

Nevada Department of Transportation
Board of Directors Meeting
May 14, 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

Sandoval: Good morning, ladies and gentlemen. I will call the Nevada Department of Transportation Board of Directors Meeting to order. For any mothers that are out there, Happy Mother's Day. I hope you had a great Sunday. My understanding is Mr. Martin is participating telephonically. Mr. Martin, can you hear us loud and clear?

Martin: Yes, sir, I can. Thank you.

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

Malfabon: Thank you, Governor. Good morning Board Members. Okay, we're bringing the presentation up, up here. I wanted to request Item 8 be taken out of order. So, we would have it presented to the Board after Item No. 3. That will make a Line Item No. 2 under the subsequent or following item, Approval of Agreements, make more sense and flow better. There's basically, Item 8 has to do with the Early Action Project in Reno. There's a substantial amendment that is under Item 4 that will make more sense if we take 8 first, thank you.

Proceeding with the Director's Report. I wanted to thank the RTC of Southern Nevada for helping us, along with our other partners, Celebrate Infrastructure Week. This is a national designation and what infrastructure is important to the nation. But one of the things we wanted to point out is just the importance to our local and regional economies, quality of life, safety improvements and it strengthens our communities.

We have some efforts going on, along with those partners if you see down on the bottom. There's all the public agencies we have in Southern Nevada, NDOT

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included, our Contractor's Association, the RTC I mentioned, Southern Nevada Strong. So, a lot of partners are working together to deliver infrastructure that's necessary. Not only—and those are our Southern Nevada partners, but also across the State.

So, one of the things that they're doing is there's an Appreciation Day tomorrow, down in Southern Nevada, to appreciate the construction workers and commuters who endure the construction sites on a daily basis. They're going to have free donut or bagels available at Albertsons and Vons all day. You have to download a mobile coupon, if you're in Southern Nevada. Go to the RTCSouthernNevada.com/IWeek and you can get that coupon and get a free bagel or donut if you're a construction worker or a commuter. That's a lot of donuts. [laughs]

Wednesday is Careers in Motion. This is an effort, Governor, you've recognized this with the need for the next generation of employees and we have needs, not only in STEM. but also with construction. We've worked with partners on this effort. A career fair will be held for construction, engineering and design jobs, as well as onsite hiring for various transit contractors, including Keolis, MV Transportation, Transdev and Allied Universal Security. So, a great job career fair opportunity.

Thursday, they're going to have—one of the big events that took place was the public passed Fuel Revenue Indexing. That's where the second round—this was in November 2016. That set the stage for the State Highway Fund to receive a portion of that revenue associated with the State gasoline or fuel taxes. So, the first major project from that round of voting and subsequent action by the legislature and approval by the Governor, this new project at Lone Mountain is going to have a groundbreaking, as a result of those efforts.

On Friday, there's a Latin Chamber of Commerce Luncheon, Small Business Expo that I wanted to mention because it is important to work with our construction partners, but also with our diversity and small businesses.

As we mentioned, a lot of folks, commuters, have to deal with what we call the Cone Zone. We wanted to highlight the Seeing Orange Campaign. There is a Seeing Orange Nevada website, SeeingOrangeNV.com that RTC has put up. That's to consolidate a lot of the entities, the agencies that are doing projects into one-stop-shop, where they can get updates about a specific roadway project. Sometimes as a motorist, a commuter, you're driving down the road, you don't

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really care if it's an NDOT or county or city or utility project. You just want to know how long is it going to be out there. What are they doing? It doesn't seem like they're working during the day, maybe. The RTC also provides a real-time point of contact, so that you can talk to a human being about some complaints you might have or some concerns as a motorist. I just wanted to highlight what we're doing in Southern Nevada in partnership with the RTC of Southern Nevada, for Infrastructure Week.

