

Transcript of Nevada Department of Transportation  
Board of Directors Meeting  
April 9, 2018

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

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

Speaker: Yes, we can.

Sandoval: And Member Martin, can you hear us clearly on the telephone?

Martin: Yes, sir, we can.

Sandoval: Wonderful. Then we'll proceed with Agenda Item No. 1, which is Presentation of Retirement Plaques to 25+ Year Employees. Director Malfabon.

Malfabon: Thank you, Governor. I'll go through the presentation of retirement plaques and also the presentation of awards, Items No. 1 and 2 on the Agenda, and then we'll do the photo opportunity with those in Carson City. And if there's any present in Vegas, any retirees present, hopefully, they can take a photo to commemorate that down in Las Vegas. So, the retirees with 25 years or more of service, I'm going to read off their names and the years of service. Charles Ellis, he was a Highway Maintenance Supervisor II in Reno, 29 years of service. Victor Marin, Highway Maintenance Worker IV on Reno Maintenance Crew II, 30 years. Ralph McKewen, IT Professional III here in Carson City, 25 years. Brian Mitchell, a Staff II Associate Engineer in Construction, 29 years of service. Carrie Morton, Administrative Assistant III in Architecture, 22 years. Thomas Pearson, Highway Maintenance Manager, Ely District Administration, 31 years. Kent Steele, who was head of our scoping office here in Roadway Design, Supervisor III Associate Engineer, retired recently with 25 years of service. Tom Stevenson, Supervisor

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III Associate Engineer from Las Vegas Crew 915, retired recently with 28 years of service. John Terry, Assistant Director of Engineering, 25 years of service, and Alan Tinney, Administrator II from the Stormwater Division, 27 years of service. So, I'm going to go ahead and move into the awards that the Department was recognized for, and then we'll do our photo opportunity.

Sandoval: Excuse me, Rudy. So, none of those individuals are here?

Malfabon: Yes, they are. So, we'll have them come up. Several of them are here, and I made sure that I kept John Terry's retirement clock so he would show up. [laughter]

Sandoval: I didn't see John. Where is he? Oh, there you are, yeah. [laughter]

Malfabon: We do have...

Sandoval: You didn't have to wear a tie today, though. [laughter]

Malfabon: He's used to—I think he dresses like that every day. [laughter] But Governor, we just definitely want to thank all those people that we mentioned for their decades of service to not only the Department of Transportation, but also to the State of Nevada, and they did some great work while they were here. We wish them well. For those that have really retired, like John, you know, make the best of those years. We really miss those folks and all the hard work that they gave to the Department, but I'm sure that you want to wish them well, too, Governor.

Sandoval: Of course, and for those who aren't here, I hope they're golfing or fishing or traveling or whatever it is that—spending time with family, but, you know, again, it's always remarkable—and particularly, to hear the years of service that people have committed to public service and the people of Nevada, and we really do have a transportation system and an infrastructure that is something to be proud of. I've spent most of the weekend in Las Vegas and drove the Spaghetti Bowl, and to see how far we've come and what's happening there and how that's going to improve the quality of life there in Las Vegas, but even, you know, traveling that road or even some of the most remote roads in the state, it's truly a special place. And for individuals to spend 25 plus years with an organization and have—hopefully, like, for you, John, because you worked on so many different things, the satisfaction of knowing that you really made a big difference, and everybody who Rudy mentioned made a big difference for the people of the state. That truly is a legacy that not too many people get to have. So, on behalf of the people of the state of Nevada, I truly want to thank you and everyone else that has retired.

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It's a job well done, and for those that—as Rudy said, that truly retired, I hope they really take that time to fulfill all the dreams that you've had. You know, everybody thinks about what they want to do when they're done once and for all and to make sure that you go out and do that while you're healthy and happy. And for those who go on to a second career, to use the experience that they've learned here with the State to continue to do great things. So, thank you very much for your service.

Malfabon: Thank you, Governor, and we'll have them come up shortly after we do the next item, Presentation of Awards, and we'll do one photo op group. The first award that we'd like to highlight is the Bike the West Award of Appreciation, and we receive this from Curtis Fong, the owner of Bike the West. He'd like to recognize NDOT for continuing efforts to promote safety and education for cyclists at both the Tour de Tahoe event and the America's Most Beautiful Bike Ride event at Lake Tahoe. This is the 27th continuous year of NDOT providing support and assistance to Bike the West. To facilitate the success of these events, NDOT staff attend the event coordination meetings. We talk about bicycle and motorist safety issues. We assist Bike the West with identifying road construction locations, coordinating those kind of activities so that it's safe for the bicyclists during those special events, and looking at any potential issues and addressing those ahead of time. We also work through the staff in District 2 with issuing encroachment permits for use of our roads up there for the bicyclist events. Traffic control plans are reviewed for the Most Beautiful Bike Ride and the Tour de Tahoe events. So, I wanted to thank all of our staff and just mention a few of them, Bill Storey, Jamie Borino, Albert Jacquez, Cathy Balcon, Janie Fromm, and if we could, we'll have them come up shortly. I'm going to go into—and I think Mr. Fong is also here. So, we'll invite him up shortly for the photo opportunity with the Board Members. The second award to highlight, we received from the Nevada chapter of the Institute of Transportation Engineers, ITE, which recognized the Las Vegas Boulevard upgrade from Kerry Carey to Nellis as its 2017 Transportation Project of the Year. This was a \$17.3 million, 4.6-mile-long project. Fifteen months it took, and we installed new concrete bus lanes, improved median islands with drought-tolerant landscaping, metal sculptures, and midblock crossings with overhead flashing beacons to improve pedestrian safety. We also had what we call a Danish offset. That's a median island that acts as a refuge for pedestrians that are crossing. Some of those streets in Las Vegas are very wide, six lanes with a turn lane. So, it's important to have these Danish offsets in the median to have refuge and improve pedestrian safety. We also had new curbs, gutters, and

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sidewalks on this project. We milled the old pavement off, overlaid the existing asphalt roadway, and had 43,400 tons of asphalt placed on this project. And I believe that Lindsay Saner from ITE, Nevada Chapter President, is here as well. So, if I may, Board Members, we'll do the photo opportunity. Hi, Thor. And let's start with the retirees.

[photo opportunity]

Malfabon: Governor, I can go right into the Director's Report now.

Sandoval: Yes, please proceed with Agenda Item No. 3.

Malfabon: Okay. It's hard to believe that just a few weeks ago, we were shoveling snow, and now we're in the 70s with our temperatures. I know that this Thursday, we're going to dip down about 30 degrees, but our crews did an admirable job this winter, the winter that wouldn't go away in March, another one of those miracle March months where we had a lot of precipitation and a lot of snow in the higher elevations and even down here in the valleys. But our crews did a great job making sure the culverts were clean and clear so that the storm water could get through them, not damage the roadways with erosion, and dealt with a lot of the coordination efforts, and I just want to give our appreciation to all the districts that had to go through this winter and make sure that the public was safe and connected through our snow plowing and ice control operations and just some of the rain and the winds as well. So, they did an admirable job, and great job to see Thor in the audience and to all the other districts, too. I just want to give them a round of applause for their efforts. [applause]

So, we had a little event with a gas leak up at South Shore in Lake Tahoe, and you can see kind of the aftermath there where a manhole had some damage to it. We were checking our pipe culverts in that area, too, to make sure that they weren't damaged and they're functioning properly, but we assisted with the road closure. Utility companies had to go in there, the power company and the gas company, to conduct their repairs afterwards. Also, we had some high-wind events recently on March 22nd, and our crews from District 2 performed very well. I had to drive through there for the meeting in Hawthorne for I-11, and I can testify that they did a great job managing the traffic between Shurz and Hawthorne. A lot of motorists were inconvenienced, but it was very serious high winds there, and a lot of trucks had tipped over on the highway, and they also let me through to get to my meeting, so I appreciated that, too.

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Federal update, so as part of the \$1.3 trillion spending bill that Congress agreed to for this fiscal year, they approved the Omnibus Appropriations Bill. We were very pleased to receive our FAST Act level of transportation funding. That goes to Federal Highway Administration, Federal Transit Administration, Federal Motor Carrier Safety Administration, and the National Highway Traffic Safety Administration, and it's—so, they're fully funded through the rest of the fiscal year, and also, there was an additional \$10 billion for infrastructure, half of that money going to the USDOT for their infrastructure programs through September 30th of 2021. So, there was a substantial increase. A lot of that will be through the formula that they distribute their regular revenue for transportation, but about \$2.5 billion of that is going to highways, \$864 million to transit, and they also tripled the TIGER Grant program with that additional funding. So, usually, it was a half-a-billion dollars. Now it's \$1.5 billion through additional funding from that infrastructure funding. There's also a six-month extension of the Federal Aviation Administration programs while they do the full authorization of that FAA programs.

Recently, the Carson City Sheriff's Department conducted an operation at three intersections to educate drivers on pedestrian safety. Sixty-five citations were issued, unfortunately, but you can see that gentleman, Mr. Quilici, that was dressed in orange, there really was no reason for a driver to not see that pedestrian crossing at the crosswalk right outside of our headquarters building here in Carson City. Also, the federal restrictions, we had talked about some patent issues with the rapid rectangular flashing beacons, similar to what you see in downtown Carson City for pedestrians to push the button, and it activates the flasher that really grabs the attention of the drivers to let them know a pedestrian is crossing the street. But there were some patent issues and concerns from the Federal Highway Administration on that issue, but the restriction was recently lifted. So, there's no cause for alarm as far as the use of these devices, because we find them to be very effective for pedestrian safety. And just to mention that where we actually did the—with Carson City Sheriff's Department doing the joining forces effort right outside our building here, we'll put in one of those flashing beacons at that crosswalk there in front of our headquarters building. So, it'll be used by not only NDOT folks, but also the Department of Motor Vehicles staff and Department of Public Safety staff that cross the street. In the future, they'll be able to cross a lot more safely with that infrastructure in the future.

We're calling attention to April 9th through 13th this week, the National Work Zone Awareness Week. We're even asking our employees that work in our

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building here to wear orange on April 11th. So, this is a national event that calls attention to work zone safety, and tragically, we've lost workers before in work zones, and we never want to see this situation happen. So, we ask that drivers just be aware when they're entering work zones and drive safely whether in a work zone or outside of a work zone, just to pay attention, not drive distracted or impaired.

Carson City held an event recently to commemorate their win of a TIGER Grant. USDOT Secretary Chao was in town along with Senator Heller. We attended the event. It was to commemorate the \$7.5 million that's going towards that project. And as I mentioned, NDOT, in the deal to transfer that portion of Carson Street, the old highway, to Carson City, we gave them our pavement preservation money so that it wouldn't be a wasted effort on our part to repave the road and then have them tear it up subsequently for their Complete Street Project. So, we want to wish Carson City the best with using that funding to extend their Complete Street Project further south from where they completed—they're going to go from Fifth Street, I think, to Colorado initially, to Fairview at least, and then eventually go all the way down to the junction with the freeway at US 50 and US 395 and 580. So, congratulations on the great win for Carson City.

