

Nevada Department of Transportation  
Board of Directors Meeting  
March 12, 2018

Governor Brian Sandoval  
Lt. Governor Mark Hutchison  
Controller Ron Knecht  
Virginia Valentine  
Len Savage  
BJ AlMBERG  
Rudy Malfabon  
Bill Hoffman  
Dennis Gallagher

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Sandoval: Good morning, ladies and gentlemen. I will call the Department of Transportation Board of Directors Meeting to order. We do have a quorum. We'll move to Agenda Item No. 1, which is to receive the Director's Report. Director Malfabon, good day.

Malfabon: Good morning, Governor, and Transportation Board Members. It's a beautiful day today, and I wanted to make a great announcement for Assistant Director for Engineering. Replacing John Terry is Cole Mortensen. So, if you go easy on him today. [laughter] I told him he could only blame John once. [laughter] But it's really great to have Cole on board in the Director's Office. He was formerly the Chief of Project Management Division and really helped to shepherd Project NEON through the early phases as we were considering a public-private partnership option, eventually landed on design-build with traditional bonding. But Cole's got a lot of alternative delivery experience with not only design-build, but also Construction Management-At-Risk, CMAR. So, great addition to our staff. He's got a Master's in Civil Engineering from Nevada, who's going to the show, NCAA, wanted to mention that. Cole is also a CPM graduate. It's a great program that is put on within this state to train leaders in several state agencies. So, congratulations, Cole. [applause] Next slide, please.

We've been through kind of a mild spell. Then all of a sudden, we started getting these winter storms. Just wanted to mention some things. You know, recently, we had that pile-up on 580, had a lot of questions about the Galena Creek Bridge and the de-icing system on that. I wanted to make the point that the crash actually occurred past the bridge. So, it was a situation where we had flash freezes both

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on 580 and I-80, flash freeze meaning that you have a layer of snow over a layer of ice, which is very slippery. People, sometimes they're driving four-wheel-drive vehicles, and they kind of overestimate their traction that they have, and these kinds of pile-ups occurred recently on I-80 by Mustang and on 580 north of Galena Bridge. But we did confirm that our de-icing system at Galena Creek Bridge operated properly, really wasn't the factor that led to this crash. It was just people driving too fast for the conditions. We just want to remind motorists to drive appropriately for the conditions, because we're going to get some more snow this week, at least looking at the weather apps. And I wanted to mention that our folks go out there in advance. You'll see these lines of brine sprayed down on the roads in advance, that as that gets wet, it kind of covers the roadway surface, but it only can handle so much snow. Obviously, when there's a lot of snow, it's not going to keep up with that, and then our plow operators are doing a great job, but they concentrate on the Interstates first, and then they get to the primary routes that carry a lot of volumes of traffic and then eventually get down to those lower volume state routes. So, just reminding people to be very cautious when they're driving in those wet or icy conditions. Next slide.

Well, we're currently still funded through March 23rd through the current extension of federal funding for surface transportation. Congress still has to do a lot of work to spend what they call an Omnibus Spending Bill, which means it is not just for surface transportation for USDOT, but others, Department of Defense, for instance, to do a package spending bill for all these different agencies. They need 60 votes in the Senate to pass this. So, still a lot of work to be done, but we're hopeful that this is hopefully the last. If not the last, that it be one more, then they finish this two-year spending bill that they've reached agreement on at least as a framework. And as we had last month's Board Meeting, later that day, they released the infrastructure plan details from the administration. So, they've been doing a lot of testimony in Congress and Senate Committees and House Committees. Secretary Chao and some of her senior staff from USDOT have been testifying about the infrastructure plan, but it's really up to Congress to pass the actual plan and what the levels of funding. And the plan didn't indicate where the money was coming from for the bulk of the infrastructure plan, so Congress will have to determine that. One of the challenges they have is also reauthorization of Federal Aviation Administration, similar to what they do with USDOT and the Surface Transportation Program, the FAST Act. That's basically

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highways and transit, but FAA has to be reauthorized this year, too. So, there's some things that they have to tackle in Congress. Next slide.

But the goals are similar to what I had explained last month. The large chunk of it is for infrastructure spending in various areas. They still have that 80-20, which has kind of flipped from the normal. The minimal amount is from the federal program, 20% federal, and the architect of the infrastructure plan, DJ Gribbin, he explained where the 20-80 came from. They're really trying to incentivize states and local communities to raise funds locally. They felt that they'd make a better decision on where to put that money than going through a federal process, but still has a lot of concerns both in Congress and from the people that receive those funds to be in a position to chase those infrastructure funds when they do pass a bill. We heard from others that their—I mean, when she—Secretary Chao testified. She had a lot of questions about the rural block grant program. That would be a block grant to the Governors to distribute for those infrastructure areas. Not a lot of details as far as guidance to you, Governor, on what you would have to consider for that, but I'm sure that you would get your—with your appropriate state agencies to determine the best process within the details that would be passed by Congress to distribute those block grant funds. But one of the concerns for Nevada was that we have a large area to cover, but not a lot of rural population. We're actually have one of the most urbanized states. When you look at population and where they live, they're really in the Clark County area and the Washoe County area. A lot of the other rural counties don't have a lot of population. So, they were talking about population and rural lane miles. One of the concerns with that aspect of trying to determine the split for the rural program is that, as you can see, infrastructure is very broad. It's not just highways or transportation.

So, using rural lane miles as kind of a benchmark to determine the distribution of that rural block grant program is a concern to some, but obviously, they also stayed on message as far as trying to reduce the time that it takes to obtain federal permits. We heard from Senator Barrasso, the Chair of the Senate Environmental and Public Works Committee, and he had made a statement earlier that week saying that there might not be enough time to pass an infrastructure plan this session of Congress. Representative Bill Shuster from Pennsylvania is the Chair of the House Transportation Infrastructure Committee, said that it might happen but that it might have to wait until the lame duck portion of the current session.

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So, those are the kind of things that were kind of disheartening to hear. We want them to act on this. There's momentum. There's a lot of conversation going on, a lot of support from associations, not only contractors' associations, but Chambers of Commerce and folks that are visiting back in DC to talk about the importance of infrastructure. One of the things that's also hampering the effort would be the midterm elections, and they feel that people are going to go out and go back home to run for reelection, and that's going to take up some of their time away from dealing with some of these issues that Congress has to deal with. Next slide.

But we did leave our message with our delegation that we visited. Tracy Larkin-Thomason and I both kind of tag-teamed the effort. We split up when—divide and conquer - when we had to, to attend certain meetings, but we were together meeting with our delegation to talk about what we needed back home here. Obviously, given the FAST Act level of funding, because there's a little over 2% a year built into the FAST Act to adjust for some inflation, but we need that money. We need that assurance of federal funds to deliver our program. Sustainability of the Federal Highway Trust Fund is another issue that we left them with. There's that \$7.6 billion rescission in fiscal year 2020 that's built into the FAST Act. Tracy spent a lot of time with some—separate meetings with FCC commissioners about protecting that safety spectrum, which is the 5.9 gigahertz spectrum for—agencies relying on to communicate between vehicles and infrastructure on some of the high-tech applications for improving mobility and safety on our highways and streets.

We're doing things with RTC and Southern Nevada. We're observing what City of Las Vegas and City of Henderson are doing. We really need this safety spectrum protected so that we can keep advancing these initiatives. I think that what the federal government is looking at is, well, this was in place for several years. It wasn't used to its fullest extent, but now many states and communities are using it now. They're investing millions of dollars in this for use of technology. So, it's something that we feel that they might auction off that to internet streaming companies like Netflix that want to have that additional capacity for streaming over the internet, but we'll be watchful about that.

We did inform our delegation about that issue, and then one of the policy issues that we'd like to see is the return of flexibility for the HSIP, the Highway Safety Improvement Program fund so that we can use some of that funding. Most of it

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goes to infrastructure improvements, that we get about \$21 million of federal funds a year in that program, but we also see the benefits of behavioral safety programs and education programs and law enforcement programs that could be funded with that money. And we also talked a lot about I-11 with our members. They were very interested in that project and the progress so far. So, I'll go over some details a little bit later. Next slide.

Great news recently for Carson City. They won a TIGER Grant application. So, as you recall, Board Members, we had deferred a repaving project on Carson Street. As we wrapped up the I-580 extension to the junction with US 50 and US 395, we were going to repave that as part of the deal to transfer the road, South Carson Street to Carson City. As they developed their complete street project downtown, it turned out great. They wanted to kind of continue southwards towards the freeway junction, and they had put in for this grant, and I think that it shows the leveraging that, you know, the \$5.5 million that we agreed to basically save from not repaving the road, then tearing it up when they did their complete street project, that really helped them to leverage their grant application. So, it was a win-win, I believe, \$7.5 million of TIGER Grant funds for Carson City to improve pedestrian access, safety, mobility, and enhanced commercial and business access on South Carson Street. So, great win for Carson City. Next slide.

So, I'm going to have several slides here about I-11. This is some of the information that we provided to our delegation when we were visiting. So, part of a planning process that we can use, rather than jumping into—similar to Arizona DOT doing a Tier 1 Environmental Impact Statement, we felt that it would be best to approach it as a planning level study, but planning and environmental linkages, or PEL, it's a process that we can use to really fast-track the study of the I-11 alternatives. So, there's still a lot of work to do to obtain environmental approvals, but we can at least start looking at what makes sense for some of the alternatives that we can look at during a planning level PEL kind of study.