May is also National Bike Month. You might have seen that little banner in the lobby up here in Headquarters. Bike to work week is this week. There's a commuter challenge, so a lot of our NDOT employees participate in this to try to kind of go head to head with other state agencies. This happens throughout the State as folks try to get their employees biking to work. Unfortunately, it's going to be a little wet weather up here, but I know that our employees, they've got wet weather gear.

Muscle Powered is one of the partners that we work with on our bike and ped program. They celebrate their 20th anniversary in Carson City. I just wanted to acknowledge that. But also, acknowledge that their efforts in organizing this ride and walk of silence to honor cyclists and pedestrians killed or injured.

That ties in with this. Recently a report was issued by the Insurance Institute for Highway Safety. Unfortunately, ped fatalities have increased 46% in our nation, between 2009 and 2016. Nearly 6,000 pedestrians were killed on or along US roads in 2016 alone.

You see some of the trends on the right in those graphs. What they saw in this study is that, in the urban area, it's on the rise, along those arterials are the most common increase. Also, non-intersection. So, they're happening mid-block, most likely, and in the dark. We try to educate both, not only motorists, but also pedestrians. Wear lighter clothing when you're out in the dark jogging. Wear some of these flashers that are available from our bike and ped staff, that will at least light it up at night. If you're on a bicycle, have that flasher in your headlight so that you can be seen at night.

Big news on the federal front is that the grant notice for the build program was announced. This replaces the TIGER Program, so this is \$1.5 billion. They're going to be looking at the Merit Criteria there; safety, economic competitiveness, quality of life, environmental protection, state of good repair, innovation, partnership and something new that is non-federal—a portion of non-federal

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revenue. Basically, they want to leverage still, see a lot more local and state funds compared to in the past.

Now, we don't know if that criteria is going to change, because I think that in the Omnibus Spending Bill, they said they wouldn't have that as a criteria but we'll see. One of the things they mentioned is that the greater share of grants will go to projects located in rural areas. So, they want to have support for projects— that maybe have a rural broadband deployment connection. The interest is to spread that money around, not just in urban areas, which typically compete for what was the TIGER Program. You'll see more emphasis on rural projects.

Sandoval: Mr. Controller?

Knecht: Thank you Governor. Rudy, this is merit criteria, but I don't see anything that says, effectiveness and efficiency of total transportation system. I mean, I see economic competitiveness, et cetera, and state of good repair. That's all well and good, but how about efficiency and effectiveness of our transportation system?

Malfabon: We just take the criteria as given by the federal government. I see your point that it would be something to consider. We wouldn't put a project in unless it did have some improvements to the entire system.

Knecht: And, I think some of our projects, by the way, are oriented toward that. I guess, even though they don't call it out, when we make our applications, we'll want to emphasize that.

Malfabon: Thank you, Mr. Controller.

One of the good news recently announced was that Reno was chosen—I know that GOED did a lot of work on this application for Nevada. Reno was chosen as a Drone Testing Site by USDOT, one of 10 selected. 149 applications submitted for this. I know the Secretary of Transportation recently announced those and we're proud of the efforts amongst those companies that are testing in Nevada and are going to be part of that Drone Testing Program. This is the one that was announced kind of in the fall of last year. They were looking at some of the restricted use of drones and pilot testing. Maybe where, if it's a drone over traffic, say, or over people, there were some things that they were concerned and overly restricted on some of the criteria when you could use a drone.

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So now, they're going to open that up that as a test bed and I think that it's good news for Nevada that we were one of ten, at least the Reno area was one of ten selected, nationally. They were spread out over the nation.

The person picked to lead NHTSA, that's the National Highway Traffic Safety Administration, Heidi King, will have a hearing before the Senate Commerce Committee this week. We're hoping that she gets confirmed as—several of these administrations under USDOT need that leadership. Federal Highways still does not have an Administrator appointed yet. So best wishes to Ms. King as she goes to her hearing and then as expected, full Senate confirmation.

