering that we paid for development of the process to date, and our advisors gets to that number that Cole was mentioning.

Sandoval:

All right. All right. Thank you. And just to try to get perspective, I mean we've been talking about this for over two years. And I'm of the absolute school this is not an "if" proposition. We have to do this. This community needs this. The state needs this. So the issue is how we're going to do it, when we're going to do it and how much it's going to cost. And this P3 was something that was new for the state and something that was introduced to the state. And I felt that it was this Board's duty to explore the P3, because again, this is the biggest decision this Board will make in the history of Nevada, when it comes to construction of a road project -- 150 years. I'm not one for drama, but we really do need to understand what's going on here. And so we have a duty to the people of Nevada to make sure that as we go into this that we have no questions; that we have a firm understanding of how it's going to be built, how it's going to be paid for, what it's going to look like, how it's going to benefit the people of Southern Nevada, and what it will do with regard to improving the quality of life, as well as the economic development in our future plans as we move forward.

Now, there are some, and there was a public comment today, two years ago, you know, essentially the presentation was P3. That's the way to go and this is what we should do, but I think Mr. Hoffman and others did a good job of -- as we've moved on and heard all the evidence, all the information, I think the world has changed. The ground has shifted beneath our feet in terms of interest rates and the best delivery method. You know, I'm still pleased and excited that originally when we were looking at this project we weren't looking at a completion date until 2030. And that was the benefit and attraction of this P3. As you said, we can combine these phases and we can get it done by 2020. And we can't do that in the traditional method. But now, having gone back to the drawing board with this bonding, we can do that, and we can do this in a way that we could never have done this before.

So, you know, as I'm certain that the other members of this Board are going to have comments, but I do believe that we need to push forward, regardless of what the decision this Board makes in terms of what we've been presented today. But we can't wait any longer. We are still on schedule. My understanding is whether we were going to go with the P3 or this. We are still within the range of what we thought we were going to be. So if this

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Board makes its decision today, we can have this project done in a timely manner.

The other thing that provides me comfort here is even if there was a catastrophic issue associated with this project, it does not create any jeopardy for any other projects across the state. And God forbid that we had something that increased the cost of this project by 70% -- or 50%. But even given that that happens, we can still do this. Again, I think that really demonstrates, on behalf of the Department, a lot of hard work in terms of making sure that we're going to be okay, and we do get the best of all worlds in this case. We get a project built and we are able to afford it and continue these other projects that we do across the State of Nevada.

So I am really grateful for the hard work that has gone into this, and you should have put a lot of hard work into this, because of what's at stake here. But I have no further questions. Again, I don't know, perhaps I'll start with the Controller...

Skancke: (Inaudible).

Sandoval: Okay. I'll go from the Controller to Member Skancke and then come back from this other end of the table. Madam Controller.

Wallin: Okay. Thank you, Governor. Thank you to the NDOT people. Great presentation. Yes, this is a huge project, right, and I'd like to -- I think this is probably going to be Cole or Bill -- to kind of talk a little bit about the ramp braiding. Is that similar to what we call those collector lanes that we have from I-15/215? And if it is, are we going to have one lane to enter onto the freeway or is it going to be two? That's my first question, so go ahead and answer that one.

Mortensen: Oh, great. For the record, Cole Mortensen, Project Manager. The ramp braiding will be similar to what we've seen on the I-15 South where it kind of goes into a little bit of a collector/distributor system. There will be the capacity to handle the traffic going onto I-15 (inaudible).

Wallin: So you'll have two lanes that'll be entering (inaudible)?

Mortensen: I'd have to look at that, but I believe it is two lanes.

Wallin: Okay.

Mortensen: Yes.

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- Wallin: All right. Because I know that I struggle with the 215 collector lanes onto I-15.
- Mortensen: And I think that John could speak to that, but I think one of the issues there is we didn't have the capacity under the Tropicana structure. And so that's something...
- Wallin: So the two (inaudible).
- Mortensen: ...that we're currently looking at doing to improve that stretch of road...
- Wallin: Okay.
- Mortensen: ...(inaudible).
- Wallin: And then my other question is talking about the HOV lanes, because we have HOV lanes on 95 already, but we don't have HOV lanes on I-15. We have the express lanes that you can drive in them just with one person in there, and trucks can drive in them. So those express lanes now are going to become HOV lanes?
- Mortensen: There will be one HOV lane and then the other will be converted to a general-purpose lane.
- Wallin: To a general-purpose. Okay. So we're -- okay. Because that was my big concern that we would have two HOV lanes and then no additional passing...
- Mortensen: Yeah.
- Wallin: Okay.
- Mortensen: No, it'll be one HOV lane and one general-purpose lane.
- Wallin: That helps me with that as well. And then I just have a question on your slide here, your traffic slide, statewide comparison June 2007 and June 2012. I'm trying to figure out what I'm looking at here. On here you've got, in the red line, is that through 2012?
- Mortensen: Yes, that's the crash rate between those years...
- Wallin: Okay.
- Mortensen: ...between June of 2007 and July of 2012.

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- Wallin: But then down here, state average, you have 2010? So we don't -- you're not...
- Mortensen: Yeah, I believe that that was the data that they pulled when they put the chart together. It's still significantly higher than...
- Wallin: Okay.
- Mortensen: ...the routes that we (inaudible) on there.
- Wallin: Okay.
- Mortensen: The other thing in this route that is somewhat significant is that if you look at those values and this crash rate, the routes that are -- or the lines that are still in blue are routes that we haven't had recent information, but all the routes in green have had some sort of work done on them recently.
- Wallin: Okay. That's good. And then I guess my one other question, and it's dealing with the HOV lanes, all right.
- Mortensen: Mm-hmm.
- Wallin: How much traffic do we currently -- how many people currently use the HOV lanes on 95?
- Mortensen: John, I'll let you -- he's been more active in that study. We actually do have an active study going on with the HOV system and a (inaudible) for that, but (inaudible).
- Terry: Once again, John Terry, Assistant Director for Engineering. The simple answer for the HOV lanes on U.S. 95 is not enough. We know we're not getting enough capacity using those HOV lanes for two major reasons. The capacity on the lanes isn't that bad in the improved section of U.S. 95 that warrants crossing over three lanes to get in just to cross over three lanes to get back in only six miles. So we had a presentation on the HOV study. We project that when this project opens the HOV system will be used much more extensively for two main reasons; it has a much longer system which makes it more viable, and as a part of Project NEON, there's direct access ramps to get you down into an area that you want to get to, which is the NEON connector roadway that gets you off of the HOV lanes without having to weave across traffic. So...
- Wallin: Okay.

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- Terry: ...comparing it to the existing U.S. 95 HOV lanes, which are frankly a little too short to be viable HOV lanes, is really not fair. We project there will be far more usage of the HOV lanes in the future.
- Wallin: Any idea of a percentage increase or increase in number of cars?
- Terry: We project that the HOV lanes soon after opening will be over 1,000 in the peak hour, and that by 2025 we won't exceed the current capacity of an HOV lane, which is about 1,600 vehicles per lane that we actually looked at when we might have to go to more than that. So we project reasonable capacity in those HOV lanes. The maximum capacity is about 1,800 to 2,000 in the HOV lanes. But we think we'll be 1,000 at least when it opens and moving closer to 1,600 in the near future.
- Wallin: And I just, you know, I want to just also agree with the Governor. I know that we started down the P3 path and as you guys did your due diligence and we learned more, we learned more about sculpting the bonds, which saved us a lot right there, that we can do that for this project as well. You know, I think that things have changed and I do know that the current treasurer has a bill draft request in to go and get the bonding for 30 years instead of for 20 years for highway projects. So that is also something to -- I know your numbers here don't have -- these are 20-year bonding, right?
- Malfabon: Yes. Correct.
- Wallin: Yeah, 20-year bonding versus the 30, which even changes it as well. And I think the risk that we have in purchasing right-of-way, if you did the P3, I think we'd be putting the state at a much higher risk if we don't get that right-of-way bought through at the time that we think. And then also that maintenance part there, what happens if we're short of funds and we have to keep making that payment year after year. So I'm leaning towards doing the design-build bond. Thank you, Governor.
- Sandoval: Thank you, Madam Controller. We'll move to Member Skancke.
- Skancke: Thank you, Governor. Outstanding job. I think your presentation was very thorough. The information that you provided to the Board was exactly what we needed to hear. Having been someone who spent 25 years in the transportation arena and an advocate for public-private partnerships, I think there is something -- you have to look at as a tool that each state and the federal government needs. We worked very hard to get that legislation passed to allow us to even consider this mechanism. I think because of that

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we've looked seriously at all of our options. And I think the recommendation you've brought back to the Board today is the right recommendation.

The world has changed. The market has changed. The environment has changed. When I testified before the Interim Finance Committee a few months ago, I made a commitment -- in fact, it was before I was even appointed to the Board, that this Board would do the right thing to be fiscally responsible to the taxpayers in the State of Nevada, and that we would carry out that mission as a Board. And I think we've done that by looking at all of our options.

I think it's important to point out and, Bill, I thought it was great that you pointed out the connectivity of this project to our economy. Our economy is improving in Southern Nevada. In fact, our organization reported a few months ago -- or last month, 3,500 new jobs have been created in the last nine months in Southern Nevada. That's because of the leadership demonstrated by the Governor and the Governor's Office on Economic Development, and that's why this project is so vital to our economy here in Southern Nevada. This is the last piece of creating an infrastructure system that will move and participate in the \$17 trillion economy the United States of America produces every year.

If we don't do this project, it affects the entire system from Sweet Grass, Montana to San Diego, California. We're the last bastion. We're the holdout. And I don't think the Governor's Office on Economic Development or my organization can deliver on the commitment that we've made to this community if we don't move forward with this project, and the funding mechanisms that you've provided. We move 300,000 people a day on and off Las Vegas Boulevard that work to drive this economy. They need a better quality of life. This is a gap that needs to be fixed. And so as we look at regional mobility and connectivity, moving that workforce to their workplace is critical to their quality of life.

The Regional Transportation Commission -- I see Commissioner Brown who's the chairman of the RTC is here today. A good friend of all of ours. They have embarked upon a regional business plan of how we fund the Resort Corridor improvements. This is a critical piece to that. So I think you've looked way beyond probably the necessary scoping for this to look at all the options. The downtown project, the City of Las Vegas Medical District is right smack dab in the middle of this project. And so I think the

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recommendation that you've made today for this Board to consider is the right recommendation. And, Governor, I'll tell you now that I'll be supporting what the staff has presented to this Board today. So thank you.

Sandoval: Thank you, Member Skancke. Member Fransway.

Fransway: Thank you, Governor. And thank you, staff, for what you've done over the last two years. By exploring P3 as an option, we did not waste any time, but rather it was time well spent. This Board needed all of that due diligence to make a decision. I am convinced that this project needs to be done and it needs to be completed on a pretty aggressive time frame. We reserve the right to change course and it's our duty to change course if we feel that the course needs correction in order to keep from a (inaudible).

And this decision that we're going to make today will be a decision that is going to affect the State of Nevada for many, many moons. And the state is comprised of different elements that create one team. And it was extremely important and it was my criteria and my own line to make sure that if this project was funded and constructed that it would not affect projects throughout the rest of this state. And I am convinced that that is the case, and we need to go forward with this. And I, like Member Skancke, is going to vote in favor of changing course. So, Governor, that's my comment.

Sandoval: Thank you, Member Fransway. Member Savage.

Savage: Thank you, Governor. And first of all, I want to sincerely thank Mr. Director, Mr. Hoffman, entire staff, Mr. Nellis, Mr. Mortensen for your due diligence and hard work and looking at all the different angles to make this work best, and Mr. Gallagher as well. I know this Board meets every month, and thank God we do because we keep our hands on the wheel. And we have to be flexible and we have to understand it is a changed world, and we would not be fiscally responsible if we did not go with the design-build bond. This is a cost savings to the State of Nevada, and the State of Nevada is the big picture, even though this occurs in Las Vegas. Las Vegas needs this. The people of Las Vegas have supported it and will continue to support it. It's a 95% federal reimbursement versus the 65. That's huge.

The State of Nevada is better off and more familiar with construction. We deal directly with contractors each and every day with this Department. And banks, developers and financiers we do not. My comfort level, Governor, is to proceed with the design-build bond procurement method. Thank you.

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- Sandoval: Thank you, Member Savage. Member Martin.
- Martin: Really not much left to say, is there?
- Sandoval: That's all right.
- Martin: The only thing I can say is that as an entrepreneur, which Len and I and some of the rest of the members of this Board, as an entrepreneur I always have to change -- look at a change in landscape. And in the beginning, I was a huge proponent of the P3. As the landscape started to change, I was the person that drug my foot the most. Over the course of the last 60 to 90 days, that landscape changed very, very drastically for me. So as an entrepreneur, I have to take a look at what would be best for my company based on that landscape, and as a member of this Board, we all have to look at what's best for the citizens, the taxpayers of the State of Nevada. What is the best delivery method? I will also support the design-build bond process.
- Sandoval: All right. Thank you, Member Martin. Question for legal counsel. So the way this is agendized, do we need to take action?
- Gallagher: Governor, regarding Agenda Item 13, based upon the Board members' comments, I think there are three options available. One option would be nobody makes a motion so it fails. The second option would be somebody makes a motion to approve. There's no second, it fails. The last option is somebody makes a motion that's duly seconded, but it doesn't get a majority. I think those are the three options. And then once this Agenda item is disposed of, the Board should turn its attention to Items 14 and 15.
- Sandoval: All right. Thank you. And one last question from me. We had Mr. Pelnik, who provided public comment at the beginning of this meeting. And I don't know if you, Mr. Hoffman, had an opportunity to look at the testimony that he presented. In my opinion, you've responded to the issues that were raised in that document, but I don't know if you wanted to say anything specifically with regard to it.
- Hoffman: Well, thank you, Governor. For the record, Bill Hoffman, Deputy Director. And I would like to make a comment specifically towards Thomas Pelnik. As I said before, we would not be standing here before you today with such a great project if it wasn't for ACS and that team and all the work that they've done on this project. That goes to say that the other two developers that are, I'm assuming, still working on, you know, or hoping that there was

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an RFP released shortly for a P3 project. I'm sure they're probably not happy with this either.

But I will say that if it wasn't for ACS and making an unsolicited proposal, if it wasn't for the other developers that have rolled up their sleeves and sharpened their pencils and started putting proposals together, there's no way we would be here today. So investigating public-private partnerships has made Nevada DOT much, much stronger. And I feel that we've uncovered every stone that there was to be uncovered to move forward with the very best solution in terms of the taxpayers of the State of Nevada.

Sandoval: Okay. Thank you, Mr. Hoffman. And Board members, any other questions or comments?

Fransway: I've got a motion for you, if you would like, Governor, that I believe we can move on.

Sandoval: All right. Member Fransway.

Fransway: Governor, Board, I would move -- due to the negative financial impact discovered in comparing the P3 option to the design-build bond funding option, I move to decline to proceed with Project NEON using the P3 method of financing, and proceed to Agenda Item No. 14.

Sandoval: We've heard the motion. Is there a second?

Martin: Second.

Sandoval: Second by Member Martin. Question for counsel. That would be option number four, I would imagine.

Gallagher: Yes, I believe it would, Governor.

Sandoval: Okay. So we have a motion by Member Fransway, a second by Member Martin. Any questions or discussion on the motion? If there are none, all in favor of the motion say aye.

Group: Aye.

Sandoval: Opposed no? Motion passes unanimously. Let's move on to Agenda Item No. 14. Mr. Director.

Malfabon: Thank you, Governor. The NRS requires that when the Department is going to do a design-build project that the Board has to support that and we have to meet certain criteria. We believe that by the presentation of Agenda Item

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No. 14, we present the case for meeting those criteria of a design-build procurement for Project NEON.

Just briefly, the design-build process is allowed when costs will be significantly lower, when the time frame for delivery of the project can be shorter than traditional methods, and that we can address a highly technical and complex project. We feel that we meet all three criteria with this project, and we respectfully request Board approval of use of the design-build process for delivery of Project NEON.

Sandoval: Okay. Thank you, Mr. Director. And for the benefit of the Board members, under Agenda Item No. 14, the elements of NRS 408.388 that specifically delineate what the Director just pointed out in terms of findings are here in front of us. In my opinion, the presentation that is made has satisfied at least my requirements in terms of making that finding within the NRS 408.388. But I'll leave it to the other Board members if they have any questions. If there are none, the Chair will accept a motion.

Skancke: So moved.

Fransway: Mr. Chair, I would move...

Sandoval: Wait just a sec.

Fransway: Oh.

Sandoval: Member Fransway, we have a motion...

Fransway: Oh.

Sandoval: ...from Member Skancke.

Skancke: That's fine. I'll defer to Member Fransway if he wants to (inaudible).

Sandoval: Okay. Please proceed.

Fransway: Okay. Thank you. I would move that pursuant to NRS 408.388 and 408.3881 that the Board determines that it is in the best public interest to proceed with Project NEON using the design-build bond financing mechanism, and to proceed with Agenda Item 15.

Skancke: And I'll second that.

Sandoval: Okay. Member Fransway has made a motion. Member Skancke has seconded the motion. And, again, as the Director has stated, this Board

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needs to make a finding pursuant to NRS 408.388 that the Department has-- (A) that the estimated cost of the project exceeds \$10 million. Well, we met that one. That the design -- or that the contracting with the DB team will enable the Department to design and construct the project at a cost that is significantly lower than the cost the Department would incur to design and construct the project using another method; (2) that the design and construct of the project in a shorter time than would be required to complete the project using a different method; and (3) ensure the design and construction of the project is properly coordinated if the project is unique, highly technical, and complex in the nature.

And then just for purposes of the record, NRS 408.388(1) requires that before the Department may use the DB method, the Board must make the determinations required to 408.388 at a public meeting. Just want to make sure that we've satisfied all that.

Gallagher: Yes, Governor, I believe the Board has satisfied making those findings at a public meeting.

Sandoval: All right. Thank you, Mr. Gallagher. So we do have a motion and a second. Any other questions or comments? If there are none, all in favor please say aye.

Group: Aye.

Sandoval: Opposed no? Motion passes unanimously. We will move on to Agenda Item 15.

Malfabon: Thank you, Governor. As we have decided to pursue the project as a design-build project, we also had recommended and received the Board's support for the idea of bonding. This formalizes that approval of highway revenue bonding for Project NEON. To give you an idea of the process, if you think back to the issuance of the \$100 million bond for the right-of-way acquisition for Phases 3 and 4 of the project.

Typically when NDOT considers bonding it's in our biennial budget request. For that \$100 million bond, it was in a transitional period, although we had informed the legislature that we would be holding that open to come back to them for that request. In this case, we're in the right time frame for inclusion of bonding in our biennial budget request for consideration by you, Governor, and by the legislature at the session in 2015.

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So to look at the process indicated in Item No. 15's memo. Should you approve this bonding to go forward, the bond amounts will be included in our biennial budget request, then you get to review the budget request from all state agencies and provide a recommended budget to the legislature. Eventually, the legislature approves that budget for the all state agencies, and then the Transportation Board would be requested to approve a bonding resolution for bond sales when we have a specific bond request to go forward for Board consideration. Ultimately, the Board of Finance approves the bond sales and then those bond sales are conducted by the Treasurer's Office.

Currently we're anticipating about \$180 million in our next biennial budget request, subject to some modification. But we're thinking ask for a request to \$100 million in state fiscal year '16, and \$80 million in state fiscal year '17. We're just getting into the point of eating into the \$100 million bond that was issued for right-of-way acquisition. We have a lot of parcels to acquire still to expend that money. So we think that cash flow-wise that it'd be good to anticipate about \$180 million issuance over the next biennium in our budget request. But as I said, the specifics will be coming back to more specific Board approval as action items.

Sandoval: Mr. Director, so it gets into the Governor's recommended budget, it goes to the legislature. The budget, obviously, isn't approved until the end of the legislative session. What happens in between, assuming ultimate approval of those bonds?

Malfabon: Well, currently we have the ability between the \$100 million bond -- currently we have about \$197 million in the Highway Fund, in addition to the \$100 million bond proceeds. So we have a lot of leeway there to expend money until the end of this session for acquisition of right-of-way.

Sandoval: And I ask that question just to make sure that we know that the project isn't going to be waiting for legislative action.

Malfabon: Yes, Governor. And the other point to make is that we receive -- when it's federally eligible, we receive the reimbursement in a timely manner from the feds, given that they've extended the highway bill through the end of May. So that covers the bulk of that period of time.

Sandoval: Questions from other Board members? Member Skancke.

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Skancke: Thank you, Governor. On the right-of-way, I think it's really important for this Board to maybe have a conversation or maybe send a message that we -- again, we have a fiduciary responsibility to the taxpayers of this state to be good stewards of the Highway Trust Fund. And I think just to write a blank check for right-of-way acquisitions sends a really bad message to the people that are paying every day into the Highway Trust Fund through their fuel tax dollars. I have driven up and down I-15 like everyone in Southern Nevada a hundred thousand times in the last year. And I'm appalled that there are billboards along I-15 saying if NDOT's taking your land hire me because -- not to pick on lawyers, but I will for a second, because I'm not one. They think that we have an open checkbook because we're the Department of Transportation and we generate fuel tax dollars.

Those are hard-working dollars of the people of this state that contribute to the Highway Trust Fund. And I think for people to holdout and hold projects hostage, if you will, and to try to jack up the price of land while we're trying to do the right thing here as a Board, and appointed officials by the Governor to do the right thing for the people of the state is just appalling. So we don't have an open checkbook. The federal government signed another continuing resolution to give us until May, but they're not taking any action on any long-term infrastructure funding or provisions. And it's not going to happen in May. It's going to be another CR. They're going to continue this to 2017.

Holding our hands hostage or handcuffing ourselves to try and think that we're going to hold out. I just think sending a message, Governor, to the people of this community and the state that it's carte blanche for right-of-way acquisition is just wrong. I think that these billboards and advertising is just wrong. These are people that work very hard. This community, as a whole, has been demoralized by this recession. We're making substantial gains because of your leadership, Governor, and economic development, the leadership on this Board. And to send a message that we just have the money in the world to do this is wrong.

So I'd like to recommend that these right-of-way acquisitions come back to this Board at a certain funding level. What that level is I'm open to suggestions. But I think if we talk to -- if it's around \$200 million or \$250 million, I think that's all we have. For us to sit there and say that we've got all the money in the world that just sends the wrong message. I don't know if that legally binds us, Mr. Gallagher, to anything but I, for one, cannot just sit here and support writing a blank check for right-of-way acquisitions. I'm

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not saying that I don't trust you all in your jobs. I think you do an outstanding job and you all know how I feel about that. But I think these things have to come back to this Board for approval, and I think the public needs to know what the financial and fiscal impacts are of these acquisitions as we move forward. Thank you.

Malfabon: Governor, just to directly respond. We would plan to do the same thing that Cole Mortensen has done all along on tracking where he is on his budget for right-of-way acquisitions in Phase 1. There's several more parcels that -- over 100 parcels to acquire in the subsequent phases to deliver as part of this project. And we believe in transparency, informing the Board on a regular basis of where we're at with that right-of-way acquisition schedule, where we're at with some of the cases. We're very considerate about what we settle and what we want to take to court to fight when they're -- when we feel that the property owners -- or their legal counsel are being a little bit unreasonable. We also look at what's going to be settled -- or reimbursed by the federal government, as well.

There is a very strict process for acquiring right-of-way. We follow that process very strictly in order to have that eligibility for federal reimbursement.

Skancke: Governor, if I could. Rudy, I'm not counting on the federal government to do anything. If we place all of our eggs on the federal government reimbursing us, I think that's a bad strategy. They're not going to act. They're just not. What they just did before they recessed is just another can kicked down the road. I don't think we can depend upon reimbursements from the federal governments. I think we have a responsibility to move forward with an understanding that we may get reimbursed by the federal government. But I don't see any leadership at that level to change what they're going to do in transportation.

I think this Board has to be -- and I think that the action that we've taken today is fiscally prudent. Maybe this is my own personal soap box. I just don't think we need to send a message to the public that this is an open checkbook. It's not. We have a limited amount of funds that are in the trust fund that we have to work with here. And I think -- I'm not saying that the Board isn't responsible. I just think that these items with this substantial expenditure, the Board needs to see them either on a regular basis or I'd even make a motion that we'll restrict the amount of money we spend.

Martin: I'll second it.

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Skancke: I'm adamant about that. I'm adamant about it.

Martin: Governor?

Sandoval: Member Martin and then the Controller.

Martin: Tom, thank you very much for introducing a really difficult subject. Rudy, you and your staff have done an exemplary job, I mean just phenomenal job of putting all this stuff together, and I really commend you. I know the rest of the Board commends all of you for the great job that you've done. Mr. Nellis, I was extremely difficult on you at the last meeting, making sure that we had all the right numbers and everything lined up. Thank you very much for providing that.

I believe in this right-of-way struggle and, like you, I get tired of looking at those billboards as well. I believe in this right-of-way struggle there has to be a clear direction from the Board that kind of puts down the law that says we're not going to take it anymore, and we're going to establish a limit that says we've got this pot of money and first one at the feeder gets it and last one to the feeder pretty much gets left out. I believe firmly that we, as the Board, need to do what is fiscally correct for the taxpayers in the State of Nevada, and limit the amount of money, at this point in time, that's available for right-of-way acquisition. Thank you.

Sandoval: Thank you, Member Martin. Madam Controller.

Wallin: Yeah, I appreciate Member Skancke's comments and Member Martin's comments, because I struggle with this right-of-way issue as well. And to Member Martin's comments saying, well, if you're first at the feeder you get it, if you're at the end you don't get it. Well, what I'd rather see is, you know, people should be paid a fair price what their property is truly worth. All right. But that doesn't mean they should get paid more than what it's worth just because they can, just because they have an attorney who can get more money for us.

And, Tom, are you talking about maybe saying maybe the message goes out that here's how much we're going to use for -- you know, we sit down. We'll have the tool that Ms. Fitzpatrick [sic] did for us -- or Fitzsimmons did for us. And we'll sit down and say, all right, here's how much we estimate it's going to be. This is how much we're going to spend and if we start spending more than that maybe the message goes out we don't do Project NEON. We can't. We can't afford it. I think we have to, you know, and

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then people say, well, I guess it's the attorneys that caused Project NEON to go down when you're sitting in traffic. Maybe we need to have a billboard that says you're sitting in traffic because the attorneys have been charging too much for right-of-way. I don't know. So I agree. We have to start taking a stronger stance, because we won't be able to afford this project if we have an open checkbook.

Martin: That payback we heard of \$2.9 billion will start going down as our costs start going up.

Sandoval: Other comments? Member Savage.

Savage: Thank you, Governor. And I'm along the same lines as the rest of the Board members. Right-of-ways are very, very important and I have complete faith in what the Department and staff have been doing. And I know the timelines as far as construction have to be met. And the burden is resolving these issues as soon as possible. And like the Controller and Mr. Skancke and Member Martin have said, this is imperative that this job be done. And the people need to understand that they're going to be the ones causing the delays if this project doesn't get done, and public safety could be jeopardized further if they continue to delay and want more. That's all I have to say, Governor. Thank you.

Sandoval: Thank you, Member Savage. I'm looking at counsel. So we have this process by which we get appraisals and that's typically the benchmark of where we go when we make these offers. And then let's use Jericho Heights as an example. We did an appraisal and that appraisal came back at \$330,000, somewhere in there, between \$300,000 and \$400,000. And the demand back was \$120 million.

Gallagher: There was a countersuit there, Governor. I don't want to bore the Board with the details, but the lower appraisal amount was for the property that the Department needed for the project. The landowner countersued the state and said, "You by your actions have prevented me from developing my entire parcel, damaging me to the tune of \$130 million (inaudible)."

Sandoval: Yeah. And we don't need to get -- I think the point I'm making is there's typically a huge gap there. And I agree with the other members, and it's obvious for the members of the public the frustration that happens here is because there's a lot of due diligence that has been accomplished. We have a budget. We can get this project done and then we get stuck because of the gap. And then we, just in the interest of moving forward, I think, sometimes

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perhaps we do pay a little more. And there's the risk because there is uncertainty to litigation. But I guess the bottom line question is can we set that amount and say here's the budget. This is what we have. And I don't know if we can do what Member Martin said, that the last person in, and I wouldn't want to be the person owning that last parcel, if I was a reasonable person, because I'd want to get paid, as the Controller says, what's fair. That's all this Board wants is what is fair, not these inflated amounts and let's start at tens of millions above what the value is and then hoping, oh, maybe let's shoot for the, you know, the stars and maybe we'll settle for the moon. And by scaring and making these huge demands and perhaps the uncertainty of litigation and the risk, the state will perhaps pay out more than it really should. But as we go into this -- because, again, we're going into the biggest project in Nevada history, can we set some limits on the amount of budget that is available for right-of-way acquisition?

Gallagher: I believe the Board can set a budget, but I don't know that that will limit the liability of the state.

Sandoval: No, understood.

Martin: Yeah.

Sandoval: We can't sit here and say, well, we're going to put a cap of \$2 million on here, and if it goes to litigation and at the end of the day if a judge or a jury says, state, you have to pay \$5 million, that's just the way it goes. But I think that it is important, as Member Skancke has talked, and Member Martin and Member Savage, that as we go into these discussions on right-of-way acquisition that there's a known cap there that we're just not going to go any further.

Gallagher: Certainly, Governor. I mean under the U.S. and Nevada Constitutions, the landowner is entitled to just compensation, but that phrase has to be just both to the property owner and to the citizens of the State of Nevada, who are paying for that.

Sandoval: Mm-hmm.

Martin: And I don't think any of us want any more than that. As the Governor said, it's got to be fair to the taxpayer and fair to the landowner. And some of the outrageous claims that we have heard from value when these people have been sitting on some of this property for 10 years, 12, years, 15 years. They haven't developed it to that point to make those outrageous claims. It's still

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raw dirt like it was 10 years ago. And so what is fair to the taxpayer, one, and fair to the landowner, I don't think anybody on the Board has got an objection to.

Skancke: So, Governor, I would -- if you're willing, I would -- let me try this in English. It's been a long year. I would offer up a motion that we would set the right-of-way limit at \$250 million, and if our team of experts here need to come back to the Board for additional funding for right-of-way acquisition that that -- come back before the Board.

Sandoval: Okay. Before I take your motion, I see Ms. Fitzsimmons coming to the mic.

Gallagher: Well, and Governor, I'll defer to Laura. I just want to point out this is not on the Agenda.

Sandoval: Yeah.

Gallagher: So the Board should not make a decision.

Skancke: Oh, I went through all of that and I got to do it again in September?

Martin: Yeah.

Sandoval: All right. Ms. Fitzsimmons.

Fitzsimmons: Just to amplify Mr. Gallagher's comments and, of course, the Governor's and everyone else's. It's absolutely true that we can't limit liability. If a judge or a jury set a certain number we are obligated to pay that number. But one thing in the Nevada statutes, which I would just like to point out for this discussion, is under Nevada law if a verdict is too much and we can't afford the project, we can abandon, within a certain amount of time, the right-of-way. So it's not -- there are decisions here. I understand every comment that's been made, and there are mechanisms if everything just went crazy. And there are cases pending, including the Nevada Supreme Court, which could really substantially implicate the public and the taxpayers' dollars in the budget on this case. So there is that kind of failsafe available in Nevada law that is compliant with our constitution. Thanks.

Sandoval: Thank you very much. So just to be clear on what action this Board will be taking on this Agenda item, the Department is seeking approval to move forward with the process of issuing bonds in the amount of \$564 million to pay the cost of design and construction of Project NEON.

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- Malfabon: That's all in, Governor, not the biennial numbers that I gave you in our requested biennial budget.
- Sandoval: Okay. And then with regard to what Member Skancke brought -- or considered in terms of a motion. That's a subject that can be discussed at a later meeting -- at another meeting.
- Gallagher: Yes, once it's placed on the Agenda, Governor.
- Sandoval: All right. Okay. Board members, any questions -- or any more questions with regard to Agenda Item No. 15?
- Skancke: Would you like a motion?
- Sandoval: Yes, the Chair will accept a motion with regard to that Agenda item.
- Skancke: So moved.
- Martin: Second.
- Sandoval: You've got to move quick, Tom.
- Skancke: (Inaudible).
- Sandoval: And just, again, for purposes of the record, Member Skancke, have you moved to approve the Department moving forward with the process of issuing bonds in the amount of \$564 million to pay the cost of design and construction of Project NEON?
- Skancke: That is my motion.
- Sandoval: All right. And Member Martin has seconded the motion. Any questions or discussion? All in favor of the motion say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes unanimously. We'll move on to Agenda Item 16, Old Business.
- Malfabon: Thank you, Governor. If there are any questions for Dennis Gallagher on the Report of Outside Counsel Costs or Monthly Litigation Report, he's able to respond to those at this time.
- Martin: I had one -- sorry. I had one. I did a brief -- just a rundown. It looks like, at this point in time, we've got a total of \$8.3 million worth of legal fees approved for right-of-way acquisition for Project NEON, unless I did my

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math incorrectly, because we never get any of this stuff totaled up so I tried to do it. But I'm a contractor so you know how my math works sometimes. I round up.

Gallagher: Board Member Martin, are you looking at Attachment A or Attachment B?

Martin: Hang on one second, let me make sure. Starting on Page 1 of 3, open (inaudible) outside counsel...

Gallagher: Okay.

Martin: ...contracts as of June 20, 2014.

Gallagher: (Inaudible)...

Martin: That's where I got my \$8,322,000.

Gallagher: That includes not only Project NEON, but Boulder City Bypass...

Martin: Oh, no, no. I totally understand that, because you identify what's Project NEON and what is not. I'm saying Project NEON is \$8.3 million. That's what we've approved in legal fees so far for the state's counsel.

Gallagher: Yes, sir.

Martin: And that's different from what we approved earlier in another Agenda item, because that has to be added on to it.

Malfabon: And one point to make for Member Martin and the Board was that one of the steps that we took was to ensure that we could program legal cost. We think that this money well spent in defense of some of these counteroffers or, in some cases, just a request with no backup from some of the attorneys representing the landowners. So we think that use of outside counsel is a good measure to mitigate the right-of-way expenses when they know we're willing to fight, and in the case of Laura Fitzsimmons' assistance on that case in Boulder City had a good outcome for us. Although it was more than what we anticipated for the acquisition of the property, it mitigated that over \$100 million of risk. So these expenses are necessary in acquisition of eminent -- I mean defending eminent domain cases in the District Court, and in some cases we have to appeal to the Supreme Court should we get an adverse decision.

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- Martin: Yes, sir. All I was bringing up is just -- and along the lines of what Member Skancke was talking about, the amount of money -- just legal fees has cost the state, the taxpayers of the State of Nevada is...
- Gallagher: And before -- Member Martin, excuse me. But I would point out, too, that Attachment A is only the fees that are paid to the outside counsel. My deputies, such as Ms. Miller and Ms. Kern, also keep track of their time, and the Attorney General's Office bills NDOT for that time. And we're grateful they pay that bill.
- Martin: Thank you for pointing that out. I understand that. But the folks out here need to understand it as well. You're not a pro bono guy.
- Unidentified Male: That's Ms. Fitzsimmons.
- Gallagher: No, I'm not.
- Sandoval: All right. Madam Controller.
- Wallin: I just have one question. This is under the personnel matters. Stan Lau; that's been on there for quite some time that says that you're seeking to collect fees and costs. Where are we at with that?
- Gallagher: We were awarded fees and costs on that. His counsel had some problems with the Bar Association. So we're continuing to pursue collection directly from Mr. Lau or if he gets new counsel we'll deal with them.
- Wallin: How about turning it over to the Controller's Office to collect?
- Gallagher: Be happy to.
- Wallin: Okay. Thanks. That's what we're there for.
- Sandoval: Right. Board...
- Malfabon: Governor...
- Sandoval: Oh.
- Malfabon: ...the final item is the Fatality Report...
- Sandoval: Yes.
- Malfabon: ...if there's no other questions for Dennis Gallagher. And just to report, I did receive the August 13th Fatalities Report. And, unfortunately, it is bad news in that we're actually higher in comparison with this date last year of

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August 13th. We're eight fatalities higher. Some of points to make is there's-- a lot of fatalities are occurring in the rural counties. Humboldt County, five more than this time last year. According to -- not the report in your packet, but what I received. It's the report of August 13th. Lander, three more. Elko, eight more than last year. Eureka, four more. Churchill County, three more. Slightly more increases in Esmeralda, Lyon, Pershing, and Storey one to two people -- more fatalities on our road.

One of the bright spots is Clark County fatalities, where the most drivers are located in the state, down 17%. We're 21 less than this time last year. Alcohol-related fatalities are down significantly. Down 47%. So we are doing some things right. We definitely have to do more work on certain areas, especially in rural Nevada. As you saw that slope flattening project that you approved today is one of those efforts that we're trying to do to prevent these run-off-the-road types of accidents and fatalities. With that, that concludes the Fatality Report, Governor.

Sandoval: Thank you, Director Malfabon. Board members, any questions with regard to Agenda Item 16? Any further questions? Then we'll move to Agenda Item 17, Public Comments. Mr. Nelson.

Nelson: Thank you, Governor. For the record, my name is Rick Nelson. I'm the Assistant Director of Operations at least until the close of business on Friday. And I'd like to make just a few comments. I've been with the Department since 1984. And when I joined the Department, I was sure I was going to have a career in engineering. I just wasn't sure I was going to have a -- be a career employee at NDOT. And I can tell you this, that over the 30 years it has been a wonderful career. Just a few numbers. In that time, I've only had four assignments with NDOT and all of them have been outstanding. I've served with five governors. I've worked for six directors. And I can tell you, I've worked with so many committed and dedicated and caring individuals here at NDOT that it's made that 30 years go by just in the blink of an eye.

It's really been a privilege to serve here, to serve the Board, the current Board and particularly the Construction Working Group that was formed. It's been a rewarding and enriching opportunity for me. And I just want to say thank you for everything that you all have done for me in my career. Thank you.

Sandoval: And, Mr. Nelson, thank you for your service to the state.

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- Nelson: Yes, sir.
- Sandoval: We wish you the best and I know that there are a lot of contributions you're going to continue to make.
- Nelson: Thank you.
- Sandoval: Thank you. Yes, sir.
- Evans: Good morning. Governor Sandoval, members of the Board, my name is Ken Evans, president of the Urban Chamber of Commerce. Pleased to be with you this morning. Must say very happy to see Project NEON approved, the financing handled in the manner that it's being handled, so that we can move forward. I have to tell you as a civil engineer myself, both in the military and nonmilitary environment, as well as someone that just drives the roads I-15/95 every day myself, I'm happy to see this move forward.
- The other reason why I'm happy to see it move forward is with this project and the approval of this project, it presents a lot of business opportunities. Business opportunities that I would hope that as we move forward, I can get the answer to two questions. First of all, are there provisions to have disadvantaged business enterprise, or DBE, designated businesses participate in the execution of this project, both on the design end, as well as the actual construction end? And then in addition to that, I'll ask on behalf of some of my colleagues that are a bit more directly concerned with employment. Will there be provisions to ensure that there are hours designated for training and to promote diversity in actual employment -- or direct employment for this project?
- But again, I want to conclude by saying I'm very happy to see this move forward. The Urban Chamber stands ready to serve as a connector, if you will, to help answer the questions that I just answered, but more importantly, we'll await to hear what you have planned to (inaudible). Thank you very much.
- Sandoval: Thank you, Mr. Evans. And I'll ask someone from the Department to meet with Mr. Evans.
- Malfabon: Yes, Governor, those opportunities are available under the design-build procurement process. We need to do a lot more work in that effort to get the word out. There might be a new team formed to submit a proposal, besides

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what will happen with the current teams, as they consider to pursue it as a design-build project without the financing and O&M fees.

Sandoval: All right then. But, again, I'd ask that somebody meet with Mr. Evans and his organization to get the specifics on that. Is there any other public comment from Las Vegas? Yes, sir.

Stewart: Governor, Board, Sean Stewart, Executive Director of the Nevada Contractors Association and the Association of Contractors. I've spoken with most of you over the last few days on this issue of Project NEON. I appreciate your hard work on it. I know this is not an easy matter. I shared my concerns with you that we move forward with this project. Governor, we appreciate your enthusiasm for this project. It's very near and dear to our hearts and the hearts of our contractors who worked on this project. So I would just encourage that we move forward with this project as quickly as we can. I'd hate to lose time on such an important project. Thank you.

Sandoval: Thank you, Mr. Stewart. Any other public comment from Las Vegas? Is there any public comment from Carson City?

Unidentified Male: None, sir.

Sandoval: All right. Thank you. We'll move to Agenda Item 18, Adjournment. Is there a motion to adjourn?

Wallin: So moved.

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

Savage: Second.

Sandoval: Second by Member Savage. All in favor say aye.

Group: Aye.

Sandoval: This meeting's adjourned. Thank you ladies and gentlemen.

Secretary to the Board

Preparer of Minutes

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DRAFT

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Governor Brian Sandoval
Lt. Governor Brian Krolicki
Controller Kim Wallin
Frank Martin
Tom Skancke
Len Savage
Tom Fransway
Rudy Malfabon
Bill Hoffman
Dennis Gallagher

Sandoval: ...call this Board of Directors meeting for the Department of Transportation to order. All members are present. Can you hear me loud and clear in Las Vegas?

Wallin: Yes, we can, Governor.

Sandoval: Thank you. We'll proceed with Agenda Item No. 1, which is to receive the Director's Report. Director Malfabon.

Malfabon: Thank you, Governor. First of all, we do have a change to the Agenda. We didn't get the minutes in time to proofread them and include them in the Board packet because it'll only be three weeks since the last Board Meeting. But we will get those before you in advance of the October meeting. Also I wanted to point out to the public that we are having public comment on Interstate 11 and Intermountain West Corridor Study as part of the I-11 -- right after the I-11 presentation. So you don't have to get up during the first public comment period following the Director's Report. Next slide please.

Well, big news last week, obviously we're very pleased by Governor, yourself, and Steve Hill, along with Elon Musk from Tesla, that they selected Nevada for their Gigafactory. We feel that we need expedite the USA Parkway Project. Previously the Board received a presentation from our project manager on the USA Parkway progress, and we feel that in order to support regional economic development, we have to expedite that project. But I wanted to go over some things today with the Board about that project.