So, one of the things that we want to do—next slide—is look at the range of corridor alternatives and then study them against evaluation criteria. So, you see the various criteria on the right side of that slide, environmental sustainability, economic vitality. Those are important capacity. We see a freight movement along the 95 corridor currently that could be helped out by this expansion. We

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have a lot of work to do, though, and I put that project development process on the left-hand corner. We're still in the planning phase on I-11 for that portion north of Las Vegas. So, we still have a long ways to go before we get to construction phase, but this gives you an idea of the sense that we'll look at these evaluation criteria and look at narrowing the range of corridor alternatives through this process of obtaining stakeholder and public input. Next slide.

So, you'll see a lot of public meetings that are coming up through our staff's efforts. They're going to be making a road trip starting in Las Vegas, coming up through Tonopah, Hawthorne, Fallon, Reno/Sparks, and then the final meeting in Carson City will be video conferenced to Winnemucca, Elko, and Las Vegas. Again, public comment period will be open through April 13th, but this is the opportunity to explain the process to folks. A lot of people get excited about I-11, and rightly so, because it is a game-changer for economic vitality and freight mobility and safety. So, a lot more to come. We'll inform the Board about what we're hearing from public comment, but great news is that we're going to be going out to these rural areas to explain the process and gain their input. Next slide.

Little update on some Northern Nevada projects. The Centerville Lane and State Route 88 Compact Roundabout, the bids were opened. Granite Construction is the apparent low bidder. We have to do our bid analysis, but expect to award that if there's no other fatal flaws in their bid. I-80 repaving project, Keystone to California/Nevada line bids this week, and it's a significant expense to repave that project, but it's an important corridor for our connectivity to California and freight movement along I-80. So, we had done some emergency patching operations last year during the winter just to hold it together, but this will be a nice repaving project. For the Reno Spaghetti Bowl, we do have updates in your packet, but there's a lot of work to be done with the Reno-Tahoe Airport. They asked for some additional technical information so they could have an engineer look at those design alternatives, because they're still concerned about the ramps—the reconnect ramps to the airport and some of the options that NDOT is looking at that don't have those ramps in the future. We're trying to explain what the volumes are currently, what's the expected growth in those traffic volumes, and what some of the options are design-wise in that area of the Plumb Lane Interchange by the Airport. So, we'll keep them informed and keep working with our other stakeholders along that footprint of the Reno Spaghetti Bowl project. Next slide.

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So, we had contracted out to Sierra Nevada Construction the signal project at Electric Avenue and USA Parkway. This is the—Electric Avenue is where the Gigafactory is on, so a lot of traffic coming south on USA Parkway has to turn left on Electric Avenue to get to work in the mornings and then reverse in the evenings. So, we have this project underway, but there's a lot of utility relocation to occur by the third-party entities. NV Energy has some power poles. There's some fire hydrants that the general improvement district has to relocate. Switch, AT&T, and Charter Communications all have infrastructure that's in the way of the signal footprint. So, they're going to move their stuff out of the way. Meanwhile, the contractor has submitted his shop drawings for the signal poles, and then the process is now he sends them to the fabricator after NDOT approves it. So, it takes several weeks to do that, but we've had discussions with—I had a discussion with Director Wright from Department of Public Safety about the possible use of uniformed traffic control officers to basically control traffic during those peak commute times and basically like having a traffic cop out there that we could hire from the private sector. Director Wright said that he didn't have capacity to have a trooper out there. It really would take two troopers, because of the timing, to get out there and do this service. So, we're going to be looking into that, possibly getting a change order to add that to the contract so that we can get that service out there, get safer movement through there, but we're also looking at all options available. Deputy Director Hoffman met with Tesla recently and talked with them about their needs with the commuters to the Gigafactory. Cole Mortensen and Pedro Rodriguez also were there at that meeting last week. So, we know that it's an emphasis area, and safety is of primary importance. So, we're going to look at all options available to expedite either the pole fabrication, look if there's any poles in stockpile by some of the other public works entities, anything that could help such as that—the other side of Electric Avenue, we could take that traffic coming through that portion and take them up to Waltham Way, and they could come in on the south side, kind of get that traffic out of that intersection so it's not sitting there waiting while all these left turns are occurring. They could get precedence in the morning's commute. So, just more to come, but I just wanted the Board to know that safety is of utmost concern to the Department as well, and we're going to look at leaving no stone unturned and all options to try to expedite the construction of the traffic signal. Next slide.

Some update on—Railroad Pass Interchange was opened. I received some thanks from Boulder City Mayor about the project. Really, traffic is flowing a lot better,

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and we expect to finish Phase 1, the NDOT portion of I-11, up to the US 95 Interchange by April, so next month. Phase 2 still on track for this fall, probably October at the latest, but hopefully, a little bit sooner than that if Las Vegas Paving and the RTC of Southern Nevada finish their project a little sooner. We have a big project coming out for bids, Phase 2 of the Blue Diamond Road widening. This is tied together with a pavement repaving project, but bids are due April 5th. It's a significant—you know, a \$60 to \$70 million range. So, it's a big project, but it finishes four-laning State Route 160 all the way to Pahrump. So, it's—really looking forward to completing that for improvement of safety along that corridor.

Well, "The Main Event" started last week in Las Vegas after the NASCAR race. Significant traffic switches with the I-15 traffic being reduced and then kind of getting through there so that they can do this type of work. Here you see bridge demolition that I took a photo from one of the FAST cameras online, and our communications team, along with the Project NEON folks, have been doing a great job of getting the word out, getting with some of the traffic reporters day and night to talk about these changes, because there's going to be a lot of impacts that will continue all the way through up to Thanksgiving. We want to—we want to get the bulk of this done before the shopping season starts and the—we know that it impacts a lot of the day-to-day stuff that's going on in this Las Vegas area in the spring and summer, but hopefully, people are using the options available. Our team has done a lot with social media, but also trying to get people to sign up on our Project NEON website for notifications so they can find out directly and also telling people to use the Waze app. That one will kind of give them the best routes available, tell them what—real time what are some of the delays to expect and where the—the options available. As you know, a lot of traffic. This is the most heavily-traveled freeway in the state, so there's going to be a lot of impacts as we do things like this, remove and reconstruct these bridges, but our team has been doing a great job of communicating with business owners and letting them know what ramps are going to be closed, which ones are going to reopen. Currently, the northbound—I mean, the—well, I guess it's westbound 95, which we call northbound in that area, to southbound I-15 is going to be closed until mid-April. Some of these ramps are going to be closed. Some are going to—we just try to use computer visualization tools also to communicate to the public. This is what it's going to be like as you drive through it, and also, it helps to understand what it's going to be like when it's done, too, because that's really



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the—what we're looking forward to is the completion of NEON in mid-2019. Next slide.

Associated with Project NEON, Item No. 10 today, Robert Nellis will present the request for Transportation Board approval for the final bond issuance for Project NEON, and the good news is that it's a lot less than what we anticipated when we built our program for Project NEON. We anticipated about \$180 million bond sale for the third one, and it's substantially less, as you can see, and that's a combination of federal and state funds that we've received, and the Highway Fund can be used on Project NEON rather than getting into selling more bonds that we didn't really need considering the additional deposits to the State Highway Fund. Next slide.

Update on the Hawthorne electric vehicle charging station, it went live last week. The Tonopah charging station will start construction as soon as weather permits, but great job by the staff on the one in Hawthorne. You can see one of NDOT's electric vehicles there getting charged, and we had the two types of chargers, the fast charger, Level 2, and the standard charger. So, you'll see something similar in Tonopah. This one in Hawthorne was built at the Veterans Memorial Park, and in Tonopah, there wasn't a park right by the Highway that we could use, so a little bit more site work to develop the one in Tonopah, but it will look similar. Next slide.

An update on the shared radio system. The combined technical and price elements of the proposals were combined, ranked, and the preferred vendor is Harris. So, now each of the three partners to the shared radio system, NDOT, NV Energy, and Washoe County, which all took part in the selection process, have to negotiate their own agreements with Harris, and we believe that this will take about four to six months. It's a lot of detail for the design, a lot of give and take and negotiations. So, we had a general framework on the price for comparison purposes, but the actual price will be negotiated based on the elements that are incorporated in our design for NDOT's portion of that. You will be asked to approve the final contract after negotiations are completed. So, the formal protest period doesn't start immediately for the unsuccessful vendor, Motorola. It will start once we get a negotiated agreement and the Board is asked to consider award of that—or approval of that agreement, that contract. And then eventually, we have to go back to the Interim Finance Committee to have the authority to expend

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the funds. So, this will be kind of later this year. We'll get Board approval and go to IFC, and then we'll have—once we have IFC's approval to expend the funds—they were just interested in how much it was going to cost, and the price was not known at that time that we had submitted our biannual budget request last session. So, they just wanted some more assurance of the cost, and we'll go back to IFC when it's appropriate after the Board takes your action to approve the contract value. Next slide.

Valentine: Director Malfabon.

Malfabon: Yes.

Valentine: I'd like to ask a question about that. The statutes that you're using here under the Purchasing Act 333.135 is—not real familiar with how this works since most of the contracts I've been involved with are all [inaudible]. This one seems to be some kind of a hybrid of that where you are asking for cost, and it's not a bid, but it's also not a straight QBS. Can you—I looked over the statute a little bit this morning, but could you just give me the background on that, because this is kind of a new mechanism for me.

Malfabon: Correct, Member Valentine. So, we're using the state purchasing NRS. We had the Director of State Purchasing observe the process throughout, and he had made a lot of favorable comments about the fairness of the process, but it is somewhat unique in that because the radio system is the next generation and it's not designed yet, it's very difficult to have a really set price. So, we had certain elements of radio system infrastructure that were outlined in the request for proposals, and they gave their best price estimates, but until the actual system is designed, we have more months of effort to kind of line out what we're going to build through this vendor, Harris. It was really just for comparison purposes during the proposal stage. So, you do have the qualifications, the technical qualifications where—was it 70%—technical score and then 30% price, but the price was just a general framework of elements of the radio system that we knew we had to still design and get more certainty of what they had to supply to us as our system, and then they have to do the same thing with the other two members of the shared radio system, Washoe County, and NV Energy. So, it was unique, but it was something that was observed by the State Purchasing Chief, and we felt that we had a good process in that. It's just something that's new to us, because it's been a while since we procured a radio system, and we felt that we had the right

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technical expertise to review the proposals and to rank that, and then the price was—we just did the best we could with the information that we had while recognizing that we have to still design this system.