We held a series of public information meetings across the state starting in Las Vegas. Our folks went on a—kind of a tour of rural Nevada going up from Vegas to Tonopah, to Hawthorne. As I mentioned, I was able to attend the meeting in Hawthorne. Unfortunately, on that day, we had some bad weather and the high winds, but we did have a meeting subsequently in Fallon that some of the folks that missed the Hawthorne meeting were able to attend as well as meetings in Reno and Carson City, and there's a lot of opportunity for public comment still through April 13th, but our team did a great job of explaining what we're trying to accomplish with planning and environmental linkages. It's a planning level study of some of the factors that we can consider for determining the alignment alternatives and try to whittle down the amount of alternatives so that eventually when we go into the environmental phase, there's a lot less effort involved, because we have a limited number of alternatives to look at for I-11. But as you can see on that map, there were several alternatives that were presented to the public for their comment, and a lot of folks that were involved—and we also had, on Facebook Live, had a livestream here from Carson City for that meeting that was held in Carson. So, eventually, in June, we'll go back out to those same venues to let the public know what we heard from them and from the stakeholders

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and go over the evaluation criteria and the screening efforts that we have conducted.

Governor, thank you for participating in Nevada Moves Day. It was the Ninth Annual Nevada Moves Day. I know that you always make it a priority to walk with the kids to school here locally, and I see a—it's like a little pet there.

Sandoval: Yeah, that's Charlie Man.

Malfabon: Charlie? [laughter] Cute dog.

Sandoval: He's seven months old.

Malfabon: Oh, he's probably a handful, then. So, he had a lot of energy that day, too. This event is coordinating with the school districts and organized to promote children walking or biking to school, but we always—whenever school is in session, we always ask that drivers pay attention to children walking and biking to school. Be mindful of those reduced speed limits around school zones, and give bicyclists three feet of space when passing, and never overtake a vehicle stopped for pedestrians. So, thank you for taking the lead on that and promoting that event, Governor.

One of the awards that you were recognized for was your leadership in—when NDOT was dealing with the US EPA with our Stormwater Program and Water Quality Program, you really provided the support that we needed at NDOT to have a successful outcome with US EPA and really to preserve water quality for future generations in Nevada. And we just wanted to mention that we did attend the forum for the Nevada Water Innovation Campus held recently in Sparks on April 3rd, and well-deserved award for you, Governor, for your leadership in getting us to where we need to be as a Department with the new staff, the new equipment. I know that that was a huge request for the legislature that session, and we got through that, and I think that we've made some great strides in improving our program in compliance with the Clean Water Act.

Little bit about some northern Nevada projects, the compact roundabout at State Route 88 and Centerville Lane was awarded to Granite Construction for a little over a million dollars. There you see a graphic depiction of what it's going to look like. Also, before you today is the award of the I-80 repaving project from Keystone to the California-Nevada state line. It's a substantial investment to improve the quality of the pavement out there on I-80. We know that we get a lot

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of trucks on that route, and starting last year when we had the storms and a lot of pavement distress was occurring, we were able to do some emergency patching, but this is going to fix it and repave that road for the \$42 million roughly that's going to be up to you to award today to Q&D.

Wanted to mention some of the staff's efforts with the USA Parkway Electric Avenue signal. They've been working out some—to arrange flaggers through our contractor at that intersection for the morning and evening rush hours, a lot of traffic going out to work out there, and they—in the interim, before the signal gets installed and activated, we really need this kind of traffic control during the construction phase of our signal project. We're going to have a traffic detour in place. We reduced the speed limits, and we're looking at temporary signals at various locations there along USA Parkway from the interchange to the intersection with Electric Avenue. So, we think with these measures, that we'll at least alleviate some of the headaches that the motorists are seeing as they do their daily commute to work out there at the Industrial Center.

There's also an Item No. 7 before you today for a corridor study on Interstate 80 to the east of Sparks there to the Industrial Center at TRIC, and one of the things I wanted to mention was that we are—and the scope of work for that study is looking at alternative accesses. Some of the things that I had mentioned to the Board before about an extension of a road in Sparks called La Posada, those are the types of alternatives that we want to look at during the study. So, that'll be before you for award later on the Agenda.

Recently, I met along with Assistant Director for Engineering, Cole Mortensen, met with Airport CEO Ms. Mora, and she had one of her board members there and senior staff. So, we had a good discussion about their concerns with the direct access ramps and wanting to maintain those in the future. So, we also met with their engineering consultant, Stantec, afterwards. I called the staff down to kind of have their technical discussion about what their engineers are showing as a concept. So, we'll continue those discussions with the airport. We understand where they're coming from as far as they would like us to maintain those ramps in the future, and as we go through the environmental process for the Spaghetti Bowl, environmental impact statement, we'll work out these issues and keep working and discussing with the airport.

One of the recent things, though, that's come to light is—we have asked our project team on Spaghetti Bowl to look at what are some things that we could



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look at to improve in the short term. We know that the EIS is going to take a while to get that through and to—we still hope to get a draft EIS by the end of this year, but we felt that it was important to start doing something physically to improve the traffic flow and safety in this vicinity. So, we looked at an independent project for widening I-580 south of the Spaghetti Bowl interchange. So, it's not—it aligns and fits in with the Spaghetti Bowl project, but it's separate. It's an early action item that we feel that we could advance with Board support. There's only one parcel of land that would have to be acquired, and we've been discussing this option with the RTC of Washoe County and the Federal Highway Administration. They're generally supportive of the idea. The FHWA did discuss it with their lawyers that deal with environmental clearances, and they felt that this project has what they call independent utility, so it's a stand-alone project independent of the big fix intended for the Spaghetti Bowl that we're studying under that EIS.

So, some of the benefits of this early action project would be to provide two lanes from—as we know, the traffic coming on at Wells Avenue really gets bottlenecked with the ramps there at Spaghetti Bowl Interchange and when you're headed eastbound on I-80. So, there's a difficulty merging there. The ramp that goes over the railroad tracks and the river to go southbound on 580 has a bottleneck there. It just decreases from two lanes down to one very rapidly. So, this would provide two lanes on that ramp. It would reconstruct some bridges there in that vicinity, but we would be able to widen the southbound lanes on 580 up to Villanova, approximately, in the—and it doesn't affect the airport ramps that I had mentioned previously. It's compatible, as I said, with future Spaghetti Bowl Interchange improvements that we're studying under the EIS. So, it doesn't delay the NEPA work, the environmental clearance work that we're currently conducting on Spaghetti Bowl, and it's an independent project that we'd like to pursue.

So, some of the anticipated actions—I wanted the staff to make a formal technical presentation to the Board next month to get an action item for your approval to consider this separate project. As you recall, the December meeting, we talked about bonding that would be built into our next biannual budget request. So, we're going to have to modify that plan a little bit. We do have the bonding capacity available for this project. Because it's an independent project, we feel that it's just the right thing to pursue so that we can get something built sooner rather than later. As I mentioned, FHWA is supportive of the concept. We'll have to obtain NEPA clearance or environmental clearance for this separate

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project and amend the RTC's regional plan, which eventually rolls up into the statewide plan, the stip. So, we're working with those folks in the planning department at RTC Washoe County, and we'll do all this effort with our financial folks as well to look at how we package this up and get this into our budget request. What we would proceed with more immediately is to amend the scope of work with our current consultant that's working on the Spaghetti Bowl NEPA so they can support the development of an independent design-build project. We believe that design-build is the best way to go for this to get it out soon as possible. We'll issue a request for quals once the Board has the opportunity to receive more technical and in-depth information, ask your questions of our project team. But the request for quals would basically establish a prequalification list of design-build teams that we would eventually issue a request for proposals in a draft format to these short-listed design-build teams for industry review and comment. We're looking at probably getting—after the Board presentation and assuming that the Board approves this concept, next month, we would just quickly issue the request for qualifications shortly thereafter in May and then start the process of drafting the RFP. So, we believe that it's best to look into using our project team as we have currently on Spaghetti Bowl. They're the most informed on this project, and it'll help us to get things done rapidly. So, you would also have to approve that additional scope of work for our consultant on the Spaghetti Bowl project. We would look to have a draft request for proposals kind of late summer timeframe, and then eventually, the final RFP would be issued for this design-build project before the end of the year. Probably November is what we'd be shooting for, and then sometime middle of next year, we'd select the design-build firm that the Board would approve eventually. So, we're looking at probably something in the range of about \$150 million project. As you may recall from the December presentation on the slate of projects that we could bond to build into our next biannual budget request, we had some money set aside for Spaghetti Bowl. It's just using that bond in capacity for this improvement that would really improve safety and traffic flow in this section of 580 right by the Spaghetti Bowl Interchange and really address one of the issues with the Wells Avenue onramp and some of the congestion and weaving that we have there. I know it's a lot to take in, and it's just a very recent development that I wanted to inform the Board about, but it's very exciting that the team was able to come up with this and do a lot of the due diligence with RTC and with the FHWA. Still a lot of work to do, but I wanted to inform the Board so that you're prepared to receive it in a lot more technical and in-depth and have the opportunity to ask questions of the project team next month. So, it's great news.

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We're still planning to do the open-graded paving on I-11, Phase 1, our project in southern Nevada. So, we'll finish that up by the end of this month as weather has improved in Las Vegas. Big project for widening US—I mean, State Route 160 on Blue Diamond Road there. So, it'll complete the four-laning of State Route 160 all the way from Las Vegas to Pahrump. That's in the \$59 to \$71 million range, and that's going to open bids on April 12th. One thing to note is that with all this talk about tariffs or trade concerns with other nations, we're seeing the possibility of steel prices going higher. So, we added in a steel escalation clause on this project, and other projects are going to have a substantial amount of reinforcing steel. Any project that has any reinforced concrete typically is going to have a lot of reinforcing steel. So, we felt that it's best to protect the interest of the taxpayer to have these escalation clauses in our contracts in case the contractor sees a spike in prices, they're covered. They don't have to put kind of a fudge factor in their bid, and maybe it's not realized in the actual construction phase of a project. This protects both parties to have these types of escalation clauses in the event of a price spike.

No settlements anticipated this month at Board of Examiners, but we did get the Board of Examiners approval for the Tomahawk LLC settlement, which I mentioned last month. This was to acquire additional property which we can sell off the remnant parcel after we're done with our Starr Interchange project at I-15. About two acres of land will be surplus afterward. So, it was a good deal for the taxpayers, and it addresses some of the—at least some of the litigation concerns that we were able to avoid by having the settlement approved by the BOE. With that, that concludes Director's Report, and I'm willing to answer any questions from the Board Members.

Sandoval: Thank you, Rudy, and so backing up—and that was a really good report. On the Spaghetti Bowl-slash-airport issue, so this has been ongoing for many months now, and it really concerns me, but I guess what I'm trying to understand is it's—at one point, what if the airport just says, we don't want to do this?

Malfabon: So, if the airport—let's say that the project team says that we can provide a different alternative design-wise that could meet the access demands for the airport and it eliminated the ramps, the airport could say, we don't like this idea. They would have the ability to comment on the environmental document. Subsequently, though, the Federal Highway Administration has to review those comments and see kind of where the airport is coming from, their position, NDOT's position technically, and see if it's sound. I don't want to say right now

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that we're eliminating those ramps. That's what the project team has been looking into, and that's what raised the concerns from the airport. So, the environmental processes, just that, are processes where we receive the comments from stakeholders such as the airport. I don't think that it would delay the environmental schedule for the Reno Spaghetti Bowl. It's just something that will have to be considered, though, as a major comment, and then we'd have to see—go through that process with our Federal Highway Administration partners to see what the—if they feel that maybe we didn't follow every step of the process, but I think that there's more to come on that issue. The airport raised a lot of issues, concerns with security and access, that there was something that happened, an emergency event at the airport. They like the fact that they have additional access points with those direct connect ramps, and that's something that we'll continue to look at. I can't say what the outcome will eventually be, but I think that they definitely made it very clear about their position with us, and there will be more discussions to come.