The environmental process approval is anticipated for the late part of this year, early part of 2015, so January, probably at the latest. But we have to

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issue a request for proposals for engineering of that USA Parkway alignment in that new construction area, primarily part of Storey County that's been graded and Lyon County is a new alignment, and some of that is through BLM land, so it was through private property.

We would want to select the firm for engineering services late this year, early part of next year. We also have to do a right-of-way setting after engineering is advanced to the point of identifying which parcels we have to take some private property from. In the Lyon County area, there is a corridor that there was a deal struck with the sale of that property. So the current property owners have in their agreement to give NDOT an easement for a highway through that area. So we have an easement interest that we would have to acquire from the previous owners. After the right-of-way setting, we do the right-of-way acquisition and then we start construction. Next slide.

So currently the Statewide Transportation Improvement Program, the STIP, which covers the four year period indicated, 2014 to 2017, the construction of USA Parkway is not in that document. It's planned after 2018, and the Transportation System of Projects, TSP document, that goes long range, has that project listed for construction, \$61 million construction phase, with funding unidentified in that document.

The Department has to put together a plan on how we're going to deliver this project in an expedited fashion, and then present that to the Board for your approval. But we want to add the preliminary engineering phase to the current Statewide Transportation Improvement Program document in order for FHWA to continue with the review of the environmental document, give it their blessing. Next slide.

The design-bid-build delivery process is where we design the project, put it out for bids, and then the contractor constructs it. It would take the longest amount of time. So at the beginning you see that we're completing environmental right now. We'll have that done probably by January. The environmental meeting with the public is planned for early November. We're in the process of going to issue an RFP for the engineering services, and then conduct the final design of that. As I mentioned before, we do the right-of-way setting and right-of-way acquisition and any utility relocations.

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So we think -- next slide -- that the best thing for us to do would be to look at some other alternatives that would expedite the delivery of the project. The thing is that we are getting into 2015, 2016, 2017. We have to look at the work program in those years to see what could get bumped, because it is a substantial amount of money for this project, and we want to have to stay within our budget anticipated in our biennial request. Next slide.

So we'll look at these alternatives. Traditional, obviously the design-bid-build, process that I indicated takes the longest. Construction Manager at Risk, we've had great success with that process up at Lake Tahoe at the Carlin Tunnels Project. It's worked well. It does result in some cost savings, we believe, because of identification of problems ahead of time, and so a better design process. Design-build, we think, is going to be the fastest process, but it does take a lot of lead time to develop the RFP, RFQ process, get all the staff support in place to do that. At the same time, we have a lot of staff support dedicated to Project NEON.

So it is a question of NDOT's staff looking at what's the best alternative to deliver this project on an accelerated schedule, considering that there's going to be a huge employment center there through Tesla's Gigafactory in the coming years. So we'll put that plan together on how to deliver and finance this project, and bring that back to the Board soon. Next slide.

A little update on the Transportation Bill. I had previously mentioned that President Obama had signed the extension of MAP-21, but Congress will have to deal with a long-term transportation bill after the election. So they'll defer that to the next session of Congress. In the meantime, money has to be appropriated for the next federal fiscal year, which starts October 1st, to have a continuing resolution, is what's expected and it will be a short-term one. Because of the impact of the elections, any uncertainty of other -- the House -- I mean, the Senate will shift to the Republicans. They want to see what happens with the elections, obviously, before a long-term solution is found. So we expect a short-term continuing resolution to appropriate the funds for the Transportation Program, and the November election will dictate the length of that extension. Most likely it will be just a few months, then getting into the next session of Congress. Next slide.

Okay. A lot to discuss on Project NEON. We've formally cancelled the P3 procurement, and one-on-one meetings were held. We had the last one last

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Tuesday, so this information is pretty fresh, and we started the design-build procurement process. We anticipate issuing a request for qualifications for the design-build project for Project NEON on October 1st. Next slide.

So just to go over a lot of the feedback that we received from the three P3 teams, the issue of stipends, they wanted NDOT to consider an issuance of a stipend for the work. One of the challenges with that was that stipends -- and we did receive a lot of good feedback and information from them during the P3 procurement process, which I think that we learned from. So that was useful and it was something that we could consider compensating them for.

However, when a stipend is paid, usually it's paid -- on a design-build project, we pay for use of their ideas on the design phase. So we wouldn't be taking in design product -- their preliminary plans because we want them to use that information and keep it confidential for the design-build procurement. On the issue of prequalification, they asked for automatic prequalification of the three P3 teams, and we considered that, and I'll get into the little details about that later. Why don't you go to the prequalification issue.

Okay. I'll get into some of the details of what we would recommend going forward on prequalification, but the idea is that we are going to follow our normal design-build process. They asked us to just shortlist the three teams and go forward, but we felt that because of the -- we don't have the operations and maintenance element, we don't have the private financing element, so it's a significant change in the scope of work for the design-build process. So we normally have a shortlist process where we get three to five teams, and we don't set that number ahead of time. We see what the quality of the proposals is and the qualifications so that we can shortlist -- after receipt of proposals, we shortlist three to five teams. We don't go in ahead of time and say we're only shortlisting three, because if there's a very tight race amongst four or five teams, then we want to get the best competition possible, which will also lead to more competitive pricing.

Price and technical score weighting; two of the three teams asked that more weight be given to the technical score. Currently on the P3 procurement we were looking at a 70% weight to price and 30% technical. So we have some

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ideas that -- in order to be more attractive to new teams, that we would lower that, and I'll get to that later.

The procurement schedule; the P3 teams felt that they were very close to submitting on the -- or had a lot of work done to develop their final proposals, so they requested that we not have a long schedule for procurement for the design-build, so accelerate that as much as possible. Next slide.

So on the issue of stipends, we recommended that we would go from a \$1.2 to a \$1.5 million stipend. The three teams indicated that they're most likely going to stay in the competition as a design-build procurement. So this would give them an additional \$300,000. As you may recall, we had a clause -- had we issued the final RFP, there was a clause for a \$600,000 stipend if we canceled the procurement. So this will give them the opportunity to get the stipend for those unsuccessful teams, and get an additional \$300,000 to perhaps look at negotiations with other team members that are no longer part of the design-build team. But this stays within our current standard of .3% of the total cost, and we think this is about a half billion dollar project as a design-build project, and that's with all the contingencies. It's going to be over half a billion. So part of construction cost is less than that, but you have design costs and you have those contingencies and risks that they take as a design-build team.

On prequalification -- we felt that it was important to issue a new prequalification. Passing the current three teams for a new procurement doesn't follow our process, and we want to maintain federal eligibility. If we change our process, we run the risk of the Federal Highway Administration making the case that we're not following our process, so it's not eligible for federal funds. And along that note, I did respond to Controller Wallin on her question of how much eligibility we've been reimbursed on, on some of the right-of-way settlements, and we've received 24% of the cost of the settlements, but the remainder is still eligible for reimbursement in future years, it just comes out of our future federal funds. So we used a programming method to make those costs eligible in the future. Next slide.

So the other thing for the prequal is the P3 had a different scope of work. The private financing, operations and maintenance elements are now pulled

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out of the design-build procurement scope of work. So it would be difficult for ranking of these proposals and qualifications given that it's not an apples to apples comparison anymore. If you get new teams under the design-build process they're not addressing these two issues that were in those other factors for scoring the P3 teams and making the cut on the three prequalified P3 teams. So we felt that it was best to start anew, but recognizing that the three existing teams have a lot more knowledge than the newer teams, but we didn't want to complicate the ranking by our internal staff on any consideration of new design-build teams going forward. The other item is that, again, we want to maintain eligibility of federal funding. Next slide.

So we wanted to maintain our standard process, which is going to three to five teams to be shortlisted in the design-build procurement. This opens it up for additional competition, and as I said, additional competition will have a positive impact to us on competitive pricing. As far as the technical score and the price weighting, we feel that -- we recommend going to a 60% price that would be more attractive to get new design-build teams interested, and we did receive some confidential phone calls from contractors and engineering companies looking at teaming up to put together a team for this new procurement. So we would have the three existing teams, most likely, and possibly about up to two, possibly more, new teams being formed.

Some of the RTC of Southern Nevada's shortlisted contractors and engineering firms that are teamed up for their design-build project might be interested in forming a team to look at this project as well, this new Project NEON design-build. So we want to also promote more innovation in the schedule and maintenance of traffic, so we feel that that would justify putting more weight to the technical score as well.

We're also considering a maximum cash flow curve. This would tell the contractors, this is how much we're anticipating in our biennial budget request for bonding, this is how much we can afford to pay out so that they know that if they go out there very aggressively and earn more of the project costs, that they're only going to get paid on this cash curve. So they know if they have to borrow any money to cover the cash flow for themselves if they're aggressive with their schedule.

But the procurement schedule would meet standard timelines per the design-build process, and as always, the right-of-way schedule has been the critical

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path, so we have to clear the right-of-way. We don't want to get too aggressive on the procurement schedule because the right-of-way acquisition is going to control that ability for the contractor to build the project. Next slide.

So here's the NEON procurement process. We're going to issue the RFQ October 1st, do the shortlisting process so that right around the end of the year or first part of next year, we have those shortlisted prequalified teams, issue the draft RFP, allow the design-build teams that are prequalified to look at that and give comments, then issue the final RFP. Along the line, there's Board approval of that issuance of the final RFP. Then we give them enough time to put together a good proposal. We rank those proposals, and in the end of 2015 we would select the preferred proposer, and then start design and construction of the project in 2016. Next slide.

Okay. Update on I-11 Boulder City Bypass, an open house -- we were invited, and NDOT Project Manager Tony Lorenzi will give an update on the project to the citizens of Boulder City at their request. Our reevaluation public meeting is anticipated -- pardon me, I put October there. It's actually the early part of November, and we also have to go through with the RTC, the Native American Consultation Process. That's so the tribes know what we're doing, what the update is on the environmental document. And then any measures to address naturally occurring asbestos, as I mentioned last month, will be included in our contract specs. Next slide.

So the I-11 Project is still on schedule and we hope to have a contractor -- or receive bids by the end of the year. I-15 Cactus Interchange opened two months ahead of schedule and, Governor, I'd like to thank you for making time to attend the media event planned on September 19th. We definitely didn't want to hold the -- and we appreciate that you agree with us, don't hold an interchange hostage while we set up a ribbon cutting. So we're doing a media event to celebrate that, and opening two months early is just great press for NDOT and the County, who were our partners on that project, Clark County Public Works.

I-15 Dry Lake still under construction. We still anticipate completing that before Thanksgiving or continuing the aggressive messaging and communication to the public and the media to leave early or kind of

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anticipate delays on that stretch, and we'll give them updates on that. I don't know if Member Martin has had any issues with that stretch of road.

Martin: It's funny you should ask. No, I was going to -- I wanted to interrupt you, Rudy, and I've already told Tracy, your media campaign worked, I think, very, very well. I traveled 15 even during the Labor Day holiday three or four times, twice just to check and see what was going on, and the second time I was going to take some time off, but the media event, everybody I talked to, knew what was going on and they made their plans accordingly. And even on the highest return day, on Monday at 2:00 p.m., the drive time was less than 40 minutes through Glendale, which is the real choke point, so you all did good.

Malfabon: Thank you, Member Martin. And it's a testament to our contractor, Las Vegas Paving, and our District 1 staff, and the construction crew and management there.

Mt. Rose Highway should be wrapping up this year, also finishing by November. Temperatures willing and weather permitting, we'll try to finish open-graded, that final one-inch surface layer of pavement, but we need certain temperatures to finish that. So we might go into the next paving season for that final layer of asphalt, but the dense graded paving will be done. Next slide.

And the Moundhouse Project is continuing paving operations for those -- paving and safety improvements on that stretch. Kingsbury CMAR is also wrapping up. So a lot of projects wrapping up this year, including I-80 Carlin Tunnels Construction Manager at Risk Project. Both Kingsbury and Carlin Tunnels were very successful CMAR delivery projects. We're pleased to see that that process is working well. Going into the next session and anticipating a lot of question about CMAR, in general for public works agencies, we have a good story to tell in the next session. Next slide.

Did receive draft comments on the operational audit request for proposals, the draft RFP that was submitted to Board members and to staff here at NDOT. We'll make those revisions to that RFP this week, and work with Administrative Services for the release of that RFP. It takes a couple of months for the proposals to be received and to conduct interviews if we need to. Interviews are an option if we see that there is a close race. Next slide.

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Some future public meetings; public information meeting on Carson Freeway, just to give an update to the public about where we're at with that project and some of the changes that we're making with -- we are taking some of the surplus fill material and using it up there on the mountain on US-50 at a maintenance site that we're moving out of.

I-11, the NEPA reevaluation, again, I put October, but it's early November is a practical date to hold that meeting, and we'll set that date soon. USA Parkway Environmental Study, early November, again, for that. Next slide.

Railroad Pass Casino is associated with the I-11 Boulder City Bypass Phase 1 Project of NDOT. It's going tomorrow to the Board of Examiners for approval. This is \$2.75 million additional to resolve all claims. We have previously deposited a little bit over \$2 million with the court, so a total of about \$4.8 million for that settlement. In addition, construction costs of \$422,765.32 to modify their frontage access. What the owner was saying was that they had lost frontage access, they were concerned about visibility of their casino, and they were starting out about \$12 million, so we were far apart with that. We felt that this was a reasonable settlement, and it's good for the taxpayers of the state to reach this settlement rather than to have a total take of their property, which they were alleging they would be out of business because of the changes. So modifying the access is going to allow -- make it more conducive to trucks to park in there and to help them address this and reach a settlement.

In October, Travelers -- I had mentioned we had reached a tentative settlement, but the information was not in time to make the September Board of Examiners meeting, so Travelers with Peek Construction -- Travelers was the bonding company for them, and we reached a settlement with them. Jenkins is a Project NEON parcel, so both of those settlements will go in October to Board of Examiners. I will be attending the Board of Examiners from Las Vegas tomorrow, Governor.

- Krolicki: Governor, if I may.
- Sandoval: Yes.
- Krolicki: Rudy, I'm sorry to interrupt.
- Malfabon: Yes.

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- Krolicki: So I think it's Contract No. 40 with Snell & Wilmer, is that still necessary? There was a contract extension.
- Malfabon: Yes, Lieutenant Governor, that was modified from the previous amount that was on the contract last month, and Dennis Gallagher went back to see what was exactly needed to final out this settlement.
- Krolicki: So this is coordinated with the Travelers issue?
- Malfabon: Yes.
- Krolicki: Okay. Thank you. Sorry.
- Malfabon: Next slide. So that concludes the fast and furious Director's Report.
- Sandoval: Thank you, Director Malfabon, and just a comment harkening back to the first part of your presentation regarding Tesla. Obviously, that whole negotiation is subject to legislative approval, and planning on the part of NDOT is subject to the final approval by the legislature.
- Malfabon: Yes, and we are hopeful that they'll approve that, Governor. We think that it's a game changer for Nevada's economy and it's going to be huge.
- Sandoval: But even before Tesla even came into the conversation we had this presentation on USA Parkway, which rated it at a 6.8-something; is that accurate?
- Malfabon: I think it was a nine.
- Sandoval: Nine. Yes.
- Malfabon: The benefit cost, and that was practically unheard of for benefit to cost on most of our transportation projects.
- Sandoval: And there's a media report today in the Review Journal, and if the legislature is to approve this, this topic will come before this Board with regard to the purchase of the right-of-way and obviously what the project will be. So when that time comes, I want there to be a thorough vetting of where the financing is going to come in terms of the construction for that. And as you said in your presentation, this isn't a new concept, a new idea. I mean, the USA Parkway has been on the board for...

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Malfabon: Yeah, it's in our plan.

Sandoval: ...many years, but if this is to come to fruition, certainly we would have to expedite it, given the increase in commerce that will be coming through there, as well as the workforce pushing it through USA Parkway instead of it coming through Carson and on the 395 and through Washoe County and over that way, because I think that might cause a lot of problems if we didn't have that.

Malfabon: Definitely, and the fact that they're looking at a large pool of labor -- as I mentioned before, when I visited one of the manufacturers at the Tahoe-Reno Industrial Center, he told me that USA Parkway would benefit him just to draw from the employment base here and get commutes from the Lyon County area, the Carson City area, to get in there rather than going through Reno and then headed east.

Sandoval: And the other -- I guess some link here is with the I-11, because one of those proposed routes is on the 95, which would be very near where the proposed I-11 -- which we're going to talk about today...

Malfabon: Yes.

Sandoval: ...I know that. But that's another consideration in this whole conversation.

Malfabon: Yes, Governor. Good point. One of the routes does go up 95A, I think (inaudible) alternate. And we'll have more information later from Project Manager Sondra Rosenberg.

Sandoval: Yeah. Okay. Further questions from Board members for the Director?

Martin: I have one. On the CMAR and you were talking about the success of those, at some point in time, maybe towards the end of the year, October/November, November/December, could we get -- on the Board, get a report over the course of the last three years how many CMAR contracts have been awarded, who they've been awarded to, and what's the total dollar value? I agree, the CMAR is a successful procurement process for NDOT. I think it would be good if the Board had those numbers, because as the legislative session kicks in next year, undoubtedly, we're going to be questioned about it.

Malfabon: Yes, that's a great request and we'll see that through, Member Martin.

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- Sandoval: Member Savage. Member Fransway.
- Fransway: Thank you, Governor. Mr. Director, have we selected a percentage for DVE for NEON yet or will that come?
- Malfabon: Yes. Tracy you said 3%?
- Fransway: 3%.
- Malfabon: So 3% on the construction, what was the anticipated construction. So we get a lump sum price, but we'll have a 3% DVE goal on that project.
- Fransway: Okay. And regarding the settlement for Railroad Pass Casino...
- Malfabon: Yes.
- Fransway: ...am I right to say that the Board of Equalization will be asked to approve \$4,791,000?
- Malfabon: We provide all of the information, so what was deposited, and then the additional was considered settlement because the original deposit, it was fair compensation. They approved the entire package though, that and the construction amount as well.
- Fransway: Okay. So rather than \$2.75 million...
- Malfabon: Yes.
- Fransway: ...to resolve all claims, it actually will be \$4.7 million plus.
- Malfabon: Yes, that's more how the memo was written to the Board of Examiners, for the total.
- Fransway: Okay. Thank you. Thank you, Governor.
- Sandoval: Any questions from Southern Nevada?
- Wallin: None down here, Governor. Thank you.
- Sandoval: Thank you. Any further questions for Board members on the Director's Report? We'll move...
- Martin: I just have one.

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Sandoval: Member Martin.

Martin: I have one more question. This schedule that you showed us for the RFP response and evaluation and all that kind of stuff, what was that when we were going to go with the P3? It seems to me like this has gotten pushed out a little bit...

Malfabon: Yeah.

Martin: ...if I remember correctly, like maybe 120 days or more.

Malfabon: They were actually -- I think that it was a few months, Member Martin, difference between them. As I said, the right-of-way schedule is going to be the critical path, but in the latest that I saw from Cole Mortensen was it was about two to three months difference between the P3 schedule because of the financial close. There were two closings that had to take place before they could actually start the notice to proceed and start the design and construction.

Martin: This design-build, though, pushes out beyond where we were with P3.

Malfabon: About two to three months beyond.

Martin: Okay. Because I thought I heard in the Board meeting last month...

Malfabon: They'd be pretty close.

Martin: ...down in Las Vegas that there wasn't going to be a difference in RFP issuance.

Malfabon: And we were thinking that we would be aggressive. When we thought more about it and sat down and heard from the three P3 teams, we thought it's best to follow our regular process. We were -- at that time last month, we were undecided about whether we open it up or, you know, had questions that you had pointed out, shouldn't we just take the three and continue on through. And we thought that to maintain eligibility for federal funding that it's best to just see it as a new procurement and be practical with allowing new teams enough time to propose.

Martin: Okay. I wanted to clarify what I said last month. I haven't seen the meeting minutes yet, so I'm not real clear, but I wanted to clarify what I said last

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month. What I said last month was, is if we could take those three teams and put them...

Unidentified Male: Prequalify.

Martin: Prequalify it as a design-build, but I did not say just those three teams, you'd open it up but you'd leave these three teams as prequalified and open it up...

Malfabon: Correct.

Martin: ...for more teams to become prequalified. Because I know, having put together many of these prequalification packages, they're very expensive to put together, and we've already put those three contractors through this same process once already. Now you're going to ask them to do it again, and the \$300,000 that you're upping the stipend is peanuts compared to what they've already spent. Now you're asking them to do it again. It doesn't seem like a fair process to me.

Malfabon: It was something that we had to consider, Member Martin, and we think that it's -- to maintain federal eligibility, we had to follow our normal design-build process or change the old process and get federal, kind of, buy off of our process. But we felt that it was fair to them to increase the stipend and still allow them to compete. Most likely -- yeah, definitely it does cost them money to put together another prequal package, but they're more familiar with the project, so -- we were concerned that some of the new teams might feel that, well, we're never going to compete well against these three that have been chasing it for, you know, over a year or so. We felt it'd be fair to just follow the same process and allow enough time for people to put in qualification packages and eventually proposals for the shortlist of teams.

Martin: Thank you.

Sandoval: Any other questions?

Wallin: Governor?

Sandoval: Yes.

Wallin: I do have a question. Actually, it's a follow up. At our last meeting, we were talking Project NEON and we were talking about right-of-way issues and coming up with a cap or something like that and have a discussion, and

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I thought we were going to have it at this meeting, and it's not on the agenda. So when are we going to discuss the issues with right-of-way and Project NEON and what might be able to be done about that?

Malfabon: Madam Controller, we'll bring that back probably the next meeting. We weren't prepared to do that. We want to get with Laura Fitzsimmons on that question, as well as our Chief Counsel, Dennis Gallagher. So it really has to do with the legal issues involved with the cap, but we want to bring all that information together to the Board and be better prepared for that. So we weren't prepared to present that today.

Wallin: All right. Thank you.

Sandoval: Let's move on to Agenda Item No. 2, which is Public Comment. Is there any member of the public here in Carson City that would like to provide comment to the Board? Is there any member of the public in Las Vegas that would like to provide public comment to the Board?

Wallin: Yes, Governor, there is.

Moradkhan: Good morning, Governor, and members of the Board. Paul Moradkhan with Las Vegas Metro Chamber of Commerce. I do understand I-11 public comment is later in the meeting, but I do have to leave, so I thank you for allowing me to speak briefly from the Chamber's position on this matter.

As a large business organization in Nevada, the Las Vegas Metro Chamber of Commerce is in strong support of Interstate 11, which is a longstanding public policy for the Metro Chamber. We are in support of the efforts that have been undertaken by Nevada Department of Transportation, ADOT, regarding Interstate I-11, the Intermountain West Corridor Study, the evaluation method, and the broad public engagement that has occurred. The implementation and construction of I-11 will link communities, bolster economic diversification efforts, increase capacity, reduce congestion, improve safety, decrease travel time, and strengthen commercial capabilities throughout the region along this northern and southern transportation corridor.

This project would offer a unique opportunity to leverage existing resources, to stimulate job growth and expansion in Nevada, not only in important areas of tourism and travel, but in further development of other major

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industries, such as trucking, cargo, healthcare, aerospace, logistics, distribution, and technology. These industries need a dependable, reliable, and efficient transportation corridor to be successful.

Geographically, Southern Nevada is an ideal location in establishing and expanding ground and air transportation and distribution centers to support international ports of trade and cargo centers in Los Angeles and Long Beach. As the established ports reach capacity, I-11 can be a strategic link to new ports, ensuring the Western United States has long-term distribution capabilities.

Linking ports of trade to distribution centers enables economic development and integrates regional economies. I-11 is vital to overall economic success of our region, and will bolster our nation's options for trading with our two largest partners, Mexico and Canada. I-11 will be a very important segment to the CANAMEX Corridor, as this project has the potential to connect some of the world's fastest emerging economies in Latin America and Asia.

As we know, national trade supports one in every five jobs, and this expansion will help jobs here in Southern Nevada and throughout our state. It's estimated that I-11 can have a \$24 billion economic impact, and will generate approximately 24,000 jobs in our region. In Nevada, the Metro Chamber supports the expansion of the Northern Nevada Corridor that will connect Las Vegas and Reno, and extending the I-11 to the United States/Canadian border.

The Metro Chamber recognizes this project is in its early phases of development and implementation; however, it is important to evaluate and consider all options that are being proposed and select the best option for our community. This includes objectively considering the BBQQ alternative in the eastern portion of Las Vegas Valley, and not prematurely limit options since this project is still in its early process.

In looking at these options, increasing congestion and capacity levels along 215 Beltway and U.S. 95 must be taken into consideration. The increasing congestion along these existing routes is an increasing concern to our businesses that affect how they do business in terms of time management, ability, mobility, and safety concern of Nevada. That is why options like

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BBQQ need to be considered based on objectivity, long-term practicality, and fact-based criteria.

I would like to thank the staff and the consultants throughout this process for their engagement with the public and the transparent process they've conducted. The Metro Chamber looks forward to our continued engagement and support of I-11, and thanks the Governor for his leadership on this issue and the Board of Directors. Thank you for your time and allowing me to speak today.

Sandoval: Thank you very much. Any further public comment?

Wallin: None down here.

Sandoval: And we're going to skip over Agenda Item No. 3, which were the minutes, and move on to Agenda Item No. 4, Approval of Agreements over \$300,000.

Malfabon: Thank you, Governor. Assistant Director for Administration, Robert Nellis, will cover this item.

Nellis: Thank you, Director, Governor, members of the Board. There are six agreements under Attachment A, found on Page 3 of 35 for the Board's consideration. Line item number one is in the amount of \$375,000 to provide legal services to represent the Department in the eminent domain condemnation matter of NDOT vs. Las Vegas Golf and Country Club for Project NEON.

Line item number two is in the amount of \$837,000 to update the Department's central system software in order to support the development of the Active Traffic Management System for Project NEON.

Line item number three is in the amount of \$665,000 to provide safety management plans for multiple locations around the state for the implementation of the State Highway Safety Improvement Plan.

Item number four is in the amount of \$300,000 to provide mechanical and electrical engineering design services for the maintenance code compliance and improvement of the Department's facilities statewide.

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Number five is in the amount of \$383,638 to provide subsurface utility engineering services for State Route 604 from Civic Center Drive to Hospital Drive in Clark County.

And, finally, item number six is in the amount of \$317,268 for professional and specialized services relating to federal transportation programs, projects, legislation, and regulations.

Governor, does the Board have any question for the project managers regarding these six items?

Sandoval: Member Martin.

Martin: On line item number one, this particular firm, this firm is being hired in lieu of or in addition to Laura Fitzsimmons?

Nellis: Dennis, go ahead.

Gallagher: For the record, Dennis Gallagher, counsel to the Board. This firm is being hired for this particular property. They've worked with Ms. Fitzsimmons in the past. She has agreed to take on certain cases, but not all NEON cases, although the department is working with her to get her on in a strategic role to assist in the overall management of all the right-of-way acquisitions. So I think I spent way too many words answering the questions, to which I apologize.

Martin: So they are in addition?

Gallagher: They are in addition.

Martin: In this number, this number is the number you plan on providing to the McNutt firm, right?

Gallagher: It's not to...

Martin: No cost from staff. No cost from Laura Fitzsimmons is figured into this.

Gallagher: It is not to exceed this figure.

Martin: To McNutt...

Gallagher: To McNutt.

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- Martin: ...but not to anybody else?
- Gallagher: Correct.
- Martin: Okay. Item number two -- item number three, I didn't realize Kimley-Horn provided safety services. I know they do a lot of stuff, but I've never seen them involved in safety. Is this a new venture for them?
- Malfabon: They've actually been doing a lot of work for the Department in the area of safety, so running our safety management plans, but also assisting in other safety efforts. We have an executive committee and they provide support for that executive committee, which includes RTCs around the state, NDOT, law enforcement, emergency medical responders, so they do a lot on the safety front.
- Martin: I went through several agendas, going back to '13 and '12, and I'd not seen where we had awarded any contracts to them on safety. That's why I was asking.
- Malfabon: We could bring that (inaudible)...
- Martin: I was just asking. It's just a curious question. And then from the CH2M Hill, on item number six, who is the current provider?
- Malfabon: Current provider was a team including Scott Bensing, and then Mary Peters, was former USDOT Secretary, and Jim Ray. I can't remember the name of their team, but -- do you remember?
- Martin: They were obviously very memorable, right?
- Malfabon: Well, no, they've been doing good work for us. They did not propose this time.
- Martin: Thank you.
- Unidentified Male: And, Governor, if I might. Just on that item, I think the savings on a monthly basis is about several thousand dollars: is that correct?
- Malfabon: Yes, it is a savings going forward.
- Unidentified Male: Are we familiar with folks from that firm?

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- Malfabon: Yes. Susan Martinovich, former Director, works for that firm now, but the lead person is in Washington D.C., a gentleman that has been working on the hill for several years.
- Sandoval: Member Savage.
- Savage: Thank you, Governor. My question, Robert, on a couple of items, line item number one, is that a Nevada firm?
- Gallagher: For the record, Dennis Gallagher. Yes, it is a Nevada firm.
- Savage: Okay. Thank you, Dennis. The second question I have is I saw there were some questions in the support documentation about the federal reimbursement for line item number one being 955. Is that possible?
- Malfabon: I will do my best to answer that. They should be eligible. We programmed a couple of months ago the Project NEON bond revenue to be used for right-of-way acquisition, so legal expenses are compensable. We'll have to check into why this was coded as a non-federal...
- Savage: Mm-hmm.
- Malfabon: ...because I believe this one should be federal if it's in support of Project NEON, and we programmed these anticipated legal expenses as part of support of right-of-way acquisition, so it should be compensable.
- Savage: That would be good to look into. Thank you, Rudy. And the last item I have is on the consultants, Kimley-Horn, and there's several consultants. And, Governor, I know this is a large topic, but I'd like to possibly take this to the Construction Working Group level to see if we can review the engagement of the consultants, a total spreadsheet of what categories the consultants are working in, how much we are paying each consultant, and we do that very similar to the different contractors. But I know there's safety, there's central software, there's maintenance, traffic management systems, construction, and it's a big dollar for the Department, and I know it's a lot of time. And I think if we take it to the next level and possibly bring it back to the T Board annually or semi-annually to report, might be something worthwhile.
- Sandoval: You're willing to take on that extra work?

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- Savage: You bet. I think Mr. Martin and Madam Controller Wallin and myself, I think it would be worthwhile to take a look at who's involved, where, how many, and how much.
- Malfabon: And, Member Savage, if we could know...
- Sandoval: No, I just wanted to get you on the record.
- Malfabon: We always love a volunteer. How many -- would you like us to go back about four years to gather that information on consultants?
- Savage: Yeah, I think three or four years.
- Malfabon: Okay.
- Savage: I think that would be great, Mr. Director.
- Malfabon: So we'll try to gather that for the next CWG meeting.
- Savage: And the different categories and if we have a round table discussion on the side, we can talk about that a little further. That's all I have, Governor. Thank you.
- Sandoval: Thank you. Questions from Southern Nevada?
- Wallin: Yes. Thank you, Governor. Can you guys talk a little bit about item number two, the central system software update. I know you were talking about the ATM system, and just how is this going to link and how -- because there must be more to this because you have to put up those signs for the managed lanes, because I was reading saying that we're going to be able to do that. So can you just kind of discuss that for me, please?
- Terry: John Terry, Assistant Director for Engineering. I'll take a shot and if we need, Denise Inda is here to help me. This is to redo the software so that when we do put up the physical structures, the software is up to date, and the entire FAST system accepts all these new devices and they all work within the system. This does not include, of course, the cost of the actual structures and such. Those would be part of NEON and other procurement packages that do the physical construction of them. But this is to make sure that whatever gets put in, the software is updated so that it can include these

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extensive additional devices to fit within the overall system and make it work together.

Wallin: Okay. I have a follow up on that. So was this part of the cost that was included in the Project NEON costs or is this over and above?

Terry: Kind of both. Originally it was included in the cost of NEON, but we felt as a part of the procurement that the best way to go was to get the central system software updated in advance and not rely on the NEON people, though successful, whether it was P3 before or design-build to include that within their bid. So essentially we pulled that out and said we need to get the software updated in advance.

So the footprint of the system is going to eventually extend beyond NEON, so it's covering beyond that. But I guess for the most part, the cost of this was pulled out of NEON and put out separately, but it's something we were always going to do.

Wallin: Okay. Because -- and you talked about it being out of the concept of NEON, because when I was reading it, I think it said that this system is going to be in place from I-215 and I-15 to, like, 95; is that correct? So it kind of is out of the footprint of NEON then.

Terry: Yes, that's correct.

Wallin: That's what I read in my notes.

Terry: Yes.

Wallin: Okay. All right.

Terry: And that's why I'm saying the majority of it is NEON, but there are devices that go beyond that.

Wallin: Okay. All right. And then I have another question here, and this is item three. Member Martin kind of brought it up, but in the RFP we talk about -- because I'm questioning the numbers here -- that you consider contracting with three consultants for the above program, that by distributing to three consultants will improve our response time. And then also when I look in your notes here, you're estimating the cost for the safety engineering services is \$1 million in '14, \$1 million in '15, \$1 million in '16, and \$1

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million in '17. So this is only like \$637,000, so can you tell me what is it are they doing or are we going to have more contracts come forward to address this issue?

Malfabon: So if we could have Ken Mammen come up to address that question.

Mammen: Good morning, Transportation Board. For the record, my name is Ken Mammen, Chief Planning Engineer. With me today is P.D. Kiser. On the safety management plans, we do have them scheduled out for the next several years. So we have the funds somewhat appropriated to do that. This first one is with Kimley-Horn, of course. It is for two safety management plans that we've planned on doing throughout the state. The first one we have not identified. We've got locations in mind, but we'll be working with the RTCs and the local entities to come up with a scope.

The first one, \$686,000 I think it is, is an estimate for the first one. We will still negotiate a final cost on the plan once we determine a final location. I hope that answered the question.

Wallin: Okay. All right. I just kind of find it's kind of funny that we're issuing a contract but we don't know where we're going to be using it at yet. I mean, it's kind of putting the cart before the horse.

Mammen: So to speak, maybe, but we had to identify the locations, and now we have a contractor on board. So we have numerous locations that we would like to look at, but working with the RTC we will better define the scope and the locations because there's a lot of locations in the state that are currently being worked on that we could like to work on, but since they're already being addressed, we are going to the next one. So now we are in place to have the consultant come on board, working with the consultants and the RTC, so we're moving forward together instead of -- well, we're working together forward now, is my point.

Wallin: Okay. All right. Well, I like Member Savage's idea about the consultants. So, Rudy, if you can make sure that this is one of the things that -- is one of the consultants we add on there, that'd be great.

Mammen: They will be. And for the record, Kimley-Horn has been working for us for numerous years doing road safety audits. They've also been doing our basic support for the Nevada Executive Committee on Traffic Safety. So they're

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there providing that support as well. They're also the first consultant up on board to do our safety management plans. We also have two other consultants on board, the CA Group and Wood Rodgers, and as we move forward in this process, we will find locations for them, and we'll be doing some up north and then some down south.

The first two locations we have -- we do have a PowerPoint presentation that we could show you some of this information, if you're interested. We do have that. We can present that to you right now. We have some brief background information on what we're looking at. I'm moving forward witness the discussion, Governor. Would you like to see the PowerPoint?

Sandoval: How long is it?

Unidentified Male: (Inaudible). If the Board wants to see it, we can go ahead and go through it.

Unidentified Male: I don't think we need to see a PowerPoint.

Sandoval: Why don't we take it to the CWG?

Wallin: Yeah, CWG is fine.

Mammen: Certainly. We can do that.

Sandoval: Lieutenant Governor.

Krolicki: If I may also make a comment on item three, the Kimley-Horn. I just want to be clear, and I think some of this is semantics. The contracting approved today is to clarify and triage those safety spots that will be researched in conjunction with our friends in the RTC. So this isn't putting, and this is Controller Wallin's comment, and I just want to clarify. This isn't approving a contract without knowing where it's going to be. Part of the contract is identifying where those things should be. So the horse is before the cart in this, and I just -- is that correct?

Mammen: That is correct.

Krolicki: All right.

Sandoval: Essentially, you're just seeking to prioritize where you're going to deploy those resources.

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- Mammen: That is correct.
- Malfabon: Yes, and Governor, to clarify, this is a master agreement, then you'll have task orders to...
- Mammen: Correct.
- Malfabon: ...individually negotiated as you delegate them to certain plans.
- Mammen: The first one I do believe that we're looking at Eastern as one of our first priorities that will be a task order. The second one to be determine yet will be a second task order, and then we'll do the same thing with the next firm in line, which is think is Wood Rodgers or CA Group. I think it's actually Wood Rodgers who is next in line. So Wood Rodgers would be getting the second or the third -- the second actual SMP by task order, and you'll be back here again with Wood Rodgers to approve that when we get to that point.
- Wallin: All right. Governor, I have not further questions. Thank you.
- Sandoval: Any other questions? Member Fransway.
- Fransway: Thank you, Governor. First question relates to all six of them. Are we to assume that these are all not to exceed costs? It definitely says so in item one, and most likely says so in item four, the way I read it.
- Malfabon: Governor, I can respond to Member Fransway. All agreements are written in a do not exceed so that we have to have an amendment to that to exceed that amount in advance of them exceeding that amount. So every agreement is written with that language as standard.
- Fransway: Okay. So if we continue to have an option for an amendment on the not to exceed, then it's not to exceed is not correct, is it? Not to exceed to me means you don't go past it, and it should be negotiated that way in the first part...
- Malfabon: That's what's anticipated.
- Fransway: ...as far as I'm concerned. If you have to extend a date or something, then I can understand that perhaps. But the original negotiation, if it's not to

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exceed, then everyone relating to a contract should know that that's all the dollars that we have coming for this particular project.

Malfabon: If the scope never changes from the original scope, it should not be exceeded, but what often happens is that we add additional scope or we want them to continue doing it for another year, then we have the option of either reprocurring the services or extending by amendment. So we understand the issue of amendments, and that's going to actually be looked at in the operational audit about how many amendments and how we select consultants. So along the lines of the CWG effort, we will also be taking another track with the operational audits to look at this issue that the Board is concerned about.

Fransway: Good. And I believe that, that should be looked at very thoroughly and hard in the operational audit, and I appreciate that. Thank you, Governor. And one more, item four. According to the memo, Page 26 indicates that it's for two years, 2014 through 2016, and the end date on the line item says it's extended and ends 2017. There seems to be a conflict between the end date and the memo time frame.

Malfabon: We'll have to look into the details of that, Governor. Sometimes we'll have an expiration date that the services end before that expiration date of the agreement, so that gives us a little bit more time to decide what we want to do to close out the agreement or reprocur services. So we'll look into that one specifically.

Fransway: And I can understand perhaps -- well, I think about it myself, perhaps the end date reflects the fiscal year, because that would involve 2016. So that may be the answer to that question.

Malfabon: Yeah, I don't know if someone is here to respond to that question directly, Robert.

Nellis: Is Anita here? Do you know the answer?

Hoffman: If I may. Bill Hoffman, Deputy Director. You're correct, Member Fransway. What we're listing on the spreadsheet that you're looking at are calendar dates...

Fransway: Okay.

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- Hoffman: ...and what we're referring to are fiscal years or those sorts of dates in the actual write up that you saw, so...
- Fransway: Yeah, I just noticed that...
- Hoffman: Yeah. Yeah.
- Fransway: ...and I thought that might be the answer to my questions.
- Hoffman: That's exactly right. So you've got calendar versus fiscal year, and a fiscal year could spill into an additional calendar year, so...
- Fransway: Got it. Okay. Thank you.
- Hoffman: Yeah. Mm-hmm.
- Fransway: Thank you, Governor.
- Sandoval: Any further questions from Board members? Does that complete your presentation?
- Malfabon: Yes, for this agenda item, Governor.
- Sandoval: If there are no further questions, the Chair will accept a motion for approval of the agreements over \$300,000, as described in Agenda Item No. 4.
- Martin: So moved.
- Sandoval: Member Martin has moved for approval. Is there a second?
- Savage: Second.
- Sandoval: Second by Member Savage. Any questions or discussion on the motion? All in favor please say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes unanimously. We will move on to Agenda Item No. 5, Contracts, Agreements, and Settlements. Mr. Nellis.
- Nellis: Thank you, Governor. Again, for the record, Robert Nellis, Assistant Director for Administration. There are 40 executed agreements under Attachment A found on Pages 4 through 8 of 17 for the Board's information. Items 1 through 7 are cooperative, interlocal agreements, and acquisitions.

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Items 8 through 21 are agreements for facilities and leases. Items 22 through 40 are right-of-way and service provider agreements. And just a couple of notes, Board members, item number 10, there is a change on the agreement amount. For the record, that should not be \$2,500. That would be \$251,197.96.

Also, just a note on agenda items number -- I'm sorry, line items number 31 and 32, the ExeVision agreements. There were several modifications to the existing system that were required by the 2013 legislative session, and there was a need to go web based so the system could be accessed from any device. We also needed to add a DB functionality, as well as make the system more user friendly. And these development costs are being addressed with the short-term agreement under line item number 31, while the ongoing operating costs and maintenance are being covered under a separate agreement, which is line item number 32. Does the Board have any questions on any of the 40 items?

Sandoval: Questions from Board members?

Wallin: Governor? Governor, I have a question.

Sandoval: Please proceed.

Wallin: All right. Thank you. Two of those items, 31 and 32, I think we're splitting hairs here separating the contract out. I really think that those should've been one of the ones that the Board approves because it's the same contractor, and saying one is for the annual maintenance and one is to upgrade it, and it's for the same system. Why did you guys break it out that way, and why wasn't it put on the -- to be approved?

Nellis: My understanding, Madam Controller, is that in order to -- they were separated so that the enhancements could be completed in a more timely manner with a shorter term than including it in the overall operating and maintenance contract.

Wallin: I still think that it still should have been on the approved even though you've separated it out, because then that's a way that we get around approving contracts, just go and break them up and say, well, this one is to do A and this one is to do B, and then all of the sudden we don't have the approval of

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the contracts and stuff, so just a note for in the future to not separate them out like that.