Valentine: So, it looks like sometime this fall, then, you would make a decision. You'd have a negotiated contract, and at that time then, any of that information about the cost would be no longer confidential?

Malfabon: Correct. So, right now, while it's not a formal protest period that's open, the pricing is still confidential, even though it was more of a framework for establishing the selection of the preferred vendor at this phase. Once we negotiate the contract, then you'll have the fixed price before you to deliberate and consider as Transportation Board Members.

Valentine: Thank you.

Malfabon: You're welcome. Wanted to announce that March 21st is the 9th Annual Nevada Moves Day. Our folks in the planning department work with school districts throughout the state, and Governor, I know that you kind of—if you have the opportunity, you walk with the kids to the—I always get this wrong, Bordewich Bray Middle School. I've seen a lot of photos of you walking with the kids, so it's great that you get involved in this personally, but it's really about promoting walking or biking to school, but also an opportunity to educate drivers. Watch out for the kids walking or biking to school. Be mindful of those reduced speeds in school zones. School zones can start at different times of day depending on what school it is, and when it's bicyclists, the law says in Nevada give them three feet of space when you're passing them and never overtake a vehicle that's stopped for pedestrians just for safety purposes. It's a great opportunity to message for pedestrian and bicyclist safety and educates both the drivers and the bicyclists and pedestrians, and parents really enjoy getting involved with their kids, too, during Nevada Moves Day. So, thank you, Governor, for your involvement in past years.

We have a settlement that's going to go to the Board of Examiners with Tomahawk. It was associated with the project building Starr Interchange at I-15, which is under construction. We had negotiated with the owner, and there was going to be a portion of property that they were going to retain, but we determined that we best—in the best interest of the taxpayers, if we settled, our exposure on

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this was twice as much as what you see there for the actual settlement, and we can sell off the remnant parcel, which is substantial, about two acres of remaining—after the project is complete, we'll have about two acres to sell off of really good location by that interchange that could get us back some money for the State Highway Fund. Next slide.

That concludes the Director's Report. I just wanted to close by saying, again, I really appreciate the efforts of the Project NEON communications team. They've been really working long hours day and night to get with the reporters, answering questions from the public and motorists and businesses, getting a lot of that information out there so that the public will know, because it's definitely going to change week-to-week, and we're going to get those messages out there as soon as possible. But they've been doing a great job thanks to Tony and Adrian down south and the folks up here in communications. They're doing a great job as well as the Project Management team.

Sandoval: Thank you, Rudy, and I agree. I spent a couple days—or three days last week in southern Nevada, and it's always tough, because it is a problem, but at the same time, information is power. And when people are aware of what they have to confront and they can seek alternative routes, it's extremely beneficial. So, I think they've made the best of a very difficult situation, appreciate that. Just a couple questions for me, Rudy, at least with regard to the Electric Highway. You said Tonopah would start, with weather permitting, it's about that time where weather permits. So, do you have any idea of when that project would start and be completed?

Malfabon: We'll find out, Governor, but I think it—Reid, you don't have any information on that?

Kaiser: Reid Kaiser, Assistant Director for Operations. It should be complete, I believe, in the fall.

Sandoval: And then will we have an app or whatever the technology is for those that are driving electric vehicles to know that those charging stations are there?

Malfabon: Yes. Good point, Governor. I forgot to mention that. So, there's the Plug Share app that's available, and it has both commercial and government-provided electric vehicle charging stations identified on a GIS map, but also that we're going to be installing signage along our interstate highways to let people know for the

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commercially available charging stations, let them know it's at the next exit. We won't trailblaze all the way up to a business charging station. Maybe it's at a gas station or a convenience store, but we will let people know once—get off at the next ramp, and they can make a left or a right to get to their—but definitely using the Plug Share app or other apps that are available. There's a couple of them that identify them on a map, and they can see the actual business address where those charging stations are at as well as the ones that we're building along the 95 Electric Highway as part of that program with NV Energy.

Sandoval: So, you can, pardon the pun, but plug them in, and it will direct you, like, on Google Maps and tell you exactly where you need to go?

Malfabon: I know that it will give an address. So, you might have to use both maps until they kind of get that ability to trailblaze you and kind of guide you like they do on Google Maps or other map programs.

Sandoval: And then I appreciate your efforts with regard to Electric Avenue. I was just out at Tesla last week, and it's really not about Tesla, but it's about the safety of those employees. So, they told me there are two or three accidents a week out there and that one of those accidents included a pregnant woman, and so a sense of urgency is good out there, because not only is it a safety issue, but it's a commerce issue as well, because if there's an accident, it backs up. And there are a lot of people that are working out there, literally, thousands of people, and I don't know if they stagger their start and stop times, but I know when I was out there, it was their equivalent of a rush hour, and the traffic was backed up pretty well, so anything we can do. I love the idea of having—you know, if we can put in there to fund a uniformed officer to direct traffic, particularly, because the weather is getting a little bit nicer now, and keep things moving out there. So, that's all I have. Any questions from other Board Members with regard to the Director's Report? Member Savage.

Savage: Good morning, and thank you, Governor, and thank you, Director Malfabon, for your report. I know the Department is very busy, and I really appreciate what everyone does here from yourself, Deputy Director Hoffman, Deputy Director Larkin, as well as the Assistant Directors. But today, I'd specifically like to thank Boyd Ratliff in District III up there in Elko for his outstanding work since taking over for Kevin. Most recently, I had a couple calls and specifically complimenting him on the coordination and the collaboration with our

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Department of Wildlife with the signage and other good stewardship on behalf of NDOT. So, a shout out to Boyd Ratliff. Thank you very much. Secondly, Director, you spoke about the winter operations here at the beginning of your report, a shout out to Thor Dyson and his team of men and women here in District II for their tireless efforts and accomplishments during the most recent snowstorms. There was a state holiday at that time here in northern Nevada due to the snowstorms, but both the essential and the non-essential employees were out there for the good of NDOT and the state of Nevada. So, keep up the good efforts, and I sincerely thank you all.

Malfabon: Thank you, Member Savage. I really appreciate those kind comments in support of our staff, both Boyd and the folks in District II. Thor and his team on maintenance have been doing a great job.

Savage: Thank you, Director.

Sandoval: No, and I'll agree with Member Savage and the Director, because I know I was driving out there, and it's pretty remarkable; the men and women are out there in the trucks and clearing the roads and making sure—how safe it is, because it was a pretty wicked snowstorm and dumped a lot of snow in a short amount of time, and the roads were slick. So, I—kind of a compliment to what happened last year, and we haven't had the—obviously, the precipitation issue that we had last year, but for that moment in that weekend, it was a job well done. All right, other Board Members, any questions or comments on the Director's Report? Any questions from Southern Nevada?

Hutchison: Governor?

Sandoval: Yes, Mr. Lieutenant Governor.

Hutchison: Thank you, Governor. Rudy, thank you for your update and your report. Just a couple of follow-up questions for you. First, the I-11 update and kind of where we're at with all of that, I noticed in the Agenda Item exhibits for Agenda Item 11, that there was just reference that NDOT had attended a summit in Phoenix with ADOT and their congressional—and Arizona congressional staff about I-11. And I'm just curious, what is the status of the Arizona side of I-11 in terms of connecting Arizona to I-11 to where we're going to connect up with them once Las Vegas Paving completes their portion?

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Malfabon: Thank you for the question, Lieutenant Governor. I'm going to have Sondra Rosenberg respond to that.

Rosenberg: Sondra Rosenberg, Assistant Director for Planning. Arizona is currently working on a Tier 1 environmental document, and what that is, is sort of in between the PEL that Rudy mentioned and our typical EIS process. So, it's still kind of at a high level, but you are getting everything documented for those environmental constraints. That is actually from Wickenburg south to Nogales. North of there, they continue the work on widening 93 to a four-lane divided highway. It's not going to be interstate standards for quite some time. That would require interchanges in towns like Wikieup and Nowhere, Arizona. So, that's going to be quite some time. I don't know that they have a timeline on that, but they are working to—I think a good portion of it now is four-lane divided, and they're picking up the remaining pieces as funding is available. After their Tier 1 EIS, they will identify which segments of independent utility can move forward into a Tier 2 EIS, and separating that process lets them look at a larger portion of the corridor and then separating out the smaller pieces. To my knowledge, they don't yet have funding available for those portions. So, once they complete this Tier 1, they'll be looking for identification of funding for those priority sections of I-11. So, we're continuing to coordinate with them. We still have a coordinated website, [i11study.com](http://i11study.com), where you can look at the I-11 and Intermountain West Corridor Study that was completed in 2014 as well as the work in Arizona and the work that Nevada is doing. So, it's all centrally located, and that will guide you to the various pages with the various project segments.

Hutchison: Great, thank you. That's helpful just to know where Arizona is. I've got a—I've got a question as well about the Blue Diamond Phase 2 widening and noting that the bids are due in April. Once that widening is done—and Rudy, I heard you say that it's going to be four lanes all the way out to Pahrump. Once this widening is done, does that take Blue Diamond four lanes from I-15 all the way to Pahrump? Is that what we'll see at the end of the day?

Malfabon: That's correct.