Sandoval: And I know there's more time, and obviously, we, NDOT, should do everything it can do to work with the airport, but my concern is that, at least to my knowledge, it's the only entity that is objecting, I suppose, to the preliminary design, and I just don't want to see the project slowed down because of that. So, in any event...

Malfabon: Good point, Governor.

Sandoval: ...as you said, there are—there's a lot more time, but, you know, we'll continue to have those conversations, but I just don't want to—you know, I obviously won't be here, but I don't want to see that project get stopped or slowed down because of that. Member Savage.

Savage: Thank you, Governor. Just a quick question to the Department on that same matter. Have our traffic engineers or our consultant engineers done any studies in regards to eliminating those ramps to the positive nature of timing or distances to the casinos and the other hotels in the area, and what has come of that if there have been any studies?

Malfabon: I'm going to let Cole answer that question.

Mortensen: Governor, Members of the Board, for the record, Cole Mortensen, Assistant Director of Engineering. We have looked at that and travel time from the casinos to the airport with the overall project, and they're much better than the do-nothing option, of course. I think that really what it's going to boil down to as far as this

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project is concerned from an overall standpoint is that we were looking for solutions that would work in a project size that would be deliverable in the near future, and of course, as you start adding elements to that and it starts impacting additional Right of Way properties, that has additional environmental impacts as well. And so, really what it's boiling down to, it's kind of a balance between addressing the project's needs and being able to fund the project and get everybody on the same page and move forward.

Savage: Excuse me, so, you're saying the times are better without the ramps; is that correct?

Mortensen: At this—what I will say is that the times with the project in place are better than the existing condition with the ramps as they are now.

Savage: Okay, thank you.

Mortensen: So, based on our 40—on our 20-40 model, when we put the project in place, we are improving travel times from the downtown area to the airport with the current plan. Now, that's not to say that if we put in direct connect ramps, that wouldn't make that much more quick, but that's something that we haven't gotten to where we're looking at yet.

Savage: But the current plan without the ramps, the times have improved.

Mortensen: Yes.

Savage: Okay, that's all I have, Governor. Thank you. Thank you, Mr. Mortensen.

Mortensen: Thank you.

Sandoval: All right, and just on the independent Spaghetti Bowl project—say that fast three times—but I just personally want to thank you, Rudy, and everyone at the Department for making that a priority, because the big project is going to take some time. So, everything that we can get done in the interim, particularly, for that I-80 East to 580 South, I mean, that—I've had some friends that have died on that, and so I really do believe that it's a safety issue, can make a big difference, and I think Mr. Lake is here. Hopefully, it'll help with some of the commute there from the north valleys, and it will improve things in a big way even without having to get to the big project. So, I know it's a lot for the Department to take on in a short amount of time, but I really do appreciate that, and I know that there are

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a lot of people out there that are going to be the beneficiaries of that, so thank you.

Malfabon: Thank you, Governor, and that's a great point about how it helps the north valleys, because having a through-put southbound, that will really help—that's what we found, is engineering staff have looked at the congestion that backs up all the way to 395 North, is if you have more through-put through that interchange headed southbound, it really helps that situation. Just a point, this is independent of the Spaghetti Bowl, so we're calling it the non Spaghetti Bowl project, because we still have to go through the EIS for the Spaghetti Bowl project.

Sandoval: We'll have to get the marketing department on that. [laughter]

Malfabon: Yeah, they'll brand it. Actually, we did have a discussion with the Federal Highway Administration about branding, and they thought east to south connector, escape, ESC, you know, the escape key. So, I really like that.

Sandoval: All right, that's all I have. Board Members, do any of you have any questions for the Director with regard to his report? Any questions from Southern Nevada?

Almberg: None here, Governor.

Sandoval: Anyone else from Northern Nevada? Then that'll complete the Director's Report. Thank you, Rudy. We'll move on to Agenda Item No. 4, Public Comment. Is there any member of the public present in Carson City that would like to provide comment to the Board? I hear and see none—oh.

Lake: Thank you, Governor, Board Members. For the record, Ray Lake, North Valley's Citizens Advisory Board Chair and Golden Valley Property Owners Association Board Member. I just wanted to say that I'm encouraged by what I see here this morning. Every little bit helps, and it's good to see that you're keeping us in mind. So, thank you very much.

Sandoval: Thank you, Mr. Lake. Is there any public comment from Southern Nevada?

Hutchison: None here, Governor.

Sandoval: Thank you, Mr. Lieutenant Governor. We'll move to Agenda Item No. 5, which is the Approval of March 12th, 2018 Board of Transportation Meeting Minutes. Have the Members had the opportunity to review the minutes, and are there any changes? If there are none, the Chair will accept a motion for approval.

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Knecht: So moved.

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

Savage: Second.

Sandoval: Second by Member Savage. Any questions or discussion on the motion? I hear none. All in favor say aye. [ayes around] Those opposed say nay. That motion passes unanimously. We'll move to Agenda Item No. 6, Approval of Contracts over \$5,000,000. Good morning, Mr. Nellis.

Nellis: Good morning, Governor, Members of the Board. For the record, Robert Nellis, Assistant Director for Administration. I'd like to begin by welcoming two new managers to the Administrative Services Division, starting with Lynn Hoffmann, who's the new Chief. She's sitting second row to my right here.

Hoffmann: Good morning.

Nellis: Lynn possesses a Master's and Bachelor's Degrees from the University of California, Berkeley. She comes to us with over 16 years of experience working for the State of California, Solano County, and San Joaquin County's Department of Public Works. She brings with her knowledge and experience in contract procurement and management and legislative analysis and implementation as well as flood management and Stormwater Program oversight. And sitting next to her is Rachel Bennett, who has an education background in forensic accounting, over six years of experience with the State of Nevada, including the Legislative Council Bureau. She was recently with the Department of Administration's Division of Enterprise Information Technology Services, where she facilitated complex contracts and master service agreements. She's a Nevada certified contract manager who will be overseeing the contract services and agreement services sections. So, welcome to the both of you. Now, Governor, beginning with the first project that we have under contracts for approval, the first one is located on US 395 at Interstate 80 to McCarran Boulevard in Washoe County. This is for slab replacement, mid slab crack repair, and to realign the Clear Acre southbound onramp. There were three bids, and the Director recommends award to Road and Highway Builders in the amount of \$7,898,898.

The second is a resurfacing project located on Interstate 80 from the California-Nevada state line to .023 miles west of Keystone Interchange and Washoe County. There were three bids, and the Director recommends award to Q&D

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Construction in the amount of \$42,000—I'm sorry, \$42,600,000. Tried to get us a discount.

And Governor, just as the Board may note, the low bidders' proposals were significantly higher than the engineers' estimates on both of these. We believe there may be several things that account for this, some including requiring night work with no lane closures during the daytime hours, also could be the fact that the contractors are required to have multiple concurrent work zones and crews, which results in premium rates for night and weekend operations. There's also a high dollar amount associated with traffic control and mobilization on both of these projects, and we believe that bidders took these into account as higher risks in their bids. Just to double check, we went back and looked at the 2017 engineers' estimates for the calendar year, and sometimes bids do come in above the Engineer's estimates, but sometimes below. And overall, it averages out over the year. We are seeing an upward trend in the economy doing well, which also means there's more work out there for contractors, so they can pick and choose more now, but if the trend continues, we are prepared to make adjustments in the bidding or the engineers' estimates. With that, Governor, that concludes this Agenda item. Does the Board have any questions for us on these projects?

Sandoval: Thank you very much, and I appreciate that you anticipated the first question with regard to the overage. That's good to know, and you look at the other bidders, and they're even more significantly, if there's such a thing, over with regard to their bids. I do have a question, because I see an opportunity between state line and Keystone Avenue with regard to aesthetics. So, is there a component of this bid that includes landscaping?

Frost: Good morning, Governor, Members of the Board. There is not a true landscape and aesthetic component with this project as it's just a resurfacing; however, there was quite a few trees that we have to take out, and as part of a mitigation strategy for that, we've recommended to our front office to program a landscape and aesthetic project, and I think we're going to look mostly at improving the L&A at the Robb Drive Interchange.

Sandoval: No, and I don't know what else or more we can do. I mean, that's the gateway to Reno, and I know some of that—the landscaping is dated, and at the time it was installed, that was probably, you know, what was standard. And I see what we're doing all over the state, frankly, in southern Nevada and what we've done at Demonte Ranch, what we did by the summit, what's going on, actually, near the



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airport, near Plumb Lane, and it's beautiful. I mean, it really is high-quality thing going on, and, you know, again, I drive around, and I know, Rudy, I've talked about it before, and I know how hard the crews work on it, but those trees and shrubs are trash collectors, and those plastic bags are blowing in the trees. And so, if there's a way to add or include more of a landscaping component, because it is, as I said, the gateway into northern Nevada and Reno there on I-80, I'd love to see it, because you don't—I really enjoy those art components that have been—artistic components that have been installed. And to have something like that as you come over that hill out of Verdi and into town would be really nice. So, I mean, that's good that we're doing something at Robb, but there at—you know, on the other places where people see along the corridor, that would be great, and then, hopefully, we can extend that as you go through the city limits. But as I said, I know everything costs money, but there may be an opportunity to get some things done there.

Malfabon: We'll have our landscape and aesthetic staff look into that to develop some concepts. Most likely, since, you know, this is before you today for award for the resurfacing of the interstate, we'll proceed with that pending your approval, but I think that it's worth looking into to see what the staff could recommend as that type of project and improvement along that corridor.

Sandoval: Thank you. That's all the questions I have on this Agenda item. Board Members, any other questions or comments? Member Savage?

Savage: Thank you, Governor, couple questions on each contract. We'll start with Contract 3710. I, too, was surprised with the cost overruns versus the estimated engineers' estimate, but I'm glad you're looking into that, Robert. One saving grace, I believe, on contract 3710 is both bids, the first and the second, were within \$92,000 of the \$8 million contract. So, that in itself is reassuring that contractors were looking at the same quantities, and therefore, we'd expect minimal change orders, I think, on that project. I did see on the liquidated damages that it's stipulated that \$7,300 per every 15 minutes can be issued to the contractor if they don't conform with the traffic control requirements, because that's a nighttime project, and I think that's critical, plus the \$10,800 liquidated damage clause after 10/24/18. This is a vital project to the North Valley commuters. We realize that, and I would hope—and I don't know if anybody's in here from RHB, but we really—their A-Team on this project. This is an urban project. It's a significant project here for this time period, and I would hope that they would have their A-Team on this project. We know that they just finished

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the Carson Freeway project, and that was a successful project, and we hope that they can do the same on this urban project here in the North Valleys from the Spaghetti Bowl to McCarran. Comment, then, as well as Contract 3711, and that's the I-80 asphalt. On page 20 of 26 where you have the breakdowns, up at the top, you said the range of the engineers' estimate was \$34 million to \$41 million, and I was just interested as to what is actually budgeted, because on page 16, it said \$34 million, but up in the upper righthand corner, it says \$41 million. So, it may not be that far off if it's at the \$41 million range, and I was confused as to what was actually budgeted. Was it the 34 or the 41?

Mortensen: Governor, if I may, Cole Mortensen, Assistant Director for Engineering for the record. I'll have to get back to you on that as far as what the actual budgeted amount for that project is. I don't have that at my fingertips.

Frost: Sorry, Paul Frost, Chief Design Engineer. I can answer that. It is the \$34 million to compare apples and apples. There's more budgeted for construction engineering and some incidentals, but the true—the construction to compare, the construction cost, was \$34 million, and it came in at...