Nellis: All right. Thank you, Madam Controller.

Sandoval: Mr. Lieutenant Governor.

Krolicki: Governor, thank you. A compliment on item number 22. I spoke to Rick Gardner, who is with Gardner Enterprises, LLC, and they've been having some flooding issues and other things, and he said he spoke to you, Mr. Director, and he just expresses his appreciation to get this on and get this thing settled, and he appreciates your efforts.

Nellis: Thank you, Lieutenant Governor.

Sandoval: Other questions? Member Martin.

Martin: On item 29, Snell & Wilmer again, rapidly becoming my favorite firm. This contract, 3407, what is that?

Gallagher: For the record, Dennis Gallagher, counsel to the Board. This contract is Peek Construction for the Kingsbury Project.

Martin: Okay. And you also have another request in here, if I remember correctly, Mr. Gallagher, for \$138,000 or am I...

Gallagher: We split...

Martin: Number 40. So if I'm getting the numbers correctly here, you're asking for \$167,000 on item number 40 and another \$150,000 on item number 29. We had this discussion last month, that's why I'm asking.

Gallagher: I know we did.

Martin: We just had it a little bit ago. That's why I'm asking you.

Gallagher: I'm sorry. I forgot, the first contract that you asked was...

Martin: 3407.

Gallagher: 3407.

Martin: That's item number 29.

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- Gallagher: Okay. 3407 was their request for an equitable adjustment off of the Kingsbury Project.
- Martin: Mm-hmm.
- Gallagher: Item 40 is related to the same project, but involves the litigation that they filed.
- Martin: Okay.
- Gallagher: Both of those matters, as well as the Wells matter and the Las Vegas matters, are all wrapped up into the universal settlement that will be going to the Board of Examiners.
- Martin: Right. Last month I complained because you were asking for \$450,000 on this same issue, and now you're asking for almost \$300,000 and you still have \$200,000 sitting -- when you get back into the legal, you still have \$200,000 unspent, which means you're still anticipating spending a half million -- or a half billion dollars -- or I'm sorry, a half million dollars? I get my Bs and Ms mixed up sometimes.
- Gallagher: I have that same problem, unfortunately never with my personal finances.
- Martin: But you do with ours, that's the problem.
- Gallagher: After the last Board meeting, Snell & Wilmer was contacted, asked to bring current all of their invoices so we could wrap everything up. At the last Board meeting, I believe we had processed invoices only up until May. So since then we've gotten their May, June, July, and August invoices, and the requested additional funds are all that'll be necessary to take us through the settlement.
- Krolicki: Member Martin, may I join in a little bit and just help...
- Martin: Help yourself.
- Krolicki: Governor, if I may. If it's an ongoing or nonpublically disclosed tentative agreement, then obviously you can't answer. And I understand the Board of Examiners has to do their business. But we're spending a lot of money. I agree with Member Martin. And Rudy, you had mentioned that we have an overall settlement. But it's my understanding from the beginning , it was

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Peek that failed to perform its duties. They have a liability here, so just someone who's not an attorney, it just seems that, you know, we're paying a lot of legal fees. I'm not sure what the settlement is. I'm not sure if there's a recoverable opportunity here, but I would think that part of whatever settlement would be our legal costs. In my nonpractitioner world, that would make sense. Can you set the stage a little bit and maybe that will help suit Member Martin's questioning.

Gallagher: The memorandum to the Board of Examiners will be filed today. It details the terms of the global settlement, again, of the four matters involving Peek and Williams Brothers Construction. The state is recovering funds from Travelers, who had issued the surety bond for Peek. Peek no longer holds a construction license in this state, nor Williams Brothers. So we will provide a copy of the settlement memorandum to the Board, as well as the settlement agreement to the Transportation Board next month, assuming that the Board of Examiners approves it.

But, yes, the state is recovering funds. The exact dollar amount escapes me because, you know, they're getting credit for some of their claims. I think it's...

Krollicki : But legal fees are not broken out as part of that recovery from Travelers?

Gallagher: We are not recovering separate legal fees. No, sir.

Martin: Just as a point of clarification, Travelers is not writing a check to the State of Nevada; is that correct?

Gallagher: It is writing a check to the State of Nevada.

Martin: For what amount? I have not seen anything on that.

Gallagher: Mr. Shapiro.

Shapiro: Member Martin. For the record, Jeff Shapiro, Chief Construction Engineer. The net is in Nevada's favor. We are receiving a check for \$1.6 million and some change from Travelers, and when you compare that to the disputed amounts, the net is -- we are going to pay a little bit of undisputed funds to Travelers, but the net on the disputed amounts is still \$1.4 million in Nevada's favor -- or NDOT's favor.

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Martin: Okay. I hadn't seen -- hadn't heard that last month when we talked about this because I thought we were paying Travelers like \$1.3 million to settle this thing.

Shapiro: No, sir.

Unidentified Male: (Inaudible).

Martin: Yeah, I get that.

Shapiro: No, sir. Travelers is paying Nevada Department of Transportation \$1.6 million and change.

Martin: Okay. My...

Shapiro: We do have to write a \$600,000 check to Travelers. Some of that is contract proceeds on work that was actually performed that we've never released for payment. About \$150,000 of that is what we're calling "a settlement," and this will all be in the Board memo...

Martin: Okay.

Shapiro: ...when this gets sent up. So if you compare the \$1.6 million to what's in dispute, the \$150,000 in the settlement on that, the net in Nevada's favor is 1.4 and change.

Martin: Okay. Thank you.

Sandoval: Other questions with regard to Agenda Item No. 5?

Martin: I only have one more, sir.

Sandoval: Okay. Member Martin.

Martin: Item number 34. When I go back into the last agenda item or next to the last agenda item where you talk about the ongoing cases and the amounts, this Sylvester and I'm going to butcher that name, but for \$280,000, it's item number 34, is that the same \$280,000 that's back in the back on page -- on item 10A, page 3 of 3? You have the same firm lasted as -- and then you have as a current and amended amount, \$280,000. Is that number correct or is the, under the agenda item I questioned, adding to this 280, making a total of 560?

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Gallagher: On page 3 of 3 for item 10...

Martin: Yes.

Gallagher: ...the firm is listed twice, two different cases. One for First Presbyterian and the other Smith Family Trust.

Martin: Oh, I'm sorry. There is another one.

Gallagher: Yes.

Martin: I thought that they were handling the First Presbyterian and this one.

Gallagher: Yes.

Martin: Okay. I've got it. Oh, here it is. Go down to the bottom, second to the last item on that same page, 3 of 3.

Gallagher: Yes, that's the 280...

Martin: Is the 280 here the same 280 I see on the other?

Gallagher: Yes, sir.

Martin: Okay. End of conversation.

Sandoval: Other questions from Board members? Member Fransway.

Fransway: Thank you, Governor. On page 5, item 19, why are we paying nearly \$40,000 for a name change and an extension? I would think that Mr. Gallagher could do that in his sleep.

Malfabon: Governor, I can answer that. That also pays for the annual renewal of the agreement for a five year period. So that compensates them for the lease of the property that they -- I assume it's a communications site.

Fransway: So that is the lease? The name change isn't...

Malfabon: Yeah, it included -- and they had to change the name at the opportune time for the amendment.

Fransway: All right. Page 6, number 28. What was the original costs? This amendment states for -- it is amendment number two for \$1.9-plus million. What was the original?

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- Malfabon: This is not adding any additional amount, so the original is still \$1.92 million for this four-year agreement. They're modifying the scope of work, but they're not changing the budget for the project, so trying to stay within the original budget.
- Fransway: Okay. So is this a no-cost amendment?
- Malfabon: Yes, just adding scope of work but no cost.
- Fransway: Okay. Item 30, why are we paying extra for delay of the start? Was that our fault or was the contractor at fault of that?
- Malfabon: I don't have a response to that, Governor, but we could...
- Sandoval: We're not paying more, are we? We're just delaying the start.
- Larkin-Thomason: (Inaudible).
- Malfabon: Okay. So apparently Deputy Director Tracy Larkin-Thomason said that we had work going on in this area, so they couldn't start on schedule. So it was through no fault of the contractor...
- Fransway: Okay.
- Malfabon: ...providing the janitorial services, and since the term of the agreement for the service period had to be extended because we had that late start.
- Fransway: Okay. So it was the fault of NDOT for the delay, not the contractor?
- Malfabon: Yes.
- Fransway: Okay. Thank you.
- Malfabon: Thanks, Tracy.
- Fransway: I had questions on 40, but I think all the discussion has answered my questions. Thank you, Governor.
- Sandoval: Member Martin has one more question.
- Martin: Is the eBid up and working? Are we currently accepting bids on it?
- Malfabon: Yes, it's been working for a couple of years now.

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- Martin: Okay.
- Malfabon: It's been working very well considering the roll out of that back in -- it's been almost two years now, so...
- Martin: What percentage of our bids come in on eBid?
- Malfabon: All of the -- most of all of the bids. Only the informal bids don't -- are paper bids or electronically -- well, they're email bids. The informal bid process doesn't require that formal advertisement, but anything that's advertised is typically on that. Architectural projects, I think, are still paper bids.
- Nellis: And I apologize, Jenny Eyerly, our Chief of Administration, she gave me those numbers on Friday and I just -- I can't recall what they are. I'm sorry, Member Martin. Do you want to address it?
- Malfabon: Very good, Jenny Eyerly will respond.
- Eyerly: Good morning, Governor, members of the Board. I'm Jenny Eyerly, Administrative Services Division Chief, and we brought up the system in 2012, and since then we've had 301 electronic bids and 47 paper bids on the contracts that are available to be bid electronically.
- Martin: Outstanding. Thank you.
- Eyerly: You're welcome.
- Martin: Governor, one more issue. On item number 37, Bison Construction, that's my brother's construction company, so I'll abstain from voting on this agenda item.
- Sandoval: We're in an informational item anyway, so, but I appreciate the disclosure. Other questions or do you have more presentations, Mr. Nellis?
- Nellis: That's it for this portion. There's Attachment B as well, Governor.
- Sandoval: Please proceed.
- Nellis: Governor and members of the Board, there is one settlement under Attachment B, found on page 10 of 17 for your consideration. The settlement amount is for \$62,500. This is for an inverse condemnation action that arises from the construction of a detention basin and related

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improvements, including a flood control channel constructed in conjunction with the widening of State Route 160. Does the Board have any questions for Mr. Gallagher regarding this settlement? Governor, that completes the items under Agenda Item No. 5.

Sandoval: Before we move from Agenda Item No. 5, any questions from Board members? Thank you, Mr. Nellis. We'll move to Agenda Item No. 6, which is Acceptance of Amendments and Administrative Modifications to FFY 2014-2017 STIP and Approval of Changes to the 2014 NDOT Work Program. Please proceed.

Peacock: Good morning, Governor, members of the Board. My name is Coy Peacock, and I work for the Program Development Office under the Planning Division here at NDOT. I'm here to present the amendments and administrative modifications to the federal fiscal year 2014-2017 Statewide Transportation Improvement Program, or better known as the STIP.

I have been involved in the creation and development of the STIP for over 20 years, and it is my pleasure to present this item for the first time to the Board. These are the actions that have taken place in the past two months.

Attachment A details the amendments. Amendments are changes in funding greater than five million or greater than 20%, projects that have been added or deleted, or significant changes in scope and/or limits.

Attachment B details the administrative modifications. Administrative modifications take place when the project funding category has changed, a project is moved in between fiscal years, or a significant change in the funding amounts, less than five million or less than 20%.

All of these changes listed in Attachment A and B have been processed to ensure the obligation of all of the federal funding provided to the state in federal fiscal year 2014. If there are any specific questions about any of the projects listed, I and my talented associate, Joseph Spencer, are here to answer any of your questions. If there are no questions, we ask for acceptance of this possible action item.

Sandoval: Okay. Any questions from Board members? Member Fransway. And just to clarify, you said that now we have spoken for all the federal funds, so they will all be utilized?

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- Peacock: We will obligate all of the federal funds needed for this fiscal year.
- Sandoval: Okay.
- Malfabon: And, Governor, we usually hear right around this time of any extra money that other state DOTs did not spend that, hopefully, Nevada will, as in years past, get extra money from Federal Highway Administration.
- Sandoval: I mean, it was at least a million last year. Wasn't it significant?
- Malfabon: I think it was...
- Peacock: I think it was four million that we received last year.
- Malfabon: Yeah, I probably would've guessed three and a half, but it was more than that, so...
- Peacock: But each year we do have an opportunity.
- Sandoval: And if that happens, and I don't want to jinx anything, but will we be able to obligate those monies as well?
- Malfabon: Yes.
- Peacock: That is one of the stipulations of actually getting those monies. The federal government asks us if we can spend them, we say we can, and we have a great track record in the past. We've received over \$70 million of additional funding over the last 10 years that was expended in Nevada due to this process, so yes.
- Sandoval: Great. Member Fransway, you had a question?
- Fransway: Thank you, Governor. And this is just a comment, but relative to the statewide rule on Attachment A, I'm very pleased that NDOT took advantage of these low matches. I believe they're going to help us a lot with our safety issues, and we did have some increases in fatalities in that area. So I believe that we're getting a real bang for our buck with the percentage of match that is required to get this funding, so somebody is on top of it, and I appreciate that.
- Peacock: Thank you, Member Fransway.

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- Fransway: Thank you.
- Sandoval: Any other questions or comments with regard to Agenda Item No. 6? If there are none, the Chair will accept a motion for approval.
- Krolicki: Move to approve.
- Sandoval: Lieutenant Governor has moved for approval. Is there a second?
- Fransway: Second.
- Sandoval: Second by Member Fransway. Any questions or comments from Board members? All those in favor please say aye.
- Group: Aye.
- Sandoval: Opposed no? Motion passes unanimously. Thank you, Mr. Peacock. We'll move to Agenda Item No. 7, briefing on Rest Area Program.
- Malfabon: Thank you, Governor. Our Chief of Maintenance and Asset Management, Anita Bush, will present this, we're very excited about this Rest Area Program, and in partnership with Claudia Vecchio from Tourism, another Nevada department. Anita.
- Bush: Good morning, Governor, members of the Board. My name is Anita Bush. I will be nervous at the beginning, but it will calm down in a moment. I would like to acknowledge the presence of Claudia Vecchio. She is the Director of Tourism and Cultural Affairs, and we can't understate her contribution to this project, and she will be giving the concluding remarks of this presentation.
- So Nevada is worldwide known as a major tourist destination. We are having the entertainment capital of the world here. We have a premier skiing area. So many, many tourists. According to 2012 statistics, 29 million people enter into Nevada and visit Nevada through our highway system. Many of them go to these major tourist destinations, but more and more people kind of seeking out through authentic American experience, experience the Wild Wild West. And also with events such as the biker event and the Street Vibrations, you know, they just attract many, many tourists that are using our highways, and, you know, they kind of visit urban areas, but they really, really visit our rural sites as well.

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So with a world-class brand comes world-class expectations, because really Nevada is a premier, world-class destination. Our number one employment (inaudible), and we've got to make sure that we take care of our tourists. So through a multi agency partnership, the Department of Transportation and the Department of Tourism and Cultural Affairs is working together to reimagine the rest area experience. And, really, our rest areas need to meet the needs of the travelers and also, you know, they can provide -- what does the traveler expect from these rest areas when they visit them?

They need a safe, comfortable place to pull over because being on a highway it's illegal to stop in a right-of-way except for an emergency. And so you need -- not only for the visitor who are travelers who are going to stop by and stop at these facilities, but also for commercial truck drivers. It's really, really important that we have these facilities, and they are inviting, comfortable, and also provide information or resources.

So rest areas came into being with the 1938 Federal Highway Act. The passage of the Highway Act in 1956 and establishment of the Federal Highway Trust Fund in 1956 provided funding for expanding the rest areas. And the Highway Beautification Act of 1965 really kicked the momentum off.

And why do we have rest areas? Well, I've already mentioned that, because, you know, drivers need to take a stop and make sure that they are not fatigued from driving. So it's a really, really important safety feature as well.

So the Nevada Rest Area System was primarily developed at the same time as the Nevada Highway System was developed in the early '70s and '80s, and with that we have a really aging system on our hands. The average age of our system is 37 years old.

So our current system comprises 36 facilities, and as I mentioned before, they are primarily constructed for the travelers comfort and safety. We already have three visitors centers that offer tourists information and resources, but besides the safety features -- or the primarily role of providing a safe stop for our travelers, they also provide an image to tourists, as well. I mean, when we drive through California, we see the rest areas, we form an opinion, and then we travel into Nevada. Maybe that opinion or, you know,

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it might change because -- or specific things that are not quite up to par like California's facilities.

And also, they are really important for our economic vitality. As I mentioned earlier, commercial drivers often use these facilities. They are really lacking adequate stopping places along the freeway system, and they often utilize these areas as a staging area, as well.

So our current system offers various amenities. As you can see, three of them are already offering some information or resources, and they do have a full time attendant on staff. They are usually employed by the city or the (inaudible). So we have them in Wendover, Mesquite, and Boulder City. We have 26 rest areas that we call them right now. We have 12 of them with flushing toilets and 14 of them with pit toilets, and we also have 7 rest stops that they currently only offer trash pickup and picnic tables. So the services are just really, really limited at those stops.

So recognizing the fact that we have a 37-year-old system on our hands, and that the demand of today's travelers -- they really do expect more when they stop at these facilities. With the cooperation of the Department of Tourism and Cultural Affairs, we developed a report, the Nevada Statewide Rest Area and Rest Stop Initiative Report; and the purpose of this report was to develop the concepts as we move forward to rebuild and reimagine our rest areas, and develop budgets for this project that we can plan in the future how we're going to rebuild them.

So the report proposes three facility types as well. Welcome stations that are going to be placed near state borders, near major tourist attractions, major intersections of highways, and they will be staffed with full time personnel that will be able to provide tourist information to our travelers. Our rest areas will be the facilities that also offer informational resources for tourists, as well as -- we have to differentiate between rest stops and rest areas, so that's why I'm going to emphasize that they will have running water and flush toilets in these facilities, and then our rest stops will have the pit toilets. So we won't have any more facilities where you don't have facilities for traveler's comfort. So we really need to increase our services that we provide.

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So here this slide shows all the amenities and features that the rest areas and welcome centers will offer. I really would like to emphasize three of them that are going to be really new and will enhance the traveler's experience. The regional interpretive signage and the local information kiosks. They will emphasize the area's natural and cultural resources. There may be the local industry, highlights the local industry, and really provide information about the region for the travelers.

We will also offer Wi-Fi at all of our rest areas. Currently we only offer Wi-Fi at four sites. We would like to expand that service to all of our rest areas. And the primary purpose of the Wi-Fi system is to provide real-time information to our travelers. It's really, really important and also in a manner that encourages them to take more stops, as well all know that fatigued driving is really, really dangerous. How many of you have watched Mythbusters? If you don't believe the highway statistics, they had a really good show on comparing the dangers of tipsy driving versus drowsy driving, and I think they showed that drowsy driving was 10 times more dangerous than tipsy driving. I think that's what it was, right? So it was really an eye-opener that we should not be driving when we are tired.

Fransway: Governor, can I ask a question?

Sandoval: Sure.

Fransway: On Wi-Fi, is there a specific way to access Wi-Fi? Do we have to provide a user with a username and a password for them to get into a Wi-Fi at a rest stop or is it posted?

Bush: No, it's usually when you -- we have them at Wadsworth and then at the visitor's centers and then they are built in, and you can get on them.

Fransway: Okay.

Bush: You just have to accept the terms that you are accepting the terms of, you know, using the Nevada Department of Transportation service and then you can just access it...

Fransway: Okay.

Bush: ...and then, of course, some sites are restricted from that service to make sure that people don't use them for inappropriate purposes.

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Fransway: Yeah. Okay. Thank you.

Bush: Sure.

Fransway: Thank you, Governor.

Bush: And the third really exciting feature that we might be offering at selected areas will be the electric vehicle charging stations. With the ever-increasing demands and popularity of these electric vehicles, there is really a huge need for publically accessible charging stations that are distributed across the nation -- state and, of course, the nation, too, but, you know, I'm talking about the state.

So rest stops in comparison with the rest areas, as I mentioned earlier, they are going to be offering unlimited service, but they will also be providing informational services to tourists as well. And you will see the artwork, interpretive displays, and you know, the local area information at these facilities, with the expected features such as the picnic tables, trash pickup, and toilets.

So the report outlines the proposed design guidelines. It's really, really important that we, you know, symbolize the Nevada brand. It has been really well-developed by the Department of Tourism and Cultural Affairs. I always want to say Commission on Tourism. And so it's really, really important that when the traveler enters into Nevada they recognize that brand; that they know that they are in Nevada. So all of these facilities are going to be offering a unique, consistent look. They will have architectural and landscaping features that are really, really similar so that our drivers know that they are, you know, approaching a state-run facility, and they will know what kind of services they can find there. So it's really, really -- we're revolutionizing, you know, the experience compared to what we may experience today.

So when considering the architectural elements and, you know, what the design should look like, first we considered the modern look, some angled look, but what I really would like to emphasize to you today is the arch theme. As you can see, we have many, many Nevada landmarks and design logos and architecture that already incorporate the arch design. So we thought that it's a really, really good reflection of Nevada if we incorporate

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that design element into our rest area facility design. So here's what the arch concept is going to look like. Later on we are going to be showing you a video that, you know, shows the arch concept in more detail. But as I mentioned earlier, all of these facilities are going to be based on this look.

The Department of Transportation has made a commitment to incorporate landscaping and artistic elements into our design and construction of our projects. So, you know, all of them will offer some desert landscaping that will fit in the area. You will see some art displays and, of course, you know, the informational kiosks, you know, as well.

So the typical layout of the full-service rest area is looking like this. It's about a 10-acre site. How many of you have had a chance to visit the Searchlight Visitors Center down along 93? So basically the look is really, really similar. The layout is similar to that facility. As you can see, you have a designated truck parking area. In the middle you have the visitor center and restroom facilities, and then on the right-hand side of your slide is the picnic tables and picnic area. So you have well-defined, separated areas. You might find a designated pet area. And, you know, this layout really works very, very well to increase the comfort and the safety of all of our users.

The typical rest stop will be much, much smaller. You can see that we have the two little wall-type toilets, chemical toilets. You know, some of our sites we couldn't -- it's really, really expensive to get water. I mean, even in Searchlight we had to go down to 1,000 feet, you know, to drill that well. So it's just -- you know, some areas it's not even feasible to put in a septic system, and unfortunately we cannot offer, you know, running water at each of our sites, so we'll have to use the wall toilets. But you will see the arch theme in our informational kiosks, and you still have the area where the cars can just pull in and it's easy to park for them.

So the next steps -- we had to decide on the priority sites, and it was not really hard to come up with four areas that really are in immediate need of rehabilitation. Working in collaboration with the Department of Tourism and Cultural Affairs, we have decided that the current facility at Trinity should be upgraded to become a full welcome station. So that facility will have a full-time attendant on-site seven days a week, and we have already drilled the well, so it is going to have running water. We will rebuild our

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rest areas at Millers and Beowawe, and we are going to expand our rest stop at Pahrnagat Lake.

Krolicki: Governor, if I might. Could you just restate that because I didn't see that in the material, but there will be someone full time at the stop. Is that...

Bush: At the Trinity welcome station. Only at the Trinity site. Yes.

Krolicki: And they'll be an employee of NDOT?

Bush: It's going to be an employee of the Department of Tourism and Cultural Affairs, and I will let Claudia talk about that in detail in a moment.

Krolicki: Okay. Thank you.

Bush: For those of you who do not know, Trinity is the junction of U.S. 95 and I-80. It's about 23 miles west of Lovelock, and this is one of the most used facilities of the state. Unfortunately, we do not have traffic counters at this site, but we are estimating 500 people per day, every day. It's really an estimate based on the on and off ramp traffic counts. But, you know, I'm pretty sure that during the summer months that usage is a lot higher. Currently we do not have running water going to this facility. We do have a water tank there in the picnic area that, you know, people who use the restroom, they have to walk over to the picnic area and wash their hands. It's a little hand-held little well. It's not really convenient, but, you know, they are functioning.

But as you can see, the look is really, really outdated. The building needs -- it has a lot of building maintenance needs. The roof is in really poor shape, so -- and the maintenance costs of this facility is really high as well, although I have to make a correction to those number that I gave you for maintenance costs. That should be divided by three for the contract costs, so -- because that was a three-year contract. Unfortunately, the report that I was using at the time, it didn't have the correct numbers for the Board memo. But this building was built in 1982. Again, it's very much used and it really, really needs to be replaced.

The second priority site is Beowawe. It's about, I would say, 40 miles west of Elko. It's again on I-80. It's in Eureka County. Again, we've spent a lot of maintenance dollars on this facility as well. That number for the state

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(inaudible) should be divided by three as well in your Board memo by the way. The contact number was right on this one. But, again, this building needs upgrades. The roof and insulation, mechanical deficiencies. It's really, really old. I cannot say it's old. I am much older than this, so I can't say really, really old but, you know, it needs a lot of building maintenance needs and the building is just really, really small. So it really doesn't meet the needs of today's travelers.

The Millers site, it's right kind of in the middle of road between Vegas and Reno. It's along U.S. 95/U.S. 6. It's a small facility, and on that stretch of the road, services are really lacking for the travelers for that long-distance drive from Vegas to Reno, especially the northern part because, you know, when you're in the south, you have (inaudible) at least where you can stop and you can find some services, but as you move more north, it's just harder to find them, especially after business hours. So this site needs some upgrading as well. We have access and parking issues, and, again, the building maintenance needs. Actually, the building itself was built in 1970 and then we added a storage building and some irrigation in 1982. So this is, again, a really old facility.

And at Pahrnagat Lake, this is an ideal location to have a rest stop. It's really close to the National Wildlife Refuge. It's along 93. It's about an hour and a half from Las Vegas, going to Alamo on 93 North. And currently we only offer trash pickup and a few picnic tables. You see our little (inaudible) there. That was actually a farmer who provided those and put them out there. So, you know, we really, really have a lack of service in that area, so we do need to, you know, provide something for our travelers.

So this table shows the proposed budget for this project. As you can see, we're estimating \$1.8 million for the design of these four facilities and all the reviews and check fees. We will try to get them done as soon as we can. That's why we put it in FY 15. Most likely we will have some spill over for FY 16. I will show you the schedule of the projects in a moment.

We are estimating that the projects will be constructed overlapping the fiscal years '16 and '17, and you can see that we are estimating a full welcome station at \$4.5 million. At Millers, \$4.3 million to, you know, develop that site to be a full-service rest area. At Beowawe we have two sides, eastbound and westbound, so we are estimating those at \$4.5 million, and

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Pahrnagat Lake Rest Stop we are estimating at \$2 million. These figures are in the -- I forgot to show you. This is the report that I was mentioning earlier, and we provided a link for you that you can download it on the internet, as well, if you would like to see where we got these numbers from.

The proposed schedule as follows. We just put out the RFP for the design services last week. We are estimating the selection process and awarding the contract will be about December of this year and, of course, this will have to be approved by the Board. The design development, we are estimating will take about a year for these four sites. We will try to expedite the Trinity site because we have done some preliminary work on that. The design reviews will take about three to four months, will take place in early 2016. As I mentioned earlier, construction, we are estimating that we will start in the spring of 2016 and, you know, it might take the six to eight months; it's just depending on the site where we are going to do work.

So once again, in conclusion, we are really, really excited about this program. I think it truly will enhance the travelers experience throughout Nevada. It will be a great service to our citizens of Nevada. With that, I would like to show you a short video that will explain it much, much better than what you have heard from me. It's a really brief summary of what you have just heard, and then after the video, Claudia will come up and give you the concluding remarks and, of course, we will be here for questions.

Video:

Here in Nevada, welcome stations, rest areas, and rest stops are important elements to our transportation system. Because stopping along the highway is prohibited, except for emergencies, these facilities provide safe locations for motorists to stop during their travels. NDOT currently owns 36 of these facilities across the state. Many of them were constructed at the same time as Nevada's highway system. In fact, the oldest rest area in Nevada was constructed in 1967, along U.S. Highway 93 at the southern end of Boulder City. The newest facility, completed in 2013, is along U.S. Highway 95 near Searchlight. The average age of our rest areas is approximately 37 years old.

Although most are fully functional, the general condition of the older facilities is deteriorating and in need of repair or replacement to accommodate Nevada's travelers. Partnering together with the Nevada Departments of Cultural Affairs, Tourism and Transportation, plan to

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renovate many of our current rest area facilities, and build others that not only serve our state's traveling public, but help market our state as well. The goal is to enhance statewide pride, foster appreciation for the state's natural and historical resources, promote our state to domestic and international visitors, and convey our position as innovative leaders.

To ensure cohesive brand, look, and feel, the welcome centers, rest areas, and rest stops will reflect one design theme. Site planning will ensure the buildings take advantage of the surrounding environment by incorporating local scenery, points of interest, and historical features. As visitor information centers, these facilities will serve as welcoming beacons where our guests will not only find restrooms, but various other amenities, such as vending machines, designated pet areas, separate truck and automobile parking areas, playground equipment and exercise stations, sculptures and other artwork, pay phones and wireless internet, as well as displays and brochures that give our current and historical local, state, and regional information, and selected locations may also offer electric vehicle charging stations and on-site personnel providing local tourism information.

The features and services will also offer Nevada travelers a welcoming atmosphere that conveys Nevada's brand, "A world within. A state apart."

Malfabon: Governor, I'd like to acknowledge the efforts of the communication staff in putting together that video. I think Julie and Shirley worked out on that. Meg and Shawn, all of the communications staff. Claudia Vecchio will give some concluding remarks. Thank you.

Vecchio: Yes. Good morning, Governor, members of the Board. I'm thrilled to be here this afternoon -- this morning to kind of put closing remarks on what I think is an incredibly exciting project. I wanted to thank Rudy, thank Anita and his team for their help with this. Thank the architects at GML Architects for coming up with and really working with us to convey what I believe is a structure that really does illustrate and personify the brand, "Nevada. A world within. A state apart."

It's great for me to be here also because much of what you do, just in general, impacts tourism. Certainly, any construction project, any enhancement project, anything that you do that impacts our roadways, and from an infrastructure standpoint, anything that impacts our airports as well.

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But all of these things impact tourism, so I think we have probably a closer connection than we have taken advantage of in the past, and I hope to work with your team more in the future as we really, you know, determine how what you do and what we do impacts both of us.

So this rest stop, rest area, and welcome station program has been in the works. You probably have heard this before. We've been talking about it for years, so we're thrilled that we're making it happen, and we are moving forward to start development of these facilities. As Anita mentioned, our tourism brand is one that's known worldwide. When we talk to travelers and tour operators and all throughout the world, they know Nevada, but once they get here, I fear we're not giving them the brand promise that we provided to them while we were out promoting the state. So I think these welcome centers are a tremendous way for us to really start to build that infrastructure and start to build that brand throughout the state.

We're certainly happy to answer any questions. Lieutenant Governor, you had talked about staffing. The idea is that there will be a few of these centers that will be welcome stations, as they're called in this environment, and those will be staffed with interpreters, interpreters that are hired through the Division of Museums and History, and who really fully understand what is happening in that area from a cultural, and they will be trained in the natural resource environment as well. But these folks are trained in interpretation and understanding how to convey the stories of Nevada, which are incredibly important for travelers to understand what's out there.

The Nevada Commission on Tourism has a twofold mission. One of them is to educate travelers and Nevadans about the state and the extraordinary offerings we have throughout the state. The other thing is to market the state, obviously. But these welcome stations will provide a tremendous opportunity to educate people about what is in the area, and then to help them understand and hopefully help them stay longer and spend more money based on this enhanced education.

It really is a multi agency project, as was mentioned, not only with Transportation and with Tourism really being the drivers of this, but also a wonderful, I think, opportunity to talk more with the folks at Wildlife and at Conservation so that we can be sure that we get the right stories and the most compelling stories and really the information the travelers want about

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wildlife and natural resources, as well as everything that we offer in Cultural Affairs from a historic and a sense of place kind of an opportunity.

So certainly -- just brief concluding remarks. Again, we're thrilled to be working on this project. We want to see this happen. You saw a timeline. It makes me a little nervous to think of something this far in advance. I want to get these done. I want to get these things built and so we'll work with Transportation any way we can to move that forward. So if you have any questions, I'm certainly happy to answer them, as well as Anita, and we look forward to working with you on this project.

Sandoval: Thank you, Ms. Vecchio. Questions from Board members? Member Fransway.

Fransway: Thank you, Governor, and thank you everyone for this presentation. It's very enlightening. I, for one, am a very big fan of rest facilities on our highways. I believe that they not only promote the state, but they help us in providing safety issues. They are for the public, paid for by the public. And my question is, are they respected like they should be as far as any vandalism, because some of them are remote, and do we have good luck with that or do we have an issue with vandalism?

Vecchio: There certainly are issues with use of the stations as they currently are, and Anita could talk about that, but you know, in all cases, the hope is -- and we certainly will monitor this -- but as we enhance the experience and the buildings and this overall program of maintenance and of care of these places, that people will also have the same -- heighten their level of care. And, again, we'll certainly look at it, and Anita can talk about what we have in the current situation.

Bush: Yes, we have experienced vandalism at numerous locations, and we are trying to up our game at providing security efforts at these facilities. And, you know, by offering Wi-Fi, that will enable us to monitor these facilities by cameras...

Fransway: Good.

Bush: ...once we build them. So we are going to really pay attention as we develop these facilities that we are going to include those security features.

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Fransway: I think that that's a great idea, having some sort of surveillance, not only for that, but for public safety also. And I do have a pet peeve, and I don't know who to address it to. But the Cosgrave Rest Area/Rest Stop, I think it's right in between the two of them, has been closed for going on two years now, and this Board at the last -- a few meetings back, approved, I think it was \$136,000 worth of costs for putting a new well and pump in to -- apparently there was an issue with the existing one. It is still closed. The interior really looks good. They've done a lot of work on sealing the interior roadways and the parking lots, but like I say, it's been a couple of years. And it's my understanding that NDEP has a punch list that needs to be finalized and completed, but I would hope that we could get this rest stop open as soon as we can. It is popular and it's been too long.

Bush: Yes, Member Fransway. The story behind Cosgrave is we had to close the rest stop because the existing well got contaminated, so we had to drill a new well. We drilled a new well, and through the process we realized that we did not go through the proper procedures with NDEP. They have a two-phase approval process, so you have -- the first approval process is for actually drilling the well and placing the well, and then the second one is for the distribution of the water system. And what happened was we did not have that approval. So during the drilling of the well -- and, you know, this is an oversight that I have to admit to that it happened with my staff. We were just not aware of all the requirements that had to go into this project, but I also blame our consultant as well, because, you know, he just did the scope of services that he was hired to do. We were never pointed out that, hey, you know, wait a minute, guys, you really are going to have to have this permit for the distribution system as well.

So right now where we are is we drilled the well. The contractor is proposing -- they'll give us a price for the changes we had to make based on the NDEP comments to the design that we previously had. So we really have to wait for the contractor to give us the estimated time for making all of those -- you know, to build -- making that first -- well, we already made the changes in the plans, because the NDEP finally approved the distribution system in that area, and then now we just have to get the price. So you are going to see an amendment to that agreement to increase, probably a little amount, to accommodate those design changes that we're going to have to do.

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But, you know, finishing that rest area could take three to six months. Well, I don't know. I really don't know. We really need to just wait for the contractor to give us that, and currently he's on vacation, that's why we don't have it, the time frame that he's going to complete the work and his itemized services.

Fransway: Okay. So the -- excuse me. The well has been drilled.

Bush: The well has been drilled. We are working -- you know, we just need to hook it up to how we are distributing it and then the water treatment. And I am not really exactly familiar why the NDEP didn't approve our original plan, but we had to make some design modifications.

Fransway: Okay. Could we somehow, NDOT and NDEP, get together and see what they could do to maybe expedite this? I mean, three to six months more...

Bush: The NDEP is done.

Fransway: Okay.

Bush: So NDEP has already approved the plans. It's really just the contractor to finish all of the work that needs to be done. So the contractor is on-site, and he just needs to finish the work. That's where we are. But we had to change the original design plans based on the NDEP comments.

Fransway: Will the contractor need more funding then?

Bush: Probably, yes. But we will have to...

Sandoval: I don't want to get too far astray here, Tom, on that piece, but certainly when that comes up, it'll be on the Agenda and we can cover it.

Fransway: Okay. Thank you.

Bush: Thanks.

Sandoval: Okay. Does that complete the presentation?

Bush: Yeah.

Sandoval: Yes? Okay. Member Savage.

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Savage: Thank you, Governor. Just briefly, I want to compliment the NDOT staff and the Tourism agencies together. I believe this effort is vitally important to our state, with the Governor's effort in economic development, his office, the Lieutenant Governor, this is the face of NDOT, and this is the face of Nevada. And people need a good experience, and I'm glad to see the administration is prioritizing these rest stops and getting them up to current standards.

I think the Wi-Fi and the water are vitally important on every project. I think we need to review and analyze what that cost benefit would be. But it's about presentation, cleanliness, and image and it speaks for itself. And I think that is at the forefront of our state currently.

Lastly, my question is, are these open for federal reimbursement, these rest stops?

Malfabon: In response, we've talked to our safety folks about that, because we see that there is a connection with fatigued driving and preventing that.

Savage: Mm-hmm.

Malfabon: Currently it's not an element -- the rest areas are not an element in our Strategic Highway Safety Plan, so we would have to take the steps to get that in there, kind of show -- make our case that it is beneficial for safety and get that worked into the plan. So, initially, they'll be state funded but hopefully in the next slate of projects -- we want to work on these very quickly, but the next slate we would have the changes made to our Strategic Highway Safety Plan so it can be considered a federally eligible expense.

Savage: Good. Thank you, Mr. Director. Thank you, Governor.

Sandoval: Mr. Lieutenant Governor.

Krolicki: Hi. I'm really excited about this. As someone who has watched this project for many years now, and I've had the interesting role of being both, Vice Chair of this Board and Chairman of Tourism, this has been a project that has taken a lot of folks and a lot of time, huddling during legislative sessions. Some of it actually originated from conversations with all people, Rossi Ralenkotter, who was driving through Nevada on the way to Oregon and had some comments about rest stops. You know, there's

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certainly the utilitarian aspect of it. I think the rest stops have been woefully inadequate, just the way they are or just aging. I'm not naive here, people aren't going to stop for just inspection of a rest stop, but we have an incredible opportunity.

As Anita said, we are a world class destination for tourism; 52 million people visit our state every year. In our last year we had 29 million people visiting our roads, and that impression -- or as Member Savage said, that impression, the brand, what a great opportunity. So certainly these were done to accommodate the calls of Mother Nature and fatigue, and I understand that. But if we can capture these people's imagination, commerce attention, just for a couple of minutes. The whole Discover Nevada Campaign, Governor, that you and I have been doing for several years. The abilities to bring in our regional tourism territories to help volunteer, to show the videos, to have the internet, to really tell them what they're driving by. We all drive through Nevada for many, many years. I've been touring Nevada for probably 25 years now, and I'm still surprised sometimes at what's just on the other side of the view shed from the highway, and if people know what's there, the opportunities for tourism, whether it's a person from far away or from local area, it's profound. And this is a chance to take advantage of it, and just put rest stops to a new level. Again, I know that sounds dramatic, but there's no reason why Nevada shouldn't be able to do that.

Part of our task for the Commission on Tourism is certainly to bring people to Nevada, and working with the Convention and Visitors Authority, and I think we do that exceedingly well. But one of our primary tasks, because it's underserved, is bringing people into rural Nevada. So our abilities to touch folks, and Claudia we haven't spoken in great detail, but I certainly hope that, you know, language abilities, and we're reaching out to folks from around the world. Our goals are to bring about 25% of our guests to Nevada from markets that are offshore, overseas, so I hope that we have Mandarin and Japanese and Spanish capabilities when people are accessing the Wi-Fi. But this will provide a comfort level to folks, it will give them detailed instruction, and again the prospects for this are far beyond just the rest station.

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But thank you, exceedingly well done, and it's nice before I wander away from several commissions here, that I have a chance to see this really come together. And I too hope that it's not all the way to 2016 that when I'm driving around, I don't have the opportunity to get on my laptop and see what's going on. But again, well done. Thank you.

Malfabon: Thank you, Lieutenant Governor.

Sandoval: Other questions or comments? And the other point, and I think you did a great job of describing the importance of this, Mr. Lieutenant Governor, is I think there is a great opportunity for RVs, is there not, Claudia, that I guess there's ratings out there for RV travelers to be able to visit certain states and they grade states based on the rest stops. So there's the ability to expand opportunities for us there. I'd like to see some of those Q Readers on there so that when people come they can put their phone on and that brings up more information and, you know, we can talk about it later, but in terms of signing and things to reveal some of these opportunities for tourists who travel through to see some things.

And the Lieutenant Governor and I just finished traveling the state from West Wendover to Sparks, and I saw some things -- I've been traveling those roads for 40 years, and I saw some things that I didn't even know were there. So when people stop they can see these recreational opportunities, these sightseeing opportunities, which also may translate into more room nights for some of these smaller communities on the route. So it's just a great idea, and I'm looking forward to it going forward.

Krolicki: And, Governor, if I may to follow up, I just forgot to mention, and you did speak about it, but the highlight, the future of travel, we are trying to be cutting edge. Governor, you've driven in a driverless car, sponsored by Google. We've platooned across this state. But should Tesla and the things necessary to bring them in -- but we need to showcase our partnership and to have battery stations at these stops. That's extraordinary, and this is a unique opportunity to capture that cutting edge of tourism and transportation in Nevada. And you know what, we deserve to be in that spot because that's what we do.

Sandoval: No, and thank you, Mr. Lieutenant Governor. And regardless of Tesla, this is something we need to install at our rest stops because that's another

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culture that is developing as we speak, and people want to know that they can travel through a state and navigate a state and get to places within the time limits of their charging. And so I think again it shows -- it makes a great statement nationally that you can come to Nevada and be at the forefront of technology and the development of technology for transportation, and know that you can get anywhere in Nevada and never have to be concerned about being stuck. So it's a great opportunity.

Malfabon: Great comments. Thank you.

Sandoval: Any questions or comments from Southern Nevada?