Hutchison: Okay, thank you. That will be very, very helpful for that part of the community for sure. And I just wanted to note just on this Project NEON, you know, there's many of us who drive that every day, and it's congested for sure, but I will say that, you know, I think we're doing as good a job as we possibly can. We're

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shutting down that much of the interstate and that many corridors, and I will just note that those digital signs I think are particularly helpful as we travel, and, you know, and you—I don't know how many people are using the apps, but everybody can see those signs. And those digital signs I know for me have been helpful. So, that's just feedback, and I've heard that same thing from others who travel that route as well. But as I say, I think we're doing as well as we can possibly do. It's just going to be backed up and congested for a while, and then I just have a question about the shared radio system update, a couple just questions. I know that we're going into now the agreement phase, and each of the three entities will be negotiating their own agreements. Is that just—is that just price-related, Rudy, or does that also include compatibility with the overall system? You know, we had—we've had a lot of different discussions about making sure that this is a statewide compatible system and we all are on the frequency, so to speak, so that we can have the kind of communications we hope to have at the end of this day. But how much coordination continues as these three separate entities negotiate their own separate contracts with Harris?

Malfabon: Good question. We're going to remain in contact. They'll all—each of the entities will negotiate their own price component and infrastructure component that's included commensurate to that price, but we still have to continue along that line of we're going to be in this for the long haul, and the portions that NDOT negotiates must be compatible with Washoe County and with NV Energy's portion of the system. So, it's a reliable system. It provides the public safety support that's needed for the years to come in Nevada for the other users. So, it's definitely something to continue communication on, and having the same vendor, Harris, will help us to achieve that uniformity issue and having a system that's seamless with the three partners.

Hutchison: Thank you, and I take it that the final contract that we're going to be approving, this Board, will be the State's NDOT section of that three-party relationship.

Malfabon: Correct.

Hutchison: At the time that's presented, I know, Governor, just speaking for myself, it would just be helpful to maybe have a presentation or to understand what the other two parties are doing and how compatibility is being ensured with all three parties negotiating those separate contracts. And we talked about this at length



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previously, but again, I'll just repeat the importance of that compatibility and that consistency among those three parties.

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

Sandoval: And thank you, Mr. Lieutenant Governor, because I was going to comment, and I suppose this is the appropriate time to do that, but I just recall there were issues associated with equities between the three parties, and I want to make sure that this doesn't get too far down the road where we don't have the ability to have meaningful input with regard to the equities in terms of what the contributions of each party are to that shared radio system.

Malfabon: Fair enough.

Sandoval: Any other comments on the Director's Report? I hear none. We will move on, then, to Public Comment. Thank you, Rudy. Is there any member of the public present in Carson City that would like to provide public comment to the Board? I hear and see no one. Is there anyone present in Las Vegas that would like to provide public comment to the Board?

Hutchison: None here, Governor.

Sandoval: Thank you, Mr. Lieutenant Governor. Agenda Item No. 3 is the Appointment of the Lieutenant Governor to serve as the State Transportation Board Vice Chairman, and Mr. Lieutenant Governor, I just again wanted to publicly thank you for your service to this Board, an extraordinary job that you've done in having served as the Vice Chair for these past three years and two-and-a-half months or so. But again, thank you for your service, Mr. Lieutenant Governor. I don't know if you wanted to make any comments, but yeah, actually, if you'd be willing to do so, and then I would probably accept a motion.

Hutchison: Governor, thank you very much. I know this is probably the most controversial item on our Agenda, and appreciate the opportunity, though, just to express my deep appreciation and respect for all the Members on this Board, I think it is an extraordinary Board, and Governor, you've commented about that before, about the talent and the character and the competence of the Members of this Board, that it truly is an honor to be part of this Board. You know, state government and I guess the federal government, even local governments, take a lot of hits, and people are sometimes negative and critical, but when you look at the public

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servants on this Board and the work that we do to collectively—and Governor, what you do as you lead the Board, it just really is my privilege to be here, and the opportunity to work with you all is one of the great honors of my life. So, thank you, Governor.

Sandoval: Thank you, Mr. Lieutenant Governor. Is there a motion to appoint the Lieutenant Governor to serve as the State Transportation Board Vice Chairman?

Knecht: So moved.

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

Savage: Second.

Sandoval: Second by Member Savage. Any questions or discussion on the motion?

Knecht: One comment, Governor. The Lieutenant Governor made one of the finer election speeches just now, so I couldn't resist. [laughter]

Sandoval: Any further comment? All those in favor please say aye. [ayes around] Those opposed say no. That motion passes unanimously. Congratulations, Mr. Lieutenant Governor.

Hutchison: Governor, thank you very much, and just for the record, I did not vote on that one, and I'm not running for reelection, Mr. Controller, so I can make these fine speeches and not have to worry about anything at this point. Thank you.

Sandoval: Oh, come on, Mr. Lieutenant Governor. If you don't vote for yourself, who will? Come on. [laughter]

Hutchison: I'm just lucky that my wife is not on the Board. I don't know that she would be... [laughter]

Sandoval: So, did you really abstain on that vote?

Hutchison: If you would like me to not abstain, Governor, I will vote.

Sandoval: Okay, please vote.

Hutchison: I vote aye.

Sandoval: All right. [laughter] That passed unanimously.

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Hutchison: Thank you.

Sandoval: Thank you. We'll move to Agenda Item No. 4, which is the Approval of the February 12, 2018 Nevada Department of Transportation Board Meeting Minutes. Have the Members had an opportunity to review the minutes, and are there any changes? If there are none, the Chair will accept a motion for approval. I'll take one from down south.

Almberg: So moved.

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

Valentine: I'll second.

Sandoval: Member Valentine has seconded the motion. Any questions or discussion on the motion?

Hutchison: Governor, I will—Governor, I will abstain on this one since I was absent from that meeting.

Sandoval: Understood. All those in favor please say aye. [ayes around] Those opposed say no. That motion passes, and if you would please mark for the record the Lieutenant Governor having abstained from the vote. Next Agenda item is Agenda Item No. 5, which is the Approval of Contracts over \$5 million. Mr. Nellis, good morning.

Nellis: Good morning, Governor, Members of the Board. For the record, Robert Nellis, Assistant Director for Administration. There is one contract that's under Agenda Item No. 5 that can be found on Page 3 of 12 for the Board's information. This is a resurfacing project located on Interstate 80 over a mile west of the Humboldt/Lander County line in Humboldt County. There were three bids, and the Director awarded the contract to Q&D Construction in the amount of \$6,488,000. And with that, Governor, that concludes this Agenda item. Does the Board have any questions regarding this contract?

Sandoval: Thank you, Mr. Nellis, and the obvious question is we saved almost a million dollars on that bid. Do you know what the difference was there in terms of how the contractor saw the engineer's estimate?

Nellis: I do not.

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- Sandoval: I love it when they go that way. [laughter] When there's a contract later on, it doesn't, so we make up—or lose part of this. So, any other questions or comments from Board Members with regard to the contract identified in Agenda Item No. 5 with Q&D Construction? If there are none, the Chair will accept a motion.
- Knecht: So moved.
- Sandoval: Controller has moved to approve Contract No. 1 as presented in Agenda Item No. 5. Is there a second?
- Savage: Second.
- Sandoval: Second by Member Savage. Any questions or discussion on the motion? I hear none. All those in favor say aye. [ayes around] Those opposed say no. That motion passes unanimously. We'll move on to Agenda Item No. 6, Approval of Agreements over \$300,000. Mr. Nellis.
- Nellis: Thank you, Governor. There is one agreement under Agenda Item No. 6 that can be found on Page 3 of 13 for the Board's consideration. This agreement is with CA Group in the amount of \$2.2 million to develop final design plans for the Nellis Boulevard Improvements Project located on Nellis Boulevard between Tropicana Avenue and Las Vegas Boulevard. And with that, Governor, that concludes Agenda Item No. 6. Does the Board have any questions for us on this item?
- Sandoval: Board Members, any questions on the agreement presented in Agenda Item No. 6? If there are none, the Chair will accept a motion for...
- Almberg: I got a question, Governor.
- Sandoval: Oh, please. Was that Member Almberg?
- Almberg: Yes, it is.
- Sandoval: Please proceed.
- Almberg: Thank you, Governor. On—let me see here—Page 13 of 13 on this, it said should potholing be required to accomplish these tasks, the provider shall be required to

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contract to the Department approved subservice utility engineer. If we, in fact, have to do this potholing, is this above and beyond what we're awarding today?

Mortensen: Governor, for the record, Cole Mortensen, Assistant Director of Engineering. I believe that this contract does include the subservice utility as is.

Almberg: Okay, thank you. That answers my question, Governor.

Sandoval: Thank you. Member Savage.

Savage: Thank you, Governor. One question on Page 9 of 13. The bottom two paragraphs, the Department's estimate for overhead rate is 113.99%, and the service provider's overhead rate ended up being 113.99. So, the perception on that looks a little questionable. If someone can further explain that, I would appreciate it, and we may be able to take this to the Construction Working Group as well if that's a better platform, but I wanted to bring that up at the Transportation Board Meeting at this point.

Mortensen: For the record, Cole Mortensen, Assistant Director of Engineering. Generally, when we negotiate these contracts, we'll request the overhead rate from the consultant. It ends up being a provisional overhead rate within that agreement, and at the end of the agreement when it gets audited, that overhead rate will adjust one direction or the other or will potentially adjust one direction or the other. It's merely for negotiation estimate purposes up front.

Savage: So, I would like to take that to the Construction Working Group at the later level and discuss it more, because perception-wise, it looks very questionable. So, thank you, Governor, at this time.