Savage: Okay, thank you, Mr. Frost. So, the numbers on page 20 of 26 where it says the range of \$34 to \$41 million, that's a little misleading from my perspective.

Frost: I think that's just the range that we advertise in, because we don't give a specific amount. So, all contracts have that range.

Savage: Well, why would you advertise over the budgeted amount?

Frost: We take our budgeted amount, or our engineers' estimate, and then there's a plus or minus range on there, and it's a preset range, and it just—if it falls in that range, that's the range we pick.

Malfabon: Just to clarify, so these ranges are pretty established. So, they don't—the designer doesn't really change the ranges. These are—you see the—on that sheet, 20 of 26, you'll see an R-36 in the range. So, that just tells us that that's the preestablished range, \$34 million to \$41 million that's set by contract services. So, the next range would be, you know, above \$41 million to whatever, but those ranges are preestablished. They're not really determined by the engineers, and the engineers' estimate was about \$34.7 million. So, it was at the lower end of the range, but it was within that bracket.

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- Savage: I would just ask that we be very careful on that in the future, because I think it could be misleading to the point where they may think the budget is actually \$41 million, like I did.
- Frost: There's two sides.
- Savage: And as long as it's transparent and that it's advertised correctly up front, I believe it can benefit the Department and the contractor.
- Frost: So, interestingly enough, there's a group going to meet on this, and this is a recommendation that might come out of that, is to not publish a range, but just put the exact dollar amount. For other reasons, we used to put the exact dollar amount of our estimate, and it was felt that we were maybe not getting the best deal because contractors saw our exact dollar amount. I don't necessarily agree with that, but that was the logic at the time.
- Savage: You know, in my life as a private contractor, it is what it is. I mean, you don't bid per the estimate. You bid through what it takes.
- Frost: Great.
- Savage: And that's what contractors should be doing. So, it's something—I'm glad you're discussing it, Mr. Frost, but lastly, on the importance, again, of this project, I would hope that Q&D would have their A-Team out there as well, because I realize it's a nighttime project, but it's all about the tourism. We do not want a negative impact on any of the tourism that we have here in northern Nevada, and that's all I have Mr. Frost. Thank you, Governor.
- Martin: I have one statement, Governor.
- Sandoval: Oh, yeah, why don't we go—Frank, go ahead.
- Martin: In my world, Len, the ranges are used in virtually every government institution that we bid with. The reason behind the range, in my world anyway, is that in the State of Nevada, contractors are given a financial limitation on their license of what they can bid for a Clark County School District project or a Clark County public works or state public works or any state project within the [phonetic] and bounds of the State of Nevada. And those ranges are given partly as a reason that if this project was budgeted at \$34 million and 34 to 42 and somebody had a license that was limited at the \$37 million, they would probably not submit a bid on it knowing full well they could—there is an opportunity to go through with the

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entire exercise and not be qualified to submit the bid when it comes down to bid day and they start compiling their bid. So, every agency that I know of, including NAFAC, [phonetic] put a range of some kind on there for that very reason, because it's hard—for myself as a prime, I got to make sure that I've got bonding capacity to take care of that job, not only the state licensing requirement, but bonding capacity. And if it's truly a \$34 to a \$42 million range, I got to make sure I've got \$42 million worth of bonding capacity, and I think that's why the ranges came into being initially.

Savage: Thank you, Member Martin. I do understand the ranges concept. I just don't understand if we have a budget, how the range can be \$6 million above the budget. So, that can be discussed later. I do understand the contractor's license limits as well. Thank you, Member Martin.

Sandoval: Mr. Controller.

Knecht: Thank you, Governor, and thank you, Member Martin, for that insight. I want to go back, Mr. Nellis, Mr. Mortensen, and whomever, to Contract 3710. 3711 was over by \$8 million more or less, 23% of the engineers' estimate, but \$8 million is a lot of money. 3710 is only over by 2.8, but it's 55% of the engineers' estimate. And Mr. Nellis, I understand the points you made and kind of anticipated some of that, but at 55%, I start looking at the numbers a little more closely, and I would hope you all would, too. When I look at page 11 of 26, the bid tabulation, there are six items there that jump out as explaining pretty much all of this \$2.8 million, this 55%, plant mix surfacing, roadway excavation, crack sealing, bridge deck prep and concrete placement, polymer concrete aggregate, and polymer concrete resin. All of those sort of commodity-like things, we're not dealing with—what would you call it—rocket surgery here. I just—what I'm wondering about, Mr. Nellis, or Mr. Mortensen, or anyone else, how is it that we get that big a swing from those kinds of items, and, you know, those last three may be smaller in total, but they're much larger than the amount in engineers' estimate as a percentage. If you could help me today or later on with some more detailed explanation of what it is leads to that kind of a swing in an area—in areas like these, I'd appreciate it.

Frost: Hi again, Paul Frost. Yeah, I'd like to know the answer to that, too. We spent a lot of time looking at our cost estimates. I'd be happy to offer something. It's a longer probably discussion than here today. We've talked with the Construction Working Group before about some of the tools that we have available to us, and short answer is we use a historical bid range. On both of these contracts, we tried

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to account for the more restrictive work zones and damages that could be assessed, and we look at our historic bid items, and we chose the higher end of those range. Again, we don't feel we fully captured the risk on that, seeing how it came through, but our historic range varies greatly. You can look at even probably on these contracts and see one contractor bid an order or magnitude higher than another bid on a specific bid item. So, we do get some wide ranges, but all I can tell you is we give it a pretty good effort. We look at it. I think we've really reached the point of diminishing returns. I think with the way we estimate things in a line item versus the way a contractor probably does it with a work-based schedule and a production-based schedule, we're always going to have a little bit difference there in where they put their dollar amounts in mobilization and traffic control, for example, is pretty difficult to get any better at our numbers. We're not happy about 55%.

Knecht: I appreciate that, and I appreciate the answer. One of the things that occurs to me as you answer is that people tend to think of aggregate and other things like that as pretty boring and predictable stuff. At another level, I guess we're all familiar with the swings and commodity prices in markets, internationally and otherwise, for high-value commodities for rare metals and that sort of thing, but what you seem to be saying to me, and it's an interesting thought, is that you get similar market-driven type swings, not so much cost-driven as market-driven swings in these low-level commodities. Anything more that you've got at any time, I'd be interested in the insight just to help us understand what's going on here. Thank you.

Frost: We can fill up as much of your day as you would like.

Sandoval: Member Savage has a follow-up.

Savage: Thank you, Governor, apologize, but it did say State-funded on both projects, too, and I believe they're both federal interstate highways, and I was wondering why we're not getting reimbursed by the federal government or might that be an error?

Malfabon: Typically, if we've used up all of our federal capacity, then we just do a lot of the preservation projects with the State funds. So, most likely, we used up everything that was available, and as we've reported before, the opportunities for August redistribution where other states don't spend their federal allocations, we're able to tap into that additional funding. But that's typically what this story is, is that we've used up all of our authority that's available, and we still have the need to do the projects, so we use State funds, but we can confirm that.

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- Savage: That would be appreciated. Thank you. Thank you, Governor.
- Sandoval: Are there any questions from Southern Nevada on this Agenda item?
- Almberg: I got one quick question, Governor.
- Sandoval: All right, Member Almberg.
- Almberg: On page 13 of 26 under the price sensitivity, one of the things that's been mentioned a couple times in this conversation is mobilization, and when you go back under the quantity check comments, under mobilization, it says fixed percentage. Are they bidding this mobilization as a percentage of their contract—of their bid price? What does that mean?
- Malfabon: I'll respond to that, Member Almberg. So, mobilization, it's up to the contractor to establish what their bid price is for mobilization, but it is paid out proportionately through the life of the construction project. If they put too much money into mobilization, it just takes them longer to earn that eventually, but they do get that amount paid to them. It's just based on percentage of the work completed and gets proportionately distributed throughout the project. So, it's not—they don't get paid mobilization right up front quickly. It's just periodically through the life of the project. They get paid a proportion, and also, our specifications address that so that we don't pay too much in advance or frontload. If a contractor frontloads their bid, they don't get that windfall of getting mobilization paid too rapidly early on in the project. It's distributed throughout the life of the project.
- Almberg: Thank you, Rudy. That answers the question. I just—I wasn't sure if it was meaning as paid as you explained it or if it was actually just a percentage of their bid. So, thank you very much. That's all for me, Governor.
- Sandoval: Thank you very much. Are there any further questions with regard to Agenda Item No. 6? Mr. Nellis, any further presentation?
- Nellis: No, sir. That concludes this Agenda item.
- Sandoval: If there are no further questions or comments, the Chair will accept a motion for approval of the contracts presented in Agenda Item No. 6.
- Hutchison: Move for approval.
- Sandoval: Lieutenant Governor has moved for approval. Is there a second?

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Almberg: Second.

Martin: Second.

Sandoval: I'll give it to Mr. Martin. Second by Member Martin. Any questions or discussion on the motion? I hear none. All in favor please say aye. [ayes around] Those opposed say no. That motion passes unanimously. Let's move to Agenda Item No. 7, which is Approval of Agreements over \$300,000. Mr. Nellis.

Nellis: Thank you, Governor. Again, for the record, Robert Nellis, Assistant Director for Administration. There were four agreements under Agenda Item No. 7 that can be found on page three of 35 for the Board's consideration. Line Item No. 1 is with CA Group for the I-80 Corridor Study in the amount of \$736,200. This is to provide an action plan that defines transportation needs, prioritizes design alternative areas to improve connectivity between Reno/Sparks metropolitan area—easy for me to say—and the Tahoe Reno Industrial Center. Line Item No. 2 is with Horrocks Engineers in the amount of \$961,146.40 to provide professional and technical engineering services to augment the Department's construction crews in District 1 with staff and equipment on an intermittent, as-needed basis. Line Item No. 3 is with CA Group for augmentation of Crew 905 for the two previously approved contracts as well as one other in the amount of \$6,459,433.15 to provide professional and technical engineering services. And lastly, Item No. 4 is with CEEC, Inc. in the amount of \$819,798 to provide professional services for the Department's construction staff to meet federal and state requirements related to certified payroll and contract compliance for approximately 120 active contracts, and Governor, that concludes Agenda Item No. 7. Does the Board have any questions regarding these agreements?

Sandoval: Thank you, Mr. Nellis. On Contract No. 3, is that on top of what we're paying already?

Kaiser: Governor, Reid Kaiser, Assistant Director for Operations. Yes, it is.

Sandoval: Okay, so, that \$42 million project isn't actually a \$42 million project. It's more than that?

Kaiser: Correct.

Sandoval: Okay, and the same with the other—the \$5 million project? Okay. And then just to comment on Contract No. 1, it says the end date is June 30, 2019. Will that be completed sooner than that, Cole?

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Mortensen: For the record, Cole Mortensen. Yes, we anticipate that study being done before that.

Sandoval: And when would you anticipate completion?

Mortensen: I believe that we're looking to try to get results done here by the end of the year.

Sandoval: Fabulous. That's all the questions I have. Board Members, any further questions with regard to this Agenda item? Member Savage.

Savage: Thank you, Governor. I was going to follow-up on your question for Item No. 1. That's good to hear, because I know the CA Group did the study in the Spaghetti Bowl, so I'm hoping that some of those cost efficiencies can be incorporated with the TRIC, I-80 East project. So, that's good to hear.

Mortensen: And if I may back up, that's where we anticipate getting preliminary findings and starting to finalize the final report, and so you see it kind of—on the first page here, you see it going into next year to finalize that report, but hopefully, we'll have results by that.