Wallin: No, Governor, we're good. Thanks.

Sandoval: Okay. I'm sorry, Director Malfabon, did you have a comment?

Malfabon: Oh, I was just saying, great comments and definitely the future of travel is going to be the electric and hybrid vehicles that need these charging stations. And, Mr. Lieutenant Governor, you're right on. I visited Red Rock or some other kind of natural beauties around the state, and you see people from Germany, Japan, Spain, Mexico. They're there visiting, and they want to have someone to interact with that can speak their language or interpretative ability to read about other sites in that area, because they don't know about all of these sites. They go to Las Vegas, and they can go to Red Rock or Valley of Fire, but there are so many more opportunities even further out.

Sandoval: All right. Good presentation. Thank you very much.

Malfabon: Thank you.

Sandoval: Before I leave Agenda Item No. 7, any other questions or comments? Okay. Before we go on to I-11 because I think it's going to be quite extensive and we're going to have some public comment as well, why don't we take a recess until 11:30, and then we will come back into session.

(Recess)

Sandoval: We're going to commence with Agenda Item No. 8, Final Briefing on I-11 and Intermountain West Corridor study.

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Malfabon: Thank you, Governor. Sondra Rosenberg, our Project Manager on this study will give the final update on this West Corridor Study.

Rosenberg: Good morning, Governor, members of the Board. My name is Sondra Rosenberg, and I'm the NDOT Project Manager for the I-11 and Intermountain West Corridor Study. This is a very exciting day for me, I hope for you as well. It's been quite a ride the last couple years as we developed this study, and I think it's been quite successful.

I want to start out with just reading a quote to you. "Our unity as a nation is sustained by free communication of thought and by easy transportation of people and goods. The ceaseless flow of information throughout the Republic is matched by individual and commercial movement over the vast system of interconnected highways crisscrossing the country and joining at our national borders with friendly neighbors to the north and the south." That was a statement from President Eisenhower in 1955, when he was first going to Congress to propose the interstate system. And you can see that although the interstate system has changed quite a bit since the '50s, we have an interstate system now, the overall purpose is still there and we're not quite done yet.

This was the initial 1956 Federal Aid Authorization for the initial interstate system. There have been several additions since then, and you can see the majority of them are actually on the East Coast, because at the time that's where population was increasing. In addition, Congress can designate high priority corridors, and the CANAMEX Corridor was designated back in 1995, and in 2012 with MAP-21, that was designated as future interstate. This map shows all the high priority corridors designated as future interstates, which has become sort of the way interstates become interstates. It's not required, but in the past 20 years the majority, if not all, designated future interstates have come from that high priority corridor list.

So with that, after the designation of I-11, the states of Arizona and Nevada joined together to do this corridor study, the I-11 and Intermountain West Corridor Study, to answer several questions. Is the corridor justified? Is the designation sufficient? What are the reasonable corridors that should be considered, and then what are the next steps? This was our process and it was a little bit different figure than we had shown before, but this highlights,

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not only the process we went through, all of the documents that have been created, as well as the meetings and attendance that we've had at those.

So the first step in the first couple of months was setting the corridor vision, and as part of that we developed a Corridor Vision Summary; that was a trifold that we created. It's available on our website or we have copies here as well. The Public Involvement Report timeline, sort of a history of key decisions leading up to this, frequently asked questions, a fact sheet, public involvement plan, and the work program and schedule for the rest of the study. During that time, we had one stakeholder meeting in five different locations with 205 attendees, and that was our first -- in October of 2012, we had our first public meetings in the Las Vegas area, as well as the Phoenix area.

Then we got into the corridor justification, and that's where we really looked at potential future economic scenarios. We also looked at the constraints and the existing natural and built environment. We have a technical memorandum available on that. Public involvement, of course. Corridor goals and objectives were established during that phase. We have a lot of background materials documenting where all the data that we got came from, our process. The Corridor Justification Report, both a short trifold, as well as the report. Those are all available on our website.

We had seven focus group meetings in various different topics that are of interest to this corridor. Each of those groups had four locations and a total of 335 attendees. And, finally, the bulk of this, over the past year we've developed this corridor concept, and that's included -- the Corridor Concept Report that you have in front of you, as well as an implementation program, the business case, as well as technical memorandums documenting the very detailed evaluation process we went through to evaluate the various different alternatives.

We had 28 stakeholder meetings with over 1,000 total attendees, 8 in-person public meetings, 2 virtual public meetings -- actually, I believe that's 10 public meetings with, you know, thousands of attendees, and my point in demonstrating the number of people attending these meetings is that we really have had a pretty robust outreach program. People have gotten very interested in this study, and I think it's better for it. We've gotten a lot of input, and it's been a very valuable and informative process.

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And, really, what's come out of much of this process, much of the vision, as well as the justification, is that really we're looking at linking economies. People of the largest -- or some of the largest economic population centers in the U.S. will rely on the I-11. It's really the west that is growing right now, that we still have larger populations on the East Coast, but the West, particularly the Southwest, is where the economies are growing, and compared to the infrastructure on the East Coast, this is where it's lacking. So it's really important at this point.

This is our evaluation process, and this is where all of those -- many of those 28 stakeholder partner meetings occurred during this process. At each step along the way we met with our stakeholders to make sure what we're hearing was being incorporated and moved into the next step. So we have our evaluation criteria and then the developed the universe of alternatives. The universe of alternatives is that figure on the right. So we did look at a pretty extensive list of alternatives as part of this process.

The level one screening, which was done on the entire corridor, and it was a qualitative process, the level two screening, and then the recommendations at the end. The figure to the right there demonstrates the recommendations coming out of the level one analysis. So we did recommend that several of those corridors did not meet the goals and objectives or all of those screening criteria for an I-11 and Intermountain West Corridor. And then moving forward, for the level two, that was focused on the congressionally designated section, and that's between Phoenix and Las Vegas, and this was a more quantitative analysis where we actually looked at specific numbers as part of that, and those are the resulting alternatives.

And for the most part, the alternatives that made it through the level one were viewed as reasonable and feasible, continued on through the level two, it just gave us an opportunity to collect a lot more detailed information for future steps, such as more detailed studies or a NEPA process going forward. There was one alternative that was eliminated as part of this, and that was something that deviated from U.S. 93, deviated from that congressionally designated section, sort of in the middle of that segment there.

So the recommendations for further consideration -- and I'll get to the various different recommendations along the corridor in a minute -- but

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basically from Nogales, through Tucson, around the western edge of Phoenix, along the designated future Interstate 11 or U.S. 93, through Las Vegas, and then potentially an extension up to loosely the Reno vicinity, and then there's a couple options north of there.

In the Las Vegas metropolitan area, there are three recommended alternatives for further evaluation and that is basically what we're now calling the Western Alternative, Central, and Eastern Alternative. And what was mentioned previously today and has become quite famous is the BBQQ Alternative. That's the Eastern Corridor. One of the changes we made after the public meeting based on input we have received from our stakeholders, as well as the public, we've removed the actual line to show that we really need to study that entire region for a potential corridor on the eastern side of Las Vegas. The line was drawn and evaluated so that we could do cost estimates, things like that, so we needed that at one point. Going forward, we're going to study that entire eastern region.

We also looked at multimodal opportunities. This is a map, sort of the light line there is our recommended corridors. The blue lines are existing rail corridors that if there were an opportunity to make some connections, we could have a complete north/south rail corridor as well. We have limited ability to implement that, as the Nevada Department of Transportation, but we're willing to work with our partners in the rail industry to move those forward as appropriate. We also looked at opportunity for utility lines and utility connections along these corridors as well.

So the business case was really one of the crucial deliverables as part of this study where we really looked at, what's the case for this, why should we invest in the I-11 and Intermountain West Corridor? And, again, it comes down to generating prosperity, connecting communities, connecting economies. What we're calling the Southwest Triangle, which is a conglomeration of megapolitans, the Las Vegas, Arizona Sun Corridor, and Southern California, is really positioned to continue those trade contacts with both an expanding trade community in Mexico and Latin America, as well as the existing high level of trade with Asia.

It opens up the opportunities for integrated manufacturing, where in the manufacturing process, goods might move across the border several times, and having an efficient corridor through the manufacturing centers that

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could be developed in Nevada and Arizona, and an efficient link to Mexico could improve that opportunity.

As you're aware, we have an Economic Development Plan for the state, and we identified the industry targets, and all of them rely on robust transportation, some of them more directly than others. And, specifically, transportation logistics is listed as one of those target industries, so certainly having an efficient transportation corridor north/south, through our state, and connecting to our neighbors to the north and the south is really critical for that target, as well as many of the others.

We did do a benefit-cost analysis. This was done because of the level of detail we have and the tools we have available to do this kind of analysis. This was done for a highway corridor only from the Mexican Border through Las Vegas. The Northern Nevada Corridor is not refined enough to even identify costs, much less the benefits of that. That just isn't well defined enough.

So certainly the cost is not negligible. This would be a costly investment. However, we view that the travel benefits far exceed the costs, and then this potential for economic benefits on top of those traditional travel benefits that are used in those calculations really makes the case that investing in this corridor is necessary and important and a great opportunity, and we're estimating it could create up to 240,000 jobs as well.

We have identified various segments of independent utility, and that's kind of a NEPA term, so that as we move forward we're not going to be able to move -- you know, you look at these giant numbers and this giant corridor, we're not going to be able to move it all forward at once. So we've identified segments that can move forward at different levels, different speeds, different investment levels. This map, and this is available in the report as well, shows actually ongoing activities in this corridor. I hear a lot of, you know, we're building Boulder City Bypass, which is wonderful. We'll have the first I-11 signs up very soon, but Arizona is putting in quite a bit of investment, as well, along the corridor, and that will continue.

Then, you know, zooming out, looking at the entire corridor, there is some work we still need to do in Nevada in terms of refining these alternatives and moving forward in the process. Southern Arizona and the Phoenix

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metropolitan area is ready to go into the NEPA process once they identify funding for that. And you can see the Boulder City Bypass there in bright red. That's the first piece that's going to go to construction. In addition, the 93 corridor is being enhanced to a four-lane divided highway by Arizona DOT, as funds are available, with the ultimate consideration to be interstate, but they're making incremental improvements to that corridor for a safer, more efficient route.

We have identified a series of immediate actions, as well as longer term actions in the implementation plan, as well as in the corridor concept report, and those have been split up by type of actions, technical actions, multimodal accommodations, public policy, marketing, and branding. It's really critical that this partnership continues. We've forged these wonderful partnerships with the Economic Development Community, with the resource agencies, with many of the other government agencies. It's been really fantastic, and in order for this to succeed, those partnerships are critical to continue; and so some of those immediate and intermediate actions have identified partners, other than the DOTs, to help move this forward.

I know this Board is always interested in the outreach and the input we've received. So we have had -- and these were highlighted earlier in the presentation with the different phases of the study, but we've had more than 60 meetings, over 750 attendees from 350 organizations as part of the stakeholder outreach, public meetings -- 10 physical public meetings, 2 virtual public meetings, over 3,000 comments have been received and logged and categorized by the types of comments and what the interest is, you know, whether it's specific alternatives, general comments, those types of things, and that is summarized in the reports that are available on the website.

On the website we had thousands of comments received, some of those, you know, sort of double counted with the public meetings. We had an open comment log on the website through the entire course of this study, and all of those that were received, sort of in between the public meetings, are logged there on the website. You can log in and see a very long list of all of the comments, nothing hidden here. We also have 19 study reports and about as many summaries and materials for all the stakeholder and public

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meetings, again, nothing to hide. We have everything out there that's been talked about over the past two years.

We've had well over 100 stories published, print, television, new media that includes -- we have two YouTube videos out there, one of them was the virtual public meeting for our last round that kind of summarizes some of the things I've talked about today, as well as more of a marketing video starring the Governor, as well as many of our other partners. If we have time today and there's interest, I have it to show you if you'd like.

We've heard a lot of general comments, a huge amount of support for this corridor, citing economic development, congestion, and safety improvements. There have been quite a few concerns raised as well. Typically, most of the concerns are related to specific alternatives, so those will be -- some of have been addressed, most of them will be addressed -- logged and addressed in future studies or NEPA documents.

And, specifically, for the Las Vegas portion, a lot of the concerns have to do with the BBQ or the eastern corridor. There's concerns about environmental impacts, the National Park Service, rural preservations areas, quality of life. The City of Henderson National Park Service has raised some concerns that we have logged and we will address as we move forward. However, there's also a lot of support for that corridor. As you heard from the Las Vegas Metro Chamber earlier, that's really the corridor that has the opportunity to alleviate some congestion and improve air quality. So there's an opportunity there with some potential concerns as well.

The concerns for the Central Corridor Z, which is 515 through the Spaghetti Bowl and up 95, certainly congestion, air quality, environmental justice, cost. The support for both of those corridors is the potential use of existing infrastructure. That's the most direct route; however, also has the most impact to congestion and air quality. The Western Corridor, Alternative Y along 215, might have some available right-of-way existing infrastructure, but again, congestion, air quality. And if the demand is the CANAMEX Corridor, which has access to I-15 and then up to Utah, you know, the traffic simply won't go that direction even if we sign it as I-11. So there's still some consideration as we move forward in that area.

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Northern Nevada, and I know that some of our partners in the north are here to speak during the public comment period. The western corridors that loosely follow the 95 corridor up to the Reno-Fernley vicinity is really what we're recommending for any potential extension of the I-11 designation or I-11 and Intermountain West Corridor. There's broad support from agencies and general public all along that corridor, the need to connect those population and activity centers. That map I showed earlier with those population and activity densities, this would connect the most of those. There are concerns over costs and impacts, but that's really true of all alternatives.

There were a couple of eastern corridors that were considered. We've heard quite a bit from the communities on the eastern side of the state, as well as a potential driver for economic activity. We recognize that. We see that as important, and improvements will need to be made on that corridor. However, based on the data and input we've received, we don't see that as a potential interstate extension or the Intermountain West Corridor.

Next steps. We want to finalize this study. You have basically the final report in front of you. If it's accepted today, as well as on Friday with the Arizona Board of Directors -- finalize and produce the report so once that is accepted by both Boards, we will produce it professionally, pass it out to our key partners. We have another document we're working on with our partners at the Federal Highway Administration, which is a planning and environment linkages document, which allows us to document decisions that are made in the planning process and have those move forward into the environmental process so there's no duplication of effort or lost work, so all of those decisions are documented. That document will be signed off by both NDOT and Federal Highways, agreeing to whichever parts of that are moving forward.

Beyond this study, we want to ensure considerations that the findings are included in future and ongoing planning efforts. That includes the Statewide Freight Plan, the Statewide Long-Range Plan. There are several planning efforts that RTC of Southern Nevada and Washoe County are working on. We want to make sure these recommendations carry forward into those documents as well.

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We want to initiate a Southern Nevada Major Facilities Plan. That's kind of a name I came up with, but the idea is while we still have those three alternatives, it's a little premature to pick one for I-11, because it's really a system that all needs to work together. So we need to look at those three alternatives, as well as I-15 and how the system works to move the goods and people throughout the region. So that will be the next piece that NDOT will take on in conjunction with the RTC of Southern Nevada, probably after some progress has been made on the Statewide Freight Plan, as well as the major investment strategy that RTC is working on.

And then work with our partner agencies and congressional delegation regarding policy actions, and this I would anticipate this Board would want to weigh in on any policy direction regarding extending of the I-11 designation, and working with Congress, as well as any new funding opportunities. And that completes my prepared presentation. I'd be happy to take any questions.

Sandoval: Questions or comments from Board members? Very well done.

Rosenberg: Thank you.

Sandoval: It's very thorough, and I'm sure all the members have had an opportunity to review the materials as well. I mean, again, not really a question, I think it's irrefutable that we need this project and we have to start...

Rosenberg: Right.

Sandoval: ...we have to get started so that we can get finished. And as I said, I think the case has been made, and we have to continue working on what the route is going to be there in Las Vegas. But otherwise, and I don't know if I'm getting ahead of myself, but what is the process in terms of starting to get that funding that's going to be necessary, and if we get -- will Arizona and Nevada be working in conjunction so that one isn't ahead of the other, one state isn't ahead of the other?

Rosenberg: We will continue to partner with the State of Arizona. Right now our official agreement with them is once this document is complete, the current agreement we have for this study sort of dissolves that -- you know, expires upon completion of this. However, I think both states, particularly the DOTs, recognize the importance of working in conjunction with one

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another. So I believe it'll continue as an informal partnership unless there's a desire to create a new formal partnership. They have been an excellent partner, and it's been at times a little challenging, but mostly we've learned so much from each other and how the process works.

Going forward with funding, that's one of those that we probably want to take on separately. Arizona is much more cautious about asking for money from Congress, I believe, than Nevada is, and I hope I'm not going out on a limb here. But based on the feelings of their Washington delegates, any ask is viewed as an earmark, which is not acceptable to Arizona at this time. However, I don't think that means we can't go after that. I know there is some proposed language in the next authorization bill, and there's discussions between Arizona and Nevada on whether not it counts as an earmark. We're looking at a potential discretionary grant opportunity for those corridors that are designated as future interstates. Obviously, that's still going through. As Rudy mentioned, Congress probably won't take up reauthorization until sometime next calendar year. So we have some opportunity to have those discussions, but those are some of the discussions that are occurring.

So I think that we'll continue to work with Arizona for some of those opportunities, but we may want to be more aggressive than Arizona.

Sandoval: Yeah. No, and I'll only speak for me. I'm not shy. I mean, I want to go after...

Rosenberg: That's what I thought.

Sandoval: ...everything that we possibly can.

Rosenberg: Right.

Sandoval: What I don't want to happen is for us to be held back...

Rosenberg: Right.

Sandoval: ...if Arizona is an unwilling partner...

Rosenberg: Right.

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Sandoval: ...in all this. But in terms of our state going forward, I say it's full speed ahead, and...

Rosenberg: Absolutely.

Sandoval: ...whatever applications or things that need to be done...

Rosenberg: Right.

Sandoval: ...I say we push forward.

Rosenberg: And in the meantime, we are supporting Arizona. For example, they submitted a TIGER application to do NEPA on the entire state line to state line corridor. Whether or not that's competitive is still under question, but we are supporting them in moving forward, because that connection from Mexico, through Phoenix, to the state line is critical for us to see the improvements that this corridor might bring.

Sandoval: Okay. Before I take comments from the Board members here in Carson City, I'd like to give the Southern Nevada members an opportunity to comment or question first.

Skanccke: Oh, thank you, Governor. Tom Skanccke for the record. First of all, Sondra, I think you've done an outstanding job of leading this effort on behalf of the Department and the State of Nevada. This document that you and your team have prepared really sets an aggressive pace for where we have to go in order for Nevada to compete regionally and nationally and globally. This interstate highway is the future of our economic development. The Governor's leadership on this issue couldn't have come at a better time to drive I-11 for the future of not only Southern Nevada's economy, but the future of the State of Nevada's economy as a whole.

I agree with the Governor's comments that we shouldn't let Arizona hold us up, that we need to go, as you said, Governor, full steam ahead with this project, because with the announcement that you've made with Tesla in Northern Nevada, which is a huge victory for our state as a whole, and I want everyone in the state to realize what that means to our economy. I-11 becomes now even more important because of the announcement of Tesla coming to our state. Companies like theirs make decisions based upon investments and infrastructure, and I think the public should understand that

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infrastructure is the backbone of not only our economy here in Nevada, but our economy as a whole as a nation. So back benching a project like I-11 is just unacceptable.

The momentum and the traction that Nevada has received over the last four years in economic development is just another reason why we've got to continue to make the investments in our infrastructure. So, Sondra, well done. Governor, congratulations on bringing Tesla to our state because I-11 is now more important than ever. I look forward to helping move this project forward to the best of our abilities here in Southern Nevada, so thank you.

Sandoval: Thank you, Member Skancke. Madam Controller, your comments.

Wallin: I just want to also compliment Sondra for the work that she has done on this project. And, Sondra, if you can just kind of comment, where are we at with talking to our partners to the north so we know where this is going to come out? I have concerns about building a road and not knowing where it's going to go from there. I know that we've worked very closely with the State of Arizona to know where it's going to come out into Nevada. So where are we at with going further? So, thank you.

Rosenberg: Thank you, Member Wallin. That is an important question. I do believe, as we talked about those segments of independent utility, although we didn't separate it out for Northern Nevada like we did for Southern Nevada and through Arizona, I think there's two issues to address when we talk about where this corridor goes and not building a corridor to nowhere.

Beyond the Las Vegas region and Las Vegas to connect to Mexico, is really the top priority and the top need at this point. If that isn't built, then building north doesn't really pan out. But assuming it does and this economic activity that we're already seeing and will increase, then going north -- another logical (inaudible) would be at the Interstate 80. So right around where those two corridors split, then you're connecting to our major east/west corridor as well.

Going beyond that, we have reached out to our partners to the west and north of us. They have remained fairly neutral on these corridors. Everybody wants it in their state because of the economic potential;

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however, none of the states around us to the north and west have really said, "We're investing in this, this is a priority for us." So we'll continue to reach out to them.

California has said, 395 is a priority to them to Susanville, beyond that, only if there's another outside force will they be investing at a very high level north of that.

Oregon has said 395 is not really feasible; however, in California 395 does connect to Highway 97, and both California and Oregon can commit some investment in that if that is designated as a future interstate. Again, they're not taking the lead on this.

Idaho has expressed some interest. They have told us, in person, that they're staying neutral on it. However, they sent a letter to Congress requesting a designation along the U.S. 93 Corridor. That was based on, I believe, some conversations with our friends in White Pine County, and not specific conversations with us. When I've reached out to them, the conversations have been fairly limited.

So, again, I think all the states around us, if someone else pushes it or takes the lead, will support it and will invest in it. However, they're not, at this point, not making it a priority, at least that I've heard so far. So we'll continue to reach out to those states. But I do think there's an action that can be taken in the near future, which is extending that designation up to the Interstate 80 Corridor, and that's not to nowhere. That could potentially connect to the Tahoe-Reno Industrial Center and/or, you know, Fernley, Carson City, that area would need to be studied like we're doing in Las Vegas. But connecting to that major east/west corridor would be a sufficient designation and extension and economic opportunity for the state.

Wallin:

Governor, can I just ask one more question here? Have we -- in looking at these corridors here, it's been pretty high level, so we really don't know -- we haven't drilled down into what it would cost to go up the 95 Corridor versus what it would cost to go up 93. Because my big concern is, you know, with the highway fund and our fuel taxes going down, how much money are we going to have here and, you know, if say the 95 is the corridor -- it looks great but if it's going to cost hundreds of millions of

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dollars more to build, can we really afford that? So how far down have we drilled down in coming up with the two alternatives here or the alternatives?

Rosenberg:

Let me start by maybe setting some expectations, which is these are very long-term investment strategies. So some of the previous interstate designations -- I don't want to get us into any trouble but, you know, the 580 designation was done, I believe, about 30 years ago, Greg, and it's not quite done yet. So part of it is priorities, part of it is just the length of time it takes given our limited financial resources. However, we need to balance that huge investment with, you know, what our resources are and making sure we're planning for the future. So interstates take a long time to build; they potentially have a lot of impacts; they have a huge return on investment as well. So planning far enough out without getting too caught up in the details, I know it's a little tricky.

So I believe, at this point, it's premature to even estimate costs on the 95 Corridor, rather just say this is a priority for the state, we need to work with our other state agencies on potentially preserving right-of-way, not buying out any properties, but working with BLM and other state and federal agencies to say, you know, this is an important corridor for us for future development, please don't sell the land, you know, those types of things. Really working forward towards our statewide plan, and then as we get closer, as we see improvements done on the corridor through Arizona, as well as the Las Vegas regional corridors, then we can start looking at, you know costs along that corridor. And I also think it's premature to look at a full interstate build.

What we did on the congressionally designated segment, and actually all the way down to Mexico, is we looked at an interim scenario and estimated costs for that, as well as the full interstate, and that interim includes improvements beyond what's already in some of our planning documents but can get us towards a continuous end-to-end, efficient transportation corridor, such as those investments that Arizona is doing on 93 to make it a four-lane divided highway, looking at building a road around the Phoenix metropolitan area that might not be quite interstate standards yet, but gets us towards that complete corridor.

So in the future, that's what we'll look at for 95 as well. What are some spot improvements we can do to improve the safety and mobility along that

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corridor with knowing that the ultimate goal is an interstate at some point in the future.

Wallin: Okay. Thank you very much.

Sandoval: Questions or comments from Carson City?

Fransway: Question, Governor.

Sandoval: Member Fransway.

Fransway: Well, Sondra, job well done. Thank you very much.

Rosenberg: Thank you.

Fransway: Thank you. This has the potential in connecting the entire continent of South and North America, as one. It's huge. I'm wondering, have we had that much input from our Latin America countries and Canada as this thing has been moving through the channels?

Rosenberg: Certainly Arizona has worked very closely with Mexico in improving -- not only looking at the vision for this, you know, transcontinental corridor, but specifically border crossing improvements, port developments in Mexico and how the goods are going to move through the country of Mexico, through the State of Arizona. There's an Arizona-Mexico Commission, as well as the Transportation and Trade Corridor Association and/or Commission. So there's a lot of activity, particularly between Arizona and Mexico, less so on the Canadian side. We are hearing some interest. They are one of our largest trading partners, but I think that's more limited because of the states in between us and Canada. So we'll continue to work with those states, as well as the country to our north, to kind of highlight the potential for this very important corridor.

Fransway: Okay. In Nevada, in the northern sector, we have two options, it sounded like...

Rosenberg: Correct.

Fransway: ...that are highest priority and that's 95 and 395. Are they kind of equal, at this point?

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Rosenberg: At this point they are. One of the considerations is previous legislation. I showed at the beginning of my presentation those high priority corridor maps. The entire length of 395 is designated as a high priority corridor. There's a gap in the designation along the 95 corridor. However, the 95 connection does connect to more of those activity centers. It would come closer to Boise and then link up to I-84 where you could continue the 95 up to Canada or 84 to the Pacific Northwest.

So each of them has kind of opportunities, constraints, so they are essentially equal at this point, and we will rely heavily on the states to our north for any future development there. Again, this is a very long way out. I think at this point we've narrowed it down sufficiently based on the data we have right now. I don't think it's necessary to refine it more than that, other than we want to connect this corridor between the southern part of the state and our northern part of the state, knowing that the ultimate vision is for it to go north past that. But we are likely decades away from any huge investment in this corridor, so I think it's probably premature to refine it down to one, unless there was a clear winner.

Fransway: Good. Thank you, Sondra. Thank you, Governor.

Sandoval: Mr. Lieutenant Governor.

Krolicki: Sondra, you have done a marvelous job.

Rosenberg: Thank you.

Krolicki: I can only imagine the complexities and personalities you've encountered, and, Governor, thank you for your leadership. Now, I-11 has been on the plate. We know it's terribly important, and it's exciting to see the most important piece, segment, the Las Vegas to Phoenix, be a reality within our lifetime, and that's got to be the priority. I'm a little troubled by your comments about our friends in California and Oregon and perhaps Idaho being a little bit slow to jump on this because, as you say, I mean, this is a 20, 30, 40, you know, even beyond kind of exercise.

So the reality is happening down in the south, which is exactly what needs to be happening, but on the north, I mean, are there ways to -- this is about preserving vision...

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Rosenberg: Right.

Krolicki: ...to make sure you don't do things that will prohibit opportunities in the future. And even -- well, we know where a large part of that line is going to be between Las Vegas and Phoenix. As we move it north, and especially above the I-80 Corridor, are there things that we should be doing or things that we can do now to help preserve options to make sure that whatever is done on a variety of potential designations, we're not harming an opportunity for an I-11 in the future? Does that make sense?

Rosenberg: It does. It does. There are very few guarantees in that. One thing -- one real benefit of us reaching out to our neighboring states as part of this effort, as well as our coalitions along I-15 and I-80, is they're starting to call us when they're doing studies. So I got invited to join via webinar a corridor study that was in Northern California. I wasn't even sure exactly where it is, but they know that we're looking at connecting north through their state, so they're starting to call us when they're doing studies. And I think the most important thing we can do is stay in contact with them as these states to the north and west of us are updating their long-range plans. All states that don't already have one are in the process of developing a freight plan. That's going to be critically important as well. As we know, freight doesn't just stay in one state, so being aware of those long-range statewide planning efforts that the DOTs in the other states are doing.

The other thing that would be beneficial, both within our state as well as our neighboring states, is getting more involved in resource agency planning. So as the -- this is something I learned as part of this process as well. For example, the BLM and other federal agencies do statewide or long-range plans as well, and as part of that process they may or may not preserve corridors for specific uses. So getting more engaged in that process as well.

We need to identify resources for that in order to -- I mean, it takes a lot of time and effort to get involved in all of these planning efforts. I do think it's important if we are serious about moving this corridor beyond our state boundaries as well. But those are some of the opportunities we would have and need to invest in if that's a concern.

Sandoval: I see no further questions or comments from Board members. Does that complete your presentation?

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Rosenberg: It does. Thank you.

Sandoval: All right. Then let's move to public comment, Agenda Item No. 9. I'll begin here in Carson City. Is there any member of the public that would like to provide public comment with regard to Agenda Item No. 8? Yes, sir.

Malfabon: And please state your name, Mr. Ratchford, so that we get it on the minutes.

Ratchford: Thank you, Governor Sandoval, and the Board and Rudy. My name is Walt Ratchford. I'm from Carson City, and the reason I wanted to speak is I saw an article in the paper that recommended the eastern corridor, which would be a road to nowhere. There's 10 cities on that road with a total of 10,000 people. It would extend up to Twin Falls, Idaho, with 60,000; Missoula, Montana, with another 60,000; and end up in nowhere Canada because there's nobody up there. No matter what it would cost compared to -- it would be cheaper to go 93 than it would 95 corridor, but we would get no benefit from it for the state. This would help our Reno-Tahoe Industrial Center. It would help tourism and traffic through Reno and up to Seattle and Portland, and it would all be benefits even though it might cost more, so...

And then my other comment is we should be promoting 95 as a route now, which will help draw interest in the future I-11, and would bring revenue into the state. If you got 10 people to come through 95 in Carson City when they're going to San Francisco and the northern cities, you'd be bringing millions of dollars into this state. And I've tried -- I've written you a letter and other members of the state, and nobody seems interested in it, and that would be funded by the casinos and the hotels, and it just amazes me we can't do that. Thank you, gentlemen.

Sandoval: Thank you, sir.

Cummings: Thank you. I'm Amy Cummings, the Director of Planning at the RTC of Washoe County, and I would like to thank the Governor and the Board and the staff at NDOT for their very comprehensive outreach process. Multiple times Sondra had made presentations to the RTC Board, and that was very much appreciated.

I wanted to share, and I've given copies to Director Malfabon, a copy of the resolution that was approved by the RTC Board back in April. Similar

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resolutions have been approved by the City of Reno, City of Sparks, and Washoe County supporting bringing I-11 Corridor through Reno, Sparks, and Washoe County.

And some of the reasons that were identified by our local representatives were the need to support the industries that are just critical to the Northwestern Nevada economy, logistics, freight distribution, advance manufacturing, and ecommerce fulfillment. And even since April when our resolution was approved, there have been several major announcements that showed just how important this is going to be for us to the long term. There is the Zulily Fulfillment Center, the UAV Devices headquarters and research facility that is going to be coming to Reno, and, of course, Tesla Motors with the 22,000 jobs that will be coming to our region.

Of course, RTC is also working on some other projects that will support this type of freight and logistics access in our region, such as the southeast connector that's going to give folks living in South Meadows an alternate to I-580, and the Spaghetti Bowl to get to Sparks Industrial and out to Trick.

So I just wanted to again express RTC's support for this project. RTC supports both of the northern alternatives that we looked at, both to Boise, as well as into California, and, again, we thank you for your efforts in this.

Sandoval: Thank you, Ms. Cummings. Yes, sir.

Howe: Thank you. I'm Richard Howe, White Pine County Commissioner, and I've worked closely -- I want to thank Sondra. She's worked with me. I've been to almost every meeting, myself and Mr. Garza, and I'm the guilty party who went to Idaho and testified in front of the RTC in Idaho, that sent the letter to Washington and to you.

Idaho is an important part of the west. Without 93, Idaho gets pretty much nothing. So when we testified, and we went up to them and told them what our request was in designating 93 as the I-11 future, they were pretty receptive to us knowing that with 84, the connection to Pocatello and to Seattle, over that route, and also the connection to Missoula, on up into Calgary, 93 addresses two parts of the Canadian commerce, which is the British Columbia, the waterways, and the central part of Canada, which connects on into the rest of the country.

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Again, with Ely and 93 being over there the way it is, it is the least expensive. It's 318 miles shorter. We have sent numerous documents showing the obstacles, is the best way to put it, the bridges, the rivers, the climate in Oregon. The straight line from 93 north, connecting to Twin Falls -- and the gentleman is right, Twin Falls is an important part of the west. All of the land heading north on 93 is pretty much BLM land. The purchasing of land, which you haven't equated yet, private land, the agreements with the tribes, the mountainous route up 95 into the Reno area, we all understand all of that, and that's why 93 is probably the better route.

Recent things; last week, your Tesla has changed probably my mind a little bit because White Pine County is certainly not wanting to throw a wrench into the commerce of the State of Nevada. We want to be working partners with the entire state. The traffic up and down 93, anyone who's ever driven that road, is at times stopped because of the truck traffic that's on there. The truckers love to go down 93. It's the safest route. It's the least-traveled route. There's roadside rests. The gentleman says there's only 10,000 people between Las Vegas and Twin Falls, he's wrong in that department. You have White Pine County, Lincoln County, Elko County. We're all part of the state as well, but we don't want to stand in the way of the future of Nevada. We realize how important the western slope is and the new economic impact that's going to happen here with the Tesla project. The importance of getting the goods from Nevada into Fremont, California, to their plant, and also to the rest of the country, but we also want this Board to really -- 30 years down the road, as Sondra has stated, much in the climate is going to change. The mines, the population on the eastern side of the State of Nevada is going to increase. It's not going to decrease.

We realize how important -- or I realize how important everything is, and White Pine County wants to be part of that. But 30 years down the road could change in many, many, many ways. Rails are going to change. Populations are going to change. Congestion is going to change. You may see a major impact on 395/580 and everything north when you start to come in. Reno, look at the way it's built. Fortunately you have Fernley, Fallon, and those areas that are probably going to really realize the impact off of Tesla with their housing and their abilities to get to and from the job.

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But don't throw away the idea that 93 is not a viable option as far as going into I-11. Everyone agrees that the corridor between Phoenix and Vegas is vital. They're the only two major cities in the United States that are not connected by an interstate. We all realize that. But that's going to take a long time to get completed. The rest of the state's going to move forward. We're going to move forward on the eastern side of the state as well. Keep in mind that 93 is always going to be there. There's going to be commerce up and down that road, as there is every single day. But I'm asking this Board to not say for certain that I-11 is going to go up the 95 Corridor. I would like you to please take a look at what's down the road. Don't forget us over on the eastern part of the state, not just on I-11, but on other upgrades as far as the highway goes and DOT goes.

We want to be a working partner, we are a working partner with the State of Nevada, but we want you to not forget -- and maybe when things change 10 years down the road and you start to head north from Vegas, maybe you'll start to -- none of us might not be around, but maybe the new Board will say, wait a minute, let's look at 93, as well as looking at 95. Thank you for listening to me.

Sandoval: Thank you very much, Commissioner. Other public comment.

Quigley: Tina Quigley, General Manager of the Regional Transportation Commission of Southern Nevada, and I think you've heard comment from Metro Las Vegas Chamber, and you heard from Tom Skancke about -- Member Skancke about the enthusiasm certainly that -- and the conversations we're having down in the south regarding I-11.

I want to share with you that every single time that I get up to speak to a group of people, whether it's hospitality industry or Young Presidents' Organization, or a group of contractors, inevitably, one of the very first questions that I get from the crowd is I-11, when is it coming, and is it for real.

So I share that with you only because even as we wrap up this first phase of the conversation, it is going to be a significant conversation moving forward, and I appreciate the support, and that Sondra has been assigned to this project because she's the right personality for it. It's definite not been an easy one, so, thanks.

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Sandoval: Thank you, Ms. Quigley. Any other public comment from Carson City? Is there a public comment from -- oh, I'm sorry.

Dahl: Rachel Dahl, Churchill Economic Development Authority in Fallon. I'd just like to go on record to reiterate the support. The City of Fallon and Churchill County both sent resolutions supporting the 95 Corridor, and we too are guilty of some Idaho research. So I would just like to support that train of thought. Thank you.

Sandoval: Thank you, Ms. Dahl. Public comment from Las Vegas?

Wallin: No, Governor. There's none down here.

Sandoval: One last opportunity here in Carson City. Then I'll close that public comment, and I guess, Mr. Director and Counsel, what action are you seeking today so the Board is clear?

Malfabon: It's summarized on the Recommendation for Board Action, Governor, under this Item No. 8, that we refine the definition of I-11 in the Las Vegas Metro Area, pursue the extension of I-11 designation from Las Vegas to Interstate 80 in the Reno-Fernley area, approximately U.S. 95/U.S. 95A congressionally designated Washoe County High Priority Corridor, and pursue the extension of Interstate 11 designation north of Interstate 80, including linking to corridors in other states.

We recommend the Board support the extension of I-11 from Vegas to I-80, and remain neutral on other options until further analysis is completed. And, Governor, I would like to add that we have a lot of study to do, as Sondra indicated. It's going to take many years, but we also want to build on the other studies that we're doing with the freight study and looking at improvements on not only U.S. 95 and U.S. 93, but other alternatives, other state highways and U.S. routes across Nevada.

So that's our recommendation. A lot of work has been put into it, and we understand the concerns from Eastern Nevada, and we definitely, as the Department of Transportation, view our responsibility to take care of all of Nevada's residents and tourists.

Sandoval: No, and thank you, Mr. Director. As I said, this is a priority for me, but it just seems premature for this Board to be making a policy decision between

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95 and 93. So it looks like your recommendation is that we just generally support or take action to support the extension of I-11 from Las Vegas to I-80 and then remain -- as it says here, remain neutral on other options until we have further analysis. Because, again, we don't know the cost. There are a lot of things we don't know today, but we do know it needs to get built one way or the other.

My other question, Sondra, for you is, so we take this action today, if the motion is just to do what staff is recommending, which is to support the extension of I-11 from Las Vegas to I-80 and remain neutral on other options, does that inhibit your ability to go forward with regard to seeking funding for the project, or do we need to be more specific in our findings?

Rosenberg: First of all, I wanted to ask legal and Rudy, did we have an action to accept the report or just the -- is it imbedded in that?

Malfabon: It was imbedded in that.

Rosenberg: Okay. So we are asking for acceptance of the report. We can move forward without a more specific recommendation on designation. However, it may somewhat limit our ability for future funding, depending on how those conversations go and if that opportunity is even included in a future authorization bill.

So, for example, one of the pieces of language that has been floated is, "A discretionary grant opportunity for corridors that are designated as future interstates." Currently, that designation only exists between Las Vegas and Phoenix. Now, that may be sufficient for the near term and the foreseeable future; however, if we do want to seek that type of funding north of Las Vegas, whether it be for planning, environmental, or construction activities, we would want to make a stronger statement on that designation. That doesn't necessarily need to occur today. Any actions by Congress will likely be sometime in the next calendar year or it could be years down the road, whenever it's desirable to take that strong of an action.

Sandoval: What is your recommendation? I mean, this is important. I'm not trying to flip it on you.

Rosenberg: It's a tough room here.

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Sandoval: It is a hard room and this is a hard decision, but you're in the middle of this...

Rosenberg: Yes, I am.

Sandoval: ...and you know what the next action items are.

Rosenberg: Right.

Sandoval: And so what I'm seeking for you is what's strategically is best for this Board to do today to make a decision so that you can move forward, as I said before, full steam ahead.

Rosenberg: I think if we do want to move forward, and we want to move forward quickly, and we want to look at funding opportunities, it would behoove this Board to take an action on that section that has a pretty clear recommendation, which is loosely the 95 Corridor from Las Vegas to the Reno vicinity. It is already designated as a high priority corridor, so that next step as a future interstate might open up opportunities. There's no guarantee there. I don't know that there's a big hurry in that, other than we've spent quite a bit of time and effort and we have received numerous resolutions. Yes, there is an interest on the 93 Corridor; however, we have an extensive list of resolutions all along the 95 Corridor. It does connect to the Industrial Center. It does connect to the major activity centers. It connects to more megapolitan regions.

So I think the answer is pretty clear. I don't think there's any serious urgency in the sense of today versus a few months from now; however, the longer we wait on that decision could inhibit potentially funding opportunities. We're not sure if those will come through. But also we could focus our efforts as we move forward if we know exactly where that extension goes.

Sandoval: We have the information necessary today?

Rosenberg: Correct.

Sandoval: I mean, waiting two months isn't -- we're not going to get anything new, correct?

Rosenberg: Correct.

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- Sandoval: Okay.
- Malfabon: Governor, the only change that you'll see in that report, minor change, but the most of note was the change to a shaded area on the east side in the Las Vegas Valley. I noticed in certain graphics they did show the line still but Sondra...
- Rosenberg: Right.
- Malfabon: ...informed me that, that will be changed to just a shaded area so that we don't show a line going through the Lake Mead National Recreational Area, which had some concerns.
- Rosenberg: And that's why we provided the extra document. This one is final.
- Sandoval: Okay.
- Rosenberg: The one that's in your packet has the old figure. That's why there was that change.
- Sandoval: And I think it's important for the purposes for the record, we are not deciding today on the route through Clark County, correct?
- Rosenberg: Correct. I mean, you can if you'd like. I would not recommend it.
- Malfabon: It's not recommended.
- Sandoval: All right. Then, Board members, I don't know if you have any questions or comments. It would be my preference that we go ahead and make these decisions today. I don't see any utility in delaying the decision. And again, I want there to be decisions and findings that allow for NDOT to push forward with regard to applications for funding and studies and everything else that has been mentioned today during our meeting.
- Fransway: Governor, could I have a motion for consideration of the Board?
- Sandoval: Just one moment, Member Fransway. Mr. Lieutenant Governor.
- Krolicki: Yeah, I just still want to be clear, and I support being more definitive today. And, in fact, I was a little disappointed when discussion was more general because, of course, we support the I-11 Corridor, and we've been on that record for a long time and we do need to move this, all pun intended, down

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the road. But I'm still not sure what these recommendations really mean. Refine the definition of I-11 in the Las Vegas metropolitan area. We are not doing this today. I think we've made it clear that the eastern boundary is uncertain based on input, and, Director Malfabon, you just again reiterated and the Governor confirmed that we are not addressing that today. So the first item is really not on the table right now, correct?