Also, the Trump Administration proposed a rescission, a substantial rescission. It's broad, so a lot of that hits other federal agencies. I just wanted to mention it, that it's a substantial rescission and it sets a tone for taking money back that's not committed or not been used yet.

On the transportation side, it has to do with the rescission of some unused earmarks. I had staff look into that, out of any concerns of any unused money here. There was an old earmark in Nevada that is not so much of a concern. It was one that a developer got back years ago by Lake Las Vegas for possible grade separation on that East Lake Mead Parkway. It was not substantial, as far as the amount of money. It really wasn't enough—the problem with earmarks back in the day where they were not enough to do a good-sized project. They were only a portion of the money needed. Nothing was done by the developer with that money and if it goes away, it's not really going to hurt Nevada.

You might have seen an article recently about the Reno Airport ramps. We've been meeting with the airport staff. I know that Cole has been doing a lot of work with his project team on the Reno Spaghetti Bowl, to meet with them and they—the airport recently changed their Engineering Consultant to Kittelson & Associates. It's a well-respected firm and has a lot of offices nationwide.

We're working with them as we develop the draft EIS that will be released by the end of this year. We're committed to keeping them informed. I just wanted to make those statements in opening. We sent a letter recently, just last week, to the airport because we felt that that article was a little bit one-sided. Some of the statements made would lead you to the wrong conclusion of what our project team has really been trying to do on this project. We laid out in that letter that we met with them, the staff, several times in—starting in mid-2017 to the present, and we're going to keep meeting with the airport to keep them informed.

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Obviously, they have concerns about losing those direct connect ramps. We believe that the solution and the alternative is going to likely be the preferred alternative from the EIS, is going to meet those future demands from the airport, as well as, traffic flows at Plumb Lane. We think it's a good solution. I'm going to show you a video in a bit that will show that. But, you would not get that perspective from that article at all.

One of the problems was the project cost was stated at \$3 to \$5 billion and the cost of replacing the ramps in the future, the direct connect ramps, was stated as a small percentage of—and it is a substantial amount of money to replace those ramps in the future. We don't even have the entire cost estimated, but it does impact a lot of properties, including a school in that area.

We've been diligent, we've offered to meet and present to the Airport Board, either independently as individual members, or as a body and they're the only Board that we've been told not to present to by the airport staff.

So, we just wanted to set the record straight that, we've been working with the airport. I think that things are turning in the direction, as far as the working relationship, but we cannot commit to putting those ramps back in at this time. We're just going through the environmental process and we do not want to upset or delay that, that environmental schedule for that important EIS.

With that, I'm going to have DJ play a video. [video plays] As you can see from that depiction and I wanted to mention that our sub-consultant, Civil Works—I'm sorry, Civil Effects, our sub-consultant did a great job, Sam Leidel. It's a sub to CH2M and you can see that it—we feel that it's a great solution with the Diverging Diamond Interchange and that entrance into the airport would be modified. But it really does provide that to be a gateway to the community, if you're coming as a visitor or a tourist to this area, coming from the airport, really nice opportunity to make that interchange really welcoming to you as a visitor to northern Nevada.

We feel that the operations will work out very well. It's just going to take some more meetings and discussions with the airport and hear out their concerns. We feel that it's still a better solution.

Sandoval: If I may, Rudy. First, I'll just say that I was deeply disappointed on how it was mischaracterized in the Reno-Gazette Journal as well as the TV channels, with regard to NDOT's engagement with the Airport Authority and that it had been ongoing. My understanding, this had come up at a meeting of the—a public

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meeting. It was basically represented that the Airport Authority had been blindsided by all of this. As I said, I knew that we had been working with them or at least trying to work with them over a very long period of time. I'm the one who asked for you to prepare that letter so that we could show that there had been a history of engagement and in fact, a refusal to engage, which again, is very disappointing that—to refuse to even allow you to present to the Board.