Sandoval: Thank you, and Thank you, Member Savage, and as I looked at the page, it brought a question for me as well in terms of the DBE at 1%. That's lower than some other contracts that we've had before.

Mortensen: It's my understanding that when they established that DBE, they look at the work that's being done and the available DBE businesses in the area that would be able to perform the work so that we're not overprescribing a DBE that may not be available in the industry, and so that's how that number comes around. So, you'll see that vary from project to project.

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- Sandoval: Okay. Board Members, any other questions with regard to Agenda Item No. 6? If there are none, the Chair will accept a motion for approval.
- Hutchison: Move to approve.
- Sandoval: Lieutenant Governor has moved to approve the agreement presented in Agenda Item No. 6. Is there a second?
- Knecht: Second.
- Sandoval: Second by the Controller. Any questions or discussion on the motion? I hear none. All those in favor say aye. [ayes around] Those opposed say no. That motion passes unanimously. We'll move on to Agenda Item No. 7, Contracts, Agreements, and Settlements. Mr. Nellis.
- Nellis: Thank you, Governor. There are two Attachments that are under Agenda Item No. 7 for the Board's information and no settlements this month. Beginning with Attachment A, there are three contracts on Page 4 of 10, and the first is a resurfacing project located on State Route 227, Lamoille Highway in Elko County. There were two bids, and the Director awarded the contract to Road and Highway Builders in the amount of \$3,939,939.
- The second project is located on State Route 439 to install and upgrade interchange lighting at USA Parkway Interchange as well as to widen and install a signal system at Electric Avenue. There were three bids, and the Director awarded the contract to Sierra Nevada Construction in the amount of \$1,854,007.
- And lastly, the third project is located on US 395 in Douglas County to construct triple reinforced concrete boxes and replace a bridge structure. There were four bids, and the Director awarded the contract to Q&D Construction in the amount of \$3,330,000. And with that, does the Board have any questions regarding these three contracts before we turn to Attachment B?
- Sandoval: Yes, thank you, Mr. Nellis, and then the counter-question on the first contract is the bid is significantly higher than the engineer's estimate. What was it that was encountered that you think caused that?
- Nellis: Again, Robert Nellis for the record. The only thing I understand about Item No. 3, Governor, is that it's just an unusual situation where we haven't done that very often.

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- Sandoval: No, I'm talking about contract number one.
- Nellis: Oh, I'm sorry.
- Sandoval: It's 20% higher than what the engineer's estimate...
- Kaiser: I'll give it a shot, Governor. Reid Kaiser, Assistant Director for Operations. On the previous contract, I look at the estimates from the contractors, or their bids, and the million dollars was made up on the paving item. We had estimated it at \$80 a ton. I think they bid it at \$62. So, for the open grade and the plant mix, you take the delta there, and it's about \$800,000. So, that's mostly where that million dollars was made up. I'm assuming, but not looking at this, the estimate, we probably did the opposite. We probably had a low number for plant mix, and since that is a little bit of a remote area, there's not a lot of hot plants where you can produce the plant mix out in the Elko area. So, they probably had—the contractor, I'm assuming, had a higher estimate or bid for the plant mix item since that is a paving job.
- Sandoval: And then on contract number two, Rudy, this is what's responsive to what you spoke of during your Director's Report.
- Malfabon: Correct, Governor, that's the contract award for the Electric Avenue signal.
- Sandoval: So, if we were to use that temporary measure of the NHP troopers for doing the traffic control, how long would that be? What's the end date for this contract?
- Malfabon: We're thinking that it's probably still about four months away for the utility relocations, the pole fabrications, and then the construction itself. So, I think that's probably the—on the outside that we would have our contractor hire a uniformed traffic control officer and supplement by change order to add that work to this contract so that they're not having separate contractors to deal with in the same footprint of the project. So, we would add that to this. I don't have a cost estimate for that, but we can provide that to the Board next month.
- Sandoval: And again, I don't mean to beat a dead horse, but my understanding is they're hiring 150 people a week—or a month, something like that. I mean, it's a lot of people. So, the problem is just going to keep getting worse. All right, those are all the questions that I have, Board Members. Any other questions with regard to

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the contracts portion of Agenda Item No. 7? Hear none. Let's move on, Mr. Nellis, to the agreements.

Nellis: Thank you, Governor. There are 33 executed agreements under Attachment B that can be found on Pages 9 and 10 for the Board's information. Items 1 through 3 are acquisitions and an appraisal. Items 4 through 14 are cooperative and facility agreements. 15 through 18 are grants and interlocal agreements. 19 through 25 are lease and Right-of-Way access agreements, and lastly, 26 through 33 are service providers, and with that, Governor, that concludes Agenda Item No. 7. Does the Board have any questions for us on any of these agreements?

Sandoval: Thank you, and Rudy, perhaps this is for you. It's on Contract 31, and that had to do with the Hawthorne charging station, and this one was an extension from January 31, 2018 to June 30, 2018 for completion of the work, but given your presentation, the work is already done?

Malfabon: Yes. We had—the power company had—whenever we do signals or these charging stations, we're reliant on the power company to provide power to the transformer service cabinet where we have our meter that we pay the power bill from. Typically, that's what's associated with some of these extensions. We have to keep our contractor there so that they can wait for the power company to hook it up, and then they finish their work. So, we might have a time extension, no cost for that kind of reason.

Sandoval: Does that mean it is done or it isn't done?

Malfabon: It's done, finally. [laughter] It is live.

Sandoval: All right, thank you.

Malfabon: That wasn't a fake photo, Governor, really charging our vehicle.

Sandoval: All right. I'm going to be stopping there soon. [laughter] All right. Any other questions from Board Members with regard to the agreements in Agenda Item No. 7?

Hutchison: Governor?

Sandoval: Mr. Lieutenant Governor.



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Hutchison: Thank you. Item No. 18, I know it's for a small amount of money, but what exactly are we doing here? Can somebody just explain that a little more?

Malfabon: I'll respond to that, Mr. Lieutenant Governor. So, we've been working with our partners in the research area to look at wildlife crossings, where to—best locations to site them based on where the wildlife is crossing. I've mentioned to this Board about a lot of information that we're collecting on wildlife collisions with vehicles on our highways, particularly in rural Nevada. So, one of the things we do is to present to—as an educational opportunity to classrooms, and Federal Highways gave us a grant to take this on the road and kind of explain what we're doing in Nevada with these classroom presentations. So, working with Washoe County School District, we'll go out and do some presentations at two national conferences as stated there in the notes section of Item No. 18. So, it was associated with a federal grant, bottom line, to communicate what we're doing in Nevada for working with our school districts and classroom presentations on educating our kids about the challenge of wildlife crossings, and it's a pretty interesting subject and something they can learn from as well.

Hutchison: Thank you. Then my next question is on Item 28, the hosting. It looks like a Cloud-based hosting service. Is this something that is required for a specific project? It appears to be for a specific project or is it just more statewide, and why is this something that we've got to contract for as opposed to hosting in-house at NDOT or somewhere in the state?

Kaiser: Reid Kaiser, Assistant Director for Operations. This is for our construction documentation program that we're implementing through the same manufacturer. So, we worked with our IT division, and we, along with them, felt it was better to have the vendor support this program through the Cloud instead of going through NDOT.

Hutchison: Is this something that NDOT is capable of doing in terms of just the capacity that we have to store these documents or is this a situation where our system just doesn't have the capacity?

Kaiser: You know, I'm not an IT person, so I probably couldn't give a good answer to that, but I would have to assume it was because our IT group would not have the capacity.

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Malfabon: I'll take a stab at this one, Reed. So, Mr. Lieutenant Governor, one of the things that we're working with State Department of Administration is looking at these types of opportunities to go Cloud-based first, because a lot of security issues are coming up with intelligent design of systems and information systems, I think that that's going to be the trend. What we do look at was moving some of our processes to the Cloud because of that reason of IT security. It's just a more secure operation and cost-effectiveness, too. We still have many servers that support NDOT's IT operations, but we're trying to get more Cloud-based as well as the state—the information technology folks, EITS, they're also looking at moving more towards Cloud-based for these security reasons and cost savings. As these companies offer those services, they can usually propose a cost savings to the State rather than having separate servers that are more costly to maintain and keep up.

Hutchison: Thank you. That's helpful. What you're saying, Rudy, is that this—going to Cloud-based servers is not only enhancing our security, but it's also more efficient and actually more cost-effective for the State; is that correct?

Malfabon: Correct.

Hutchison: Okay. Governor, thank you. Those are my questions.

Sandoval: Thank you, Mr. Lieutenant Governor. Any other questions from Board Members with regard to the agreements presented in Agenda Item No. 7? I hear no questions. Mr. Nellis, does that complete your presentation?

Nellis: Yes, sir, that concludes this item.

Sandoval: Thank you. This not an action item, but an informational item, so then we'll move on to Agenda Item No. 8, which is a Condemnation Resolution. Director Malfabon.

Malfabon: Thank you, Governor. Board Members, this is to acquire property rights for widening and reconstruction of US Highway 50 from Chavez Road to US 95A in Lyon County. We're seeking the Board's approval to pass this Condemnation Resolution with continued negotiations with the property owners as we've always done in the past where we look forward to keeping the project on schedule, but allowing for those negotiations to take place in the interim. This is just in case so that we avoid a delay to this important project for widening US 50 in Lyon

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County. One thing to note is that you have a confidential packet that provided some additional information to you as Board Members. The public document, though, has a little bit less information about the back and forth that's taken place as far as actual dollar amounts and negotiations. One thing that we just heard recently was the—on No. 3 of this item, so you have three parts to it, three property owners. So, with Vincente Gomez-Perez, we actually received Federal Highway Administration approval for the settlement. It happened after we had posted this item into your packet. So, we'll modify the actual legal document that will be signed by the Governor as the Chair of the Board to remove Item No. 3 from it, but we are still requesting Condemnation Resolution for Items 1 and 2 of this—No. 1 and No. 2 of this Item No. 8 for Condemnation Resolution No. 464, US 50-Royce Road to US 95A. Staff are here to answer any questions, but as I had mentioned, this is just to keep the project on track, and we'll continue negotiations with the property owners, on the Nos. 1 and 2 of the owners associated with those parcels.