Malfabon: Yes. Those three bullet points where the Board may provide direction to the Department, but the ultimate recommendation is, as Sondra mentioned, the Western Corridor linking Las Vegas to Interstate 80.

Krolicki: No, I understand that, but that would be the next part. So, you know, how does Las Vegas -- how does I-11 come out of Las Vegas, regardless of the path, up to I-80? So that's probably what's ripe at the moment, and then Member Fransway is about to make a motion. But that last part, there is still great uncertainty as far as north of I-80 connecting either towards Idaho or to the Pacific Northwest. So that part really is not ripe for action today. So really it's just that middle bullet point, if you will, that we are comfortably addressing and needing to make a decision. For the record, if we did wait a few months, Controller Wallin and I wouldn't be here and not have estranged anyone in this room. Just saying.

Sandoval: Member Fransway.

Fransway: Governor, I have a motion for the Board's consideration. I would move to accept the report given today, and I would move to support the extension of Interstate 11 from Las Vegas to Interstate 80, and remain neutral on the other options until further analysis is completed.

Sandoval: Okay. We heard the proposed motion is to first accept the final draft of the report that has been presented to the Board today, and to also pursue the extension of I-11 designation from Las Vegas to Interstate 80.

Martin: Governor, I'll second the motion just so I can ask a question, and then I may withdraw my second. The 80, are you specifically targeting 95 or 93, or your motion is to remain silent on that?

Fransway: I believe I'm targeting 95.

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- Martin: Okay. Because that is part of the report. I just wanted to make that clear, so...
- Fransway: I am targeting 95.
- Sandoval: Okay. Why don't you restate the motion, Member Fransway, because we need -- I think it's important that we have specificity.
- Fransway: Okay. Now, one thing, Governor, my intent with the motion is just to go to I-80. The other two options going through 395 and 95 are left open.
- Sandoval: Okay. That is a little confusing for me. So I...
- Fransway: I think we need more time. Once we get to I-80, then...
- Sandoval: I guess the question though is, how do you get to I-80? Are you going through the 93 or the 95?
- Fransway: 95.
- Sandoval: Then I guess what you're saying then is, we don't have enough information today once it comes to the 80 via the 95, if it's going to go the 395 or another direction north.
- Fransway: Yes.
- Sandoval: So if you'd -- again, Tom, for...
- Fransway: Okay.
- Sandoval: ...purposes of specificity, will you restate the motion.
- Fransway: Okay. My motion is to accept the report as given today, and to support the extension of Interstate 11 from Las Vegas to Interstate 80 -- that's good enough -- using the 95 Corridor.
- Sandoval: Okay. You've heard the motion. Is there a second?
- Martin: Second.
- Sandoval: Second by Member Martin. Questions or comments on the motion? Questions or comments on the motion from Southern Nevada?
- Wallin: None here.

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- Sandoval: If there are no questions or comments, all those in favor...
- Krolicki: Governor, if I can make a comment on the motion. You know, Commissioner Howe, I don't know where you sat down, but again, these are difficult decisions. But I just want to put on the record, I think staff folks have done an extraordinary job. This isn't about one project. It's about metropolitan areas. It's about commerce. It's where we are today versus what realistically will be in the next 10, 20, 30 years and beyond. The 95 Corridor is just truly a compelling one today and for the foreseeable future, and that is why, with great deference to the folks on the eastern side of the state, they'll still be tremendous resources. We know it's a critical corridor. This Board, as long as I'm on it, will continue to support those kinds of things, but this is about defining the I-11 Corridor. It's terribly important. We need to be about our business. The sooner we do it, the sooner we have opportunities to chase this dream and lock it down and secure funding, and that is why I will support this motion.
- Howe: Can I say something? I think you're making the right choice by making a definitive decision today. I don't agree with it, but it'll be open down the road, and in order for Sondra and her crew to go on, the citizens of Eastern Nevada certainly don't want to stand in the way. You need to be definitive in your decision today. Your Board has made a good decision from my point of view, and I'll speak for the citizens of White Pine County. I-11 is too important to stall it in any way, shape, or form. Down the road there may be changes, but I think by taking the action that you're taking today, we're taking a step forward. So thank you.
- Sandoval: Thank you, Commissioner Howe. And, again, I truly do appreciate your comments. Any further questions or comments? If there are none, all those in favor of the motion please say aye.
- Group: Aye.
- Sandoval: Opposed, no? The motion passes. And, again, I know this has been a lot of time and work. I mean, this is years of effort, Sondra.
- Rosenberg: Yes, it has.
- Sandoval: No, and I appreciate the build up to this as well. I mean, we've received a lot of information. You've kept this Board informed every step of the way.

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And for us, we hear this every day, but there will be a day, you know, hopefully not 30 years, as you say, but that we'll be able to look back and say that we had a piece of this. As Commissioner Howe said, the entire state is going to benefit from this, and there can be changes as we move on, but we have to push forward, particularly when, you know, our neighbor to the south isn't as aggressive as we are. And I don't mean that pejoratively in any way, in terms of the funding, but I know when I speak for Nevada, we want to -- we are really emerging and this I-11 is going to be a critical piece into the future success of this state. So, again, thank you for doing that, and members, thank you for your participation and spending so much time on it.

So with that, we have other items on the Agenda. Why don't we move quickly into Agenda Item No. 10, Old Business.

Malfabon:

Thank you, Governor. And before we leave that item, I'd like to acknowledge the efforts of (inaudible) from CH2M Hill, Sondra's partner in crime on this study. The first time I've seen applause in a corridor study, so very good.

Moving on to old business. We'll go through this rapidly. You have before you the report of outside counsel costs and open matters and the monthly litigation report. Any questions for our Chief Deputy Attorney General, Dennis Gallagher. He can answer those, and I think that we hit on some before. Seeing none.

The fatality report, unfortunately, you see that we're seeing an increase in fatalities. We'll have to do a lot more efforts. I will be attending next week that executive committee on traffic safety, which includes law enforcement, educators, the Governor's Highway Safety Office representatives, and then folks that respond to emergencies to provide medical support. So we'll do our best to keep, as a group, driving those fatality numbers down. The good news was that at least at this time, as of September 3rd, we're one less number on that. So it went from four above last year to three above last year, and we hope to end up less than last year. A lot of those fatalities are happening in the rural areas, unfortunately. Clark County is down 25 fatalities, Washoe County is up 11, and we're seeing a large increase in some of those rural counties like Elko, Humboldt, and then several others around Central Nevada.

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With that, the quarterly report on Freeway Service Patrol is also provided. One thing I'd like to point out is that on the DBE goals for the Reno program and the Las Vegas program, we're tracking those now, and not only on service contracts that have DBE goals, but on construction contracts, we're going to do a lot more of that effort of tracking how the contractors are doing so they can make course corrections during construction rather than at the end we find out that we didn't meet our goal. So we're going to work in collaboration with our contractors to develop those specifications on construction projects. With that, we can take any question on the Freeway Service Patrol Statistics for the last quarter.

Sandoval: Member Martin.

Martin: Given the large presence that they have had out on Interstate 15 in Glendale and that whole corridor in there, where does that fit into the budget and into their contract? Because that could not have been anticipated when we initially authorized the money.

Malfabon: That -- no. Was that change ordered?

Unidentified Male: Denise is here.

Malfabon: Okay. We'll have Denise Inda respond to that, Member Martin.

Inda: Good morning. Denise Inda, Chief Traffic Operations Engineer, Governor and members of the Board. We plan -- in our agreements with the service provider we plan some flexibility and some funding as contingency for situations just like this. We know there are going to be special events. We know there are going to be perhaps construction or other situations where we need to put our forces out there to take of whatever is going on, on the road. So it falls within -- at this point, falls within what we have budgeted for that agreement in Las Vegas.

Martin: Okay. Thank you.

Sandoval: Does that complete your report on Agenda Item 10?

Malfabon: Yes it does, Governor.

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- Sandoval: All right. Okay. Public comment. Is there any member of the public here in Carson City that would like to provide comment to the Board? Is there anyone from Las Vegas that would like to provide public comment?
- Wallin: None in Las Vegas.
- Sandoval: I just have one brief one, Rudy, and we don't need to talk about it today. But one of my observations when the Lieutenant Governor and I were doing the Discover Your Nevada and traveling from Wendover to Sparks, and when we had stopped in Wendover, there were some pretty interesting things to see, that even me as a lifetime Nevadan wasn't aware that they were there. And I don't know what the opportunities are for signage on the I-80 as you travel that I-80 corridor for folks to have an opportunity, if travelers are passing through to know that there are some pretty significant things and interesting things to see. And, obviously, that would mean reaching out to some of the local governments and the local tourism agencies, but as I said, I've been passing by Wendover since I was a little boy and saw some things that I wasn't even aware were there. So I'm sure the Lieutenant Governor has a comment as well.
- Krolicki: Thank you, Governor. This is when maybe we need to visit or have another meeting with Claudia Vecchio, as well as the other local tourism folks, but there was a spot on the old --well, Victory Highway, old Highway 80, that you could see the curvature of the earth from that one view shed over, you know, the flats on the Utah side.
- Sandoval: Don't laugh. It's true.
- Krolicki: It's true. I said -- I'm the doubting Thomas, and I hear you. But you know what, if somebody wants to stop and look at it, make their own decision and have lunch, that's fine too. So there are some opportunities for signage. I mean, it needs to make sense for NDOT, and I get that, but there's some joint venture opportunities that I absolutely agree with the Governor. We had the same conversation.
- Sandoval: And I don't want to belabor this, but to a community like West Wendover, I mean, you talk about that curvature of the earth and it's on the old highway, and it is pretty amazing to be able to see that. And then we stopped at a marker, a memorial to the Victory Highway, and some of that original road

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is still there, and it was pretty remarkable to be able to see that. And then we had an opportunity to see the hangar where the Enola Gay was stored, and given -- granted, it's in Utah, I get that. But there's an opportunity for room nights and some tourism there in West Wendover. But there was a base, an Air Force base, out there that at one time had 20,000 people, I think, was there. And they have some of those original building that I think that there may be some World War II historians that, again, would like to stop and see that. And, again, I didn't know it was there. And then -- no, that's most of it. But there's some other things then, as I said, if there were just one sign, and I know it's not that easy, but if there's an opportunity to do that, that would be great.

Malfabon: We'll look into that, Governor.

Krolicki: Governor, if I might. Since we're speaking about signage, historical markers are obviously along Nevada's highways. The Sesquicentennial Commission and B-150, that is absolutely going to be one of our legacy projects we've split into three different pieces. It's not an inexpensive exercise, but expect part of the afterglow of Nevada's birthday, that most of those historical signs and perhaps some additional ones will be along Nevada's roads to remind people what's there and perhaps, again, compel them to stop and reflect. But signage is terribly important.

Malfabon: We're constantly trying to, you know, work with the SHPO, State Historical Preservation Office, and get those historical signs in there.

Krolicki: Thank you.

Malfabon: I see them all around Nevada. Anytime one gets knocked down, we work with them to get it put back up as soon as possible. Construction sometimes effects them, too, and we temporarily set them aside and then bring them back into the right-of-way.

Sandoval: All right. Any further public comment? We'll move to Agenda Item 12, Adjournment. Is there a motion to adjourn?

Martin: So moved, Governor.

Sandoval: Member Martin has moved to adjourn. Is there a second?

Krolicki: Second.

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Sandoval: Second by the Lieutenant Governor. All in favor say aye.

Group: Aye.

Sandoval: Meeting's adjourned. Thank you ladies and gentlemen. Great meeting.

Secretary to the Board

Preparer of Minutes

DRAFT



MEMORANDUM

October 6, 2014

TO: Department of Transportation Board of Directors
FROM: Rudy Malfabon, Director
SUBJECT: October 13, 2014 Transportation Board of Directors Meeting
Item #7: Approval of Agreements Over \$300,000 - For Possible Action

Summary:

The purpose of this item is to provide the Board a list of agreements over \$300,000 for discussion and approval following the process approved at the July 11, 2011 Transportation Board meeting. This list consists of any design build contracts and all agreements (and amendments) for non-construction matters, such as consultants, service providers, etc. that obligate total funds of over \$300,000, during the period from August 16, 2014, through September 22, 2014.

Background:

The Department contracts for services relating to the development, construction, operation and maintenance of the State's multi-modal transportation system. The attached agreements constitute all new agreements, new task orders on existing agreements, and all amendments which take the total agreement above \$300,000 during the period from August 16, 2014, through September 22, 2014.

Analysis:

These agreements have been prepared following the Code of Federal Regulations, Nevada Revised Statutes, Nevada Administrative Code, State Administrative Manual, and/or Department policies and procedures. They represent the necessary support services needed to deliver the State of Nevada's multi-modal transportation system.

List of Attachments:

- A) State of Nevada Department of Transportation Agreements for Approval, August 16, 2014, through September 22, 2014.

Recommendation for Board Action:

Approval of all agreements listed on Attachment A.

Prepared by: Administrative Services Division

Attachment

A

**State of Nevada Department of Transportation
Agreements for Approval
August 16, 2014 to September 22, 2014**

Line No	Agreement No	Amend No	Contractor	Purpose	Fed	Original Agreement Amount	Amendment Amount	Payable Amount	Receivable Amount	Start Date	End Date	Amend Date	Agree Type	Project Manager	Notes
1	13814	00	DYE MANAGEMENT GROUP, INC.	COLLECT DATA FOR MAINTENANCE WORK	N	318,787.00	-	318,787.00	-	10/13/2014	12/31/2015	-	Service Provider	Dave Partee	10-13-14: MAINTENANCE ACHIEVEMENT PROGRAM FOR FIELD CONDITION ASSESSMENTS, DATA COLLECTION, AND LEVEL OF SERVICE ANALYSIS OF MAINTENANCE WORK PERFORMED ON STATE MAINTAINED ROADS. STATEWIDE. NV B/L#: NV2011623536-R
2	43114	00	KEMP, JONES, AND COUTHARD, LLP	PROJECT NEON CONDEMNATION ACTION	Y	350,000.00	-	350,000.00	-	10/13/2014	9/30/2016	-	Service Provider	Dennis Gallagher	10-13-14: TO PROVIDE LEGAL SERVICES TO REPRESENT THE DEPARTMENT IN THE EMINENT DOMAIN CONDEMNATION MATTER OF NDOT VS. WALKER FURNITURE FOR PROJECT NEON. CLARK COUNTY. NV B/L#: NV20021000155-S
3	43614	00	WOOD RODGERS, INC.	SAFETY MANAGEMENT PLANS (SMP)	Y	665,000.00	-	665,000.00	-	10/13/2014	12/31/2016	-	Service Provider	Jaime Tuddao	10-13-14: SAFETY MANAGEMENT PLANS (SMP), PROJECT IS NECESSARY FOR THE IMPLEMENTATION OF THE STATE'S HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP), STATEWIDE. NV B/L#: NV20031304987-R

Line Item 1

**STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION**

M E M O R A N D U M

January 15, 2014

TO: 1. Jaimarie Dagdagan, Budget Section
2. Norfa Lanuza, Project Accounting *NLanuza*
3. Rudy Malfabon, P.E., Director

FROM: *for* Anita Bush, P.E., Chief Maintenance and Asset Management Engineer *MB*

SUBJECT: REQUEST TO SOLICIT SERVICES FOR MAINTENANCE ACHIEVEMENT PROGRAM (MAP) DATA COLLECTION AND OBTAIN BUDGET APPROVAL FOR A REQUEST FOR PROPOSAL (RFP)

The scope of services will be to collect Maintenance Achievement Program (MAP) condition assessment data for calendar year 2014 and 2015.

The estimated cost for the services is \$300,000, 0% Federal-aid, 100% State. \$50,000 is anticipated for Fiscal Year 2014, \$150,000 for Fiscal Year 2015 and \$100,000 for Fiscal Year 2016.

1. Analysis: Due to the workload of the district maintenance and construction staff it is not possible to perform statewide data collection using state forces.
2. Cost: The estimated cost for services is \$300,000, 0% Federal-aid, 100% State. The dollar amount requested was derived from estimating labor costs and total project hours associated with performing the statewide highway asset surveys and creating final reports. The total hours for the project were estimated using historical MAP data collection totals from 2012 and 2013. See Attachment A for an itemized cost estimate.
3. Scope: Various segments of the Nevada highway system (interstates, US and state routes) will be surveyed to collect condition assessment Level of Service data of the roadway features maintained by NDOT. The surveys will be conducted in accordance with the MAP Manual. The corresponding survey data will be input into the Department's GIS.

Approval of this memo by the Budget Section of Financial Management Division, indicates funding authority is available for services for Budget Category 06, Object 814L, Organization 050. The A04 Financial Data Warehouse, Budget by Organization Report No. NBDM30 must be attached. Actual availability of funds and the monitoring of actual expenditures must be determined by the Division Head/District Engineer. Return this memo to the originator for inclusion in the project.

Approval of this memo by the Directors Office authorizes the request to solicit services.

Approved:



Director

Approved:



Budget Section

COMMENTS:

ATTACHMENT A

Performance-Based Budget Model Development	Schedule					Total	Cost
	Duration (Days)	Project Manager	Senior Staff	Project Support	Field Technician		
		\$175/hr	\$125/hr	\$75/hr	\$45/hr		
Initiate project	10	10	10	10	20	50	\$4,650
Statewide Data Collection - CY2014	100	60	100	150	800	1,110	\$70,250
Statewide Data Collection - CY2015	100	60	100	150	800	1,110	\$70,250
Input and Deliver Data in ESRI File Geodatabase - CY2014	30	65	80	120	80	345	\$33,975
Input and Deliver Data in ESRI File Geodatabase - CY2015	30	65	80	120	80	345	\$33,975
Create Annual Report and Scorecard - CY2014	30	30	60	50	10	150	\$16,950
Create Annual Report and Scorecard - CY2015	30	30	60	50	10	150	\$16,950
TOTALS:		320	490	650	1,800	3,260	
		\$ 56,000.00	\$ 61,250.00	\$ 48,750.00	\$ 81,000.00		\$247,000

STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION

MEMORANDUM

September 18, 2014

TO: Bill Hoffman, Deputy Director
FROM: David Partee, Project Manager *DP*
SUBJECT: Negotiation Summary for RFP 138-14-050 Maintenance Achievement Program Data Collection

Negotiations were held by phone conference and email June 26 – September 9, 2014, with Rob Zilay and David Partee of the Nevada Department of Transportation (DEPARTMENT) in attendance.

The DBE goal for this agreement has been established at zero percent (0%).

The scope of services that are to be provided by Dye Management Group, Inc was reaffirmed by both parties at the outset.

The scope of services includes statewide highway field surveys, data collection, report generation and presentation of findings to the DEPARTMENT's Maintenance and Asset Management Division and District Engineers. All materials developed in conjunction with this project will be the property of the DEPARTMENT.

The following schedule was agreed to by both parties:

Within 15 days after NTP	Project schedule due
Within 30 days after NTP	Schedule and conduct a MAP survey training session
Within 90 days after NTP	Progress meeting
Within 120 days after NTP	Progress meeting
Within 8 months after NTP	Deliver 2014 MAP data in an ESRI File Geodatabase
Within 10 months after NTP	Present 2014 MAP data analysis and deliver draft report
Within 11 months after NTP	Deliver final report

Key personnel dedicated to this project are as follows:

Rob Zilay	Project Director / Senior Advisor
David Heurst	Project Manager
Jeff Holabaugh	Senior Consultant
Jason Puccinelli	Consultant PM

The DEPARTMENT's original estimate was \$300,000.00.

The Service Provider's original estimate was \$328,866.00, including unit price per survey (includes all associated labor, equipment and overhead costs) at \$252.50 and meetings, presentations and reports at \$76,364.25.

The negotiations yielded the following:

1. There are four sub-tasks as part of TASK 1 with a total of 1000 field surveys and 244 total man-hours allotted for a total cost of \$245,463.
2. There are two sub-tasks as part of TASK 2 with 252 total man-hours allotted for a total cost of \$42,740.
3. There are two sub-tasks as part of TASK 3 with 152 total man-hours allotted for a total cost of \$25,936.
4. The total negotiated cost for this agreement is \$318,787.00.

Reviewed and Approved:



Deputy Director

**Estimate of Hours and Direct Expenses
Maintenance Achievement Program (MAP) Data Collection**

Man Hours Agreement 138-14-050			
Task	NDOT	Service Provider	Agreed
1. Kick-off meeting, training, condition assessment	1650 includes surveys	276	244 and 1000 Surveys
2. Compile Data, Final Report	220	244	252
3. Meetings	140	172	152
4.			
5.			
6.			
7.			
8.			
9.			
10.			
Totals	2010	692	648 and 1000 Surveys

Direct Expenses Agreement 138-14-050			
Item	NDOT	Service Provider	Agreed
1. Kick-off meeting, training, condition assessment	\$208,036	\$241,765	\$236,025
2. Compile Data, Final Report	\$48,092	\$41,700	\$42,740
3. Meetings	\$42,586	\$29,376	\$25,936
4. Airfare, Hotel, Car rental and Meals		\$16,025	\$14,086
5.			
6.			
7.			
8.			
P9.			
10.			
Totals	\$298,714	\$328,866	\$318,787

Line Item 2

STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION

NEVADA DEPT. OF TRANSPORTATION
REC'D ACCOUNTING

SEP 18 2014

MEMORANDUM

DATE: September 17, 2014

TO: 1. Donna Spelts, Budget Section
2. Norfa Lanuza, Project Accounting
3. Rudy Malfabon, P.E., Director

FROM: Dennis Gallagher, Chief Deputy Attorney General, Legal Division

SUBJECT: REQUEST APPROVAL TO OBTAIN BUDGET APPROVAL FOR AGREEMENT NO. _____ FOR KEMP, JONES & COUTHARD, LLP (William L. Coulthard, Esq.) IN THE MATTER OF *NDOT vs. WALKER FURNITURE* REGARDING E.A. NO. 73652 AND PROJECT IDENTIFICATION NO. NH-STP-015-1(147)

N. Lanuza 9/18/14
[Signature]

This New Agreement is to contract outside legal counsel to represent and advise the Nevada Department of Transportation in the Project Neon eminent domain condemnation matter of *State of Nevada, ex rel., Department of Transportation vs. Walker Furniture, et al.* to be filed in the Eighth Judicial District Court of the State of Nevada (the "Lawsuit").

The scope of services will be to provide legal services to represent the Department pertaining to the Lawsuit. The outside legal counsel shall provide litigation status reports to the Department's Chief Counsel or his designee quarterly and shall also provide the same when so requested by the Department. The outside legal counsel, when requested, shall also provide copies of all memoranda, pleadings, briefs, reports, studies, photographs, negatives or other documents or drawings prepared by outside legal counsel in the performance of its obligations under the agreement at Department's sole costs and expense. Copies shall be the exclusive property of the Department. The outside legal counsel agrees to work closely with the Attorney General's Office staff and include such staff, as the staff deems appropriate, in strategy discussions, discovery, motion practice, trial practice, appellate work, and such other matters as they may arise.

The estimated cost for the services not to exceed \$350,000.00 for the fiscal years 2015 through 2017. The exact amount to be spent each fiscal year has yet to be determined.

Approval of this memo by the Project Accounting Section and the Budget Section indicates funding authority is available for consulting services for Budget Category 06, Object 814R, Organization A004. The A04 Financial Data Warehouse, Budget by Organization Report No. NBDM30 must be attached. Actual availability of funds and the monitoring of actual expenditures must be determined by the Division Head/District Engineer. Return this memo to the originator for inclusion in the project.

Approval of this memo by the Director's Office authorizes this request.

Approved:

for

Director

Approved

Donna Spelts 9/18/14
Budget Section

Requires Transportation Board Presentation

Requires IT Review

COMMENTS:

Line Item 3

**STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION**

M E M O R A N D U M

August 5, 2013

TO: 1. Jaimarie Dagdagan, Budget Section
2. Norfa Lanuza, Project Accounting *NL*
3. Rudy Malfabon, P.E., Director

FROM: Ken Mammen, Safety Engineering Division *[Signature]*

SUBJECT: REQUEST TO SOLICIT SAFETY ENGINEERING SERVICES AND OBTAIN BUDGET APPROVAL FOR A REQUEST FOR PROPOSAL (RFP)

The Safety Engineering Division requests approval to solicit safety engineering services to perform the following tasks:

- Safety Management Plans (SMP's) – roadway corridors identified from our urban road program.

One of the guiding principles of The Nevada Highway Safety Improvement Program is to significantly reduce the number of fatalities and severe injuries on all public roadways. The services listed above will enhance the ability to achieve Safety's performance measures of reducing fatalities in the State of Nevada. Also, the SMP's will integrate safety engineering type improvements across the entire system of roads and coordinate with all state and local agencies that have a hand in addressing public safety issues. The SMP's will be utilized to develop projects to reduce fatalities and severe injuries along identified roadway corridors.

By having the ability to complete the SMP's ^{it} will give Safety the ability to identify safety needs for future improvements that could be implemented by future Safety projects, future design projects and/or with Local MPO projects.

In view of the above, the Safety Engineering Division is anticipating performing the following:

For Year 2014

1. Complete a Safety Management Plan on up to three (3) corridors statewide TBD.

For Year 2015

1. Complete a Safety Management Plan on up to three (3) corridors statewide TBD.

For Year 2016

1. Complete a Safety Management Plan on up to three (3) corridors statewide TBD.

For Year 2017

1. Complete a Safety Management Plan on up to three (3) corridors statewide TBD.

For Year 2014, 2015, 2016, 2017, the Safety Engineering Division is considering contracting with three (3) consultants for the above program. Distributing work to three consultants will improve our response time for roadway safety needs and encourage growth in the transportation safety discipline within the consultant community.

In the interest of optimizing transportation safety and meeting project schedules for 2014, 2015 and beyond, Safety Engineering Division requests approval to solicit Safety Engineering Services and Budget approval for a Request for Proposal.

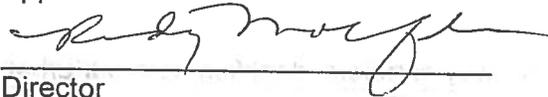
The estimated cost for the above safety engineering services on Year 2014 is \$1,000,000.00, on Year 2015 is \$1,000,000.00, on Year 2016 is \$1,000,000.00, and on Year 2017 is \$1,000,000.00 for a total of \$4,000,000.00, 95% Federal-aid for FY 2014.

5% STATE FUNDS

Approval of this memo by the Budget Section and Financial Management Division indicates funding authority is available for consulting services for Budget Category Fund 01, Object 814E, Organization C816. The A04 Financial Data Warehouse, Budget by Organization Report No. NBDM30 is attached. Please return this memo to the originator for inclusion in the project.

Approval of this memo by the Directors Office authorizes the request to solicit services.

Approved:



Director

Approved:



Budget Section

COMMENTS: ALLOCATED BUDGET FOR FY14 IS ONLY \$750,000. IF YOU FEEL THAT YOU WILL GO OVER THIS AMOUNT, NOTIFY BUDGET DL SO WE CAN ADJUST

*** NOTE AMENDMENTS FOR TIME ONLY DO NOT REQUIRE A FORM 2A**

YOUR BUDGET. SINCE THIS IS 95% FEDERALLY REIMBURSED, WE DON'T SEE ANY ISSUES REQUESTING THE INCREASE VIA WORK PROGRAM. JD

Where is the budget for object 814E? Not for

STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION

MEMORANDUM

September 19, 2014

TO: Sondra Rosenberg, Assistant Director Planning

FROM: Ken Mammen, Chief Planning Engineer, Safety Engineering-Performance Analysis 

SUBJECT: Master Agreement Negotiation Summary for Safety Management Plan (RFP 036-14-816)

A negotiation meeting was held at the NDOT Safety Engineering conference room in Carson City on July 23, 2014 with staff of Wood Rodgers, Inc., and NDOT Safety Engineering staff in attendance. Wood Rodgers, Inc (SERVICE PROVIDER) was chosen the most qualified through the Request for Proposal (RFP). The following key items were discussed:

1. This Master Agreement is as required on an as-needed basis by Task Orders. Each Task Order's scope of services and cost estimates will be discussed and negotiated with the SERVICE PROVIDER after the Master Agreement is approved and fully executed.
2. The general Master Agreement scope of services that are to be provided by SERVICE PROVIDER was reaffirmed by both parties at the outset (attachment A).
3. The cost plus fixed fee method of compensation shall be used for this agreement. The total cost of services by SERVICE PROVIDER for all Task Orders resulting from this agreement shall not exceed the sum of \$665,000.00, which includes the fixed fee.
4. This Master Agreement is a 2-year contract (FY15 & 16) with an option to extend for another 2 years if required. The Master Agreement termination date is December 31, 2016.
5. The agreed Fixed Fee is 10.50% from 11% proposed by the SERVICE PROVIDER (please see attached Fixed Fee calculation).
6. The DBE goal for this agreement has been established at three percent (3%).
7. The SERVICE PROVIDER overhead rate of 164.309% of direct labor costs was verified and provided by the Internal Audit Division.
8. Key personnel dedicated to this project are shown in Attachment B:

Reviewed and Approved:


Assistant Director Planning

Attachment A
Scope of Services
Safety Management Plan

Task 1: Project Administration

1.1 Invoicing and Progress Reports – The SERVICE PROVIDER Project Manager (PM) will submit monthly progress reports with the monthly invoices to the NDOT Project Manager (PM).

1.2 Project Coordination – The SERVICE PROVIDER PM will be responsible for coordination with the NDOT PM and other project stakeholders, technical advisory committee members and all SERVICE PROVIDER's team members during the project.

1.3 Project Management – The SERVICE PROVIDER PM will be responsible for all project management duties and activities required for a successful completion of the project.

Deliverables:

- Progress reports, invoices and meeting minutes submitted each month.

Task 2: Existing Project Conditions

2.1 Analyze Safety Issues – Obtain the 5-year crash data for the identified corridor(s) and for the signalized intersections that will include crashes within 500 ft. on the cross streets at this intersections. Conduct an accuracy review of the crash data prior to the crash analysis. Conduct the crash analysis and prepare a crash summary. The crash analysis will focus on crash type, crash groupings and will provide a separate analysis for pedestrian, bicycle and transit bus related crashes. The SERVICE PROVIDER PM will request and evaluate crash narratives and witness reports for all pedestrian, bicycle and transit bus crashes. The crash summary will provide a basis for identifying safety issues in the corridor. Field reviews will be performed to verify all potential safety issues. A critical crash and safety issues location map will be prepared. Input on the corridor(s) safety issues will be solicited from the reporting agencies within their respective areas and Road Safety Audit (RSA) report.

2.2 Analyze Vehicle and Pedestrian Data – Vehicle and pedestrian movements and AADTs will be provided by the SERVICE PROVIDER PM at all of the intersections on the corridor (if not available from NDOT and local agencies).

2.3 Review Policies, Plans and Studies – Assemble all applicable policies, plans and studies that pertain to the identified corridor. A summary memo will be prepared after a review of all policies plans and studies related to the identified corridor. This will include any RSA that was conducted or is to be conducted on the corridor. A GIS map will be prepared showing all of the plans and studies locations along the identified corridor.

2.4 Create GIS Maps of Existing ROW, Roadway Geometries and Traffic Control Devices – Maps will include existing right of way, lane configurations, driveways, on-street parking, location and connectivity of adjacent parking, existing bicycle facilities, bus stops, the pedestrian network in the corridor (including any accessibility issues for pedestrians), marked crosswalks and other traffic control devices.

2.5 Use the Highway Safety Manual (HSM) to analyze the corridor – Utilizing the data elements collected and analyze the corridor for mitigation plans and report the findings with the deliverables.

2.6 Use the Interactive Highway Safety Design Model (IHSDM) to analyze the mitigation strategies – Utilizing the mitigation plans from 2.5, evaluate the corridor' options to obtain the best mitigation plan for the corridor.

Information Provided by Stakeholders:

- NDOT's SHSP
- NDOT's STIP
- NDOT's RSA, if indentified Corridor has had an RSA performed on it
- Southern Nevada (SNV) and/or Washoe County RTCs' Regional Transportation Plan & Regional Transportation Improvement Plan
- SNV RTC's Bicycle and Pedestrian Plans, City/County Bicycle Plan and Pedestrian Safety Action Plan
- SNV and/or Washoe County RTC Transit System Analysis
- Master Plans from any City/County entity that has an indentified corridor(s) within its urban boundaries
- Crash Data for the indentified corridor(s)

Deliverables:

- Five year summary of all crashes in the corridor.
- Location aerial/GIS map of critical crashes and identified safety issues.
- Summary memo and GIS location map of all past safety related policies, plans and studies from stakeholders. This will consider future projects (NDOT, RTCs, Counties and Cities) along the corridor and all NDOT studies and data collection efforts.
- Aerial/GIS map series for existing right of way, roadway geometry and other features within the corridor.

Task 3: Develop and Evaluate Recommendations

3.1 Roadway and Traffic Improvements – Utilizing the crash summary and field reviews, identify and evaluate a series of short and long term improvements to address roadway and access safety issues on the identified corridor. This effort includes but not limited to the following:

- Field review of existing and/or proposed roadway, and access geometry in the corridor.
- Meetings with stakeholders that may include Law Enforcement, City representative, County representative, NDOT (staff from Safety Engineering, Traffic Operations, District, and Planning Division), RTC engineering/planning, and MPO to discuss safety improvements in the corridor.
- Improvements at intersections, along the corridor between intersections and any access management related improvements.
- Improvements will be shown on maps and the evaluation process will be documented in the final report.
- Improvements may include any identified improvements by the RTC, City, and County along the studied corridor.
- Proposed roadway and access improvements will be shown on maps and summarized in a Roadway and Access Management Needs report.

3.2 Pedestrian, Bicycle and ADA Improvements – Utilizing the crash summary and field reviews, identify and evaluate a series of short and long term improvements to address pedestrian, bicycle and ADA safety issues on the corridor. This effort includes but not limited to the following:

- Field review of existing and proposed pedestrian, bicycle and ADA facilities in the corridor.
- Meetings with stakeholders that may include Law Enforcement, City representative, County representative, NDOT (staff from Safety Engineering, Traffic Operations, District, and Planning Bicycle and Ped Program), RTC engineering/planning, and MPO to discuss safety improvements in the corridor.
- Includes all existing and proposed pedestrian and bicycle facilities, pedestrian connectivity within the corridor.
- Includes any ADA accessibility issues and will be shown on maps.
- Proposed pedestrian, bicycle and ADA improvements will be shown on maps and summarized in a Pedestrian, Bicycle and ADA Needs report.

The pedestrian, bicycle and ADA evaluation process will be documented in the final report.

3.3 Transit Improvements - Utilizing the crash summary and field reviews, identify and evaluate a series of short and long term improvements to address transit safety issues on the corridor. This effort includes but not limited to the following:

- Field review of existing and future bus facilities in the corridor.
- Meetings with RTC Transit staff to discuss current and future transit needs in the corridor.
- Includes bus stop improvement needs, queue jump potential, transit signal priority potential and transit passenger connectivity.
- Proposed Transit improvements will be shown on maps and summarized in a Transit Needs report.

The transit improvement evaluation process will be documented in the final report.

Deliverables:

- Summary of proposed improvements

3.4 Prioritize Short and Long Term Improvements – All of the proposed improvements identified and evaluated in 3.1, 3.2 and 3.3 will be prioritized with input from NDOT and the stakeholders.

3.5 Right of Way (ROW) Requirements for Improvements – All of the proposed improvements will be evaluated to determine the need for right of way acquisition. This effort will include the following:

- Review of all proposed improvements (short and long term) and the potential ROW needs for each improvement.

- ROW requirements will be categorized by type of improvement.
- ROW requirements will show the approximate amount of ROW needed.
- ROW requirements will be shown on maps and summarized in a ROW Needs report.

3.6 Land Use Analysis – Conduct an inventory of land use within the studied corridor. This effort will be coordinated with the City, County, RTC, and MPO. This effort includes but not limited to the following:

- Field review of existing land use on both sides of the corridor.
- Identify existing vacant land and/or buildings.
- Meetings with stakeholders that may include Law Enforcement, City representative, County representative, NDOT (staff from Safety Engineering, Traffic Operations, District, and Planning Division), RTC engineering/planning, and MPO to discuss and assess redevelopment potential within the corridor.
- Memo and maps documenting the existing and proposed land use of the corridor.

Deliverables:

- Corridor Needs Reports that identify a series of short and long range proposed improvements, along with location maps and the source for each improvement for the following categories:
 - Intersections
 - Corridor travel lanes
 - Access Management
 - Pedestrians, bicycles and ADA
 - Transit
- Prioritized list of all short and long range improvements from Sections 3.1, 3.2 and 3.3.
- ROW Needs Report and maps showing existing right of way and proposed right of way needs for improvements.
- Map of Land Use showing all vacant and/or currently unused parcels.
- Summary of proposed improvements.

Task 4: Public and Agency Involvement

4.1 Project Technical Advisory Committee (TAC) – Establish a project TAC that includes representatives from RTC, City, NDOT, MPO, Federal Highway Administration, Federal Transit Administration, Law Enforcement, and representative from Indian Reservations. The TAC will review the project study issues and results. The TAC will meet as needed during the study period. SERVICE PROVIDER will perform all logistics for the TAC, including meeting location, notices and updates to members, meeting documentation and follow-up. Meeting minutes will be developed and distributed by SERVICE PROVIDER for TAC comment after each meeting.

4.2 Public Information Meetings/Planning Workshops – Four public information meetings (open house/workshop format) will be held during the project time frame. In addition to these meetings up to six neighborhood meetings will be held with residents, business/property owners and community groups to address specific issues. These meetings will be coordinated with the NDOT Public Information Hearings Officer. SERVICE PROVIDER will perform all logistics for all meetings, including public noticing as per NDOT requirements, direct mail notices, media release development for NDOT distribution, securing meeting locations, meeting set-up and tear

down, meeting handouts and displays, audio/visual needs, obtaining a court reporter, photography as needed, and a post-meeting report detailing the meeting.

4.3 Stakeholder Working Group – SERVICE PROVIDER will establish a stakeholder working group (SWG) comprised of business owners/stakeholders to serve as a sounding board for the potential impacts of proposed improvements. This group would meet regularly during the project. SERVICE PROVIDER will perform all logistics for the SWG, including meeting locations, notices and updates to members, meeting documentation and follow-up. Meeting minutes will be developed and distributed by SERVICE PROVIDER for SWG comment after each meeting.

4.4 Project Presentation – The SERVICE PROVIDER in coordination with NDOT PM will make presentations to the RTC Advisory Committee, City, County, and other entity (as required) to provide updates on the status of the project. The SERVICE PROVIDER will develop a PowerPoint presentation for use during the study, and will make various presentations specifically at the beginning and at the conclusion of the study during the course of the project. SERVICE PROVIDER will address and document all questions, concerns and input from the committee.

4.5 Project Information for the RTC Board of Commissioners and County Commissioners/City Council Meetings – SERVICE PROVIDER will provide information, as requested, for project status reports to the RTC Board of Commissioners and to the Reno City Council.

4.6 NDOT Web Page Project Updates – NDOT maintains project pages for all major projects under their jurisdiction. If required, a full project website is necessary. SERVICE PROVIDER will provide NDOT project information to be placed on their website and will provide information such as project description, photographs, maps, comment forms, project contacts and relevant news. This information will also include a one-page “fast facts” project fact sheet to provide basic information about study elements and schedule. SERVICE PROVIDER will update the fact sheet as deemed necessary.

4.7 PowerPoint Template – The SERVICE PROVIDER will develop and design a unique PowerPoint template for the study for use in all presentations, in order to help brand and uniquely identify the project to the public.

Deliverables:

- Meeting minutes will be prepared and distributed for all TAC and Stakeholder Work Group meetings. This will include list of attendees.
- Summary memos will be prepared for the RTC Advisory and Bicycle/Pedestrian Committee meetings. This will include a list of attendees.
- Summary memos will be prepared for the public information meetings and will include a list of attendees.
- Project status reports for presentation to the RTC Board of Commissioners and the Reno City Council.
- Project Web Page showing current project information.
- PowerPoint template for use in all presentations.

Task 5: Report Preparation

5.1 Prepare Draft Report - SERVICE PROVIDER will write the draft report that will be the basis for the Safety Management Plan. The report will include all identified safety issues and the agreed upon short and long range improvements to address the safety issues, and construction phases if required. The report will include all maps prepared during the course of the project, all right of way information (both existing and proposed) and the results of the economic analysis for redevelopment potential. The report appendices will include copies of the meeting minutes and summary memos. The draft report will undergo a QA/QC review prior to submittal to NDOT.

Deliverables: Draft Report including all pertinent documents.

5.2 Revised Report - Following the completion of the Draft Report, SERVICE PROVIDER will present the report to the NDOT PM. Following the review by the NDOT PM the draft report will be presented to the project TAC members, RTC, County, and/or City for their review. The revised report will undergo a QA/QC review prior to final submittal.

Deliverables: Revised Draft Report including all pertinent documents.

5.3 Final Report Submission to NDOT - After all comments received from the NDOT PM, project TAC, RTC and County/City are duly addressed and incorporated into the report, SERVICE PROVIDER will resubmit the final report to the NDOT PM for final review and approval. The approved report including all pertinent documents will be wet stamped by the SERVICE PROVIDER PM (Professional Engineer).

Deliverables: Final Safety Management Plan report including all pertinent documents.