Savage: That's positive. So, thank you, Mr. Mortensen. Thank you, Governor. Item No. 3 on the crew augmentation, I see on page 24 of 35—and I thank the staff for the information on all these support documents, because it's very, very helpful, but page 24 of 35 indicates that the funding notes are a three-year funding, '18, '19, and '20, but according to the last section, I thought the contract was to be completed in the summer of 2019. That was the asphalt project, I believe, for I-80. So, the question is why would we have a three-year funding mechanism when it's a one-year project?

Kaiser: Member Savage, Reid Kaiser, Assistant Director for Operations. Once the contract is complete, it's going to take us a period of time to close out the contract documents. So, I would have to assume that is why we also budgeted money in FY '19—or FY '20 to help the construction crew close out the contract, and again, these dollars are only if we need them. So, we may not use any of that budget. If we get everything closed out in time and the contractor finishes, then we may not use them, but it's just to make sure that we can get that contract closed out in a timely fashion.

Savage: That would be great to see. So, at the end of the project, I would like to know if there's that \$1.2 million cost savings on it. If you could—we'll keep an eye on that at the CWG as well.



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Kaiser: Sounds good.

Sandoval: Pay for the landscaping, too, yeah? [laughter]

Savage: That's exactly right, and I did want to compliment the Department. On page 27 of 35, they had the all-inclusive hourly rates. I know we've been talking about some of the consultant rates. So, it was nice to see the all-in hourly rates on page 27 of 35. I appreciate that very much. Lastly, on Item No. 4, regarding the CEEC, outside consultant reviewing the prevailing wages, has the Department always utilized an outside consultant for that accounting mechanism for prevailing wage confirmation?

Malfabon: I'll respond to that, Reid. So, we typically have not. We relied on staff and contract compliance office here at headquarters and also on the construction crews to do this. The Department has undergone an audit each year on this issue of weekly certified payrolls and compliance with Davis-Bacon, which is a federal requirement, and we find that we needed some additional support from a consultant to really improve the compliance on weekly certified payrolls, because it is continuously a finding year after year, and we believe that we're making improvements each year. The auditor has mentioned that although they saw that the contractors sometimes are not timely in their submittal of payrolls, that they are getting better, but we are using some outside assistance to improve our efforts as well as provide some training to a lot of new subcontractors. You know, the construction sector has really grown in the last few years with the economy. We get a lot of new subcontractors, and it's good to train them about these federal requirements and the software systems that we use to monitor compliance. So, we find that it's good to use some outside expertise, and hopefully, it'll address some of these audit findings that we have year after year about our contractors not being totally compliant with the Davis-Bacon requirements and timeliness of submittal of payrolls.

Savage: Thank you, Mr. Director. So, CEEC, are they an accounting-based company or are they an engineering company?

Malfabon: They're primarily an engineering type of company, but they do a lot of project controls. They're actually—one of the members of this firm is helping us on Project NEON with the project controls on Project NEON. So, they are a women-owned firm, I believe, so it's good for use of minority contractors as well to use an engineering company that's a women-owned firm and help us to achieve those diversity goals with contracting.

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- Savage: Absolutely, that's good to hear, and I see where they used diversified consultant services as a subconsultant. Do you know what role they—DCS would be playing in this audit?
- Kaiser: Yeah, CEEC will be managing District 1, and DCS will be managing Districts 2 and 3—or CEEC.
- Savage: Okay, thank you, Mr. Kaiser. Thank you, Governor.
- Sandoval: Mr. Controller.
- Knecht: Thank you, Governor. I just want to return to page 24 for a second. Mr. Kaiser, your answer was sort of what I expected. It was a good one, but on those annual or fiscal year allocations, educate me a little bit on this. The three numbers there add up to \$6.459 million, but are you allowed to budget for FY '19 and FY '20 separately, and then if you finish early in FY '19 and the contractor wants to wrap up everything and submits all the bills right, you can pull the money from FY '20 into FY '19? Is that the case here?
- Kaiser: You know, I..
- Knecht: And vice versa, FY '19 to '18.
- Kaiser: I probably—I can't answer that. I couldn't tell you. Robert, my...
- Nellis: Mr. Controller, Robert Nellis for the record. I don't see why that wouldn't be possible where we could bring that money forward and pay it earlier.
- Knecht: Did you say you don't see why it would be...
- Nellis: I don't see why it wouldn't be.
- Knecht: Oh, wouldn't, okay.
- Denney: I'm very short, so [inaudible] now it's on. Green means go. Felicia Denney with Financial Management with NDOT, and we will ask people on these forms to give their best estimates of how the money is going to be spent by state fiscal year. So, we could be looking at a mix of calendar and state, and we have so many projects, that some will come in high, some come in low. We'll look at fitting all of them within our budget for that year. So, we're not so much pulling money forward and back as fitting multiple projects into constraints for the existing budget.

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- Knecht: It's what we call a stochastic exercise, right?
- Deniam: Exactly.
- Knecht: Thank you. Thank you, Governor.
- Sandoval: Any questions from Member Martin or Members from Southern Nevada?
- Martin: None for me, sir.
- Sandoval: Mr. Lieutenant Governor.
- Hutchison: Thank you. If I could just return back for a minute to Item 4, first, I note that the ultimate, I think, contract amount was actually less than the Department's original estimate and significantly less than what CEEC had proposed. But I'm just curious in terms of what actually CEEC will be providing, and I heard the—I heard the comments earlier, but what page 33 of 35 on the memorandum describes is that there will be two full-time office managers provided performing the duties that have been outlined. I assume that there's somebody already doing that kind of work at NDOT, and I know that this is an augmentation to that work at NDOT, but I think this is about a two-year contract with two positions. That turns out to be about \$200,000 a year per position, and I'm wondering, is that all that CEEC is providing, are these two full-time office managers or are they providing additional work to justify the \$200,000 per position per year?
- Kaiser: Lieutenant Governor, Reid Kaiser, Assistant Director for Operations. It is only the two people that they are supplying, and what they're going to be doing is they will just be on-call, essentially, that if an assistant or a resident engineer or construction crew needs help with their certified payroll input and also checking DBE firms, making sure they're getting paid, we'll contact them, and they'll show up and help us out and get us through the time period that we need, and then that's all the service they'll provide.
- Hutchison: So, Reid, let me just follow-up on that. So, if they're just on call on an as-needed basis, is this market rate, \$200,000 per position, per year for that purpose?
- Kaiser: This is a worst-case scenario in case they are working 40-plus hours a week helping out the crews because the crews are falling behind or something. So, this is essentially a worst-case scenario. We don't want to have to come back to the Board should we need to. So, we put the worst-case scenario in for our budget.

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Hutchison: Okay, that's helpful. You just will be using these individuals on an as-needed basis, and this is the maximum we could expect NDOT to have to pay out under this contract.

Kaiser: Yes, yes, Lieutenant Governor.

Hutchison: Great. Okay, Reid, thank you.

Sandoval: All right, any other questions from Southern Nevada?

Almberg: I have one question, Governor.

Sandoval: Member Almberg.

Almberg: Let me go back and find which page it's on. On page 27 of 28—or on page 27 of 35, No. 7 says, "Agree to allow principal engineer to bill up to eight hours per month, per project for a total not to exceed 16 hours." What is—what's the exact intent of that?

Kaiser: Okay, again, Reid Kaiser, Assistant Director for Operations. This consultant is helping us manage two projects. So, that consultant manager will be able to bill eight hours per project to NDOT per month.

Almberg: Okay. I guess the way—one thing that I—I want to thank you, Reid, for the information that you provided me, consider the hourly breakdown, the hourly cost of these contracts here. That was very valuable information. I've noticed this. His statement has been in the Board Meetings on a lot of packets quite regularly. I always took it in the past based on that was the highest paid individual on these contracts, and so we're limiting the amount of use of them as best we can to try to reduce our costs. But on that information that was provided, that person is not the highest paid person on these consultant agreements, and in fact, the highest paid person is also the most used person in these contracts based on the numbers that you provided us. I'm not sure who all these numbers went out to, Reid, but I believe it came out to the members of the CWG Board.

Kaiser: Yes, they did, only to the members of the CWG Board.

Almberg: I would recommend this go out to all the Board Members, the reason being I think that would have answered some of the Lieutenant Governor's questions he just had right here, because it strictly had in there exactly the hours that you anticipated being spent based on there. So, I would like to see this on all of them.

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I would also like to see these cost estimates broke down to what you provided to us for this Board Meeting was for only two of these contracts. The other ones that were actually engineering-consultant-related, we did not get any hourly rating for that, just the crew augmentations and the actual construction division.

Kaiser: Okay.

Almberg: Thank you, appreciate it, and that's all for me, Governor.

Sandoval: Thank you. The Controller has a follow-up.

Knecht: Thank you, Governor, and I want to follow-up on what the Lieutenant Governor and Member Almberg talked about, and in particular, let's just go back, Mr. Kaiser, to the issue of a worst-case scenario, which is what this has been budgeted on versus what we actually expect. Can you tell me what the difference is in the worst case versus what our expected payout is?

Kaiser: I would have to assume our expected is some of the construction crews are spending one to two days a week just dealing with certified payrolls and also DBE firms and the accounting that goes along with that. So, if some of these crews have enough office staff to get that handled and will not need the consultant help, then that service won't be needed. So, with the worst-case scenario is most of the crews, if not all of them, will need some type of help at some time during the construction season so they won't fall behind in their duties. So, that would be worst-case scenario as all the construction crews are busy and they don't have the manpower to complete this work in-house and have to get a hold of the consultants.

Knecht: That's a very good operational explanation, and I appreciate it. Do we have any numbers that go with that, the expected value is so much percentage of the worst-case scenario or it's just sort of the expected value is unknown, somewhere between zero and the worst-case scenario?

Kaiser: We got the number from—our estimate was derived by contacting the RE. So, I could get you those numbers. I'd have to go back to our construction office and find out how they worked up their budget.

Knecht: I would like to have that, and the reason I'm asking about this is it goes to our budgeting process. If we're always budgeting on worst-case scenario and we've got, essentially, inflated budgeting and we need to make some sort of reform,

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some sort of amendment to that. So, if you could give me some dollar numbers and percentage numbers, that'd be helpful, appreciate it. Thank you.

Sandoval: Mr. Nellis, any further presentation on Agenda Item No. 7?

Nellis: No, sir, that concludes this item.

Sandoval: Thank you. Board Members, any further questions or comments with regard to Agenda Item No. 7? If there are none, the Chair will accept a motion for approval.

Martin: So moved.

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

Hutchison: Second.

Sandoval: Second by the Lieutenant Governor. Any questions or comments 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. 8, Contracts, Agreements, and Settlements. Mr. Nellis.

Nellis: Thank you, Governor. There are three attachments under Agenda Item No. 8 for the Board's information, and beginning with Attachment A, there are three contracts on page four of 16, starting with the first project which is located near US 95 and the junction of US 6 in Nye County for construction of an electrical vehicle charging station for public use. There were three bids, and the Director awarded the contract to Desert Engineering for \$497,732.50.

The second project is located on US 395, 1.5 miles north of the Cold Springs Interchange in Washoe County to install an automated vehicle classification system. There were three bids, and the Director awarded the contract to PAR Electrical Contractors in the amount of \$99,592.

And the last project is on State Route 225 three miles north of Interstate 80 in Elko County to install an automated vehicle classification system. There were three bids, and the Director awarded the contract to Titan Electrical Contracting in the amount of \$115,255. Does the Board have any questions regarding these three contracts before we turn to Attachment B?

Sandoval: Thank you, Mr. Nellis. Any questions from Board Members? Member Savage.