I'm hopeful that there's a change in behavior on behalf of the Airport Authority and a willingness to at least communicate. We're not going to be able to solve anything and obviously NDOT, this Board, everybody else, has the best interests of the airport and the community in mind. I think that video goes part and parcel in that to show that it's actually an improvement.

What I would suggest, also with regard to that video is that there be a contrast. This is what it would look like, I think we should show what it would continue to be like and why this is an improvement. So perhaps ask that entity that you just named to perhaps prepare that, so you can see and compare and contrast. I think it goes without saying that that's a very important piece to improving the Spaghetti Bowl Project and widening those lanes on the I-580 for the benefit of the entire community, for the benefit of those that engage in interstate commerce and getting people through there.

I hope there's a recognition that this is in the best interest of the entire region. Not only is it better for the airport, but again, it's better for the region. I appreciate your efforts in this regard and I think this is critical because it—you know, I'm not the engineer, but in my mind, if we don't do this piece and we do everything else, it won't be right. And so, it will be half-baked forever. That's why this part is really important. I think a lot of people don't understand because of the distance between the airport and the actual Spaghetti Bowl, why there's a connection between the two and I think the more of these video representations that you can do the better, that it shows that this widening is very critical in terms of the overall project.

Essentially, that's all I have to say. I know that there's an Airport Authority representative here today, I hope that individual takes this back to the Board, that we, being the Department of Transportation, are ready, willing and able to engage and to talk and to communicate and really tell the story of why this is a good thing and why it's critical to the growth. I don't think we've talked about it here, but there's a substantial amount of growth that's going to happen in this region in the next ten years. We need to be ready for it. What I don't want to happen is what

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happened in southern Nevada, and we got a little bit behind the curve there. As we see that project, Project NEON going up, of which I'm really proud and the difference it's going to make in the quality of life for people.

I know when we get to Agenda Item No. 8, it's going to talk about the efficiencies that are going to be associated, even with this small piece that we're going to do. Then when you start doing the math and the calculations as to how it's going to improve people's commutes. Mr. Lake has been here for two years now and I know we're going to hear from him today, talking about what's happening in the north valleys and what it's going to do for the people and the growth out there. What it's going to be doing for the people that are going east to south and everywhere else.

It's really important to the future of this community. As I said, I'm hopeful that the Airport Authority recognizes that, and that no one is trying to hurt them. We're in fact, trying to help them. The only way that we're going to be able to get this done is by working together. So, thank you Rudy.

Malfabon: Well said, Governor, thank you.

Continuing on, new compact roundabout opened at SR-88 in Centerville. As you recall, we've had issues with a couple of fatalities, T-bone type crashes at that intersection and we felt that the compact roundabout, putting it in available right-of-way, was the best approach. The speed limit gets reduced to 45 miles per hour, as you approach that roundabout. NDOT will look at, kind of, our standard roundabout which would've required more right-of-way. We felt that this was a good solution for the interim years until we can elevate that, acquire right-of-way and design a more permanent type of roundabout that you traditionally see in our permanent roundabout designs.

Weather permitting, a lot of work anticipated this week with repaving of—I think they were working from Keystone to Robb, initially. It's a large project that was awarded last month, so our contractor hit it right away, as soon as the Notice to Proceed was issued. Nightwork, trying to minimize daytime delays. Same thing with the slab replacement on US-395, I-80 to North McCarran, it started this week.

We had temporary signals installed. Here you see the photos at Walton Way and at the I-80 westbound off-ramp. Those signals are in place and operational. Utility relocations are still taking place at the intersection of Electric Avenue and USA Parkway. We're still anticipating that by the time those utilities get out of

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the way, our contractor gets in there and does all their underground work and pole installation, gets the poles delivered and placed. That by mid-August, hopefully at the latest, that we should have that signal activated at USA Parkway.

Update about some southern Nevada projects—oh, I wanted to also mention that we did start work again on the Shared-Use Path, up at Lake Tahoe. That was good news as well.