ATTACHMENT B

NDOT Safety Management Plans
Wood Rodgers Project Team Rate Table

Team Member	Role	Hourly Rate
Wood Rodgers, Inc		
Bryan Gant	Project Manager / Corridor Lead South / HSM / Alternative Development	\$84.13
Andy Durling	Corridor and Outreach Lead North / Bike & Ped / Alternative Development	\$60.09
Mark Casey	Senior Engineering Manager	\$84.13
Bill Coleman	Senior Engineer	\$63.00
John Heinecke	Senior Engineer	\$50.00
Brian Martinezmoles	Crash Data Analyst / HSM / Alternative Development / Bike & Ped	\$38.94
Brian Wacker	Senior Engineer	\$40.38
Mike Davidson	Project Engineer / CADD	\$35.00
Todd Hail	CADD	\$29.00
Nawid Nessar	Crash Data Analyst / Traffic Safety & Operations Engineer / HSM	\$40.00
Ashley Santti	GIS Analyst	\$32.00
Eric Ford	GIS Analyst	\$29.00
Melissa Lindell	Land Use Planner	\$60.09
Katie Caradec	Land Use Planner	\$40.00
Devin Crowley	Graphic Design	\$29.50
Amber Harmon	Graphic Design	\$28.00
Louis Berger Group (Constructability)		
Thomas Lane	Senior Civil Engineer	\$85.58
Frank Csigá	Senior Civil Engineer	\$62.98
Vanjeeswaran Kumar	Civil Engineer	\$45.19
Joey Davidson	Construction Manager	\$52.40
Pat McDowell	Construction Inspector	\$32.93
Carl Bolgrien	Senior Traffic Engineer	\$49.04
Adam Bush	Traffic Engineer	\$40.87
Fred Retzlaff	GIS	\$41.11
Vidhya Kumaresan	GIS	\$25.96
Melchert Consulting* (Public Outreach)		
Lucie Melchert	Public Outreach Lead South	\$119.25
Heather Curry	Public Outreach Specialist	\$95.00
Sonya Ruffin	Graphics	\$75.00
Alex Hoeft	Public Outreach Support	\$50.00

Leland Consulting* (Economic Development)

Staff TBD	Managing Director	\$225.00
Chris Zahas	Managing Principal	\$175.00
Brian Vanneman	Principal	\$150.00
Dave Siegel	Senior Project Manager	\$165.00
Ted Kamp	Senior Associate	\$140.00
April Chastain	Associate	\$110.00
Katherine Dahlin	Analyst	\$85.00
Jane St. Michael	Administrative	\$70.00

Nelsonn Nygaard (Transit)

Thomas Brennan	Principal 5	\$74.23
Scott Chapman	Senior Associate 2	\$51.23
Stephanie Wright	Senior Associate 1	\$47.42
Evan Corey	Senior Associate 1	\$40.85
Tom Shook	Associate 4	\$38.03
Oren Eshel	Associate 4	\$37.50
Tomoko DeLaTorre	GIS Assistant Manager	\$36.01
Drew Meisel	Associate 3	\$34.13
Colin Rowan	Associate 2	\$29.51
Michael Ahillen	Intern	\$20.00

Silver State Traffic Data* (Traffic Counts)

Susan Thomason	Principal / Project Manager	\$160.00
Taylor Thomason	Assistant Project Manager	\$86.00
Chandler Thomason	Field Crew	\$60.00
Frank Savage	Field Crew	\$60.00
Anthony Mendoza	Field Crew	\$60.00
Steve Kaminski	Field Crew	\$60.00
Brian Valdez	Field Crew	\$60.00
Damian Gonzales	Field Crew	\$60.00
Glenda Savage	Field Crew	\$60.00
Tammy Kaminski	Field Crew	\$60.00
Sandra Meschnark	Field Crew	\$60.00
Amy Thomason	Administrative Staff	\$49.00

* Includes overhead rate, fixed fee, and other associated indirect costs.

Notes:

1. Rates are for year 2014. Rates may escalate up to 5-percent annually.
2. Overhead rate will be based upon final NDOT Audit results.



STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION
1263 S. Stewart Street
Carson City, Nevada 89712

BRIAN SANDOVAL
Governor

RUDY MALFABON, P.E., Director

September 10, 2014

In Reply Refer to:

Jamie Tuddao, P.E.
Project Manager

Report PN02-15
Pre-negotiation Desk Review
Wood Rodgers, Inc.

You have requested a pre-negotiation audit of *Wood Rodgers, Inc.* for RFP P036-14-816. The information that you have provided to us refers to this as a Federally-funded project. Your request stated that this is an "Actual Cost plus Fixed Fee" Agreement with estimated costs for Consultant services of \$665,000.00.

We conducted a desk review of the *Wood Rodgers, Inc.* unaudited indirect cost rate submission for the year ended December 31, 2013 to be utilized for contract negotiations and contract progress payments. As a result, we have accepted the indirect cost home office rate of 164.309% of direct labor costs to be utilized as a provisional indirect cost home rate for contract negotiations and contract progress payments for the *Wood Rodgers, Inc.* Agreement. We also accept the Consultant's knowledge of the requirements of 48 CFR, Part 31 and NDOT policy on the same.

Your request stated that *Wood Rodgers, Inc.* will subcontract work to the Louis Berger Group, LeLand Consulting, Nelson-Nygaard Consulting, Melchert Consulting, and Silver State Traffic Data Collection. The billing rate schedule of the sub-consultants must be thoroughly reviewed for reasonableness.

Our report is written for use by Nevada Department of Transportation officials in negotiating a consultant agreement with *Wood Rodgers, Inc.* and should not be used for any other purpose.

Sincerely,


Sandeep Garg
Chief Auditor

cc: Doug Benamati, Agreement Services

SG:DE:ch



Engineering Service Providers

Fixed Fee Calculation

FIRM: Wood Rodgers, Inc.

PROJECT I. D.: RFP 036-14-816

PROJECT DESCRIPTION: Safety Management Plans

BASE LEVEL: (Percentage of direct labor and overhead only) 7.0%

Considerations	%	
SCHEDULE (2% Maximum)		
Typical Delivery	= 0.0%	
Aggressive Delivery	= 1.0%	<u>0.0%</u>
Very Aggressive Delivery	= 2.0%	
SIZE (2% Maximum)		
Less than \$250,000	= 2.0%	
\$250,000 - \$1,000,000	= 1.0%	<u>1.0%</u>
More than \$1,000,000	= 0.0%	
DURATION (2% Maximum)		
Less than 1 year	= 0.0%	
1 to 2 years	= 1.0%	<u>1.0%</u>
More than 2 years	= 2.0%	
COMPLEXITY (2% Maximum)		
Low	= 0.0%	
Low to Mid	= 0.5%	
Mid	= 1.0%	<u>1.5%</u>
Mid to High	= 1.5%	
High	= 2.0%	

OTHER SPECIAL (+/-2% Maximum)* _____

*Explanation: _____

TOTAL FIXED FEE (Maximum 15%) **10.5% calc**



MEMORANDUM

October 6, 2014

TO: Department of Transportation Board of Directors
FROM: Rudy Malfabon, Director
SUBJECT: October 13, 2014, Transportation Board of Directors Meeting
Item #8: Contracts, Agreements, and Settlements – Informational Item Only

Summary:

The purpose of this item is to inform the Board of the following:

- Construction contracts under \$5,000,000 awarded August 16, 2014, through September 22, 2014.
- Agreements under \$300,000 executed August 16, 2014, through September 22, 2014.
- Settlements entered into by the Department which were presented for approval to the Board of Examiners August 16, 2014, through September 22, 2014.

Any emergency agreements authorized by statute will be presented here as an informational item.

Background:

Pursuant to NRS 408.131(5), the Transportation Board has authority to “[e]xecute or approve all instruments and documents in the name of the State or Department necessary to carry out the provisions of the chapter”. Additionally, the Director may execute all contracts necessary to carry out the provisions of Chapter 408 of NRS with the approval of the board, except those construction contracts that must be executed by the chairman of the board. Other contracts or agreements not related to the construction, reconstruction, improvement and maintenance of highways must be presented to and approved by the Board of Examiners. This item is intended to inform the Board of various matters relating to the Department of Transportation but which do not require any formal action by the Board.

The Department contracts for services relating to the construction, operation and maintenance of the State’s multi-modal transportation system. Contracts listed in this item are all low-bid per statute and executed by the Governor in his capacity as Board Chairman. The projects are part of the STIP document approved by the Board. In addition, the Department negotiates settlements with contractors, property owners, and other parties to resolve disputes. These proposed settlements are presented to the Board of Examiners, with the support and advisement of the Attorney General’s Office, for approval. Other matters included in this item would be any emergency agreements entered into by the Department during the reporting period.

The attached construction contracts, settlements and agreements constitute all that were awarded for construction from August 16, 2014, through September 22, 2014, and agreements executed by the Department from August 16, 2014, through September 22, 2014. There was one settlement during the reporting period.

Analysis:

These contracts have been executed following the Code of Federal Regulations, Nevada Revised Statutes, Nevada Administrative Code, State Administrative Manual, and/or Department policies and procedures.

List of Attachments:

- A) State of Nevada Department of Transportation Contracts Awarded - Under \$5,000,000, August 16, 2014, through September 22, 2014
- B) State of Nevada Department of Transportation Executed Agreements – Under \$300,000, August 16, 2014, through September 22, 2014
- C) State of Nevada Department of Transportation Settlements - Informational, August 16, 2014, through September 22, 2014

Recommendation for Board Action: Informational item only

Prepared by: Administrative Services Division

Attachment

A

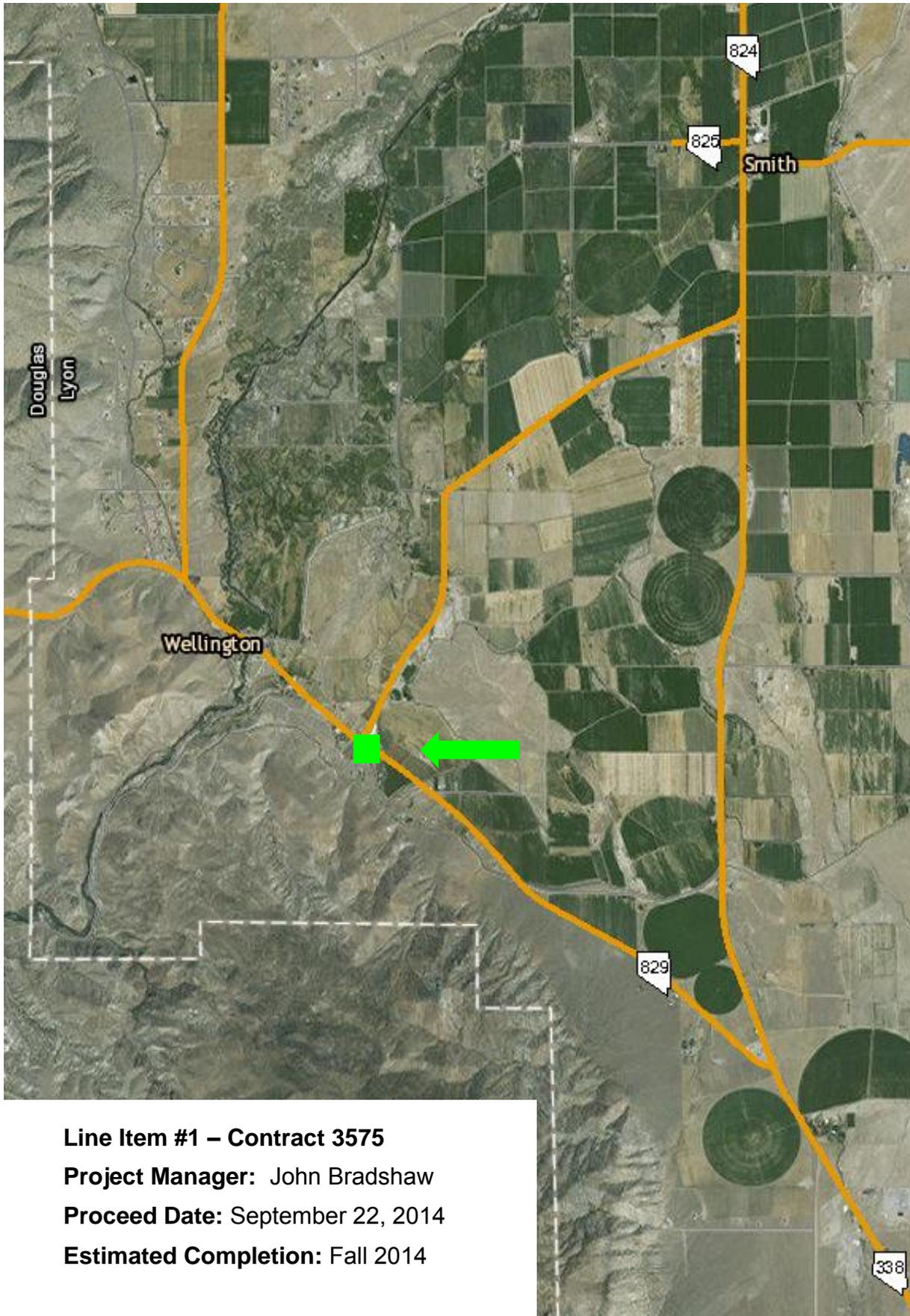
**STATE OF NEVADA DEPARTMENT OF TRANSPORTATION
 CONTRACTS AWARDED - INFORMATIONAL
 August 16, 2014 – September 22, 2014**

1. July 31, 2014 at 1:30 PM the following bids were opened for Contract 3575, Project No. SP-000M(210), Wellington Maintenance Yard (MY935) in Lyon County, to improve drainage and re-grade 3" PBS:

A & K Earth Movers, Inc.	\$316,000.00
Horizon Construction, Inc.	\$379,724.00
Sierra Nevada Construction, Inc.	\$386,007.00
Granite Construction Company	\$390,390.00
MKD Construction	\$448,711.00

Engineer's Estimate \$305,704.48

The Director awarded the contract August 20, 2014, to A & K Earth Movers, Inc. for \$316,000.00.



Line Item #1 – Contract 3575

Project Manager: John Bradshaw

Proceed Date: September 22, 2014

Estimated Completion: Fall 2014

Attachment B

**State of Nevada Department of Transportation
Executed Agreements - Informational
August 16, 2014 to September 22, 2014**

Line No	Agreement No	Amend No	Contractor	Purpose	Fed	Original Agreement Amount	Amendment Amount	Payable Amount	Receivable Amount	Start Date	End Date	Amend Date	Agree Type	Project Manager	Notes
1	37714	00	50 SOUTH VIRGINIA LLC	EASEMENTS FOR VIRGINIA ST BRIDGE	N	645,000.00	-	645,000.00	-	8/21/2014	4/30/2016	-	Acquisition	TINA KRAMER	08-21-14: TO ACQUIRE TEMPORARY EASEMENT AND PERMANENT EASEMENT FOR THE VIRGINIA STREET BRIDGE, WASHOE COUNTY. NV B/L#: NV2013137776
2	37014	00	BERGER TRANSFER & STORAGE	MOVE I-015-CL-041.966 NEON	Y	1,024.95	-	1,024.95	-	8/21/2014	9/30/2014	-	Acquisition	TINA KRAMER	08-21-14: COMMERCIAL MOVING EXPENSE FOR PARCEL I-015-CL-041.966, PROJECT NEON, CLARK COUNTY. NV B/L#: NV20141052565
3	40214	00	MELVIN & DIANNA BELDING	S-650-WA-019.659 MCCARRAN	N	46,170.00	-	46,170.00	-	8/27/2014	4/30/2016	-	Acquisition	TINA KRAMER	08-27-14: PARCELS S-650-WA-019.659 AND S-650-WA-019.659 FOR MCCARRAN PROJECT, WASHOE COUNTY. NV B/L#: EXEMPT
4	42614	00	THOMAS & CHERYL YEARNSHAW	TEMP ESMT S-650-WA-021.094	N	4,980.00	-	4,980.00	-	9/15/2014	4/30/2016	-	Acquisition	TINA KRAMER	09-15-14: TEMPORARY EASEMENT S-650-WA-021.094 FOR MCCARRAN PROJECT, WASHOE COUNTY. NV B/L#: EXEMPT
5	39914	00	ZETOCKA, OBREGON & LUSH	ACQ PARCELS FOR PROJECT NEON	Y	1,641,552.00	-	1,641,552.00	-	8/29/2014	11/30/2014	-	Acquisition	TINA KRAMER	08-29-14: ACQUIRE PARCELS I-015-CL-041.691 AND I-015-CL-041.704 FOR PROJECT NEON, CLARK COUNTY. NV B/L#: EXEMPT
6	39714	00	AMERICAN PROPERTY OF NV INC	APPRAISALS FOR PROJECT NEON	Y	27,500.00	-	27,500.00	-	8/28/2014	12/15/2014	-	Appraisal	TINA KRAMER	08-28-14: APPRAISALS FOR PARCELS FOR PROJECT NEON, CLARK COUNTY. NV B/L#: NV20021493849
7	41714	00	AMERICAN PROPERTY OF NV INC	APPRAISALS FOR 16 PARCELS FOR PROJECT NEON	Y	16,000.00	-	16,000.00	-	9/10/2014	11/30/2014	-	Appraisal	TINA KRAMER	09-10-14: APPRAISAL REVIEW FOR 16 PARCELS, PROJECT NEON, CLARK COUNTY. NV B/L#: NV20021493849
8	38414	00	CUSHMAN & WAKEFIELD OF NV	APPRSL I-015-CL-042.225 FOR PROJECT NEON	Y	12,000.00	-	12,000.00	-	8/27/2014	10/31/2014	-	Appraisal	TINA KRAMER	08-27-14: APPRAISAL FOR PARCEL I-015-CL-042.225, CLARK COUNTY. NV B/L#: NV20011348467
9	40414	00	CUSHMAN & WAKEFIELD OF NV	APPRAISE 14 PARCELS FOR PROJECT NEON	Y	23,000.00	-	23,000.00	-	9/3/2014	11/30/2014	-	Appraisal	TINA KRAMER	09-10-14: APPRAISAL REVIEW FOR 14 PARCELS, PROJECT NEON, CLARK COUNTY. NV B/L#: NV20011348467
10	40314	00	JOHNSON-PERKINS & ASSOC	APPRAISE 11 SURS	Y	22,000.00	-	22,000.00	-	9/3/2014	11/30/2014	-	Appraisal	TINA KRAMER	09-03-14: APPRAISAL REVIEW FOR 11 SURS, CLARK COUNTY. NV B/L#: NV19801006254
11	39814	00	TIMOTHY R MORSE & ASSOCIATES	APPRAISALS FOR PROJECT NEON	Y	33,000.00	-	33,000.00	-	8/28/2014	11/30/2014	-	Appraisal	TINA KRAMER	08-28-14: APPRAISALS FOR PARCELS FOR PROJECT NEON, CLARK COUNTY. NV B/L#: NV20101119562
12	22514	00	ARIZONA GAME / FISH DEPARTMENT	BOULDER CITY BYPASS STUDIES	Y	480,000.00	-	480,000.00	-	8/15/2014	8/15/2024	-	Cooperative	DALE KELLER	08-15-14: PROVIDE STUDIES, EVALUATE AND IMPLEMENT ACTIONS ASSOCIATED WITH SHEEP AND WILDLIFE FOR THE BOULDER CITY BYPASS PROJECT, PHASE 2, CLARK COUNTY. NV B/L#: EXEMPT
13	15314	00	CITY OF FERNLEY	CONSTRUCT BIKE PATH ALONG SR 828	Y	200,000.00	-	-	200,000.00	9/2/2014	12/31/2018	-	Cooperative	STEVE BIRD	09-02-14: CONSTRUCT BIKE PATH ALONG SR 828, FARM DISTRICT ROAD FROM CRIMSON ROAD TO JASMINE LANE, LYON COUNTY. NV B/L#: EXEMPT
14	38714	00	WASHOE COUNTY	ROADWAY MAINTENANCE	N	6,000,000.00	-	6,000,000.00	-	8/28/2014	12/31/2014	-	Cooperative	KRISTENA SHIGENAGA	8-28-14: SETTLEMENT AGREEMENT PAYMENT OF \$6,000,000.00 IN STATE FUNDS FOR MANAGEMENT OF ROADWAY MAINTENANCE PROJECTS IN UNINCORPORATED WASHOE COUNTY. NV B/L#: EXEMPT
15	32214	00	AT&T	JOINT USE EASEMENT	N	-	-	-	-	7/21/2014	6/30/2017	-	Facility	TINA KRAMER	07-21-14: NO COST JOINT TEMPORARY EASEMENT, WASHOE COUNTY. NV B/L#: NV19711002665
16	08513	01	FALCON SYSTEMS COMPANY	RELOCATE COST CHARTER CC FWY	Y	72,340.03	33,603.97	105,944.00	-	3/12/2013	9/30/2014	9/4/2014	Facility	TINA KRAMER	AMD 1 09-04-14: INCREASE AUTHORITY \$33,603.97 TO \$105,944.00 DUE TO ADDITIONAL COSTS RELATED TO PLACEMENT OF CONDUIT AT A DEPTH OF 96 INCHES INSTEAD OF THE PLANNED 36 INCHES. 03-13-13: RELOCATION COST OF CHARTER COMMUNICATION FOR CARSON CITY FREEWAY, CARSON CITY. NV B/L#: NV20051331833
17	37914	00	INTEGRA TELECOM HOLDINGS INC	ADJUSTMENT OF UTILITY FACILITIES BOULDER CITY	Y	45,967.00	-	45,967.00	-	8/25/2014	8/31/2020	-	Facility	TINA KRAMER	08-25-14: ADJUSTMENT OF UTILITY FACILITIES AND/OR RELOCATE FIBER OPTIC CABLE FOR BOULDER CITY BYPASS, CLARK COUNTY. NV B/L#: NV20081662367

Line No	Agreement No	Amend No	Contractor	Purpose	Fed	Original Agreement Amount	Amendment Amount	Payable Amount	Receivable Amount	Start Date	End Date	Amend Date	Agree Type	Project Manager	Notes
18	37414	00	LEVEL 3 COMMUNICATIONS LLC	ADJUSTMENT OF UTILITY FACILITIES BOULDER CITY	Y	256,778.00	-	256,778.00	-	8/22/2014	8/31/2020	-	Facility	TINA KRAMER	08-22-14: ADJUSTMENT OF UTILITY FACILITIES AND/OR RELOCATE FIBER OPTIC CABLE, BOULDER CITY BYPASS, CLARK COUNTY. NV B/L#: NV19981017307
19	26714	00	NV ENERGY	DESIGN OF TRAFFIC SIGNAL CACTUS AND LAS VEGAS BLVD	N	-	-	-	-	6/17/2014	8/31/2014	-	Facility	TINA KRAMER	06-17-14: NO COST DESIGN INITIATION FOR NEW SERVICE FOR A TRAFFIC SIGNAL AT CACTUS AND LAS VEGAS BLVD FOR CACTUS PROJECT, CLARK COUNTY. NV B/L#: NV19831005840
20	34514	00	NV ENERGY	FUTURE LINE EXTENSION	N	-	-	-	-	8/6/2014	7/30/2016	-	Facility	TINA KRAMER	08-06-14: NO COST FUTURE LINE EXTENSION, WASHOE COUNTY. NV B/L#: NV19651000537
21	36114	00	NV ENERGY	LINE EXT E-S VIRGINIA ST	Y	1,391.00	-	1,391.00	75.00	8/13/2014	7/31/2020	-	Facility	TINA KRAMER	08-13-14: LINE EXTENSION FOR PROJECT TITLED E-S VIRGINIA STREET COMM-NEW SVC, WASHOE COUNTY. NV B/L#: NV198361015840
22	41814	00	NV ENERGY	FUTURE LINE EXT	N	-	-	-	-	9/4/2014	10/30/2014	-	Facility	TINA KRAMER	09-04-14: NO COST FUTURE LINE EXTENSION FOR NV ENERGY PROJECT #3000717798, CLARK COUNTY. NV B/L#: NV19831015840
23	37614	00	FEDERAL AVIATION ADMINISTRATION	AIRPORT WILDLIFE ASSESSMENT	Y	200,000.00	-	200,000.00	187,500.00	8/25/2014	12/31/2016	-	Grantee	PAT TORVINEN	08-25-14: AIRPORT IMPROVEMENT PROGRAM GRANT TO REIMBURSE THE STATE FOR COSTS OF CONDUCTING WILDLIFE HAZARD ASSESSMENTS AT THE CARSON CITY AND MINDEN-TAHOE AIRPORTS, CARSON CITY AND DOUGLAS COUNTIES. NV B/L#: EXEMPT
24	37314	00	HUMBOLDT COUNTY SENIOR CENTER	FFY2015 5311 FUNDING SERVICES	Y	165,753.00	-	165,753.00	28,347.00	10/1/2014	9/30/2015	-	Grantee	PAT TORVINEN	09-16-14: FFY 2015 5311 GRANT TO OPERATE TRANSPORTATION SERVICES FOR ELDERLY AND DISABLED CITIZENS, HUMBOLDT COUNTY. NV B/L#: EXEMPT
25	37514	00	LINCOLN COUNTY TRANSPORTATION	FFY2015 5311 FUNDING SERVICES	Y	145,000.00	-	145,000.00	34,900.00	10/1/2014	9/30/2015	-	Grantee	PAT TORVINEN	09-16-14: FFY 2015 5311 GRANT TO OPERATE A RURAL PUBLIC TRANSPORTATION PROGRAM FOR LOW-INCOME AND ELDERLY CLIENTELE, LINCOLN COUNTY. NV B/L#: EXEMPT
26	37814	00	NEVADA RURAL COUNTIES	FFY2015 5311 FUNDING SERVICES	Y	333,499.00	-	333,499.00	16,676.00	10/1/2014	9/30/2015	-	Grantee	PAT TORVINEN	09-16-14: FFY 2015 5311 GRANT TO OPERATE A RURAL DOOR-TO-DOOR SAFE TRANSPORTATION PROGRAM FOR LOW-INCOME SENIORS, CARSON CITY, DOUGLAS, ELKO, LYON, MINERAL, NYE, AND STOREY COUNTIES. NV B/L#: EXEMPT
27	37114	00	SOUTHERN NV TRANSIT COALITION	FFY2015 5311 FUNDS SERVICES	Y	663,407.00	-	663,407.00	172,046.00	10/1/2014	9/30/2015	-	Grantee	PAT TORVINEN	09-11-14: FFY2015 5311 GRANT TO OPERATE A RURAL DOOR-TO-DOOR PUBLIC TRANSPORTATION PROGRAM FOR ELDERLY AND DISABLED CLIENTELE, CLARK COUNTY. NV B/L#: EXEMPT
28	37214	00	SOUTHERN NV TRANSIT COALITION	FFY2015 5311 FUNDS SERVICES	Y	1,156,141.00	-	1,156,141.00	287,407.00	10/1/2014	9/30/2015	-	Grantee	PAT TORVINEN	09-11-14: FFY2015 5311 GRANT TO OPERATE A RURAL CROSS TOWN CONNECTOR FIXED-ROUTE PUBLIC TRANSPORTATION SERVICE FROM BOULDER CITY TO HENDERSON AND LAS VEGAS, CLARK COUNTY. NV B/L#: EXEMPT
29	44113	01	TAHOE TRANSPORTATION DISTRICT	OPERATE PUBLIC TRANSIT SYSTEM	Y	2,621,845.00	190,000.00	2,811,845.00	1,040,891.00	10/1/2013	9/30/2014	9/16/2014	Grantee	PAT TORVINEN	AMD 1 09-16-14: INCREASE AUTHORITY BY \$190,000.00 FROM \$2,621,845.00 TO \$2,811,845.00 DUE TO INCREASES IN FUEL AND LABOR PRICES. 10-01-13: 5311 GRANT FUNDING TO OPERATE THE TAHOE TRANSPORTATION DISTRICT PUBLIC TRANSPORTATION SERVICES, NV-18-X035, CARSON CITY, DOUGLAS, AND WASHOE COUNTIES. NV B/L#: NV20101738296
30	30114	00	NEVADA BICYCLE AND PEDESTRIAN ADVISORY BOARD	LICENSE PLATE FUNDS MANAGEMENT	N	-	-	-	-	8/25/2014	6/30/2030	-	Interlocal	BILL STORY	08-25-14: NO COST AGREEMENT TO ALLOW THE DEPARTMENT TO RECEIVE, AND DEPOSIT MONIES DERIVED FROM THE SALES AND RENEWALS OF THE "SHARE THE ROAD" SPECIAL LICENSE PLATE, AND DISPERSE THESE MONIES BY IMPLEMENTATION OF A COMPETITIVE GRANT PROGRAM RELATED TO BICYCLE, AND PEDESTRIAN SAFETY AND EDUCATION, STATEWIDE. NV B/L#: EXEMPT

Line No	Agreement No	Amend No	Contractor	Purpose	Fed	Original Agreement Amount	Amendment Amount	Payable Amount	Receivable Amount	Start Date	End Date	Amend Date	Agree Type	Project Manager	Notes
31	38213	02	RTC OF SOUTHERN NEVADA	BYPASS PH 1 NDOT; PH 1&2 RTC	Y	50,820,000.00	-	288,300,000.00	24,615,000.00	10/17/2013	12/31/2022	9/8/2014	Interlocal	TONY LORENZI	AMD 2 09-08-14: TO ADVANCE CONSTRUCT PROJECT "R", SUBJECT TO BUDGETED APPROPRIATIONS AND ALLOCATION OF SUFFICIENT RTC FUNDS, FOR A TOTAL ESTIMATED COST OF \$288,300,000 FOR FISCAL YEARS 2014 THROUGH 2022 COMPRISED OF \$273,885,000 (95%) FEDERAL FUNDS AND \$14,415,000 (5%) LOCAL FUNDS, AND TO RECEIVE REIMBURSEMENT FROM RTC NOT TO EXCEED \$180,000 FOR PROJECT "R" SURFACE SOIL SAMPLING FOR NATURALLY OCCURRING ASBESTOS. THIS BRINGS TOTAL RTC RECEIVABLES TO \$10,200,000 FOR PROJECT "N" AND \$14,415,000 FOR PROJECT "R". AMD 1 06-20-14: TO INCREASE TOTAL RECEIVABLE FOR PROJECT "N" FROM \$10,000,000 TO \$10,200,000 TO INCLUDE AMBIENT AIR MONITORING COSTS NOT TO EXCEED \$200,000.00. 10-17-13: CONDUCT THE BOULDER CITY BYPASS PROJECT - PHASE 1 (PROJECT "N") TO BE CONSTRUCTED BY NDOT, AND PORTIONS OF PHASE 1 AND PHASE 2 (PROJECT "R") TO BE CONSTRUCTED BY THE REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA. NDOT TO OBLIGATE FEDERAL STP LOCAL FUNDING IN THE TOTAL ESTIMATED AMOUNT OF \$50,820,000 FOR THE PROJECT. RTC TO CONTRIBUTE \$10,000,000 FOR PROJECT "N" AND \$21,200,000 FOR PROJECT "R". CLARK COUNTY. NV B/L#: EXEMPT
32	36414	00	TMCC	ACCESS TRAINING	N	4,089.00	-	4,089.00	-	8/25/2014	12/31/2014	-	Interlocal	MARC EVANS	08-25-14: PROVIDE MICROSOFT ACCESS TRAINING IN LAS VEGAS, CLARK COUNTY. NV B/L#: EXEMPT
33	07913	01	UNR	CEMENTITIOUS COMPOSITES	Y	150,746.00	-	150,746.00	-	3/12/2013	10/31/2015	8/25/2014	Interlocal	MANJU KUMAR	AMD 1 08-25-14: NO COST TIME EXTENSION FROM 10-31-14 TO 10-31-15 NEEDED TO COMPLETE THE PROJECT. 03-12-13: CONDUCT A RESEARCH PROJECT TITLED: "DEVELOPMENT OF SPECIFICATIONS FOR ENGINEERED CEMENTITIOUS COMPOSITES FOR USE IN BRIDGE DECK OVERLAYS", WASHOE COUNTY. NV B/L#: EXEMPT
34	12313	01	UNR	RIGHT-TURN TRAFFIC VOLUME STUDY	Y	115,604.00	-	115,604.00	-	4/23/2013	3/31/2015	8/25/2014	Interlocal	MANJU KUMAR	AMD 1 08-25-14: NO COST TIME EXTENSION FROM 10-31-14 TO 03-31-15 NEEDED TO COMPLETE THE PROJECT. 4-23-13: CONDUCT A RESEARCH STUDY TITLED: "RIGHT-TURN TRAFFIC VOLUME ADJUSTMENTS IN TRAFFIC SIGNAL WARRANTS," WASHOE COUNTY. NV B/L#: EXEMPT
35	41314	00	NANETTE GRAHAM	MT SPRINGS MAINTENANCE STATION	N	12,000.00	-	-	12,000.00	9/9/2014	12/31/2018	-	Lease	PAULINE ENGLAND	09-09-14: LEASE TO EMPLOYEE OF MAINTENANCE STATION HOUSE AT MOUNTAIN SPRINGS, CLARK COUNTY. NV B/L#: EXEMPT
36	30214	00	BOULDER DAM PLAZA	MULTI USE LIC U-095-CL-009.68	N	1,000.00	-	-	1,000.00	7/3/2014	7/1/2018	-	License	TINA KRAMER	07-03-14: MULTI-USE LICENSE FOR PARCEL U-095-CL-009.68, CLARK COUNTY. NV B/L#: NV20131012423
37	13514	00	ACES AIRCRAFT	COMMANDER 690C MAINTENANCE	N	90,000.00	-	90,000.00	-	8/28/2014	12/31/2014	-	Service Provider	JENNIFER KUKLOCK	08-28-14: COMMANDER 690C MAINTENANCE, CARSON CITY. NV B/L#: NV20091289952-R

Line No	Agreement No	Amend No	Contractor	Purpose	Fed	Original Agreement Amount	Amendment Amount	Payable Amount	Receivable Amount	Start Date	End Date	Amend Date	Agree Type	Project Manager	Notes
38	12012	01	CH2M HILL INC	PROPOSED INTERSTATE STUDY	Y	2,500,000.00	99,497.28	2,599,497.28	-	7/23/2012	10/31/2014	8/27/2014	Service Provider	SONDRA ROSENBERG	AMD 1 08-29-14: INCREASE AUTHORITY BY \$99,497.28 FROM \$2,500,000.00 TO \$2,599,497.28, AND EXTEND TERMINATION DATE FROM 09-30-14 TO 10-31-14 TO COVER AN ADDITIONAL STUDY AREA. 07-23-12: A PROPOSED INTERSTATE ROUTE CORRIDOR STUDY FROM CASA GRANDE, ARIZONA TO LAS VEGAS METROPOLITAN AREA; A COMPARATIVE ANALYSIS OF THE PROPOSED HIGH PRIORITY CORRIDORS FROM THE MEXICAN BORDER TO CASA GRANDE, ARIZONA AND FROM THE LAS VEGAS METROPOLITAN AREA TO THE CANADIAN BORDER IS NECESSARY FOR A COMPREHENSIVE MULTI-MODAL STRATEGY FOR THE IMPROVEMENT OF THE MOVEMENT OF GOODS, PEOPLE, AND COMMERCE, CLARK COUNTY. NV B/L#: NV19931065492-R
39	45212	01	CHAPMAN LAW FIRM	ROBARTS 1981 TRUST VS NDOT	Y	475,725.00	-	475,725.00	-	10/23/2012	9/30/2016	9/12/2014	Service Provider	DENNIS GALLAGHER	AMD 1 09-12-14: NO COST TIME EXTENSION FROM 09-30-14 TO 09-30-16 IN ORDER TO RESOLVE THE LAWSUIT. 10-23-12: REPRESENTATION BY CHAPMAN LAW FIRM RE: ROBARTS 1981 DECEDENTS TRUST VS NDOT; 8TH JD A-12-665880-C, WASHOE COUNTY. NV B/L#: NV20011462722-S
40	43814	0	DWAIN R. STOOPS	BILLBOARD ACQUISITION SVCS	Y	20,000.00	-	20,000.00	-	6/30/2014	6/30/2015		Service Provider	TINA KRAMER	06-30-14: OUTDOOR ADVERTISING/BILLBOARD ACQUISITION CONSULTATION. NV B/L#: NV20141578123
41	13914	00	DYE MANAGEMENT GROUP	MAINTENANCE BUDGET MODEL	N	149,616.00	-	149,616.00	-	9/12/2014	12/31/2015	-	Service Provider	DAVID PARTEE	09-12-14: DEVELOP A PERFORMANCE-BASED BUDGET MODEL THAT UTILIZES DATA FROM THE MAINTENANCE MANAGEMENT SYSTEM AND MAINTENANCE ACHIEVEMENT PROGRAM TO DETERMINE THE COST FOR IMPROVING ASSET CONDITIONS, STATEWIDE. NV B/L#: NV20111623536-R
42	40814	00	ECO GREEN MAINTENANCE	FERNLEY MAINTENANCE YARD	N	19,420.00	-	19,420.00	-	9/8/2014	10/31/2016	-	Service Provider	MARLENE REVERA	09-08-14: JANITORIAL SERVICE AT FERNLEY MAINTENANCE YARD AND FALLON MAINTENANCE YARD, Q2-003-15, WASHOE AND LYON COUNTIES. NV B/L#: NV20111362322-Q
43	40914	00	ECO GREEN MAINTENANCE	WADSWORTH REST AREA	N	70,610.40	-	70,610.40	-	9/8/2014	4/30/2017	-	Service Provider	MARLENE REVERA	09-08-14: JANITORIAL SERVICES AT WADSWORTH REST AREA, Q2-004-15, WASHOE COUNTY. NV B/L#: NV20111362322-Q
44	43514	0	FACILITIES MANAGEMENT	VALMY REST AREA IMPROVEMENTS	N	201,000.00	-	201,000.00	-	9/22/2014	6/30/2015	-	Service Provider	CHAVONE GABLE	9-22-14: QA-003-14 TO CONSTRUCT VALMY REST AREA IMPROVEMENTS IN HUMBOLDT COUNTY. NV B/L#: NV20011331118-Q
45	61713	00	INFRASTRUCTURE CORPORATION	REST AREA / 511 SPONSORSHIP	N	-	-	-	-	8/26/2014	12/31/2018	-	Service Provider	DAVID PARTEE	08-26-14: NO COST REST AREA AND 511 SPONSORSHIP PROGRAM, STATEWIDE. NV B/L#: NV20141181886-R
46	41014	00	J&L JANITORIAL	TRINITY REST AREA	N	128,300.00	-	128,300.00	-	9/8/2014	10/31/2016	-	Service Provider	MARLENE REVERA	09-08-14: JANITORIAL SERVICES AT THE TRINITY REST AREA, Q2-005-14, CHURCHILL COUNTY. NV B/L#: NV2010116972-Q
47	36714	00	JAMS INC	LEGAL SVCS EMINENT DOMAIN	Y	12,000.00	-	12,000.00	-	7/1/2014	7/1/2015	-	Service Provider	TINA KRAMER	07-01-14: ALTERNATIVE DISPUTE RESOLUTION/ MEDIATION SERVICES ON PROPERTY ACQUISITION RELATED TO EMINENT DOMAIN OF I-15 FREEWAY, CLARK COUNTY. NV B/L#: NV20051356067-S

Line No	Agreement No	Amend No	Contractor	Purpose	Fed	Original Agreement Amount	Amendment Amount	Payable Amount	Receivable Amount	Start Date	End Date	Amend Date	Agree Type	Project Manager	Notes
48	38211	02	KIMLEY-HORN & ASSOCIATES INC	SAFETY BUILDING CAPACITY	Y	384,764.00	240,990.00	668,988.00	-	2/21/2012	2/20/2016	9/9/2014	Service Provider	JAIME TUDDAO	AMD 2 09-09-14: INCREASE AUTHORITY BY \$240,990 FROM \$427,998 TO \$668,988 AND EXTEND TERMINATION DATE FROM 12-31-14 TO 02-20-16 FOR CONTINUED HSM IMPLEMENTATION. AMD 1 02-24-14: INCREASE AUTHORITY BY \$43,234.00 FROM \$384,764.00 TO \$427,998.00, AND EXTEND TERMINATION DATE FROM 03-02-14 TO 12-31-14 TO ACCOMMODATE INCREASE IN SCOPE OF WORK. 02-21-12: PURPOSE IS TO: (1) PROVIDE ADDITIONAL SAFETY RESOURCES TO NDOT SAFETY PROGRAMS, (2) BROADEN THE SAFETY DISCIPLINE BEYOND NDOT SAFETY ENGINEERING, (3) ENCOURAGE THE DEVELOPMENT OF A SAFETY CURRICULUM IN NEVADA'S UNIVERSITIES, (4) IMPLEMENT THE STATE-OF-THE-ART SAFETY PROCESS AND ANALYSES, (5) CODIFY SAFETY TRAINING PROGRAMS WITHIN THE DEPARTMENT, STATEWIDE. NV B/L#: NV19911015458
49	43314	00	LAMBROSE BROWN, PLLC	PROJECT NEON EMINENT DOMAIN	Y	275,000.00	-	275,000.00	-	10/13/2014	10/30/2016	-	Service Provider	DENNIS GALLAGHER	08-25-14: LEGAL SUPPORT FOR EMINENT DOMAIN CONDEMNATION MATTER OF DEPARTMENT OF TRANSPORTATION VS. GRANT PROPERTIES FOR PROJECT NEON, CARSON CITY AND CLARK COUNTY. NV B/L#: NV20131118430-S
50	43414	00	LAMBROSE BROWN, PLLC	PROJECT NEON EMINENT DOMAIN	Y	275,000.00	-	275,000.00	-	10/14/2014	10/30/2016	-	Service Provider	DENNIS GALLAGHER	08-25-14: LEGAL SUPPORT FOR EMINENT DOMAIN CONDEMNATION MATTER OF DEPARTMENT OF TRANSPORTATION VS. JOHN AND BONNIE SHARPLES FOR PROJECT NEON, CARSON CITY AND CLARK COUNTY. NV B/L#: NV20131118430-S
51	27014	00	LAURA FITZSIMMONS	PROJECT NEON EMINENT DOMAIN	Y	100,000.00	-	100,000.00	-	8/25/2014	10/13/2014	-	Service Provider	DENNIS GALLAGHER	08-25-14: LEGAL SUPPORT FOR EMINENT DOMAIN CONDEMNATION MATTER FOR PROJECT NEON, CARSON CITY AND CLARK COUNTY. NV B/L#: NV20121016853-S
52	36314	00	LOGISTICAL SOLUTIONS	CLEAN UP OF AVIARY AREAS	N	100,000.00	-	100,000.00	-	8/18/2014	12/31/2016	-	Service Provider	GREG MINDRUM	08-18-14: AS-NEEDED CLEAN-UP FOLLOWING PERSON DISPLACEMENT INCLUDING REMOVAL OF HAZARDOUS MATERIAL, AND CLEAN-UP OF PIGEON WASTE, Q0-005-15, CLARK COUNTY. NV B/L#: NV20081496193-Q
53	42314	00	OTIS ELEVATOR COMPANY	ELEVATOR AT TMC	N	19,400.00	-	19,400.00	-	9/16/2014	8/31/2018	-	Service Provider	PAULINE ENGLAND	9-16-14: TO PROVIDE REMOTE ELEVATOR MONITORING SYSTEM, MONTHLY USAGE AND PERFORMANCE REPORTS AND FULL SERVICE MAINTENANCE AND REPAIR SERVICES FOR TWO ELEVATORS AT THE TMC BUILDING, Q1-001-15, CLARK COUNTY. NV B/L#: NV19441000038-Q
54	42414	00	PRECISION CRANE & HOIST	CRANE INSPECTION	N	17,600.00	-	17,600.00	-	9/16/2014	4/30/2017	-	Service Provider	PAULINE ENGLAND	09-16-14: TO PROVIDE PREVENTIVE MAINTENANCE AND INSPECTION OF CRANES AND HOISTS, Q1-007-15, CLARK, MINERAL, ESMERALDA, NYE AND LINCOLN COUNTY. NV B/L#: NV20051280421-Q
55	40714	00	SIERRA NEVADA CONSTRUCTION	PAVE HQ PARKING LOT	N	151,007.00	-	151,007.00	-	9/5/2014	12/31/2014	-	Service Provider	GREG MINDRUM	09-05-14: MILL AND FILL PARKING LOT IN NDOT HEADQUARTERS, Q0-004-14, CARSON CITY. NV B/L#: NV19881009372-Q

Line No	Agreement No	Amend No	Contractor	Purpose	Fed	Original Agreement Amount	Amendment Amount	Payable Amount	Receivable Amount	Start Date	End Date	Amend Date	Agree Type	Project Manager	Notes
56	08312	04	SNELL AND WILMER, L.L.P.	REPRESENTATION CONTRACT 3377	Y	150,000.00	167,207.98	1,287,207.98	-	3/1/2012	3/30/2015	8/18/2014	Service Provider	DENNIS GALLAGHER	AMD 4 09-16-14: INCREASE AUTHORITY BY \$167,207.98 FROM \$1,120,000.00 TO \$1,287,207.98 FOR TRIAL AND PRETRIAL SERVICES WITH INSURANCE COMPANY. AMD 3 01-27-14: INCREASE AUTHORITY BY \$825,000.00 FROM \$295,000.00 TO \$1,120,000.00 FOR TRIAL AND PRETRIAL SERVICES WITH INSURANCE COMPANY. AMD 2 09-12-13: INCREASE AUTHORITY BY \$70,000.00 FROM \$225,000.00 TO \$295,000.00 FOR TRIAL AND PRETRIAL SERVICES WITH INSURANCE COMPANY. AMD 1 02-18-13: INCREASE AUTHORITY BY \$75,000.00 FROM \$150,000.00 TO \$225,000.00, AND EXTEND TERMINATION DATE FROM 06-30-14 TO 03-01-15 FOR CONTINUED SERVICES UNTIL RESOLUTION OF THE LAWSUIT. 03-01-12: REPRESENTATION BY SNELL AND WILMER IN THE MATTER OF CONTRACT 3377 AWARDED TO PEEK CONSTRUCTION, REGARDING A REQUEST FOR EQUITABLE ADJUSTMENT CLAIM AND COMPLAINT AGAINST NDOT FILED IN 1ST JD120C 00030 1B, STATEWIDE. NV B/L#: NV20011000455-S
57	03414	03	TETRA TECH	NOA - BOULDER CITY BYPASS	N	449,582.00	159,359.42	1,006,960.87	-	4/11/2014	4/1/2018	8/20/2014	Service Provider	STEVE COOKE	AMD 3 08-20-14: INCREASE AUTHORITY BY \$159,359.42 FROM \$847,601.45 TO \$1,006,960.87 TO COLLECT AND ANALYZE AMBIENT AIR SAMPLES UNTIL THE START OF CONSTRUCTION. AMD 2 07-10-14: INCREASE AUTHORITY BY \$176,521.45 FROM \$671,080.00 TO \$847,601.45 IN ORDER TO ASSIST WITH THE SURFACE SOIL SAMPLING, AND HELP WITH THE SAMPLE DOCUMENTATION AND MANAGEMENT. AMD 1 05-28-14: INCREASE AUTHORITY BY \$171,498.00 FROM \$499,582.00 TO \$671,080.00 DUE TO THE NEED TO CONDUCT UP TO SEVEN MONTHS OF ADDITIONAL AMBIENT AIR MONITORING. 04-11-14: PROVIDE TECHNICAL SERVICES FOR ADDRESSING NATURALLY OCCURRING ASBESTOS (NOA) WITHIN THE BOULDER CITY BYPASS PROJECT, CLARK COUNTY. NV B/L#: NV11921063769-R

Attachment C

State of Nevada Department of Transportation
Settlements - Informational
August 16, 2014 to September 22, 2014

Line No	Type	Second Party	Settlement Amount	Notes
1	SETTLEMENT	RAILROAD PASS INVESTMENT GROUP	2,750,000.00	SETTLEMENT APPROVAL IN A CONTESTED CONDEMNATION FOR PHASE 1 OF THE BOULDER CITY BYPASS PROJECT. 56.44 ACRES OF REAL PROPERTY LOCATED ON BOTH SIDES OF US 93/95 AT THE BORDER OF THE CITY OF HENDERSON AND BOULDER CITY.