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Savage: Thank you, Governor. Very quickly, what is an automated vehicle classification system?

Rosenberg: Sondra Rosenberg, Assistant Director for Planning. That is a—it's a system that collects information and classifies traffic. So, rather than just the counts of the number of vehicles, it actually classifies the different vehicles, so motorcycle, bus, car, semi, one-trailer, two-trailer, and that's a required reporting to the feds, and we're using our federal planning dollars to get that, because it's used for lots of things. It's used for pavement design, roadway capacity, axle factoring. So, it's used all the way from planning to design, and we're gradually putting these all over the state. We have some other locations. They have to be manually validated. So, we do counts, and then someone has to actually count the number of vehicles in different classes. So, by doing—by installing these all over the state, we get better data, better planning, better engineering, and time savings of our staff as well.

Savage: So, fundamentally, it's a traffic-counting system.

Rosenberg: Yes.

Savage: Okay, thank you, Sondra.

Sandoval: Any other questions on the first portion of Agenda Item No. 8, Contracts? Mr. Nellis, please proceed.

Nellis: There are 38 executed agreements under Attachment B on pages nine and ten for the Board's information. One through 16 are Acquisitions and Cooperative Agreements. Seventeen through 25 are Facility and an Interlocal Agreement. Twenty-six through 31 are a License and Right-of-Way Access Agreement, and lastly, 32 through 38 are Service Provider Agreements. Does the Board have any questions regarding these agreements before we turn to Attachment C?

Sandoval: Board Members, any questions with regard to the agreements in Agenda Item No. 8?

Hutchison: Governor?

Sandoval: Mr. Lieutenant Governor.

Hutchison: Can I just have you turn to No. 37, displaced person cleanup, and just describe that for me, and what's the responsibility that NDOT has for that type of service?

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- Bush: Good morning, Governor. Anita Bush, Chief Maintenance Engineer. The Department do have maintenance crews that perform some of the responsibilities related to homeless cleanup, basically; however, our crews are not really trained to deal with biohazards. So, these contracts are for filling this gap. So, basically, we are hiring contractors that have trained personnel to deal with this kind of waste and have the equipment that we can flush the areas out. And unfortunately, this is becoming an increasingly prevailing problem, so you might see these contracts more often than desired; however, the Department do have plans that we would like to come up with strategies to kind of address these areas that frequently occupied by homeless people to try to come up with some remedies that make the areas more—less desirable. So, we can put in lighting, rock treatments and as such, but right now, we do have to have qualified people to clean up the areas.
- Hutchison: Thank you for that information. So, are these within, like, NDOT Right-of-Ways? Are they...
- Bush: Yeah, these are all NDOT Right-of-Ways, yes. We only deal with NDOT Right-of-Ways.
- Hutchison: Okay.
- Bush: These are under bridges, yeah, anywhere within the Right-of-Way.
- Hutchison: And anywhere within NDOT's responsibility as opposed to, like, the county or the city, that sort of...
- Bush: We don't—yeah, we don't do those areas.
- Hutchison: Thank you. Thank you, Governor.
- Bush: Thank you.
- Sandoval: Thank you, Mr. Lieutenant Governor. If I may follow-up on that, Rudy, and so it is relevant—my question is relevant, but not to the specific contract, because I had the opportunity to tour the construction site for the Veterans Home last week in Washoe County, and they were—they being the contractor, Q&D was telling me that there are significant amount of displaced persons—I'll use this nomenclature—that they think are residing in an NDOT Right-of-Way. And they are coming through the construction site, cutting fences, and there are issues there. And so, I'd ask Kat Miller, who's the Director of Veteran Affairs, to get a



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hold of you or somebody here at NDOT to follow-up on that. So, if you could— or somebody here at NDOT could follow up there to ensure that, A, if that's within our Right-of-Way that we should look at it, and if not, to point them in the right direction.

Malfabon: Yes, Governor, Kat Miller did mention that to me. She said that she'd be sending me an email with some specific information about location of where the contractor might be seeing the fence cut and the concern with them possibly having some folks living within Right-of-Way. I know that Thor kind of stays on top of that issue constantly, and he's going to address the Board and comment.

Dyson: Thanks, Rudy, Governor. Thor Dyson, District Engineer. So, yeah, it's an ongoing daily situation with displaced persons. So, I have a contract. I have some budget, and I can address those areas once I'm notified. So, we'll hit one area, deal with that situation. Then we go—we'll get a call or we're aware of something else. So, we're constantly on the move to address the displaced persons' situation. We have to work with law enforcement, and I want to put a plug in for NHP. They've been outstanding. There's a couple of individuals that not only help us initiate this process, but to follow up, because once we spend all that taxpayers' money to clean up that specific site, whether it's the Veterans Home, we'll be hitting that up here, or if it's some other location underneath a structure or in a drainage facility or near an onramp or offramp or behind landscaping, we want the NHP—and they do help us. They're very good to at least, you know, keep that clean as long as possible, keep it free of displaced people. The landscaping is a concern. I definitely—you know, we want landscaping. We want that corridor to look good, but it's imperative that we're smart about it so that we don't build a landscape feature that becomes a displaced persons' location of residents. So, we want to be very clever on how we do our landscaping. I agree—you said earlier about the bags of trash being caught. The displaced people—persons are also using landscape drip facilities. They cut the lines. They're using that for drinking water, and earlier, Ms. Bush was up here talking about these special contracts. We have them in District 2 as well. They're expensive, but you're dealing with a lot of issues like hepatitis, SARS, biohazards that are pretty unimaginable, and I'm not going to go any further than that. So, there's a high cost in the Right-of-Way to deal with these different issues, and we're also working with—city of Reno has, you know, got programs. We—I want to say we had some success a couple of weeks ago in the Damonte Ranch area. There was a displaced person that had been living there for ten years, and we hooked him up with Social Services. So, basically, my staff, along with a

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couple of outstanding NHP troopers that we work with, we got this guy—this individual off the street, and that was a success story. On the other side of the interchange was a displaced woman, and that didn't go too well, and there were some threats of violence, and we had to get involved, and NHP, again, stepped up to the plate and helped us out in dealing with an ugly situation on the west side of—excuse me, on the east side of Damonte Interchange.

Sandoval: I hope you're not interpreting my comments in any way to be pejorative or negative. I know it's an ongoing challenge, and in fact, you guys have done a great job on that I-80 corridor. I think it's changed dramatically, and I'm just very sensitive, and you probably weren't even aware that there was an issue in proximity to that Veterans Home, but obviously, there are going to be a lot of vulnerable people there. It's going to be a highly visited area. The way the contractor was explaining it to me is, you know, previously, that was an empty field, and it was a corridor that was often used by displaced persons that will no longer be a corridor. And so, I mean, another thing that's obvious and I think incredibly important and you brought it up, is this has to be done in a humane way and to try to make sure that we can connect those individuals with the resources that they need. But at the end of the day, you know, from a security and a sanitation perspective, you know, this is something that the Department has to do. And again, I also understand that it's expensive, but it has to be done right, and I'm really happy to hear that NHP is involved as well, because they're trained professionals associated with security issues. If—I don't want to put anyone in the Department or who's associated with a private contractor at risk. So, I really appreciate you're all working together not only with NHP, but the other local governments.

Dyson: RPD, we worked with RPD. RPD has trained our staff. There's a lot of coordination between NHP and RPD as well. We had an incident a couple of years ago where one of our maintenance workers was physically assaulted, and RPD was first on the scene and addressed the issue until—it was basically fixing a fence, a cut Right-of-Way fence. This Veterans Home is right near Galletti Way in Sparks, and that's underneath the rock—excuse me, the I-80 structures over Galletti and the railroad structures, and we've had a constant problem there. We've also had some security issues within the District 2 maintenance facility where my office is. We've had homeless—excuse me—displaced persons living right outside the window of my office, and we've addressed those and increased security. We've removed some landscaping and removed all the drug paraphernalia and some other things, but in no way are we going to violate these

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individuals' rights, and we are following the NRSs and the laws along with NHP. We're giving due notice, and then we come back, and then we address the site. So, once we deal with this area where the veterans facility is being built, which is right next to our complex, we'll have three days' notice for all those individuals, and then we'll clean it up with our contractor and with our maintenance staff as well and remove all the debris.

Sandoval: I suppose while we're talking about it, there's some really ugly graffiti there, too, and I don't know if that's part of what we can address.

Dyson: I have a different crew. We'll address the graffiti. Once we clear out the area, we'll address that graffiti quickly.

Sandoval: All right, thank you very much. Mr. Controller.

Knecht: Thank you, Governor, and I have questions on two items. The first is No. 9 on page nine of 16, Jones Media relocating a billboard. Thirteen months ago, they had a cost estimate of \$184,000, and now it's up by 47% to 270. Can somebody help me understand how relocating a billboard could change that much in that timeframe, percentage-wise, 47%?

Mortensen: Governor, Members of the Board, for the record, Cole Mortensen. That had to do with unforeseen conditions. They got out in the field, and there was a foundation there that became problematic for them.

Knecht: They weren't able to detect that before the bid?

Mortensen: No.

Knecht: Okay. Thank you, Cole, and the second one is Item 35. This time, it only went up—or this project went up only 27%, and it's a software upgrade, and the contract was a little bit older, I think back to late 2015. I'm almost hesitant to say, gee, that's par for the course for software, but can you give me some insight on that one? Why are we getting a time extension? I guess that's normal with software, but why are we getting a time extension and a 27% price increase?

Inda: Good morning. Denise Inda, Chief Traffic Operations Engineer. This is—essentially, these are items that were not identified within that upgrade, but they are items that we feel are valuable and critical for the use of this software. These—and there's some items listed here which don't mean much to the public or to the Board perhaps, check station group commands, travel time, additional

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parameters, DMS library message editing, back end service security, and device level agency parameters, but what those are, are those are specific components that deal with maybe the check station signs that we have at our borders where we have a check station or the algorithms and the process for posting travel times on certain signs, and what it's doing is it's streamlining and improving the District staff ability to input that information into the system to automate it sometimes, those kinds of things, and so we continue—we foresee, over time, you know, there being small tweaks and small adjustments to the system to better serve the needs of the public who receive all of the information and the messages, but also, these items were really focused on the operators who are doing the data entry and keeping the system running from behind the scenes.

Knecht: Thank you, Ms. Inda. That's helpful to me. In the last three years and three months, I've come to understand those terms that you're talking about out of personal experience and the overall process here. I just thought I needed to ask, because that was—those two were the two large amounts in terms of increases, and they were quite substantial, but from a personal experience, like I said, I've begun to understand that, and hey, at least you didn't reach DMV standards on your software problem. Thank you.

Inda: Ouch! Thank you, and I will make one comment. As we first started talking about the potential changes that we could add to the system, the laundry list was longer. The cost was almost double that amount, and we recognize that we don't want to just spend money for the sake of spending money, and we really pared it down, and we worked—Kimley Horn, our service provider, worked very hard with us to come to some negotiations, and we eliminated \$270,000 from the initial price that came together. And so, we feel like we're monitoring it very closely, and we also feel like Kimley Horn is working very hard right along with us to keep the costs down as much as possible.

Knecht: Thank you for adding that. Thank you.

Sandoval: Thank you. Board Members, any further questions or comments with regard to agreements? Mr. Nellis, if you'd move on to the settlement, please.

Nellis: Thank you, Governor. There's one settlement on page 12 of 16 for the Board's information. This settlement provides for an additional \$1.3 million to be paid to Tomahawk, LLC for an Eminent Domain action. NDOT acquired a 3.5-acre piece of land as well as a two-acre remnant parcel for an interchange project along I-15 at Star Avenue in Las Vegas. And with that, Governor, that completes

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Agenda Item No. 8. Does the Board have any questions for Mr. Gallagher regarding this settlement?