Sandoval: Thank you, Director Malfabon, and I have no questions, but I do see from my notes that the Hans are here with regard to No. 2 of this Condemnation. So, I don't know, you know, what the status is, but given that they're here—and sir, I don't want to negotiate this in public, but if—I just want to encourage like we've done before, since everybody is in the room together, there may be an opportunity to visit some more, and I know they're represented by counsel as well. Mr. Pavlakis is here, but do you have any comments?

Borrelli: Ruth Borrelli, Chief Right-of-Way Agent, for the record, and we've been working with the Hands and their attorney with our Office of Attorney General, and negotiations are going well. There's just a couple issues that need to be cleared up and some assurances given. So, I think things are going very well with the Hands. Thank you.

Sandoval: No, thank you, and as we've done before, we really do want to work this out. I know this is likely difficult for you, and certainly, we want—the State wants to be fair, but we have also a responsibility to the taxpayers as well to come up with a fair value for all of this. But I know I can speak for myself, but I think I speak for the other Board Members, that it's much preferable to try to reach an agreement with you rather than having to go to litigation and to avoid litigation at all costs. And Ms. Borrelli, I do appreciate your willingness to meet personally with the

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Hands, and as I said, I don't want to or I don't think it's appropriate to be negotiating this in a public meeting, but if there's a chance today to even further the conversation, since everybody is in the room together, truly encourage you to do so. Thank you. All right, Board Members, any other questions or comments with regard to Condemnation Resolution No. 464? If there are none, the Chair will accept a motion to approve Condemnation Resolution No. 464, excluding any reference in that resolution referring to Vincente Gomez-Perez.

Hutchison: Move to approve.

Sandoval: Lieutenant Governor has moved for approval. Is there a second?

Savage: Second.

Valentine: I'll second.

Sandoval: Second by Member Valentine. Any questions or discussion on the motion? If there are none, the Chair will accept a motion for approval.

Savage: Move to approve.

Sandoval: I just did that, sorry. All those in favor please say aye. [ayes around] Those opposed say no. It's Monday. Give me a break. That motion is approved unanimously, and thank you to the Hands for being here as well. We'll move to Agenda Item No. 9, which is another Resolution of Relinquishment.

Malfabon: Thank you, Governor.

Sandoval: Director Malfabon.

Malfabon: This is for a portion of—it used to be Mesquite Avenue, Frontage Road. This City Council and the City of Las Vegas consented by resolution passed and adopted on January 3rd of this year to accept the Department's relinquishment of a portion of NDOT Right-of-Way located on Frontage Road, CL-48, Mesquite Avenue, and the City of Las Vegas. Our Surplus Property Committee had previously reviewed this request and determined the Right-of-Way is no longer required for highway purposes, and the transfer will benefit the Department with the elimination of all liability and future maintenance responsibilities. So, this is being done in accordance with NRS 408.527. We're just requesting Board

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approval of a disposal of a portion of NDOT Right-of-Way for this Mesquite Avenue which is no longer needed.

Sandoval: Thank you, Director Malfabon. Board Members, any questions with regard to Agenda Item No. 9? If there are none, the Chair will accept a motion to approve the Resolution of Relinquishment presented in that Agenda item.

Almberg: So moved.

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

Hutchison: Second.

Sandoval: Second by the Lieutenant Governor. We get the benefit of the delay. Any questions or discussion on the motion? Hear none. All those in favor say aye. [ayes around] Those opposed say no. That motion passes unanimously. We'll move to Agenda Item No. 10, which is a Resolution Requesting the State Board of Finance to Issue Highway Revenue Bonds. This is an important Agenda item. Who's presenting on this? Mr. Nellis.

Nellis: Thank you, Governor. It's my privilege to present this final NEON construction bond sale. It's been a long time coming. And just as a brief overview of some of the benefits of Project NEON, it's a widening project, a 3.7-mile stretch of Interstate 15 between Sahara Avenue and the Spaghetti Bowl Interchange in downtown Las Vegas. Traffic in this corridor is expected to double by 2035, so want to underscore the importance. When completed, average speeds are expected to increase—oops. A hiccup there, Governor. Speeds are expected to increase on northbound I-15 from 28 miles per hour to 60 miles per hour as well as increase on US 95 during the peak commute times from 18 miles an hour to 56 miles per hour.

Sandoval: So, may I interrupt you, Mr. Nellis, there?

Nellis: Yes.

Sandoval: So, are you telling us right now the average speed on that portion of the highway is 28 and 18?

Nellis: Average speeds that were...

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Sandoval: Because of traffic delay.

Nellis: Traffic delays, yeah. So, there's huge benefit to just increased productivity from people not having to sit on the highways and actually being able to report to work. I wanted to underscore, Governor, that the Transportation Board that you've been chairing, all the way back in 2004, first approved the NEON construction financing with bonds versus the P3 concept. And in November of 2015 is when we came to the Board to receive approval for our three sales that take place in 2016, 2017, and now the final one in 2018. And as Director Malfabon mentioned earlier, we're still expected to complete the project by summer of 2019.

The three bond sales, the two previous ones are in green. In 2016, there was a \$200 million sale. That was just for project proceeds. We also did some refunding of bonds in the area of \$167 million dollars that saved the State \$14.7 million when we did that bond sale. And in 2017, there was \$185 million, and now we're coming to you to request the third and final sale of \$140 million.

So, what's that going to look like as far as payments after we make that final sale? Currently, our largest annual payment is \$78.5 million. That will be due this year in 2018. After the sale is approved, we anticipate the largest debt service payment of \$75.2 million in 2019 and then reduces from there, and as a reminder to the Board, our debt service coverage policy is to have no less than three times coverage on our senior liens, and what that means, quite simply, is we take the total fuel taxes that are projected by the DMV, which is \$294 million, just divide that by three, and that gives us a \$98 million maximum annual payment that we can afford to maintain our good credit. And as you can see, we're at our maximum payment right now, is just about \$20 million below that maximum payment, so we're in good shape.

Currently, we have the highest AAA credit rating with Standard and Poor's as well as the second highest rating with Fitch and Moody's, and as a result of the sale, we don't anticipate any change in that credit rating. So, if approved today, we were already on the schedule for the Board of Finance approval tomorrow, or acting quickly, and then going to take our presentation to the rating agencies on April 17th. Those are already scheduled, and then we should receive our ratings back from the rating agencies by April 27th, which would allow us to go to a competitive bond sale by May and then receive those funds by June. So, this summer, should be ready to go, and with that, I'd be happy to take any questions.

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And before I do, I'd just like to recognize Deputy Treasurer Laurie Chatwood [phonetic] is in the audience, and she's been instrumental in fighting for the State, making sure we get the best value on our bonds all throughout the year. So, just want to make sure she's recognized.

Sandoval: Thank you, Mr. Nellis. Just a few questions for me. I know we are at least right on schedule, but aren't we ahead of schedule with regard to project completion?

Nellis: I think that we're on schedule. We've added some additional work that we saw the opportunity to address some issues out there at the interchange at Martin Luther King. So, I would say we're on schedule. Had we not added that additional scope, we would have been ahead. Kiewit is doing an awesome job for us on the project and staying on schedule and also positioning themselves. They're doing a lot of expense for labor and materials to try to earn the bonuses that are available for the different phases of work on NEON. So, we're doing well.

Sandoval: Thank you. And then if Rudy or Mr. Nellis could provide a little bit more detail on why the bill—or the bonds, excuse me, are \$40 million less than what we anticipated.

Malfabon: Well, when we established our plan for Project NEON, one of the things—just as we build our biannual budget request, say, for the last biennium, the last legislative session, we received some additional revenues that were approved during the legislative session that you signed off on, Governor, and we don't usually anticipate that additional revenue when we're building our plan. So, that's part of the additional revenue that went to the State Highway Fund. Another opportunity comes, one I've talked about, our Financial Management staff, and they're positioning the Department to get additional federal funds, federal spending authority that's left on the table by other states during August redistribution. So, those opportunities, I think we got over \$20 million last year. So, that pays us back from some expenditures on projects that are federally funded that we maybe put more state funds towards it to advance it, and then it just gives us the opportunity recoup those funds. Those get deposited in the Highway Fund. So, we have—those additional revenues support the savings, and we can have a lower level of bonding of debt issuance, because we have additional revenues that we can rely on for funding the project.

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Sandoval: No, and that's—you're almost to where I wanted you to go, which is have you monetized that? How much does that save taxpayers, because obviously we're not having to purchase those bonds and pay the interest over time.

Malfabon: Definitely. You see the \$40 million in savings really is available now. As we look at the Board's authority granted to us last December to put together a plan for those five or so projects in Las Vegas and the Reno Spaghetti Bowl, to really look at what's the opportunity to advance those projects. So, we would definitely look at the \$40 million in savings that were from this bond issuance as still something that we're going to stay within that three times debt service coverage, and it gives us the opportunity to advance some of the much-needed improvements in Reno and Las Vegas that—I don't know what the actual dollar amounts are other than just the upfront savings on the bond issuance, but it translates into our ability to do other projects and still maintaining that debt service coverage that's very favorable. We continue to receive that good bond rating, AAA, and we're very wise and thoughtful about which projects to do and how much debt to carry that we bring to this Board for final approval.