Line Item 1



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

Transportation Division
1263 S. Stewart Street
Carson City, Nevada 89712

CATHERINE CORTEZ MASTO
Attorney General

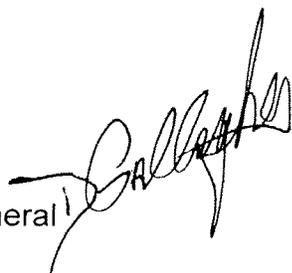
KEITH MUNRO
Assistant Attorney General

THOM GOVER,
Acting Chief of Staff

MEMORANDUM

DATE: September 25, 2014

TO: Board of Directors
Nevada Department of Transportation

FROM: Dennis Gallagher, Chief Deputy Attorney General 

SUBJECT: Informational Item – Approval of Settlement in the matter of
*State of Nevada, on relation of its Department of Transportation
vs. Railroad Pass Investment Group, et al.*
Eighth Judicial District Court Case No. A-12-665330-C

At their September 9, 2014 meeting, the Board of Examiners approved the settlement in the amount of \$2,750,000.00 to be paid from NDOT funds to resolve the contested condemnation referenced above, and approved the request of \$422,765.32 for construction to be implemented as part of the larger Bypass Project.

Attached is the August 4, 2014 memorandum to the Board of Examiners from Director, Rudy Malfabon, Senior Deputy Attorney General, Ruth Miller, Outside Counsel, Laura FitzSimmons, and myself to the Board of Examiners setting forth a summary of the settlement.



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

Transportation Division
1263 South Stewart Street, Room 315
Carson City, Nevada 89712

CATHERINE CORTEZ MASTO
Attorney General

KEITH G. MUNRO
Assistant Attorney General

THOM M. GOVER
Acting Chief of Staff

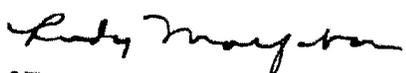
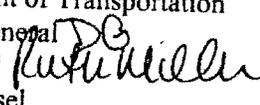
MEMORANDUM

DATE: August 4, 2014

TO: Board of Examiners
Governor Brian Sandoval
Attorney General Catherine Cortez Masto
Secretary of State Ross Miller

FROM: Rudy Malfabon, Director, Nevada Department of Transportation
Dennis Gallagher, Chief Deputy Attorney General
Ruth Miller, Senior Deputy Attorney General
Laura Wightman FitzSimmons, outside counsel

SUBJ: Proposed Settlement of a Eminent Domain Lawsuit filed by NDOT, State of Nevada *ex rel. its Department of Transportation v. Railroad Pass Investment Group, et al.*

SUMMARY

NDOT's requests settlement approval in a contested condemnation for Phase I of the "Boulder City Bypass Project." NDOT requests settlement approval in the amount of **\$2,750,000.00**. NDOT previously paid the sum of \$2,041,000.00 for a right of occupancy over the "Acquisition Area" - i.e., approximately 15.69 acres of the larger 56.44 acres of real property housing the Railroad Pass Hotel & Casino - and the requested settlement amount is *in addition to* the occupancy deposit. NDOT also requests settlement approval of approximately **\$422,765.32** **worth of construction**, to be implemented as part of the larger Bypass Project.

BACKGROUND

The Railroad Pass Hotel and Casino

The "Subject Property" is the larger 56.44 acres of real property owned by Railroad Pass Investment Group, a wholly owned subsidiary of MGM Resorts ("MGM"). MGM essentially inherited this property through a merger with Mandalay Bay Resorts, in or around 2005. The Railroad Pass Hotel and Casino sits on the "remainder" portion of Subject Property not being taken. To be sure, the physical Hotel/Casino site will not be directly impacted by the acquisition; the only impact is a change of access and the beneficial abandonment of existing easements.

The Existing Condition

The Subject Property is currently located on both sides of U.S. 93/95 at the border of the City of Henderson and Boulder City, Nevada, with immediate frontage and access to and from U.S. 93/95 via a stoplight intersection at the main entrance to the Hotel/Casino. Notably, the Hotel/Casino improvements make up only 3.64 acres of the total Subject Property, leaving over 52 acres of vacant, excess land.

The Abandoned Easement

In the existing condition, the Subject Property is encumbered by approximately 12.65 acres of existing right-of-way easements vested in NDOT. The easements essentially bisect the Subject Property and severely limit expansion of the existing improvements. After "Phase I" of the Bypass Project is built, these easements will be abandoned by NDOT, thus reverting full use of those acres back to the MGM, creating one contiguous parcel on the north side of the new roadway.

The Eminent Domain Action

On July 17, 2012, NDOT filed its Verified Complaint in Eminent Domain in the Eighth Judicial District Court, Case No. A-12-665330-C. NDOT effectuated service upon MGM on July 24, 2012, pursuant to NRS Chapter 37 and 408. In its Complaint, and separately by motion, NDOT sought immediate occupancy over the Acquisition Area pending entry of judgment. By order entered on October 8, 2012, NDOT obtained a right of occupancy under NRS 37.100, and was ordered to and did thereafter deposit \$2,041,000.00, in consideration thereof, with the Clerk of the Court. Said deposit was thereafter withdrawn by MGM under Stipulation and Order entered on October 23, 2012, and pursuant to NRS 37.100(6) MGM thereby waived all defenses except those relating to the amount of just compensation.

NDOT also effectuated service of its Verified Complaint upon all defendants originally named therein, and all defendants except MGM thereafter defaulted under NRS 37.083 or voluntarily and knowingly disclaimed their interest in the eminent domain action as follows:

- a. NEVADA POWER COMPANY: disclaimer filed 10/7/13;
- b. CENTRAL TELEPHONE COMPANY: disclaimer filed 7/23/14;
- c. SOUTHWEST GAS CORPORATION: disclaimer filed 2/28/13;
- d. AT&T CORP.: default entered 1/15/14;
- e. LAS VEGAS VALLEY WATER DISTRICT: disclaimer filed 7/31/12;
- f. ELECTRIC LIGHTWAVE, LLC: default entered 1/15/14;
- g. LEVEL 3 COMMUNICATIONS, LLC: default entered 1/15/14;
- h. UNITED STATES OF AMERICA, DEPARTMENT OF ENERGY,
WESTERN AREA POWER ADMINISTRATION: default entered
1/15/14;
- i. CITY OF HENDERSON: disclaimer filed 1/24/13;
- j. CLARK COUNTY: disclaimer filed 10/31/12.

Pursuant to NRS 37.083, these defendants are deemed to have waived all defenses and objections to the sufficiency and validity of the complaint and to the right of NDOT to condemn the described property for the purposes stated therein.

POINTS THAT FAVOR SETTLEMENT

Severance Damages

During litigation discovery, including disclosure of expert appraisals, NDOT deduced that its potential liability varied between **\$2,180,000** (NDOT's expert, Glenn Anderson), **\$5,780,000** (MGM expert 1 of 2, Tim Morse) or **\$8,618,800** (MGM expert 2 of 2, Charles Jack). During private mediation on February 11, 2014, with retired District Court Judge and former District Attorney for Clark County Stewart Bell presiding, NDOT reached a tentative agreement for settlement in the requested settlement amount of \$2,750,000.00 "new money," resulting in total just compensation of **\$4,791,000.00**, which is only slightly above the potential liability mid-point of \$4,541,250.00. Judge Bell expressed his opinion that the case was ripe for settlement, and that \$2,750,000.00 "new money" was the reasonable amount he expected NDOT to pay in settlement.

Railroad Pass Casino is historically significant, and a Nevada jury could sympathize with MGM's argument that the Bypass Project will put the Casino out of business. In the before condition, the Casino enjoyed frontage access and visibility, via a stop-light intersection. Once the Bypass is built however, the Casino will lose its frontage access and will have reduced visibility. Travelers to and from the Casino will have a more circuitous route to travel. MGM alleges this new route will cause a significant reduction in business from "impulse customers," i.e., those who stop and spend money at the Casino, without any prior inclination to do so, simply because it is so convenient. These factors may permit a jury to find that the Hotel/Casino will no longer be able to meet its allegedly "thin margin" of profitability, leading to its closure. NDOT's liability exposure, as evidenced by MGM's highest opinion of value, in the event of the Casino's closure, is \$8,618,800; NDOT is requesting approval to settle for \$4,791,000.00.

Additional Consideration

NDOT also seeks approval to make certain construction improvements that will benefit the Casino. The value of this construction is estimated at \$422,765.32, though no additional money is being paid. Rather, this "additional consideration" will come in the form of services (i.e., engineering, design and actual construction), as opposed to additional cash payment. Specifically, NDOT will remove the planter area in front of the Casino, install a retaining wall and steps, and reset existing light poles behind the retaining wall. NDOT will also remove the median island in the existing road and pave it, remove the planters at the south end of the Casino parking lot and pave over them, install hydraulic improvements to perpetuate flows, and remove the raised pavement markers on the existing road and re-stripe the same for parking.

Providing this construction in lieu of additional cash payment is a "win-win" for both sides. NDOT will already be mobilized and thus providing construction services at the Casino site, during Phase I of the larger Bypass Project. Therefore, NDOT saves money and the Casino receives additional value through NDOT's mobilization, pollution and dust control, and construction engineering.

Trial and Appeal

The estimated trial time for this case was 7-10 days. NDOT hired several technical experts and commissioned a complex video presentation showing existing roadway configurations in relation to the Subject Property and a virtual model of the new Bypass after construction is complete. A business valuation was also produced, thus adding to the complexity of expected expert testimony and potential for juror confusion. The additional financial resources required to present NDOT's case against MGM's damages claim in a professional manner would be significant.

Also, following an adverse determination at trial, NDOT or the MGM could possibly appeal. Because of the anticipated length and complexity of the trial, the appeal would also be a significant undertaking and expense. Based upon current patterns, it is estimated that it could take approximately three (3) years for the appeal to be resolved by the Supreme Court.

RECOMMENDATION

NDOT has considered the benefits of settlement, and weighed the same against the actual and potential costs of going to trial on the issue of just compensation, and has made the decision that settlement is reasonable, prudent, and in the public interest. NDOT requests authority to settle the MGM's compensation claim for the total sum of \$4,791,000.00, less the amount of \$2,041,000.00 previously deposited and withdrawn by MGM, which amounts to \$2,750,000.00 in additional funds.

FISCAL NOTE STATEMENT

NDOT will seek reimbursement from the Federal Highway Administration.



1263 South Stewart Street
Carson City, Nevada 89712
Phone: (775) 888-7440
Fax: (775) 888-7201

MEMORANDUM

October 10, 2014

To: Department of Transportation Board of Directors
From: Rudy Malfabon, Director
Subject: October 13, 2014 Transportation Board of Directors Meeting
Item #9: Briefing on the Proposed USA Parkway (SR-439) Delivery Method –
For Possible Action

SUMMARY:

The Tahoe-Reno Industrial Center (TRIC) in Storey County, Nevada, is a 107,000 acre area encompassing 30,000 acres of developable area for industrial use. There currently is about 11 million square feet of industrial space in use by nearly 160 companies at TRIC. TRIC is accessible from I-80 via an interchange at USA Parkway, located approximately 12 miles east of Sparks, NV. Attachment 1 is a map depicting USA Parkway. The portion of USA Parkway built by TRIC is shown as a solid black line. A separate agenda item will address payment for the existing Right of Way and a portion of improvements in the constructed section. This agenda item will discuss how, in support of regional economic development, NDOT will deliver the remainder of USA Parkway (SR 439) to US 50 and a portion of US 50 widening up to US 95A and have it open to traffic around the end of 2017.

BACKGROUND:

REGIONAL ECONOMIC DEVELOPMENT

TRIC has been a driver of regional economic development for several years. Many major companies have been attracted to this industrial center, including Wal-Mart, Dell Computers, Toys R Us, PetSmart and more recently, Tesla. Along with anticipated growth in job opportunities at TRIC comes the need to provide transportation improvements to serve the needs of commuters as well as for the efficient movement of freight generated at TRIC and freight that can use a USA Parkway connection to more efficiently travel from I-80 to southern Nevada. The extension of USA Parkway truly has regional significance as it will directly benefit Washoe County, Storey County, Lyon County and Carson City as well as commercial freight companies operating in this western region of the state.

ALTERNATIVE COMMUTER ROUTE

Completing the USA Parkway will provide a much-needed connection to the employment centers at TRIC, providing employers with access to available workforce in Carson City and Lyon County. Currently, if an employee resides in Carson City, they would have to commute through Reno-Sparks via I-580 and I-80 to get to TRIC. Likewise, a Lyon County resident would have to commute through Fernley via US 95A and I-80. Direct access via a new USA Parkway connecting to US 50 will reduce through traffic on existing routes that are already congested at peak times.

STATUS OF ENVIRONMENTAL CLEARANCE

The existing USA Parkway and the interchange at I-80 were constructed from 2006 to 2009. The existing 6 mile roadway, extending southeasterly from the interchange, services the adjacent industrial area. NDOT has been working on an Environmental Assessment (EA) to connect the existing roadway to US 50. This would form a new 18.5 mile SR 439, a 4 lane roadway connecting US 50 to I-80. The Draft EA is complete with a public hearing scheduled for early November and a Finding of No Significant Impact (FONSI) anticipated from the FHWA in January 2015.

FUNDING

NDOT has programmed state funds for the final design but the funding for the construction was not identified in the next 4 years of the Statewide Transportation Improvement Program (STIP). With the exception of the I-80 interchange, all environmental and preliminary engineering work to date on the USA Parkway project has been performed with State funds while meeting Federal requirements, including the preparation of the EA. NDOT will work with the FHWA Division Office to confirm that the construction phase of this project is eligible for Federal Funds. A state-funded approach is an option for funding construction which provides additional flexibility in NDOT's work program. Using state funds allows federal funds to be used on other major projects instead of obligating a large amount of federal funds in one fiscal year for a multi-year project. The specific funding proposal is being vetted and will be presented at a later date to the Transportation Board.

BENEFIT-COST

The benefits of the extension of USA Parkway (SR 439) outweigh the costs by a factor of 9.1 to 1. Out of the current slate of major projects being delivered by the Department, the USA Parkway extension has the highest benefit-cost ratio. Other examples are:

<u>PROJECT</u>	<u>B/C RATIO (7% Discount Rate)</u>
Project NEON Phase 1	5.8
Project NEON – All Phases	2.3
Boulder City Bypass	0.9

Benefits include time savings, improved safety, less air pollutants, and less operating costs for vehicles using the proposed extension. For time savings, the projected traffic is used along with an average value of a person's hourly wage (commercial truck drivers and typical commuters) to establish a total value of time savings. Six vehicle emission types (air pollutants) are considered and a calculation is made to estimate a reduction in tons of air pollutants, multiplied by a rate in dollars per ton to monetize the health cost savings expected to occur as a result of reduced travel time. Vehicle operating costs include fuel and non-fuel (tires, depreciation, maintenance, insurance, license and registration fees, taxes and financing). Safety benefits monetize the value of lives saved, property damage avoided, and serious personal injuries avoided through a reduction in crashes.

There are several indirect benefits that are not considered in the benefit-cost calculation, however, they have significant positive impacts. These include improved access and anticipated development along the corridor, appreciation of real estate values along the corridor within the region, and job creation as construction takes place, as development

occurs in the region and as new industrial and commercial establishments open for business.

CONSEQUENCES OF NO-BUILD SITUATION

The consequences of not building the extension of USA Parkway are longer commutes to TRIC on congested portions of the existing highway network. Additional travel time results in more air pollution and additional wear and tear on personal vehicles. Additional travel time also results in less economical movement of freight from I-80 to southern Nevada and vice-versa, as well as less personal or productive time for those travelers. Additional air pollution harms the environment as well as creating additional public health impacts. A no-build alternative also results in less highway traffic safety due to no reduction in crash rates (with associated fatalities, serious injuries and property damage).

There are other economic benefits (see Benefit-Cost above) that are more difficult to quantify without a formal economic analysis, but these economic benefits will not be realized if the USA Parkway extension is not completed.

ANALYSIS:

SR 439 will become a new State Highway as it connects I-80 to US 50 creating a shorter route from the Silver Springs area to Reno/Sparks and additional access to the TRIC. NDOT has prepared a preliminary plan included in this memo to complete SR 439 and have it open to traffic by December 2017.

DELIVERY METHOD

NDOT has evaluated the three main delivery methods for a project of this size and complexity and is recommending the Design-Build method. Design-Build is well suited to a project of this size and this level of design development, but the main advantage over the CMAR and Design-Bid-Build methods is an expedited schedule and the ability to complete the project by December 2017.

FUNDING AND IMPACTS TO NDOT PROGRAM

The approximately \$43 million expense to purchase the right of way and a portion of existing facilities constructed within the TRIC area will be expended in State FY 15. (Please note this and all of the following analyses are based upon the State Fiscal Year July 1st to June 30th.) NDOT currently has a State Highway fund balance of approximately \$189 million as of September 30, 2014. Concerns with the Federal fiscal cliff issue in FY 15 have been abated due to an extension of the current Transportation Bill, MAP-21. The \$43 million expense can be paid out of State funds with no change to the current FY 15 work program.

The construction of the new portions of SR 439, and improvements to the existing constructed section are currently estimated to cost approximately \$65 million. The preferred alternative for SR 439 will tie into a two-lane roadway section of US 50 in Silver Springs. NDOT has been widening US 50 to four-lanes from Dayton to Silver Springs with a series of projects, the last of which is scheduled for 2018. The EA and traffic analyses for SR 439 assume a four-lane US 50. There is an existing 10 mile stretch of US 50 from Roy's Road to US 95A that is only two lanes. NDOT proposes advancing the US 50 widening from SR 439 to US 95A, including the intersections of US 50/95A and US 50/SR439 into the Design-Build project. This portion of the US 50

widening project is estimated at \$5 million, therefore if added to SR 439 the estimated cost of the Design-Build project is \$70 million. With the current projected schedule this would result in approximately \$35 million in FY 16 and \$35 million in FY 17 in construction payments. The widening of US 50 from Roy's Road to SR 439, 8 miles in length, will remain in 2018, or later, most likely as a traditional Design-Bid-Build project estimated to cost approximately \$30 million.

NDOT currently includes FY 16 and FY 17 in the 2014-2017 STIP. SR 439 is not currently funded in these years and the STIP is fiscally constrained. Therefore, projects and programs would need to be adjusted to accommodate accelerating SR 439 and a portion of US 50 from SR 439 to US 95A under a design-build delivery method. NDOT proposes no revisions to the program in Clark County. With no other major capacity projects planned in FY 16 and FY 17 in Northern Nevada, the only alternative is to defer some projects under the 3R (resurfacing, restoration and rehabilitation) program. Attachment 2 shows the potential 3R, and other potential projects, that NDOT proposes to delay to accommodate the funding for SR 439 and a portion of US 50 from SR 439 to US 95A.

PROPOSED ACTION MOVING FORWARD:

NDOT will follow the requirements of NRS to justify use of the Design-Build method for delivering SR 439 and a portion of US 50 from SR 439 to US 95A at the November 2014 Transportation Board meeting.

NDOT will make adjustments to the STIP as described in Attachment 2 and bring the STIP amendments to the Board. The FY15-FY18 STIP approval is anticipated to be presented at the November 2014 Transportation Board meeting.

LIST OF ATTACHMENTS:

- A. Map of USA Parkway – SR 439
- B. List of Potentially Impacted Projects

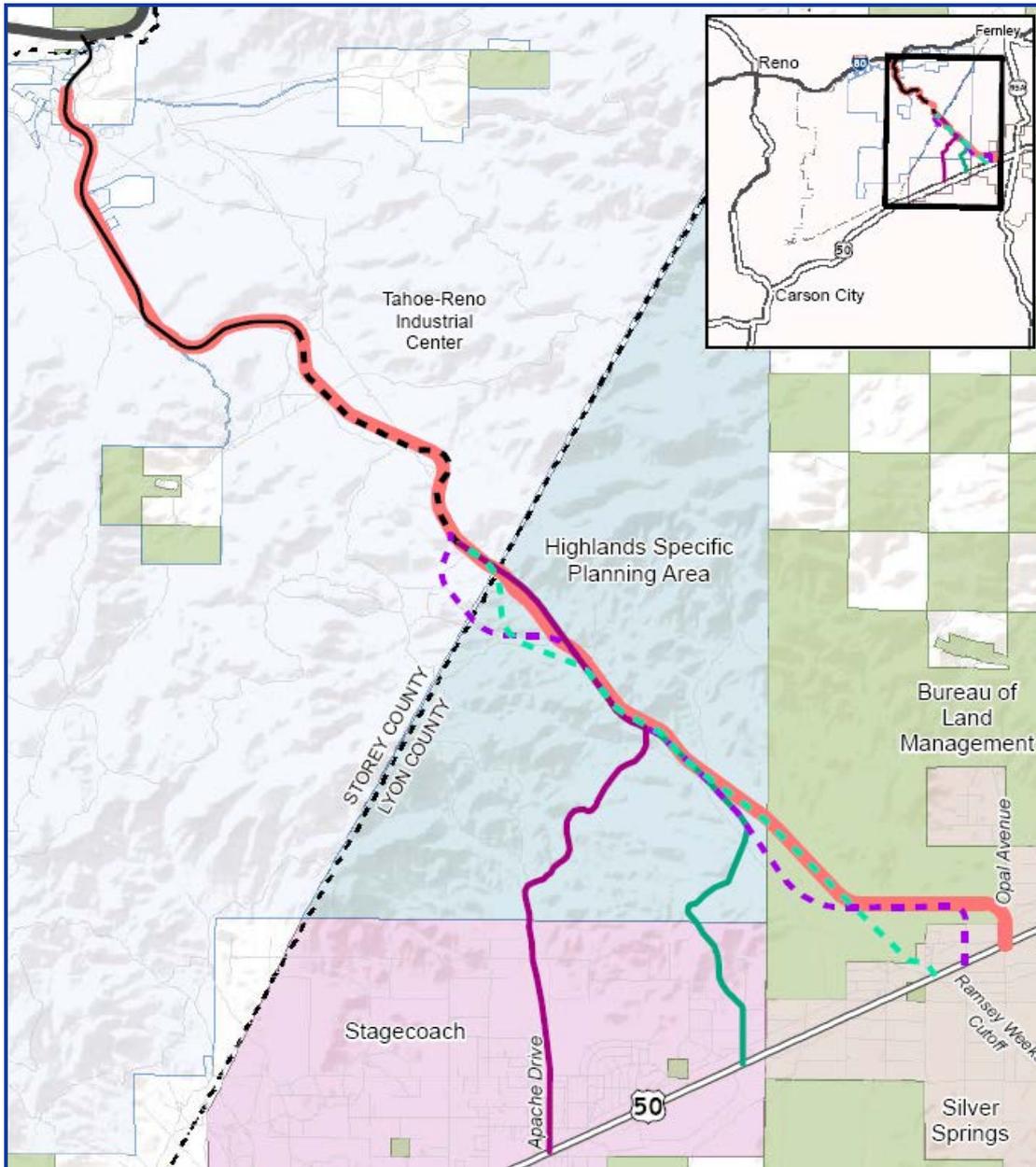
RECOMMENDATION FOR BOARD ACTION:

Staff recommends that the Transportation Board provide conceptual approval of this approach for delivering SR 439 (USA Parkway) and a portion of US 50 from SR 439 to US 95A.

PREPARED BY:

John M. Terry, P.E., Asst. Director - Engineering

Preferred Alternative



Alternatives*

— Existing Pavement	— Reservoir Road Alternative	--- County Boundary
--- Existing: Graded	— Apache Drive Alternative	■ Bureau of Land Management
--- Ramsey Weeks Alternative	— Opal Avenue Alternative (Preferred Alternative)	0 1.25 2.5 Miles
--- Onyx Street Alternative		N

* In addition to the preferred alternative, a no-build alternative is also being considered.



DRAFT - SR 439 PROJECT IMPACT LIST (\$70M in 2016/2017) Item #9 Attachment B

COUNTY	PROJECT NAME	ESTIMATED COST	CURRENT PLANNED YR	MOVED TO YR
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ROADWAY (3R) PROJECTS

EXISTING 5YP YEAR - 2016

LA	US 50 fm CH/LA Co Ln to 0.508 MW of the W Boundary of the Toiyabe National Forest. MP LA 0.000 to LA 25.408	\$14,500,000	2016	2017
LY	US 50A, Lyon Co, FM the Jct w/ US 50/US 95A in Silver Springs to SR 427. MP LY 0.000 to 14.119 (includes truck lane and passing lane)	\$10,900,000	2016	2017

EXISTING 5YP YEAR - 2017

HU	180 fm 0.345 ME of the trailing edge of H-1256 at the West Strip Grade Sep to 0.549 ME of the East Winnemucca Intch. MP HU 12.023 to 17.354	\$8,400,000	2017	2018
EL	180 fm 0.363 MW of the West Carlin Intch to 0.274 MW of the West Portal of the Carlin Tunnels, the beginning of the PCCP. MP EL 1.097 to 7.512	\$5,600,000	2017	2018
LY	180 fm 0.419 ME of the East Fernley Grade Sep to the LY/CH Co Ln. MP LY 5.844 to 15.912	\$13,600,000	2017	2018
WA	180 fm the CA/NV St Ln to 0.023 MW of Keystone Intch. Includes frontage road FRWA03 at Garson Rd Intch. MP WA 0.00 to 12.445	\$13,400,000	2017	2018
CC	US 395, Carson City, US 50/Williams St to 0.661 MS of the CC/WA Co Ln. MP CC 5.254 to 8.950	\$4,900,000	2017	2018

SubTotal = **\$71,300,000**



MEMORANDUM

October 1, 2014

TO: Department of Transportation Board of Directors
FROM: Rudy Malfabon, P.E., Director
SUBJECT: October 13, 2014 Transportation Board of Directors Meeting
ITEM #10: Acquisition of right-of-way, including compensation for existing improvements and acquisition of certain contractual rights for right-of-way easements for the USA Parkway (SR 439) Project – *For possible action.*

Summary:

USA Parkway is currently completing the environmental clearance stage. The Nevada Department of Transportation (NDOT) will advance the project through final engineering, right-of-way acquisition and construction phases. This majority of this highway is proposed to be a state highway with a portion remaining under Storey County. This is to request use of \$43,124,000 of State Highway Funds to purchase the right-of-way and existing improvements and certain contractual rights for a right-of-way easement from the developer of USA Parkway, which is currently designated as State Route 439.

Background:

USA Parkway is a partially constructed roadway beginning at the recently completed interchange on Interstate 80 approximately 10 miles east of Reno in Storey County. NDOT, in cooperation with the Federal Highway Administration (FHWA), is proposing an extension of USA Parkway from the current end of pavement south to U.S. 50 near Silver Springs in Lyon County. The extension will complete the 18-mile long roadway and provide an additional connection between I-80 to U.S. 50. The new alignment will enhance accessibility and mobility between Lyon and Storey counties, as well as provide transportation infrastructure to support existing and planned land uses and economic development in both counties.

The USA Parkway project for extension to U.S. 50 is currently in the environmental phase. This phase includes the preparation and review of multiple alternatives to extend USA Parkway to U.S. 50 while adhering to the rules and regulations of the National Environmental Policy Act (NEPA). This phase also includes preparation of the preliminary plans for the selected alternative.

NDOT performed the Cost Benefit Risk Analysis for the extension to U.S. 50. with a calculated benefit-cost ratio of 9.1 to 1. This means that the value of the benefits outweigh the costs to deliver the project by a factor of nine, approximately. The primary benefit is the savings in time between taking I-80 to U.S. 95A to travel south as opposed to a much shorter route taking I-80 to USA Parkway to U.S. 50 to U.S. 95A. The completion of USA Parkway will also support economic development at the Tahoe Reno Industrial Center in Storey County, and along undeveloped land in Lyon County all the way up to the junction with U.S. 50.

NDOT has identified a preferred alternative that includes minor improvements to the existing five-mile, four-lane paved section of USA Parkway. These improvements will include reconstruction, minor drainage and roadside features modifications (e.g., widened shoulders,

removal of large rocks (rip rap) in the median, and slope grading), but the existing roadway would generally remain in its current condition.

The build alternative would include construction of 12.5 miles of new roadway from the current terminus of USA Parkway, including about four miles that was previously graded to the Lyon/Storey county line, and approximately 8.5 miles of new alignment terminating at U.S. 50 at Opal Avenue. The proposed roadway would include an 86-foot wide typical section with two travel lanes in each direction, eight-foot shoulders, and a center median. The proposed right-of-way width is 120 feet wide in the existing paved section and the right-of-way width varies from 250 feet to 400 feet along the project corridor within Storey County.

The project team is working through agency consultation leading up to release of the draft Environmental Assessment (EA) expected to be released for public review in late October with a public meeting on November 5, 2014.

Analysis:

NDOT will acquire the right-of-way necessary to construct the remaining undeveloped portion of USA Parkway. The legal description of the right-of-way acquisition will be prepared after right-of-way engineering is completed.

The Developer of the Tahoe Reno Industrial Center sold certain adjacent property in Lyon County but retained a contractual right to an easement for a public road for the portion of the USA Parkway alignment in Lyon County. The buyer of that real property in the Lyon County property assigned its interests therein to other entities which assumed the obligation to provide a contractual right to an easement for a public road through that property. NDOT will acquire the contractual easement rights from the Developer for this portion of USA Parkway in Lyon County.

NDOT will compensate the Developer \$32,824,000 for a portion of the costs associated with the construction of the currently improved section of USA Parkway, including the graded but unpaved section up to the Lyon/Storey county line. NDOT will compensate the Developer \$10,300,000 for acquisition of the right-of-way in the improved portion of USA Parkway in Storey County. One portion is paved, while another portion has been graded, but not paved. The total amount of compensation to the Developer is \$43,124,000.

Storey County will retain a portion of the ownership of the right-of-way of the currently improved section of USA Parkway and NDOT will pursue obtaining a permanent easement from Storey County.

USA Parkway is designated as State Route 439. Although a portion of USA Parkway will be owned by Storey County, NDOT has used State Highway Funds on county roads, with Transportation Board approval. Examples include the Clark County Needles Highway project (\$8,050,000) near the California-Nevada state line, and the Clark County 215 Beltway at the Airport Connector (\$35 million).

The payment to the Developer compensates them for right-of-way acquisition and development of this regionally significant transportation improvement which has benefited the State of Nevada by attracting employment centers and promoted regional economic development.

Recommendation:

Staff recommends approval of \$43,124,000 of state highway funds for the acquisition of right-of-way for future U.S.A. Parkway and to compensate the Developer for a portion of improvements, right-of-way and easement contractual rights made to the current alignment, per Attachments 1 and 2.

Attachments:

- A. Table of Proposed Expenditures for USA Parkway
- B. Map of USA Parkway
- C. Preferred Alternative
- D. Schedule
- E. Lane Configuration

Prepared by: Rudy Malfabon, P.E., Director

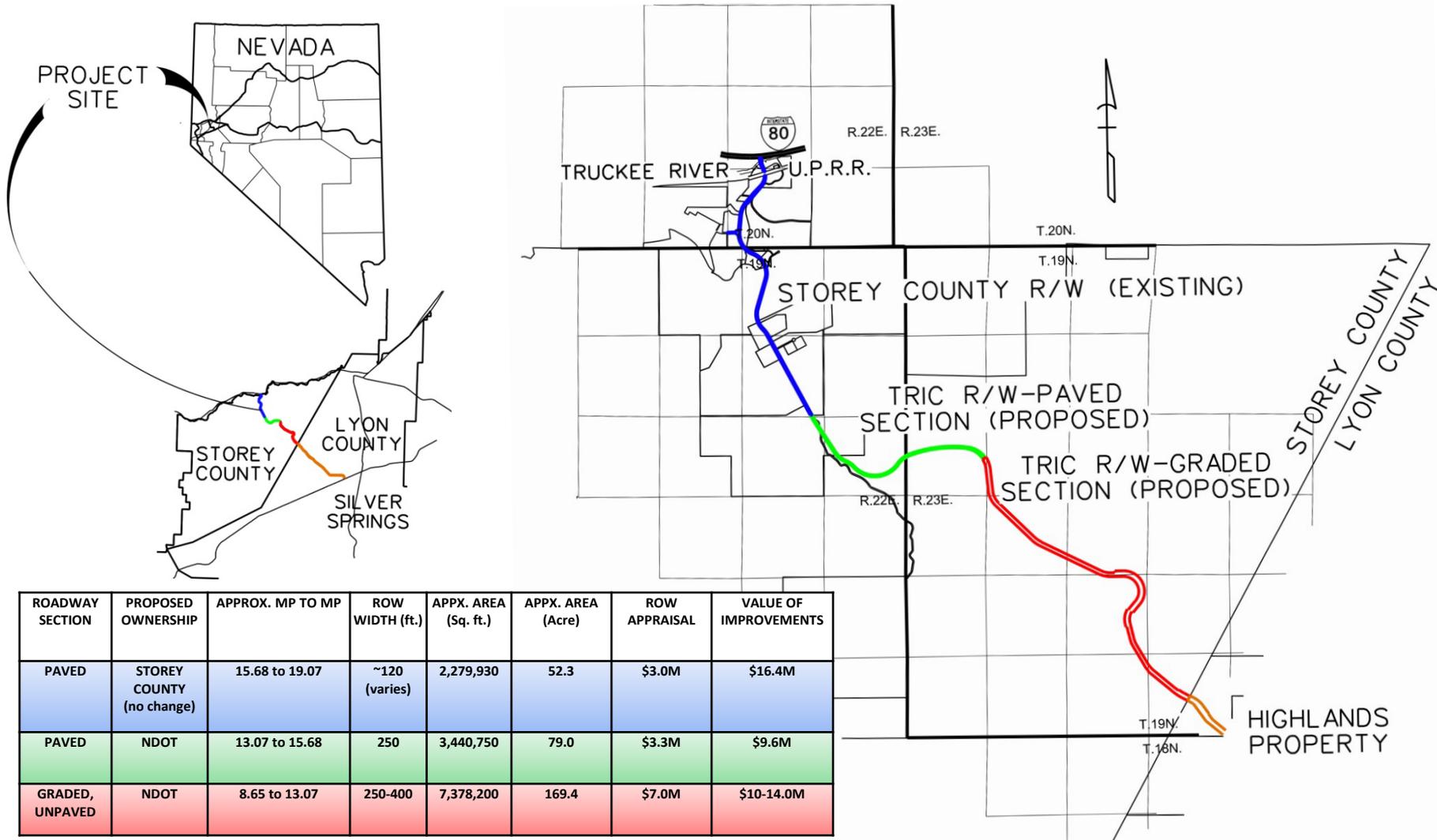
PROPOSED EXPENDITURES FOR USA PARKWAY

(NDOT WILL NOT PURCHASE ROW #1 BUT WILL PAY FOR A PORTION OF IMPROVEMENTS MADE TO ROW #1.)