Sandoval: Mr. Gallagher, anything else you wanted to add?

Gallagher: No, Governor, other than to thank the Board of Examiners for approving it.

Sandoval: Board Members, any further questions or comments with regard to Agenda Item No. 8? That completes that item. Let's move on to Agenda Item No. 9, Condemnation Resolution No. 465. Director Malfabon.

Malfabon: Thank you, Governor and Board Members. This is a condemnation resolution associated with the US 50 widening project from Roys Road to US 95A. It's a very important project for improving traffic safety and capacity on that stretch of US 50. So, we have information provided to the Board confidentially on where we're at with negotiations in specific dollar amounts, but in general, this is associated with [phonetic] Administration Incorporated with unresolved negotiations associated with that property needed for the US 50 widening project. And also, ERGS Incorporated, negotiations, again, are unresolved at this time. We're requesting that the Board approve this condemnation resolution so we can stay on track with the acquisition schedule for this important project. It's two owners and three parcels associated with this condemnation resolution for US 50 widening. Ruth Borrelli is here to answer any specific questions, but it is—as mentioned, negotiations are unresolved. We would just like to maintain the project schedule, and when we enter into these types of situations, ultimately, we might end up going to court for the court to establish the amount of compensation to the owner, but we do try to have a very fair and—a fair process for acquisition of property using our federal procedures from the Uniform Relocation Act.

Sandoval: All right, thank you, Rudy, and do you have the form of the resolution?

Malfabon: Yes, Governor. It was actually provided separately as a hard copy before you. Yes. So, the entire package was reprinted for you, because the Resolution No. 465 was included in the hard copy provided to you.

Sandoval: So, will you show me which document, because I don't have it, Rudy. I don't have the condemnation resolution itself, No. 465. It wasn't included in the addendum or within the packet. Do any of the other Members have a copy of the resolution, the entire resolution?

Hutchison: We don't have it here, Governor.

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- Sandoval: So, just for process, and I guess I'll look at Mr. Gallagher, I don't know how we can approve it if we don't have it in front of us. If there's a procedure by which we can vote for it. I know that they're—you know, they're pretty standard, but at the same time, it's not in—wasn't in any of the materials that were provided to me.
- Gallagher: For the record, Dennis Gallagher, Counsel to the Board. If the Board does not have a copy of this resolution, I would advise that it be postponed to next month.
- Sandoval: And I believe the same thing goes for 466.
- Gallagher: Governor, again, if the Board Members don't have a copy of it, my advice would be to postpone it until next month.
- Malfabon: That would be acceptable, Governor. It would keep these projects on schedule still. So, I did talk to staff last week about the importance of having a complete packet. It was posted electronically, but as was mentioned in the hard copy, it was missing. So, I believe it's appropriate to delay these and defer them until next month.
- Sandoval: Yeah, and I know it's an innocent mistake, but I think for purposes of the Open Meeting Law and for benefit of the Board, as I said, it's a form. I know that, but again, to make sure that if there is any type of legal action later on, you don't want to give fodder to the opposition to say that this was improperly adopted.
- Gallagher: Correct, and Governor, I'd also point out that the law requires the Board to authorize via resolution the filing of any condemnation action.
- Sandoval: So, if there are no objections from the other Board Members, we'll continue Agenda Items 9 and 10 to the next regular scheduled meeting of the Board. Okay, I hear no objections, so we'll do that. I don't need to take a formal...
- Martin: Governor? Governor, could I ask the staff one quick question? On No. 466, I believe it is, when I look at the overhead [inaudible] it looks like there's a parcel within a parcel where we're asking for logging road, the Right-of-Way on logging road. Is our yard within a larger parcel, and is the entire surrounding larger parcel owned by the people that we're trying to get the Right-of-Way access to?
- Malfabon: I think that's correct, Member Martin. We're acquiring that additional parcel for utilities and for access to the—where the maintenance yard is.
- Martin: Okay. All right, thank you.

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- Sandoval: And as far as—Mr. Gallagher, I don't have to take formal action to continue those matters, do I?
- Gallagher: No, Chairman, that's within your discretion.
- Sandoval: Thank you. Then let's move on to Agenda Item No. 11, Formal Amendments and Administrative Amendments to the FFY 2018 to '21 STIP. Ms. Rosenberg.
- Rosenberg: Sondra Rosenberg, Assistant Director for Planning. This is our quarterly update to our statewide Transportation Improvement Program. Typically, I say this is just business as usual, minor changes; however, this time, there are some significant changes, particularly, to southern Nevada. The RTC of Southern Nevada did actually amend their regional transportation plan and their RTIP. We did some significant reprioritization to get projects ready for the FRI funding as well as accelerate some projects related to—or in the vicinity of the stadium. So, those are the big changes. It was really a big amendment, sort of reprioritization because of those reasons, and then in the rest of the state, there were some other changes, but that was the big one.
- Sandoval: And we're good money-wise with regard to that, because it did increase, not by much, at least with regard to the state contribution.
- Rosenberg: We are. Some of it has to do with, you know, projects in the outyear moving into that four-year STIP, and sometimes we don't have all of that money accounted for in those years three and four addition—you know, with the addition of FRI coming in kind of in those outer years. That was part of it as well as federal funding and state funding, and trust me, our STIP Manager, Joe Spencer, who is in the audience, will not let us overspend. [laughter] He's very sure that we do not overspend on that—or over-program. So, we have many conversations about that. So, we're very confident that we're good.
- Sandoval: And then will we see some type of amendment associated with the conversation that we had with—what did you call it, Rudy, the non Spaghetti...
- Rosenberg: The non-Spaghetti Bowl?
- Sandoval: Yeah.
- Rosenberg: We will. Yeah, we anticipate having some meetings to discuss that funding package. Whether it's, you know, bonding with maybe a combination of some federal funds or local funding, you know, we're working out the details of that,

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and we do expect that that will need to be, again, an amendment not just to our STIP in the RTIP, but actually an RTP amendment, which requires a little bit more work, but—so you will see that. I'm not sure what the timeline is, but later this year.

Sandoval: Thank you. Board Members, questions with regard to Agenda Item No. 11? Member Savage.

Savage: Thank you, Governor, just a formal thank you to Joseph Spencer for keeping your eye on the ball and the dollars. It's huge. I appreciate it very much. Thank you, Governor.

Rosenberg: And I should mention our Financial Management Division as well. It was to partner up to make sure we have the money we can spend.

Savage: And the Financial Management Division, we thank you all.

Sandoval: Mr. Controller.

Knecht: Thank you, Governor. Well, you were right, Ms. Rosenberg. Two southern Nevada projects do have some big increases not just in 187% for the first one and 40% for the second one, but that's almost \$75 million and over \$17 million. So, I think we should probably put something in the record to explain those amounts and those percentages. Why are we seeing increases of that size on pages one and two of Attachment A?

Rosenberg: So, I believe for that first project, the system-to-system interchange, there was a—correct me if I'm mistaken, but that—I believe that had been phased out into multiple phases, spread out over a long period of time, and we're moving phases earlier so that we can complete more of it sooner. Is that correct, Joe, or am I making this up?

Spencer: For the record, Joseph Spencer, NDOT STIP Manager. That is correct, but we'll see something in the future that this latest engineers' estimate that I got from Dwayne last week is actually going to bring that down to \$93 million. So, we are improving things, but at the end of the day, we are at the mercy of the engineers. [laughter]

Rosenberg: And just to add, you know, this is a planning document, so we put projects in here once we know approximately when we think they're going to go. The numbers do change as those engineers' estimate get refined. So, sometimes you do see pretty



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big swings, but the document is more about kind of what we're doing. It does have to be fiscally constrained to the best of our ability, but we do see some pretty broad swings, because we get those in there when it's still at the planning level, and as that get refined, projects go up and down.

Knecht: And I certainly understand the difference between planning level projections and final engineers' estimates, and so forth, and it's great to hear that we're going to come down from 187% to something more like 125% or 130%, and it is discretionary. So, it's not—we're starting with a particular project and the thing is ballooning like the nuclear plants did in the '70s and '80s, but I appreciate that explanation. Maybe in the future, we can get some kind of summary of exactly what's behind the bottom line number, especially when it changes that much. Thank you.

Sandoval: Any questions from southern Nevada on this Agenda item?

Hutchison: None here, Governor.

Sandoval: Ms. Rosenberg, does that complete your presentation?

Rosenberg: Yes, it does. Thank you.

Sandoval: Thank you very much. So, if there are no further questions or comments, the Chair will accept a motion to approve the formal amendments and administrative amendments to the FFY 2018 to 2021 Statewide Transportation Improvement Program as presented in Agenda Item No. 11.

Martin: So moved.

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

Savage: Second.

Sandoval: Second by Member Savage. Any questions or discussion on the motion? There are none. All those in favor please say aye. [ayes around] Those opposed say no. That motion passes unanimously. We'll move on to Agenda Item No. 12, Update on the County Consultation Process.

Bonner: Great. Thank you, Governor, the Board. I'd like to update you on exactly what we've been doing with the county consultation process. Oh, Lee Bonner for the record. In talking about the county consultation process, with the 14 rural counties, we visit them a couple of times a year. I want talk about—a little bit

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about why we do that, and there's some information that you have in front of you. I promise I'll get to all that. The goal for the county consultation process is to help us to build a STIP, which we just talked about, and the long-range plan, the One Nevada Plan, which has been talked about in several Board meetings. The theme for this year, and we have a different theme every year, but we want to give the counties an update on projects that are going on in their area. We want to look at different studies that are happening around the state that impact the rural counties, and then also, we're going to give an update on some infographics that we've been creating and designing for the counties. April happens to be National County Appreciation Month, so I thought I would mention that. It takes a—it takes a team to put this all together. I've listed some of the people on our team. We have Coy Peacock down in Southern Nevada who's there to answer questions from the Board there, Murph Glover who's right here with me, and then Cathy Balcon, who has been helping us for the last couple of years.

So, looking at the process, what we've been able to accomplish over the last few years—and I guess I should go back and say I was a Douglas County Commissioner for a while, and so coming into this role, I was on the other side of that, of the county consultation process. And so, coming in, knowing both sides of it I think has added some value to NDOT. So, we've been able to establish a point person. So, if the counties don't know exactly where to go to for questions that they have or problems or issues or challenges, they know that they can contact me now, and so we'll find the answer, get them—direct them to the right person. We've improved communications with the counties and with NDOT. We've listened to their concerns and validated those concerns. So, every year when we go back to these workshops and to the County Commission meetings, they see a list of their concerns; we validate those, and then we're also able to respond quicker to some of the issues and challenges that they see. And then the last one is transparency.

Over the last three years, we've validated this list. We've come up with about 900 county issues. When—some of them are questions and things that we'll look at on the infographics, but about half of those are potential projects. Well, when you're looking at the 14 rural counties across Nevada, 450 projects just aren't going to happen. We just don't have the resources for that. So, a couple of years ago, we went back to the counties in the workshop, and we said, okay, we have this list of concerns from 20 to 50 depending on the county and asked them to give us their priority; what are your top two concerns; what are your second two concerns, and we brought that back to the Commission last spring and had the Commission kind

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of validate that yeah, these are the top two concerns. And so, now we're working to get those into the long-range plan or into the stip or some kind of process.

So, here's what we've done last year. Here's what we're looking at this year, and then going on into 2019, trying to set the expectations for what the counties can see. I'm not going to walk through all this, but we'll go on.