Sandoval: Thank you, Rudy, and then my final question is the rate, and Mr. Nellis talked about getting the best value, or perhaps you did. What are you anticipating on—or maybe perhaps Ms. Chatwood could answer this question—in terms of what we're looking at in May versus what we anticipated two, three years ago?

Nellis: I'm sorry, looking at as far as interest rate, sir?

Sandoval: Yes.

Nellis: Yeah. It's projected to be about 3.74%. So, some are just shy of 4%, but—and that's assuming there might be a half-a-percent interest rate hike as well. So, that's already built into the model.

Sandoval: But when we were looking at these spreadsheets three years ago, what were we using as an estimate at that time?

Nellis: The interest rate at that time—well, we sold the last one. That was three—almost 3.5%, just shy of—it was about 3.462, something like that.

Sandoval: Okay, so, a little bit higher this time than...

Nellis: Were you looking at just the total interest rate or what that translates into for...



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- Sandoval: Well, both if—I know that's a lot of numbers on the fly. [laughter]
- Nellis: Lot of numbers for a Monday. [laughter] But to help answer—to help answer the question earlier on as far as less of a bond that we're selling now, our Financial Management division did look at that and thought that we saved about \$20 million in interest total from the bond sale.
- Sandoval: So, we're saving \$40 million because we basically replaced that money plus an additional \$20 million in interest. So, that's \$60 million that can pay for that \$60 million Blue Diamond project. So, I mean, that's real money. So, well done. That's what I was trying to do, because we see all these numbers on a page, but at the end of the day, what it means is we're using money more efficiently, and we could build more projects faster. It's a good thing. All right, that's all I have. Other Board Members have any questions with regard to Agenda Item No. 10?
- Hutchison: Governor?
- Sandoval: Mr. Lieutenant Governor.
- Hutchison: Just keeping in mind the debt service coverage, \$98 million maximum payment, do we anticipate, Rudy, or anybody else who'd like to address it at NDOT, do we anticipate any more construction bonds coming before the Board or the need to fund other projects in the future so we would have any concern about that maximum payment level?
- Malfabon: Yes, Mr. Lieutenant Governor. As we just received our budget instructions to build the next biennium budget request, we anticipated that we would need some additional bonding for some of the major projects coming on board, both the Reno Spaghetti Bowl and some of the major system—the system interchange projects in Las Vegas. Some of the construction that's needed by the Tropicana Interchange and Hacienda-Harmon HOV ramps. So, the Board, in December, gave us the ability—or the approval to put together a plan. We haven't kind of crunched those numbers yet. We want to look at which phases are going to need some additional financial assistance to get to construction. Some of these projects are more imminent. They're actually in design, and we just needed to look at how much money is available and the uncertainty of federal funds, or the availability of an infrastructure program that could come to pass through Congress efforts. So, there's a lot of things to look at, but we're trying to put together a plan as we build our next biennium's budget that was anticipating in 2020, '21, and '22,

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additional \$100 million a year from our normal fuel tax revenues and an additional \$60 million a year from our fuel revenue indexing in Clark County for Clark County projects. So, what we're looking at is about \$480 million additional, and in those years, we—I think that there's a series of bonds that's paid off in the—is it this year, Robert?

Nellis: [inaudible]

Malfabon: There is—in the—either this year or next, I know that there's one series of bonds that it either got—it gave us more flexibility and capacity for that so that we still stay under that three times debt service coverage even with the additional \$480 million that I had mentioned. And again, this is something that we need to develop and eventually bring back to the Board for final approval and that have that built into our biannual budget request in the coming biennia. So, it's still a lot of work to do on the financial side, but that's what our high level plan is, to advance some of these projects that are needed.

Hutchison: Great. Thank you, Rudy. Thank you, Governor.

Sandoval: Board Members, any other questions with regard to Agenda Item No. 10? My only comment is I think it's pretty remarkable that as much as has been done, that we've come to this last phase, and, you know, we're able to cut the bond by \$40 million. The project is on time and is on budget, and we talked about the communication piece with regard to working with the public so that they can navigate this as well as can be possible under the conditions. So, just all the way around, I really want to compliment everybody associated with this contract, Kiewit, the Department, everyone, because—so, this is the largest public works project in the history of the state. Kind of puts things in perspective, and for it to be as managed as well as it has is truly a compliment, as I said, to the Department as well as the contractor, so thank you. If there are no further questions, the Chair will accept a motion to approve the resolution requesting the State Board of Finance to issue Highway Revenue Bonds in the sum of \$140 million as presented in Agenda Item No. 10.

Savage: So moved.

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

Valentine: I'll second.

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Sandoval: Second by Member Valentine. Any questions or discussion on the motion? Hearing none. All in favor say aye. [ayes around] Those opposed say no. That motion passes unanimously. Move to Agenda Item No. 11, Old Business.

Malfabon: Thank you, Governor and Board Members. We have our quarterly reports under Old Business. I covered a lot of this in the Director's update, but you have your more detailed reports on Project NEON, I-11, pedestrian safety projects throughout the state. Dave Gaskin will give a Stormwater Program update, there is also an update on the shared radio system. The Construction Working Group, which meets later today, you have an annual report contained in the packet, and then the legal portion, report of outside counsel costs on open matters and the monthly litigation report, unfortunately, we don't have—we have a new person doing the fatality report, the FARS report, and they have to have some training done. So, hopefully, in the future we'll have that report contained back into the packet that gives you information on fatalities and the statistics based on different counties and different program areas, such as impaired driving, and you can see some of those numbers in the future. But unfortunately, we don't have that report available today. So, I'm going to turn it over to Dave Gaskin and then—to give the Stormwater Program quarterly update and then allow the Board to answer—or ask any questions on the other reports that are provided in Item No. 11, Old Business. So, Deputy Director Dave Gaskin.

Gaskin: Morning, Governor, Members of the Board. Dave Gaskin, Deputy Director. I have a brief presentation for you today. Of note, earlier this year, went to meet with EPA for our quarterly compliance meeting on the Consent Decree, and as you can see, we've got the final piece of the pie put together in terms of the major submittals under the Consent Decree. The Stormwater Management Plan was the last item that was due late—by the end of 2017, so we have successfully submitted all of our major components for the Stormwater Program under the Consent Decree. The outstanding items due later this year are some final reports on progress for some programs that we have done, including our continuous monitoring systems and our evaluation assessment using drone technology. So, I'll talk about those in just a second.

So, where we're moving at now is transitioning from the Consent Decree to the MS4 Permit, which is a Stormwater Permit from NDEP. The draft permit was completed, and EPA did their review earlier this year. NDEP is reviewing the

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comments from EPA, and we're waiting to hear from NDEP how those are going, and then after those comments are resolved with EPA, then it goes out to public comment. So, a couple more months, and we should have the Stormwater Permit in place, and it does have quite a few components, as you can see from the diagram, but I think we're making good progress getting set up to comply well with the permit.

The permit does include very streamlined language to help us be more successful in the future. The older permit was a little bit last generation, and now we've been able to use the expertise and experiences we've seen to make the requirements of the permit more manageable and tailor them more from a municipality type of permit, which is the MNMS4 to a transportation tailored Stormwater Permit. So, that was something that we've been working hard to do.

A couple of the major plans that we've updated recently are the Stormwater Management Plan, which is a very extensive plan that covers every aspect of the program, and that was the last item that was due under the consent decree last year. So, that was a major submittal accomplishment, and also, our Facility Pollution Prevention Plan, which covers how we handle our major facilities throughout the state and make sure we take care of maintaining and reporting how those facilities are operated.

And some of the things we're seeing from the districts, this is just a sample of— District III has been tracking their internal performance on their maintenance of their Stormwater components. The details aren't real important. It's just the structure, and they're able to really acknowledge the progress they're making over time, which is an important thing, and track where they need to do a little more, but having great progress reported on the Stormwater maintenance.

And as you know, there are very many components throughout the state that took years to map, but now we're just in catch-up mode. As we find more components and more installed through construction and maintenance, we keep those components tracked in our asset management.

It's very important to have a good handle on those components for a number of reasons. One is that we track the priorities of every component both on a regional basis for those components if they're in a sensitive area, like next to the Truckee River or Lake Tahoe. Those get a higher priority, but also the ones that come

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through inspections that need more work more immediately. Those can be prioritized. On the left, you can see the—you can go down to the individual crew level so the crews know where they need to focus their efforts, and it saves them time, makes them more efficient. And I believe we have a little video at this point.

[video plays]

Gaskin: And as part of that, you've heard about the Enterprise Asset Management System that ties all this asset management activity together and links the Stormwater components with those in the other divisions within the Department, such as maintenance, bridge, and pavement, other divisions that have their own databases and tracking systems, and this ties it all together. So, we're making good progress getting the EAMS system put together.

Mentioned a little bit about the continuous real-time monitoring, which is meant to help us find ways to partner with our fellow jurisdictions in Stormwater efforts and make sure we're working together and improve our efficiencies and give us better feedback on the quality of the benefits we're getting from the work that we're putting into the Stormwater system. And on the UAV monitoring, we'll soon complete the one year of data collection that was required under the Consent Decree and be reporting on the effectiveness of how that's been going.

This diagram is a little hard to read, but that's showing the Las Vegas Valley and just gives you an indication of when we have to relate and interact with such as the Clark County Regional Flood Control District, it's an enormous system that they have with all their basins and conveniences and watersheds, and we're going right through the middle of them. So, coordinating on all that and making sure that we're working well with our neighbors is a complicated task, but all this automation is really helping us keep that under control and make it more efficient.