ROADWAY SECTION	ROW MAP DESIGNATION	PROPOSED OWNERSHIP	MAINTENANCE RESPONSIBILITY UPON COMPLETION	AREA (Acres)	ROW WIDTH (ft.)	APPROX. MILEPOST TO MILEPOST	COUNTY	ESTIMATED ROW APPRAISAL	ESTIMATED VALUE OF CURRENT IMPROVEMENTS
Improved – Storey County ownership	ROW #1 (BLUE)	Storey County (no change)	Storey County (no change)	52.3	~120 (varies)	15.68 to 19.07	Storey	\$3.0M (NDOT IS NOT PURCHASING)	\$16.4M
Improved – NDOT ownership	ROW #2 (GREEN)	NDOT	NDOT	79.0	250	13.07 to 15.68	Storey	\$3.3M	\$9.6M
Graded, unpaved – NDOT ownership	ROW #3 (RED)	NDOT	NDOT	169.4	250 - 400	8.65 to 13.07	Storey	\$7.0M	\$10M - \$14.0M
Alignment TBD after design – easement	ROW #4 (YELLOW)	NDOT will acquire Developer's contractual right	NDOT	TBD	250 - 400	0 to 8.65	Lyon	Included in total payment to Developer	N/A
							SUBTOTAL	\$14.1M	\$36M - \$40M
							NDOT PORTION	\$10.3M	\$32.824 M
								TOTAL TO DEVELOPER: \$43.124 M	

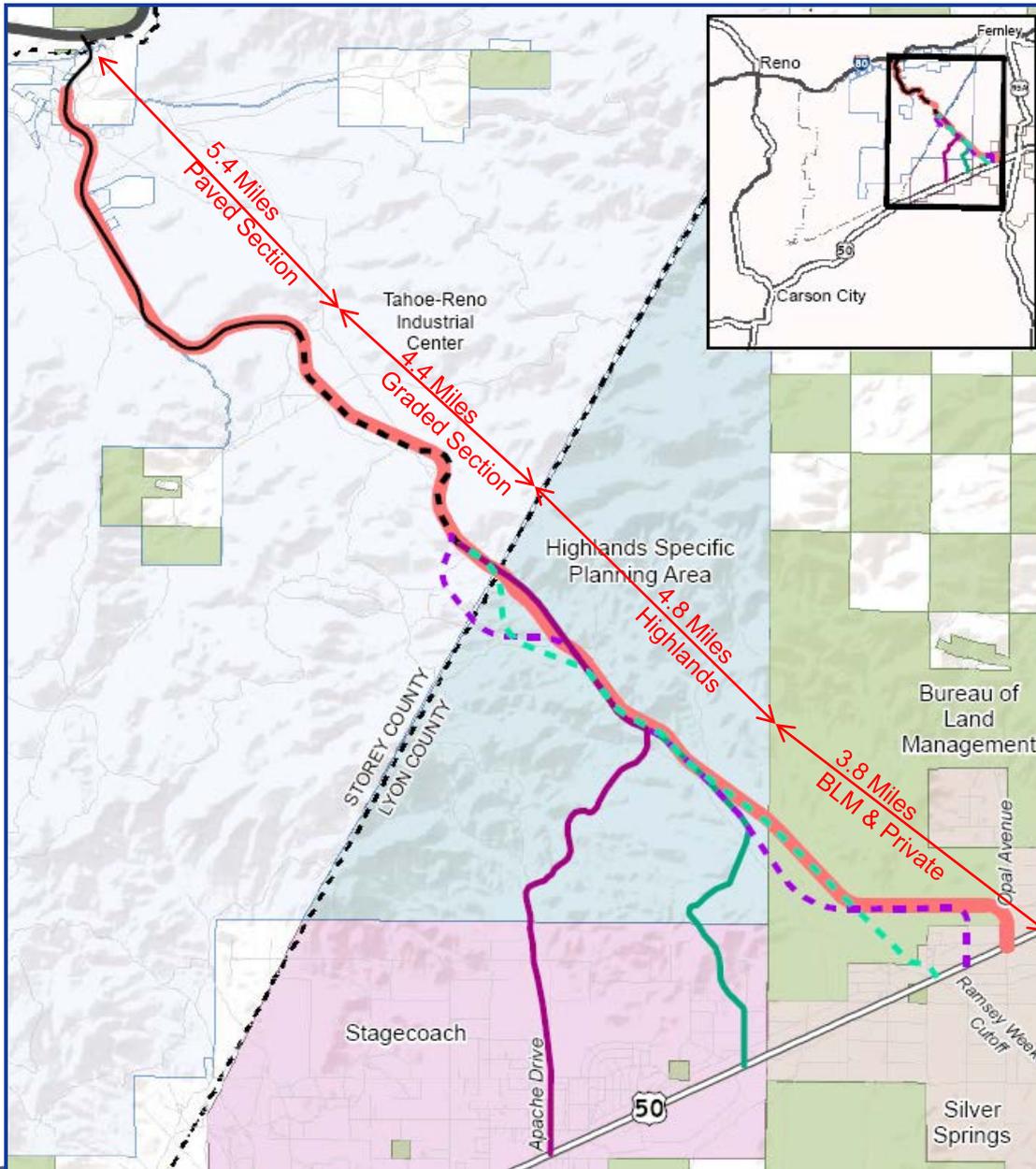
USA Parkway Right-of-Way

Item #10 Attachment B



NDOT will compensate the Developer for \$10.3M (green & red portions) of right-of-way and \$32.824M for a portion of existing improvements (total estimated value of \$36M - \$40M). The Developer and Storey County request that Storey County continue ownership of the right-of-way shown in blue. The total to the Developer from NDOT is \$43.124 million, which will include the contractual right for an easement for a public road in Lyon County (shown in yellow, Highlands Property).

Preferred Alternative



- Still requires public review and comment with the release of the Environmental Assessment report.

Alternatives*

Existing Pavement	Reservoir Road Alternative	County Boundary
Existing: Graded	Apache Drive Alternative	Bureau of Land Management
Ramsey Weeks Alternative	Opal Avenue Alternative (Preferred Alternative)	
Onyx Street Alternative		

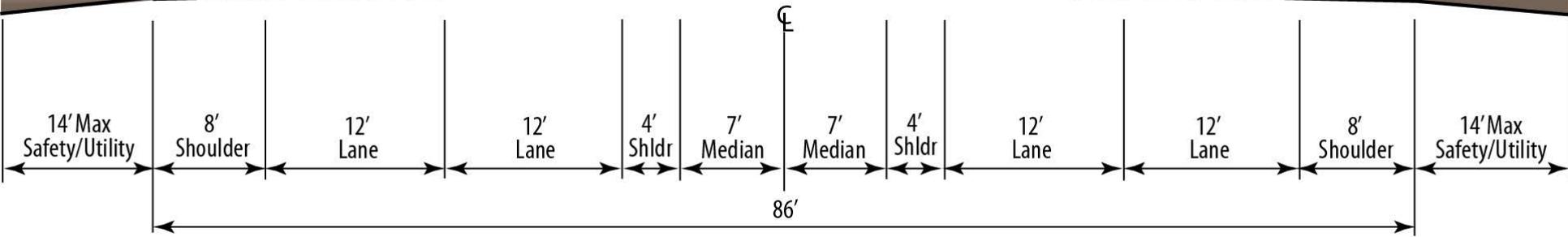
0 1.25 2.5 Miles

* In addition to the preferred alternative, a no-build alternative is also being considered.

Schedule

- 4th Qtr 2014 – Complete Environmental
- 1st Qtr 2015 – Start Procurement Process for Design-Build
- 4th Qtr 2015 – Select Design-Builder
- 4th Qtr 2016 – Complete R/W *
- 1st Qtr 2016 – Start Construction *
- 4th Qtr 2017 - Complete Construction

*Subject to available funds and Transportation Board approval. This schedule assumes NDOT receives current transportation funding levels through 2018. Transportation Board approval of Design-Build procurement for USA Parkway (SR 439) will be formally requested at a future Board meeting.



Lane Configuration



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MEMORANDUM

October 1, 2014

TO: Department of Transportation Board of Directors
FROM: Rudy Malfabon, Director
SUBJECT: October 13, 2014 Transportation Board of Directors Meeting
Item # 11: Briefing on Proposed Digital Billboard Policy

Summary:

During the 77th Legislative Session, Assembly Bill No. 305 was passed. This bill amended NRS 410.400 to add a definition for “commercial electronic variable message signs”, which then required the Department to amend Nevada Administrative Code (“NAC”) Chapter 410 to formally recognize Digital Billboards. Preliminary revisions to the language of NAC 410.350 “Sign Construction: Illumination; commercial electronic variable message signs”, was drafted. The Department conducted two (2) workshops, one in Southern Nevada and one in Northern Nevada this past spring to present the proposed changes to the attendees. The Department received comments from the attendees and after considering those comments, the Department is proposing additional changes which will be presented to the public in a second round of workshops.

Background:

The State Legislature created NRS Chapter 410 Beautification of Highways to establish a statutory basis for the regulation and control of Off-Premise Outdoor Advertising and Junkyards to be consistent with the federal Highway Beautification Act. These statutes provided a basis for NAC Chapter 410. The NAC provides further clarification of policies and rules used in the management of permits for off-premise outdoor advertising signs and junkyards. State law and federal regulation require a permit for any junkyard or off-premise advertising sign (billboard) that is located within 660-feet of any Interstate and Primary Highway System, which is readable from the main travel way. These regulations cover all Interstates, US routes and some state routes.

Since the enactment of the Highway Beautification Act, billboard signs have been strictly regulated especially when it comes to the use of lighting and movement. Signs were not allowed to use intermittent, flashing or moving lights. As technology evolved, the FHWA regulations were also modified to insure compliance with the Beautification Act. The NRS requires that the state regulation maintain consistency with federal regulation.

In compliance with federal regulations and the NAC’s, commercial electronic variable message signs (“CEVMS”), are permissible signs adjacent to controlled highway facilities. CEVMS included any sign that has a changeable message, including Tri-Vision signs and digital billboards. While digital billboards fall into the CEVMS category, when they were first introduced, the Department had concern that the digital technology behind these signs may not comply with the Highway Beautification Act

Because several other states shared similar concern, the FHWA provided a Guidance Memorandum dated September 25, 2007. This memo advised that CEVMS did not violate a prohibition on intermittent, flashing or moving lights and that issuing permits for these types of signs would be consistent with the Highway Beautification Act. After the FHWA issued this memo and after discussions with the local FHWA office the Department started issuing permits for digital billboard signs.

The FHWA guidance memo was challenged in the State of Arizona and the state appeals court there found inconsistency with Arizona state law and some of the technology used in CEVMS. This resulted in the State of Arizona proposing and passing legislation to formally recognize CEVMS in its state law.

The above ruling in Arizona caused the billboard industry to seek a similar legislative solution in Nevada. The passing of Assembly Bill 305 formally recognized CEVMS and thereby insured consistency with federal regulation.

NAC 410.350 is being amended to account for the new digital technology being used by today's CEVMS and to be consistent with the NRS. During the workshops that were performed, the Department received significant interest in the proposed rules surrounding the digital billboards. Both the billboard industry as well as opposition groups participated in the workshops. Numerous questions were raised concerning brightness, acceptable standards for brightness, length of messages and hacking of the billboard system. The Department has also performed additional research and have contacted several other western states to learn from their experiences.

Analysis:

Review of the proposed language revisions to NAC 410.350 is being performed and due to the large turn out and suggestions received, the Department is planning on a second round of workshops once the new proposed language is reviewed by the Attorney Generals Office. Once that review is complete further public input will be sought and then propose any changes to the LCB prior to having formal public hearings.

List of Attachments:

- A. Assembly Bill 305
- B. NAC 410.350 – showing the first round of proposed changes

Recommendation for Board Action:

Informational item only.

Prepared by:

Paul A. Saucedo, Chief R/W Agent

Assembly Bill No. 305—Assemblymen Horne
and Carrillo (by request)

CHAPTER.....

AN ACT relating to outdoor advertising; revising provisions relating to the promulgation of regulations by the Board of Directors of the Department of Transportation specifying the operational requirements for certain signs; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the Board of Directors of the Department of Transportation is required to prescribe regulations governing the issuance of permits for advertising signs, displays or devices and the inspection and surveillance of such signs, displays or devices. (NRS 410.400) This bill requires the Board to prescribe regulations specifying the operational requirements for signs known as commercial electronic variable message signs which conform to any regulations promulgated by the Secretary of the United States Department of Transportation.

EXPLANATION – Matter in *bolded italics* is new, matter between brackets ~~omitted material~~ is material to be omitted.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 410.400 is hereby amended to read as follows:
410.400 1. The Board shall prescribe:

(a) ~~Regulations~~ *Except as otherwise provided in paragraph (b), regulations* governing the issuance of permits for advertising signs, displays or devices and for the inspection and surveillance of advertising signs, displays or devices; ~~and~~

(b) *Regulations specifying the operational requirements for commercial electronic variable message signs which conform to any national standards promulgated by the Secretary of Transportation pursuant to 23 U.S.C. § 131; and*

(c) Such other regulations as it deems necessary to implement the provisions of NRS 410.220 to 410.410, inclusive.

2. The Department shall assess a reasonable annual fee for each permit issued to recover administrative costs incurred by the Department in the issuance of the permits, and the inspection and surveillance of advertising signs, displays or devices.

3. No fee may be collected for any authorized directional sign, display or device, or for authorized signs, displays or devices erected by chambers of commerce, civic organizations or local governments, advertising exclusively any city, town or geographic area.



- 2 -

4. No fee may be collected for any temporary sign, display or device advertising for or against a candidate, political party or ballot question in an election if the sign, display or device is:

(a) Erected not more than 60 days before a primary election and concerns a candidate, party or question for that primary or the ensuing general election; and

(b) Removed within 30 days after:

(1) The primary election if the candidate, party or question is not to be voted on at the ensuing general election.

(2) The general election in any other case.

↪ The Department may summarily remove any temporary political sign for which no fee has been paid if the sign is erected before or remains after the times prescribed.

5. All fees collected pursuant to this section must be deposited with the State Treasurer for credit to the State Highway Fund.

6. *As used in this section, "commercial electronic variable message sign" means a self-luminous or externally illuminated advertising sign which contains only static messages or copy which may be changed electronically.*

Sec. 2. This act becomes effective upon passage and approval for the purpose of adopting regulations and on January 1, 2014, for all other purposes.

20 ~~~~~ 13



Nevada Department of Transportation
Public workshops: 5/13/2014 and 5/21/2014
PROPOSED REVISIONS TO NAC 410.350

NAC 410.350 Sign construction: Illumination; commercial electronic variable message signs. (NRS 410.400)

1. Signs ~~shall not be erected or maintained which shall be so~~ ~~must not be placed with illumination~~ ed that they interfere with the effectiveness of or obscures any official traffic sign, device or signal. Signs must not include or be illuminated by flashing, intermittent or moving lights, except any parts necessary to give public service information such as the time, date, temperature, weather or similar information. Signs must not cause beams or rays of light to be directed at the traveled way if the light is of such intensity or brilliance ~~or is likely to be mistaken for a warning or danger signal or as~~ to cause glare or impair the vision of ~~any the driver of any motor vehicle,~~ or ~~to~~ interfere with any driver's operation of a motor vehicle. Illumination or lights for signs must not resemble or simulate any lights used to control or warn traffic or danger signals.

2. Commercial electronic variable message signs include trivision signs and digital billboard signs. A digital billboard shall contain static messages only, and shall not have movement, or the appearance or optical illusion of movement during the static display period, of any part of the sign structure. Each static message shall not include flashing or the varying of light intensity. A digital billboard is an off-premise sign utilizing digital message technology, capable of changing the static message or copy on the sign electronically.

3. A commercial electronic variable message sign, including, without limitation, a trivision sign, may be approved as an off-premise outdoor advertising sign in an urban area if the sign does not contain flashing, intermittent or moving lights, ~~does not cause a glare on the roadway~~ and the following conditions are met:

(a) An existing sign may be modified or updated if the sign conforms with established criteria relating to zoning, size, lighting and spacing.

(b) A message on a trivision sign may have a minimum display time of ~~six (6)~~ three (3) seconds and a maximum change interval of ~~three (3)~~ two (2) seconds. A message on a digital billboard sign may have a minimum display time of six (6) seconds and a maximum change interval of two (2) seconds.

(c) A trivision sign must contain a mechanism that will stop the sign in one position if a malfunction occurs. A digital billboard sign shall be operated with systems and monitoring in place to either turn the display off, show a "full black" image or freeze the image on the display in one position in the event of a malfunction.

(d) A digital billboard must have a light sensing device that will automatically adjust the brightness as ambient light conditions change in accordance with the recommended brightness criteria as set forth by the Outdoor Advertising Association of America Best Practice Guidelines.

(e) A digital billboard installed and operated in compliance with this section shall not be considered flashing, intermittent or moving light or lights.

(f) If a sign is installed that does not comply with the provisions of this subsection, the owner of the sign shall correct the violation or remove the sign at the owner's expense.

(g) Prior approval from the Department is required to modify existing signs to include the commercial electronic variable message sign, and a new permit fee of \$150 will be charged.

[Dep't of Highways, Outdoor Advertising Control Manual p. 11, eff. 1-28-77]—(NAC A by Dep't of Transportation by R058-97, 12-11-98)



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MEMORANDUM

October 2, 2014

TO: Department of Transportation Board of Directors
FROM: Rudy Malfabon, Director
SUBJECT: October 13, 2014 Transportation Board of Directors Meeting
Item #12: Old Business

Summary:

This item is to provide follow up and ongoing information brought up at previous Board Meetings.

Analysis:

- a. Report of Outside Counsel Costs on Open Matters - *Informational item only.*
Please see Attachment A.
- b. Monthly Litigation Report - *Informational item only.*
Please see Attachment B.
- c. Fatality Report dated September 30, 2014 - *Informational item only.*
Please see Attachment C.

List of Attachments:

- a. Report of Outside Counsel Costs on Open Matters - *Informational item only.*
- b. Monthly Litigation Report - *Informational item only.*
- c. Fatality Report dated September 30, 2014 - *Informational item only.*

Recommendation for Board Action:

Informational item only.

OPEN NDOT - OUTSIDE COUNSEL CONTRACTS AS OF September 19, 2014						
Vendor	Case/Project Name	Contract Period	Contract and Amendment Date	Contract and Amendment Amount	Total Contract Authority	Contract Authority Remaining
Nossaman, LLP	Project Neon Legal and Financial Planning NDOT Agmt No. P014-13-015	3/11/13 - 3/11/15 Amendment #1	3/11/13 1/14/14	\$ 1,400,000.00 \$ 2,000,000.00 \$ 3,400,000.00	\$ 3,400,000.00	\$ 1,026,013.11
Snell & Wilmer, LLP	<i>Peek Construction vs. NDOT</i> 1st JD 120C 00030 1B Contract # 3407 (Wells Wildlife Crossing) NDOT Agmt No. P082-12-004	3/1/12 - 3/30/15 Amendment #1 Amendment #2	3/1/12 9/12/13 7/29/14	\$150,000.00 20,000.00 28,000.00	\$ 198,000.00	\$ 25,548.50
Snell & Wilmer, LLP	<i>Peek Construction vs. NDOT</i> 1st JD 120C 00032 1B Contract # 3377 (Kingsbury Grade) NDOT Agmt No. P083-12-004	3/1/12 - 3/30/15 Amendment #1 Amendment #2 Amendment #3 Amendment #4	3/1/12 2/18/13 9/12/13 1/17/14 9/9/14	\$150,000.00 75,000.00 70,000.00 825,000.00 167,207.98	\$ 1,287,207.98	\$ 127,423.00
Snell & Wilmer, LLP	<i>Construction Claims Williams Brother, Inc.</i> Contract # 3392 (Various in Las Vegas) NDOT Agmt No. P084-12-004	3/1/2012 - 6/30/15 Amendment #1	3/1/12 5/13/14	\$ 5,500.00 \$ 5,000.00	\$ 10,500.00	\$ 5,149.00
Chapman Law Firm	<i>NDOT vs. Carrie Sanders</i> 8th JD - A-12-664693-C Project Neon - Las Vegas NDOT Agmt No. P192-12-004	6/12/12 - 6/12/15	6/12/12	\$ 541,800.00	\$ 541,800.00	\$ 158,222.82
Chapman Law Firm	<i>NDOT vs. Gendall</i> 8th JD - A-12-666487-C Project Neon - Las Vegas NDOT Agmt No. P325-12-004	8/21/12 - 2/21/15 Amendment #1	8/21/12 8/19/14	\$,541,800.00 Extension of Time	\$ 541,800.00	\$ 114,632.90
Chapman Law Firm	<i>NDOT vs. Roberts 1981 Decedents Trust</i> 8th JD - 12-665880-C Project Neon - Las Vegas NDOT Agmt No. P452-12-004	10/23/12 - 9/30/16 Amendment #1	10/23/12 9/12/14	475725 Extension of Time	\$ 475,725.00	\$ 431,700.26
Chapman Law Firm	<i>NDOT vs. Catello Family Trust</i> 8th JD - A-12-671920-C Project Neon - Las Vegas NDOT Agmt No. P476-12-004	11/16/12 - 11/30/15	11/16/12	\$ 449,575.00	\$ 449,575.00	\$ 429,668.46
Chapman Law Firm	<i>NDOT vs. MLK-ALTA</i> 8th JD - A-12-658642-C Project Neon - Las Vegas NDOT Agmt No. P508-12-004	1/14/13 - 1/14/15	1/14/13	\$ 455,525.00	\$ 455,525.00	\$ 297,481.06
Chapman Law Firm	<i>NDOT vs. Highland Partnership 1980</i> 8th JD - Project Neon - Las Vegas NDOT Agmt No. P507-12-004	1/14/13 - 1/14/15	1/14/13	\$ 449,575.00	\$ 449,575.00	\$ 408,999.95
Chapman Law Firm	<i>NDOT vs. Highland 2000-I, LLC</i> 8th JD - A-12-671915-C Project Neon - Las Vegas NDOT Agmt No. P501-12-004	1/14/13 - 1/14/15	1/14/13	\$ 449,575.00	\$ 449,575.00	\$ 1,266.00

OPEN NDOT - OUTSIDE COUNSEL CONTRACTS AS OF September 19, 2014						
Vendor	Case/Project Name	Contract Period	Contract and Amendment Date	Contract and Amendment Amount	Total Contract Authority	Contract Authority Remaining
Laura FitzSimmons, Esq.	Condemnation Litigation Consultation NDOT Agmt No. P510-12-004	12/16/12 - 12/30/14 Amendment #1 Amendment #2 Amendment #3	12/16/12 8/12/13 1/22/14 5/12/14	\$ 300,000.00 \$ 850,000.00 \$ 750,000.00 \$ 800,000.00		
					\$ 2,700,000.00	\$ 588,926.06
Lemons, Grundy, Eisenberg	NDOT vs. Ad America (Appeal) 8th JD - A-11-640157-C Project Neon - Las Vegas NDOT Agmt No. P037-13-004	1/22/13 - 1/22/15	1/22/13	\$205,250.00		
					\$ 205,250.00	\$ 86,422.02
Sylvester & Polednak, Ltd.	NDOT vs. Wykoff 8th JD - A-12-656578-C Warms Springs Project - Las Vegas NDOT Agmt No. P071-13-004	2/27/13 - 2/27/15	2/27/13	\$275,000.00		
					\$ 275,000.00	\$ 63,408.13
Sylvester & Polednak, Ltd.	NDOT vs. Railroad Pass 8th JD - A-12-665330-C Boulder City Bypass Project NDOT Agmt No. P072-13-004	2/27/13 - 2/27/15	2/27/13	\$ 275,000.00		
		Amendment #1	5/12/14	\$ 275,000.00	\$ 550,000.00	\$ 224,230.45
Sylvester & Polednak, Ltd.	NDOT vs. K & L Dirt 8th JD - A-12-666050-C Boulder City Bypass Project NDOT Agmt No. P073-13-004	2/27/13 - 2/27/15	2/27/13	\$ 275,000.00		
					\$ 275,000.00	\$ 195,671.02
Sylvester & Polednak, Ltd.	NDOT vs. I-15 & Cactus Cactus Project - Las Vegas 8th JD - A-12-664403-C NDOT Agmt No. P074-13-004	2/27/13 - 2/27/15	2/27/13	\$ 200,000.00		
					\$ 200,000.00	\$ 117,105.29
Sylvester & Polednak, Ltd.	JYTYJK, LLC dba Wireless Toyz vs. NDOT 8th JD A-13-681291-C Project Neon - Las Vegas NDOT Agmt No. P127-13-004	4/19/13 - 2/28/15	4/19/13	\$ 175,000.00		
					\$ 175,000.00	\$ 137,662.63
Watt, Tieder, Hoffar & Fitzgerald Novation Agreement 2/28/14 Varela, Lee, Metz & Guarina, LLP **	Pacific Coast Steel vs. NDOT K3292 - I-580 2nd JD CV12-02093 NDOT Agmt No. P160-13-004	4/30/13 - 4/30/15	4/30/13	\$ 275,000.00		
					\$ 275,000.00	\$ 59,870.66
Sylvester & Polednak	Fitzhouse Enterprises (acquired title as Westcare) 8th JD - A-13-660564-C Project Neon - Las Vegas NDOT Agmt No. P201-13-004	5/31/13 - 5/31/15	5/31/13	\$ 290,000.00		
					\$ 290,000.00	\$ 197,847.34
Chapman Law Firm	54 B LLC vs. Clark County & NDOT 8th JD - A-12-674009 NDOT Agmt No. P217-13-004	6/6/13 - 11/30/15	6/6/13	\$ 250,000.00		
					\$ 250,000.00	\$ 198,111.76
Snell & Wilmer	Meadow Valley Public Records Request K3399 NDOT Agmt No. P273-13-004	7/18/13 - 7/30/15 Amendment #1	7/18/13 7/29/14	30,000.00 50,000.00		
					\$ 80,000.00	\$ 13,994.66

OPEN NDOT - OUTSIDE COUNSEL CONTRACTS AS OF September 19, 2014						
Vendor	Case/Project Name	Contract Period	Contract and Amendment Date	Contract and Amendment Amount	Total Contract Authority	Contract Authority Remaining
Kemp, Jones, Coulthard	Nassiri vs. NDOT 8th JD A672841 NDOT Agmt No. P290-13-004	7/17/13 - 6/30/15	7/17/13	\$ 280,000.00	\$ 280,000.00	\$ 108,469.79
Chapman Law Firm	Ad America vs. NDOT (Project Neon) 8th JD A640157 NDOT Agmt No. P291-13-004	7/25/13 - 7/30/15 Amendment #1	7/25/13 4/28/14	\$ 200,000.00 \$ 250,000.00	\$ 450,000.00	\$ 140,511.69
Chapman Law Firm	Ad America vs. NDOT (Cactus Direct and Inverse) 8th JD A-10-631520-C & A-12666482-C NDOT Agmt No. P292-13-004	7/25/13 - 7/30/15	7/25/13	\$ 250,000.00	\$ 250,000.00	\$ 191,255.74
Chapman Law Firm	Ad America vs. NDOT (South Point) 8th JD A-11-653502-C NDOT Agmt No. P293-13-004	7/25/13 - 7/30/15	7/25/13	\$ 70,000.00	\$ 70,000.00	\$ 28,713.07
Kemp, Jones & Coulthard	NDOT vs. City of Los Angeles 8th JD A-13-687717-C Boulder City Bypass Project NDOT Agmt No. P405-13-004	9/1/13 - 9/30/15	9/1/13	\$ 250,000.00	\$ 250,000.00	\$ 203,644.52
Sylvester & Polednak	NDOT vs. Smith Family Trust 8th JD A-13-687895-C Project Neon NDOT Agmt No. P465-13-004	9/7/13 - 9/30/15	9/7/13	\$ 280,000.00	\$ 280,000.00	\$ 267,599.29
Chapman Law Firm	NDOT vs. LGC, 231, LLC 8th JD NDOT Agmt No. P561-13-004	12/20/13 - 12/15/15	12/20/13	\$ 453,650.00	\$ 453,650.00	\$ 422,992.97
Laura FitzSimmons, Esq.	Risk Management Analysis for Project NEON	1/13/14 - 12/13/17 Amendment #1	1/13/14 8/21/14	\$ 900,000.00 \$ 310,000.00	\$ 1,210,000.00	\$ 383,419.72
Chapman Law Firm	McCarran Widening 2nd JD - Various Temporary Easements NDOT Agmt No. P142-14-004	5/14/14 - 5/30/16	5/14/14	\$ 200,000.00	\$ 200,000.00	\$ 174,779.82
Armstrong Teasdale, LLP	Legal Support for utility matters relating to Project Neon and Boulder City Bypass NDOT Agmt No. P210-14-004	5/14/14 - 5/30/16	5/14/14	\$ 250,000.00	\$ 250,000.00	\$ 245,570.00
Sylvester & Polednak	First Presbyterian Church vs. NDOT 8th JD A-14-698783-C Project Neon NDOT Agmt No. P327-14-004	7/17/14 - 7/30/16	7/17/14	\$ 280,000.00	\$ 280,000.00	\$ 266,923.41
Carbajal & McNutt, LLP	Las Vegas Golf & Country Club 8th JD A-14-705477-C Project Neon NDOT Agmt No. P362-14-004	9/8/14 - 8/30/15	9/8/14	\$ 375,000.00	\$ 375,000.00	\$ 373,683.55
Laura FitzSimmons, Esq.	Project Neon - Legal Support NDOT Agmt No. P270-14-004	8/25/14	10/13/14	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
* BH Consulting Agreement	Management assistance, policy recommendations, negotiation support and advice regarding NEXTEL and Re-channeling of NDOT's 800 Mhz frequencies.	6/30/12 - 6/30/16	6/30/12	\$ 77,750.00	\$ 77,750.00	\$ 76,340.00
					\$ 77,750.00	\$ 76,340.00

* Pass Through - Federally mandated 800 MHz rebanding project fully reimbursed by Sprint Nextel.

** The firm of Varela, Lee, Metz & Guarina, LLP took over the Pacific Coast Steel vs. NDOT Case as of 2/28/14 from the firm of Watt, Tieder, Hoffar & Fitzgerald.

Monthly Litigation Report to the Nevada Department of Transportation - September 19, 2014				
Case Name	Nature of Case	Outside Counsel to Date		
		Fees	Costs	Total
Condemnations				
NDOT vs. AD America, Inc. (Cactus - Direct)	Eminent domain - I-15 Cactus	\$ 154,970.26	\$ 28,099.20	\$ 183,069.46
NDOT vs. Catello Family Trust, Carmine V.	Eminent domain - Project Neon	\$ 18,470.75	\$ 1,435.79	\$ 19,906.54
NDOT vs. Chavez, Dawn R.	Eminent domain - McCarran Widening	\$ 9,135.00	\$ 4,058.02	\$ 13,193.02
NDOT vs. City of Los Angeles, et al.	Eminent domain - Boulder City Bypass	\$ 43,625.00	\$ 2,730.48	\$ 46,355.48
NDOT vs. Fitzhouse/Westcare	Eminent domain - Project Neon	\$ 59,875.00	\$ 32,277.66	\$ 92,152.66
NDOT vs. Gendall Trust	Eminent domain - Project Neon	\$ 358,437.55	\$ 68,729.55	\$ 427,167.10
NDOT vs. Hackler, Connie L.	Eminent domain - McCarran Widening	\$ 19,453.75	\$ 5,766.43	\$ 25,220.18
NDOT vs. Highland Partnership 1980, LLC	Eminent domain - Project Neon	\$ 35,118.75	\$ 5,456.30	\$ 40,575.05
NDOT vs. Highland 2000-I, LLC	Eminent domain - Project Neon	\$ 353,825.11	\$ 94,483.89	\$ 448,309.00
NDOT vs. I-15 and Cactus, LLC	Eminent domain - I-15 Cactus	\$ 71,175.00	\$ 11,719.71	\$ 82,894.71
NDOT vs. Jenkins, Carrie, aka Carrie Sanders	Eminent domain - Project Neon	\$ 291,202.75	\$ 92,374.43	\$ 383,577.18
NDOT vs. Jensen, Allan B.	Eminent domain - McCarran Widening	\$ 19,453.75	\$ 5,766.43	\$ 25,220.18
NDOT vs. Jericho Heights, LLC	Eminent domain - Boulder City Bypass	\$ 947,720.00	\$ 1,163,353.94	\$ 2,111,073.94
NDOT vs. K & L Dirt Company, LLC	Eminent domain - Boulder City Bypass	\$ 65,925.00	\$ 13,403.98	\$ 79,328.98
NDOT vs. KP & TP, LLC, Roohani, Khusrow	Eminent domain - I-15 and Warm Springs			
NDOT vs. Las Vegas Golf & Country Club	Eminent domain - Project Neon	\$ 1,300.00	\$ 16.45	\$ 1,316.45
NDOT vs. Manaois, Randy M.	Eminent domain - McCarran Widening	\$ 19,453.75	\$ 5,766.43	\$ 25,220.18
NDOT vs. Marsh, Nita, et al.	Eminent domain - McCarran Widening	\$ 19,453.75	\$ 5,766.43	\$ 25,220.18
NDOT vs. Miller, Bruce B.	Eminent domain - McCarran Widening	\$ 19,453.75	\$ 5,766.43	\$ 25,220.18
NDOT vs. MLK-ALTA	Eminent domain - Project Neon	\$ 134,413.75	\$ 23,630.19	\$ 158,043.94
NDOT vs. Railroad Pass Investment Group	Eminent domain - Boulder City Bypass	\$ 147,725.00	\$ 178,044.55	\$ 325,769.55
NDOT vs. Smith Family Trust, et al	Eminent domain - Project Neon	\$ 11,050.00	\$ 1,350.71	\$ 12,400.71
NDOT vs. Stanford Crossing, LLC	Eminent domain - McCarran Widening	\$ 19,453.75	\$ 5,766.43	\$ 25,220.18
NDOT vs. Turner, Ronald Lee	Eminent domain - McCarran Widening	\$ 19,453.75	\$ 5,766.43	\$ 25,220.18
NDOT vs. Union Pacific Railroad Co.	Eminent domain - Recnstr. of SR 317			
NDOT vs. Woods, William and Elaine	Eminent domain - McCarran Widening	\$ 19,453.75	\$ 5,766.43	\$ 25,220.18
NDOT vs. Wykoff Newberg Corporation	Eminent domain - I-15 and Warm Springs	\$ 182,425.78	\$ 29,166.09	\$ 211,591.87
Inverse Condemnations				
54 B LLC	Inverse condemnation	\$ 42,260.03	\$ 9,628.21	\$ 51,888.24
AD America, Inc. vs. NDOT (NEON)	Inverse condemnation - Project Neon	\$ 466,275.61	\$ 111,243.52	\$ 577,519.13
AD America, Inc. vs. NDOT (NEON-Silver Ave.)	Inverse condemnation - Project Neon			
Eastman, Brandon vs. NDOT	Inverse condemnation - Project Neon			
First Presbyterian Church of LV vs. NDOT	Inverse condemnation - Project Neon	\$ 12,875.00	\$ 201.59	\$ 13,076.59
JYTYJK, LLC dba Wireless Toyz vs. NDOT	Inverse condemnation - Project Neon	\$ 28,155.25	\$ 9,182.12	\$ 37,337.37
Nassiri, Fred vs. NDOT	Inverse condemnation	\$ 167,794.68	\$ 3,735.53	\$ 171,530.21
Robarts 1981 Decedents Trust vs. NDOT	Inverse Condemnation - Project Neon	\$ 41,937.33	\$ 2,087.41	\$ 44,024.74
Cases Removed from Last Report:				
NDOT vs. Bawcon	Final Order of Condemnation			

Monthly Litigation Report to the Nevada Department of Transportation - September 19, 2014				
Case Name	Nature of Case	Outside Counsel to Date		
		Fees	Costs	Total
Torts				
Antonio, James S. vs. NDOT	Plaintiff alleges negligence causing personal injury			
Ariza, Ana, et al. vs. Wulfenstein, NDOT	Plaintiff alleges wrongful death			
Discount Tire Company vs. NDOT; Fisher	Plaintiff alleges negligence and personal injury			
Francois, John A. vs. NDOT	Plaintiff alleges negligence and personal injury			
Harris Farm, Inc. vs NDOT	Plaintiff alleges negligence and personal injury			
Heme, Sandra Lee vs. County of Clark; NDOT	Plaintiff alleges negligence and personal injury			
Jorgenson & Koka, LLP	Plaintiff alleges negligence causing property damage			
Mullen, Janet vs. NDOT	Plaintiff alleges personal injury			
NDOT vs. Tamietti	NDOT seeks injunct. relief to prevent closing access			
Oneal, Brenda vs. NDOT	Plaintiff alleges negligence causing personal injury			
Richard, Eboni vs. NDOT	Plaintiff alleges negligence causing personal injury			
Windrum, Richard & Michelle vs. NDOT	Plaintiff alleges negligence and personal injury			
Woods, Willaim and Elaine	Plaintiff alleges wrongful death			
Zito, Adam vs. NDOT	Plaintiff alleges negligence and property damage			
Contract Disputes				
Peek Construction vs. State, NDOT	Plaintiff alleges delays on Contract 3377, SR 207	\$ 988,120.50	\$ 171,664.48	\$ 1,159,784.98
Peek Construction vs. State, NDOT	Plaintiff alleges delays on Contract 3407, US-93	\$ 154,000.50	\$ 18,451.00	\$ 172,451.50
Personnel Matters				
Akinola, Ayodele vs. State, NDOT	Plaintiff alleges 14th Amendment - discrimination			
Cerini, Cheri	Petition for Judicial Review			
Cases Removed from Last Report:				
King-Schmidt; Bolinger vs. NDOT	Voluntary Dismissal			
Marshall, Charles vs. State, NDOT	Motion for Summary Judgment Granting. Costs awarded to NDOT of \$2,820.00			

9/30/2014

TO: PUBLIC SAFETY, DIRECTOR NDOT, HIGHWAY SAFETY COORDINATOR, NDOT TRAFFIC ENGINEERING, FHWA, LVMPD, RENO PD.

FROM: THE OFFICE OF TRAFFIC SAFETY, FATAL ANALYSIS REPORTING SYSTEM (FARS)

SUBJECT: FATAL CRASHES AND FATALITIES BY COUNTY, PERSON TYPE, DAY, MONTH, YEAR AND PERCENT CHANGE.

CURRENT			SAME DATE LAST YEAR			# CHANGE	
Yesterday	Crashes	Fatals	Yesterday	Crashes	Fatals	Crashes	Fatals
9/28/2014	1	1	9/28/2013	1	1	0	0
MONTH	17	18	MONTH	15	16	2	2
YEAR	185	203	YEAR	179	197	6	6

CRASH AND FATAL COMPARISON BETWEEN 2013 AND 2014, AS OF CURRENT DATE.

COUNTY	2013 Crashes	2014 Crashes	% CHANGE	2013 Fatalites	2014 Fatalities	% Change	2013 Alcohol Crashes	2014 Alcohol Crashes	% Change	2013 Alcohol Fatalities	2014 Alcohol Fatalities	% Change
CARSON	4	3	-25.00%	5	4	-20.00%	2	0	-100.00%	3	0	-100.00%
CHURCHILL	1	4	300.00%	1	4	300.00%	0	0	0.00%	0	0	0.00%
CLARK	130	109	-16.15%	140	116	-17.14%	51	24	-52.94%	55	26	-52.73%
DOUGLAS	6	3	-50.00%	6	3	-50.00%	2	0	-100.00%	2	0	-100.00%
ELKO	2	7	250.00%	3	10	233.33%	2	3	50.00%	3	6	100.00%
ESMERALDA	0	1	100.00%	0	2	200.00%	0	0	0.00%	0	0	0.00%
EUREKA	0	3	300.00%	0	4	400.00%	1	1	0.00%	1	1	0.00%
HUMBOLDT	2	7	250.00%	3	8	166.67%	0	0	0.00%	0	0	0.00%
LANDER	0	3	300.00%	0	3	300.00%	0	1	100.00%	0	1	100.00%
LINCOLN	5	3	-40.00%	5	3	-40.00%	2	0	-100.00%	2	0	-100.00%
LYON	4	6	50.00%	6	7	16.67%	1	3	200.00%	1	3	200.00%
MINERAL	1	0	-100.00%	1	0	-100.00%	1	0	-100.00%	1	0	-100.00%
NYE	7	7	0.00%	10	8	-20.00%	1	0	-100.00%	1	0	-100.00%
PERSHING	1	3	200.00%	1	3	200.00%	0	1	100.00%	0	1	100.00%
STOREY	0	1	100.00%	0	1	100.00%	0	0	0.00%	0	0	0.00%
WASHOE	15	25	66.67%	15	27	80.00%	6	6	0.00%	6	7	16.67%
WHITE PINE	1	0	-100.00%	1	0	-100.00%	0	0	0.00%	0	0	0.00%
YTD	179	185	3.35%	197	203	3.05%	69	39	-43.48%	75	45	-40.00%
TOTAL 13	244	----	-24.2%	265	----	-23.4%	72	----	-45.83%	79	----	-43.04%

2013 AND 2014 ALCOHOL CRASHES AND FATALITIES ARE BASED ON VERY PRELIMINARY DATA.

COMPARISON OF FATALITIES BY PERSON TYPE BETWEEN 2013 AND 2014, AS OF CURRENT DATE.

COUNTY	2013 Vehicle Occupants	2014 Vehicle Occupants	% Change	2013 Peds	2014 Peds	% Change	2013 Motor-Cyclist	2014 Motor-Cyclist	% Change	2013 Bike	2014 Bike	% Change	2013 Other moped,sc ooter,atv	2014 Other moped,sc ooter,atv
CARSON	3	1	-66.67%	2	0	-100.00%	0	3	300.00%	0	0	0.00%	0	0
CHURCHILL	0	3	300.00%	0	0	0.00%	1	1	0.00%	0	0	0.00%	0	0
CLARK	72	47	-34.72%	35	31	-11.43%	26	31	19.23%	4	2	-50.00%	3	5
DOUGLAS	4	1	-75.00%	1	1	0.00%	0	1	100.00%	1	0	-100.00%	0	0
ELKO	3	10	233.33%	0	0	0.00%	0	0	0.00%	0	0	0.00%	0	0
ESMERALDA	0	2	200.00%	0	0	0.00%	0	0	0.00%	0	0	0.00%	0	0
EUREKA	0	4	400.00%	0	0	0.00%	0	0	0.00%	0	0	0.00%	0	0
HUMBOLDT	3	7	133.33%	0	0	0.00%	0	0	0.00%	0	0	0.00%	0	1
LANDER	0	2	200.00%	0	1	100.00%	0	0	0.00%	0	0	0.00%	0	0
LINCOLN	4	3	-25.00%	0	0	0.00%	1	0	-100.00%	0	0	0.00%	0	0
LYON	4	3	-25.00%	0	3	300.00%	1	1	0.00%	1	0	-100.00%	0	0
MINERAL	1	0	-100.00%	0	0	0.00%	0	0	0.00%	0	0	0.00%	0	0
NYE	7	6	-14.29%	1	1	0.00%	2	1	-50.00%	0	0	0.00%	0	0
PERSHING	1	3	200.00%	0	0	0.00%	0	0	0.00%	0	0	0.00%	0	0
STOREY	0	0	0.00%	0	0	0.00%	0	1	100.00%	0	0	0.00%	0	0
WASHOE	5	10	100.00%	4	6	50.00%	6	6	0.00%	0	3	300.00%	0	2
WHITE PINE	1	0	-100.00%	0	0	0.00%	0	0	0.00%	0	0	0.00%	0	0
YTD	108	102	-5.56%	43	43	0.00%	37	45	21.62%	6	5	-16.67%	3	8
TOTAL 13	131	----	-22.14%	69	----	-37.68%	53	----	-15.09%	7	----	-28.57%	5	----

Total 2013 265