As far as an executive summary for the counties, we see some consistent issues in each one of the rural counties. One, there's usually a key intersection that causes a problem or that are some challenges, whether it's safety, traffic-safety-related. Some of the counties will have two. There's usually a request for passing lanes on some of our state and federal highways. There's a request for shoulder widening on some of the rural roads. There's just enough room to pull off on the side of the road, you know, if there's a flat tire or some type of emergency response, and then wildlife vehicle collisions. You'll see a report coming up in a lot of future Board meetings, but wildlife vehicle collisions are a major issue around our rural counties.

This year, we're—this is the presentation that we'll give to the County Commission. So—and in the spring of the year, May, June, July, we do a presentation to the County Commission, someone from the front office, Sondra, Bill, Rudy, will give this presentation, and this is what we're going to talk about this year. You'll see infographics, and I'm going to get to that, but in the end, we want to show them, hey, here are the projects that are coming to your county this year, or they're going to be obligated or start construction and work. And I know some of you have been to some of these meetings, Controller, and also BJ down South.

This is our schedule for the year. We try to space it out. We have about five counties a month, and this is sometimes fluid. Some of the County Commission chambers double as the courthouse, and so sometimes we'll get bumped in preference of a trial.

Some of the questions that have come in have to do with something that's not projects. So, you have in front of you some of the infographics. We wanted to spend some of our time and resources trying to help the counties understand what happens at NDOT and how it happens, and so we created these three infographics. One is on the NDOT funding and spending. Some of the counties said, where does your money come from? What is it spent on? And so, we've spent about the last year looking at that process. Another question that comes from the counties

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is this; how does a project move through NDOT? And so, that's the 12-step project process. We're only focusing on the design-bid-build process, and then we wanted to look at a transportation of—a snapshot of transportation by county, and so the first one you'll see is the funding and spending looking at—on a high level of what we get from the Federal and the State Highway Fund and then where we spend that money on a broad category basis.

So, this is a 50,000-foot level, and there's a disclaimer down at the bottom. These numbers fluctuate from year-to-year, but just kind of giving an idea of what really happens. And then here is an infographic that we created on the 12-step project process to let the counties know here's the steps that it goes through, here's what we have to do. As Cole Mortensen, our new Director—essentially, Director of Engineering said, this is not a science project. This is just a high level. You can get into a lot of granularity and details.

Where we did get into a lot of details with the counties was looking at a snapshot of each county, and so here is Clark and Washoe, and I will point out just a couple of things on this chart. It can be an eye chart to a certain extent, but you'll notice the vehicles on the second line where you have the truck going into the county and a truck leaving the county, this is based on census data and the Bureau of Labor Statistics, but it shows you how many people live outside the county and work inside the county, how many people live and work inside the county and then how many people live in the county and work outside the county. So, that's based on census data. I think we're going to see some startling changes when the next census comes up and this data is available in about 2022. The other items that we look at, you'll see the tractors, those—that gives you an idea of where the road condition—pavement condition index is and the road's smoothness. We look at how much we've spent in maintenance spending, you know, on the county and then some of the other data from driver age, number of vehicles, different transit riders and things like that and then the number of zeroes—the number of days with zero fatalities that we had for the previous year.

Here's the same infographic just looking at a couple of the rural counties, Storey and Elko, and, you know, there's a few counties that don't have transit at all. I think we're working on that, but I think you're going to see in Storey County, you already see that a lot of people live outside and work in the county. That number is going to drastically change. This helps us to look at, you know, commuter patterns, where are people driving, how are they driving, and things like that. So, that's a little bit on Storey and Elko, and so we're going to be updating these

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annually. Some of the data points, like I said, come from census data and Bureau of Labor Statistics, but that's kind of the conclusion of that presentation. I'll take any questions that you might have.

Sandoval: Mr. Bonner, thank you. I'm just going through these—the documents that you prepared. They're excellent. So, I think that's really beneficial, and I do appreciate the diplomacy with all the counties and keeping them informed. It really saves, I think, a lot of trouble, and you—with the background that you have, you have a keen appreciation for that. So, I think this is an incredibly important program, and I really am impressed by the materials that you generated.

Bonner: Thank you.

Sandoval: Thank you. Board Members, any other questions or comments with regard to Agenda Item No. 12?

Hutchison: Governor?

Sandoval: Yeah, Mr. Lieutenant Governor.

Hutchison: Mr. Bonner, it's great to see you at the NDOT podium, and thank you for your great work on behalf of NDOT. It's wonderful to have you on—it's wonderful to have you on board. A man of your competence and character will greatly benefit us all. Let me just follow-up on something you had mentioned. You had said, particularly, I think, when you were commenting on Clark County, that you think in the next census, we'll see some startling changes with the commute information and data. What did you—what did you have in mind in terms of those drastic changes you're expecting?

Bonner: Well, I think the drastic changes that we're going to see are mostly in northern Nevada; how are people getting to Storey County and the Tri-Center, and then what other, you know, development as far as economic development is going to happen in northern Nevada. I think it's going to be interesting to see what happens down in Clark County and how many people are maybe coming—commuting from, you know, the Pahrump area and Nye County. So, I think we're going to see some changes, and the devil is in the details, so...

Hutchison: Is that just demographic changes overall that you're seeing in general or is there something specific you think is driving that for some of these counties?

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Bonner: You know, transportation wants to be—have a seat at the table for economic development, and so we're doing our best to try to be at the forefront when these—one thing that we talk about with all the rural counties is if a business were going to move here, where would it locate? And if a business of a certain size were to locate, you know, in this part of the county, what would that do to transportation? We want to get out in front of that and just be able to tell that story and be able to plan effectively when, you know, these businesses move in. Unfortunately, I think a lot of the times we're—you know, it kind of takes a backseat, and we need to—we need to be able to plan effectively, and I think Sondra Rosenberg will agree with us on that, too. She's done a great job getting us out in front.

Hutchison: Well, Mr. Bonner, again, thank you for a great presentation. I echo the Governor's comments about the quality of materials and appreciate all your efforts.

Bonner: Thank you.

Sandoval: Mr. Controller.

Knecht: I'll be real quick. Mr. Bonner, I echo the Governor and Lieutenant Governor's comments. In fact, besides doing a good job in person, your materials are almost—no, they're better than Department of Defense quality, so maybe you got a future briefing people in Washington.

Bonner: Thank you. I love NDOT, though.

Sandoval: Thank you again. We'll move to Agenda Item No.—oh, I'm sorry.

Almberg: Can I say something?

Sandoval: Of course.

Almberg: Thank you, Governor. I would like to thank NDOT and Lee for everything they do. I'm obviously from a rural county. We do appreciate them coming around. I've been fortunate enough to be in quite a few of these meetings when they come through my county and discuss these issues. One of the things that Lee did mention in here, and it comes from, I think, a lot of these rural counties, is the need for passing lanes. I am very much supportive of that. I do think they are extremely important on some of these rural highways, and in fact, Governor, on my way back from last month's meeting, headed north on Highway 93, there was

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some impatience in passing in front of me, and the southbound vehicle got run off the road right in front of me. And so, I was on the brakes trying to miss this guy that was in the bar pit sliding sideways, and, you know, that could have been a terrible statistic.

Sandoval: Yeah.

Almberg: And so, I think there's very much is a need for these passing lanes on these roads, because people get very impatient when they get lined up behind truckers and everything else. So, that's all I have. Thank you, Governor.

Sandoval: No, thanks, BJ, and I always marvel and appreciate, you know, your perspective coming from Ely. It's very, very valuable. So, thank you. Mr. Controller.

Knecht: Just one thing real briefly. Thank you, Mr. Almberg, for reminding me of this. Looking at the list, Mr. Bonner, of concerns of the people, a lot of time with passing lanes and other things, we're going out and probably seeking new Right-of-Way, et cetera, and this lesson I learned 45 years ago when I was Assistant City Engineer back in Urbana, that it's cheap to design something in from the beginning, and it's expensive to retrofit.

Bonner: Right.

Knecht: I would hope that the information you're getting and the feedback you're getting feeds back into the Department, into the engineering folks and the planning folks so that as we do projects, we look into the future and say, what Right-of-Way in particular might we need in the future for upgrades and extensions and widenings and that sort of thing and, you know, get it at the beginning instead of doing it piecemeal later on. I would hope that there's some feedback loop from this exercise into the planning and engineering. Thank you.

Bonner: I would agree with that, and I would say that, you know, through this process, the counties have a great relationship with the maintenance crews that are in their local area, and I think what we've been able to do is bring that same tight relationship back to headquarters and ultimately, you know, impact the whole process and, you know, share where these pain points are and challenges are in the counties.

Sandoval: Thank you, Mr. Bonner.

Bonner: Okay, thank you.

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Sandoval: Agenda Item No. 13, Old Business. Director Malfabon.

Malfabon: Thank you, Governor. Under Old Business, you'll notice that we don't have the current information for the Fatality Analysis Reporting System, FARS. I believe that the Office of Traffic Safety has hired a person. That person is undergoing the proper training. This FARS system is provided by the NHTSA, the National Highway Traffic Safety Administration. So, we have a standardized format for collection of that data nationally. So, hopefully, we'll receive those reports again in the future as soon as possible, but we do have the Report of Outside Counsel Costs on Open Matters and Monthly Litigation Report for Old Business. I also wanted to mention under Item 6, Member Savage had a question, and it was confirmed by Financial Management staff that all of our federal funds were scheduled for use. So, there wasn't any available for those other projects that were State-funded.

Savage: Thank you, Director Malfabon.

Sandoval: Board Members, questions with regard to Agenda Item No. 13?

Hutchison: Governor?

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you very much, and Mr. Gallagher, just one quick follow-up on the outside counsel contracts, and looking at Richard Campbell's novation agreement and see that we're coming—it looks like we're coming up on the end of that four-year contract. It appears that we authorized about—we did authorize \$250,000 back in May of '14, coming up now on May of '18, and am I reading this right? It looks like we've only spent about \$4,500 of that contract. What do we expect to happen at the end of this contract cycle now?

Gallagher: For the record, Dennis Gallagher, Counsel for the Board. Thank you for the question, Lieutenant Governor. The Board did originally authorize \$250,000. Mr. Campbell specializes in utilities work. We were anticipating the possibility of some difficulties with some of the utilities. That didn't pan out, so the contract will expire with \$245,000 remaining.

Hutchison: Great. We love those kind of contracts. Thank you very much, Mr. Gallagher.

Gallagher: Thank you, Lieutenant Governor.



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Sandoval: Any further questions with regard to Agenda Item No. 13? Move on to Agenda Item 14, 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: No one here, Governor.

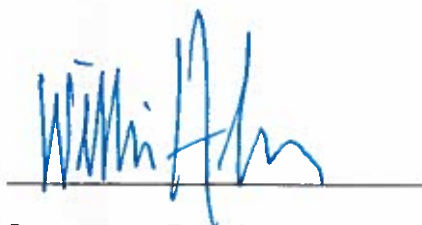
Sandoval: Thank you, Mr. Lieutenant Governor. Is there a motion to adjourn?

Knecht: So moved.

Hutchison: Move to adjourn.

Martin: Second.

Sandoval: Give that to Lieutenant Governor. Everyone is always eager to make a motion on this one, but—so, Lieutenant Governor has moved to adjourn. Member Martin has seconded the motion. All in favor say aye. [ayes around] That motion passes unanimously. This meeting is adjourned. Thank you, ladies and gentlemen.



Secretary to Board



Preparer of Minutes