Earlier this year, I attended the TRB, Transportation Research Board, in DC. It's an annual meeting, very large. I think they had 5,397 papers presented at that transportation conference, but the important thing to note is that they now have an official Stormwater Committee as part of that group, and Nevada is a voting member of that committee. And on the bottom you see the National Stormwater Roundtable was held in February in Atlanta, and I must confess I was ashamed of my behavior there, because I was between other states talking about their

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Stormwater systems, and I felt very good that we were making a lot better progress than—they're all struggling with it. I was between Delaware and Vermont, and they were talking about their Consent Decree and their audits and all the struggles they were having. So, sorry, but that made me feel good. [laughter]

Making good progress with the Nevada Water Innovation Campus. We've got some agreements in place on cooperative work. As you remember, that's a joint effort with all the regional jurisdictions on water—looking at water reuse opportunities, and a big part of what we're trying to do with them is training, having joint training, and this is something I've been talking recently with AGC, that they're very excited about another—industry type groups that worry about consistency among the jurisdictions and making sure that the requirements aren't conflicting and duplicative between the county and the city and the state, making sure they know what the rules are and they're workable, because if we're not in agreement on that, that makes—even if they want to comply, that makes that very difficult.

And some upcoming events, we have a Nevada Water Environment Association meeting April 3rd through 5th. We've been invited to speak at that, and they have a big Nevada Water Innovation Campus partnering session on April 3rd, where, Mr. Governor, you'll be receiving an award for Public Official of the Year. So, we're looking forward to that, and also invited to speak at the American Public Works Association later in April down in Laughlin.

We continued to analyze the program sustainability. There were a number of risks and challenges that face any program. So, we look at our strengths and weaknesses, opportunities, and threats and try to find ways to come up with preventive measures. One big one that's coming up is a change in personnel at the end of this year. I think all around this room there will be a number of people going on to other things. So, we have to [laughter] we have to certainly take that into consideration and make what preparations we can.

And that's something that I think we're fortunate in the Stormwater world, is that it's not just a program you put into place and it's static and you just do it. It's a very iterative process to find new ways to do things. We're continually getting input from our field operations on what works, what doesn't work, what we could do better, what things are needed. So, we try new things. We assess them. We

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tweak them, and then we keep on improving. It's an endless process to keep—we really want to make the program efficient. We want it not to be a burden. We want it to really have benefit for NDOT and for the state. And that concludes my presentation. If you have any questions, I'd be glad to answer them.

Sandoval: Thank you, Mr. Gaskin, and I don't have a question, just a—supposed day of accolades. I mean, I—you know, I don't forget where we were, how many years ago it was, where we were on the brink of a multi-million-dollar fine, and frankly, questionable practices with regard to the way we received our stormwater. And we were able to avoid that type of action, able to control our own destiny. We made a substantial investment and truly turned it around, and, you know, we have all these technical pieces and those apps, and those are all fabulous. But at the end of the day, what matters is the quality of the water that's coming out of the faucet for every man, woman, and child in this state. And given this program, we can be confident that it is the highest quality water possible. There's still work to do, but there's people out there working extremely hard who care very deeply about what's going into, you know, our drinking water, which ultimately turns into our drinking water, into our rivers, into our lakes, all of that. So, thank you for your hard work, and I know I speak on behalf of a lot of people for what you do.

Gaskin: Thank you very much, Governor, and the whole Board. As you mentioned, when I was sitting with the other states, what struck me was we did have a very substantial initial investment in the program that made a huge difference, and since then, it's been the cooperation of everyone at NDOT and the partners we work with that's really made it a rewarding challenge.

Sandoval: All right, any other questions or comments for Mr. Gaskin?

Valentine: Governor, I would just echo your comments. I think it's been—I followed this issue for a long time, and I would just say I think they've just done an amazing job.

Gaskin: Thank you.

Sandoval: Thank you, Ms. Valentine. Rudy, does that—is there anything else you wanted to present with regard to old business?

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Malfabon: No, I just would like to echo those comments for the Stormwater Group and Dave's leadership. You know, when we—last year when we had those floods, we were looking at those GIS maps, and I remember with our hydraulics engineer and our roadway design engineer looking at those maps, and they could see exactly what size pipes were out there on Pyramid Highway where we had some washouts. And it's an awesome tool not just for the stormwater quality, but also for some of these floods that we've had in the past. So, great leadership, great effort by our Stormwater Group, and it really is a testament to doing the right thing and positioning Nevada for taking care of our water quality issues. I think that we're definitely an example to other state DOTs as well as other state public agencies in Nevada. Thank you, and that concludes the old business item. It's for Mr. Gallagher.

Sandoval: Well, I do have a comment with regard to the statistics behind the Construction Working Group, and again, I thought they were quite remarkable in terms of the number of contracts closed, the contract change order total, and how significantly that's come down. And given—I mean, the bid value is much lower than it was before, but still, given what we've seen historically, this is a massive change. And then the change order rate going down to 2.2%, that tells me that there's a lot better work going in, in terms of negotiating and bidding things out. So, really huge compliments to the Department in terms of what's going on internally associated with them, the construction projects and the closed contracts. So, well done, and I don't know, Member Savage, perhaps since you're the Chair of that Working Group, you may have some comments.

Savage: Thank you, Governor, and well-said, well-stated. As everyone can see in the Board Packet, we met quarterly in 2017 and continue to do so in 2018, but this Construction Working Group is very engaged in all aspects of construction as well as the consultants that we talk about at every meeting. And I'm proud to say that the Department's engagement is exemplary. It starts with Reid Kaiser. I thank Member Martin, Member Almberg. Most importantly, Governor, I thank this Transportation Board and your leadership, very much appreciate it, and thank you to all the people at NDOT for engaging with the Construction Working Group. Thank you, Governor.

Sandoval: No, thank you, Len, and again, this translates into less litigation. It translates into more money that we can put into other projects. I mean, it really does have a



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positive ripple effect. So, there's a reason, and I know the Lieutenant Governor is going to get into this, but there's a reason why our litigation sheet is getting—has gotten as small as it has, because historically, we were fighting it out on a lot of these contracts with regard to change orders and such. So, it really is meaningful, so thank you. All right, any other questions or comments from Board Members with regard to Agenda Item No. 11?

Hutchison: Governor?

Sandoval: Yes, Mr. Lieutenant Governor.

Hutchison: Thank you, and I just echo your comments and this Board's work and NDOT's work as well with that Working Group, and it does lead us to the outside counsel contracts as well as the monthly litigation report, which is really remarkable from the time that I first joined the Board to the point that we're at now. And you see the—every month, you see that section of this report where contracts have closed or expired since the last report. That means that these litigation matters are getting resolved, and in addition to that, Governor, I think the other thing that we see is that when we do go to litigation, and we've been pretty successful, and we've been able to hold our own and be able to present our legal position in a way that has persuaded courts and is something that we can be proud of as well. And so, with that just sort of as a preface, I'd just like to ask Mr. Gallagher a couple questions about the outside counsel contracts that we have. I know that with—I mean, it just seems to me that with our Project NEON work really beginning to wrap up, and we're looking forward to the summer 2019 conclusion. We're not going to need a whole lot more legal and financial planning, I wouldn't think. Under our first contract with Nossaman, you've got about \$150,000 remaining. I assume, Mr. Gallagher, we're not going to need a whole lot more than that on a go-forward basis.

Gallagher: For the record, Dennis Gallagher, Counsel for the Board. Thank you for the question, Lieutenant Governor. That contract is winding up, as is the project itself. I don't foresee, unless there's any last-minute difficulties between the Department and the contractor, that we'll need to extend this contract or need to request any additional financial support.

Hutchison: Thank you. You've been good to update us on all these other cases as well. I think I know where we're at. The one I would just ask you for a comment on is

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the First Presbyterian Church matter, and just looking at the—looking at the allocated and budgeted legal cost, I assume we feel pretty comfortable where we're at with that as well.

Gallagher: For the record, Dennis Gallagher. Yes, Lieutenant Governor, we feel very comfortable about that. There was a lot of activity in that matter a couple of years ago. The project was adjusted so that none of the real estate was required for the project. We've kept the matter open, because every so often, there's been an indication that there may be some litigation down the road. That hasn't materialized, not to say that it won't happen sometime in the future, but this particular contract will expire at the end of July. There's no reason to renew it, and if there is litigation because of other cases being resolved in Project NEON, we will handle it in-house with Attorney General staff.

Hutchison: Thank you, Mr. Governor, and that just takes me to my final point. I've made it before, but again, we've made great strides, I think, within the AG's work with NDOT. Really, the only thing we're spending outside legal fees on is the condemnation work, and as we all noted today and have previously, that's going to be winding up more and more as Project NEON concludes. But all the construction litigation and the personnel litigation is handled in-house, and again, when we use the AG's Office with the resources we've already devoted to those cases, we save a lot of money and free up a lot of opportunities for additional work, whether it be state services in general or construction projects with NDOT. So, I want to compliment you, Mr. Gallagher, in managing these matters, compliment all of NDOT staff, and appreciate your hard work. Thank you.

Sandoval: Thank you, Mr. Lieutenant Governor. Any other questions or comments from Board Members on Agenda Item No. 11? I hear none. We'll move to Agenda Item No. 12, Public Comment. Is there any member of the public present in Carson City that would like to provide public comment to the Board? I hear and see none. Is there anyone present in Las Vegas that would like to provide public comment to the Board?

Hutchison: There are none here, Governor.

Sandoval: Thank you, Mr. Lieutenant Governor. Agenda Item No. 13, is there a motion to adjourn?

Hutchison: Move to adjourn.

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Sandoval: I've got a motion from Lieutenant Governor, a second from the Controller. All those in favor say aye. [ayes around] This meeting is adjourned. Thank you, ladies and gentlemen.



Secretary to Board



Preparer of Minutes