In southern Nevada, the RTC expects that their I-11 Phase 2 Project will open. Hopefully they're coordinating a date that works for you Governor, because I know that that's an important project to Nevada, as well as to Arizona. They're coordinating also with the Governor's office in Arizona. Congratulations to that anticipated opening in late July, to the RTC of Southern Nevada and their contractor, Las Vegas Paving.

Blue Diamond Road Phase 2 Widening. We opened bids, five bidders. A lot of interest on that project. I don't have the engineer's estimate, but it was in the \$59-71 million range and those ranges, as I explained, were kind of pre-established in our procurement methodology. They aren't set for a specific project. The engineer's estimate just falls within that existing range. You can see it's at the lower end of that range, that Aggregate Industries bid was now—it's currently being reviewed by the Bid Review Team at NDOT and hopefully that will stand, and we'll get a good bid on that project for widening Blue Diamond Road.

Sandoval: Excuse me, Rudy, the Controller has a question.

Knecht: Thank you Governor. Rudy, on the I-11 Project Phase 2, will we continue to have the detours and the orange cones and such there through late July that we have right now? Push out to Boulder City and before Searchlight and so forth?

Malfabon: They'll be lifted. I think that we were doing our last layer of pavement and they were supposed to finish sometime in April, but I think that it's extended into this month a little bit. But our contractor on Phase I should be done. I know what you're talking about because I drove through to Laughlin recently and there was a lot of cones and...

Knecht: Yeah.

Malfabon: I got a little bit confused and I was embarrassed, I'm NDOT and I still got a little confused driving through there. It was just a lot of cones. You'd have to follow

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your way. They guide you. You just have to kind of follow that lead and then it directs you back to US-95. I think I know what you're talking about.

Knecht: It was an adventure.

Malfabon: They are paving that final lift. It should be done soon on our portion.

The Main Event continues for Project NEON. Full closure of US-95 is planned this weekend. I know it's going to—these full closures, there were several of them, I think six of them, over a nine-month period so that we could try to get out of there before the shopping season starts, Black Friday. There is a major event in Las Vegas this weekend with the Electric Daisy Carnival. We've been coordinating with that developer. This full closure allows us to start erecting some of our pre-cast girders for our bridge construction. A lot of bridges demolished in the initial stages of the Main Event. Now, those bridges are starting to be reconstructed. Larger, wider bridges that will benefit all those commuters in southern Nevada, as well as the visitors, such as to those events like Electric Daisy Carnival.

Robert Nellis and his staff have been doing a great job with the bond issuance. The final bond issuance for Project NEON, \$140 million bond. We retained our high-bond ratings after review by the bond rating agencies. There's a lot of interest in the bonds, that investors will want to try to be the winner on tomorrow.

Some items of note for the Board, Truckee Meadows Water Authority is going to make a presentation to their Board about water rights management and this is associated with the water, the effluent water and getting it out to the industrial center. That's a significant thing to note, at the end of this month.

Also, the formal relinquishment of the escalators at Tropicana and Las Vegas Boulevard pedestrian bridges to Clark County is expected at next month's meeting. So, these are [laughs]—this is the property at the landings, where the escalators are. So, this will be the last portion of that to relinquish.

No settlements at the last week's BOE Meeting. None expected for June either. Things are pretty quiet for settlements, at least. Not for legal, we've still got other stuff he covers.

I wanted to make a sad announcement for me. Assistant Director for Operations, Reid Kaiser gave me his resignation letter, which I told him I wouldn't accept but he said he's got to [laughs]. He's made some promises. I wanted to wish him

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well. He's going to have one more board meeting here, so we'll definitely honor him with what he deserves next month. [laughs] He's been a great help to us. When we hired Reid, one of the focus areas that we had for him was to really improve on the relationship between the districts and his divisions that he coordinates and oversees in Operations. That's really the backbone of what we do at NDOT in operations with materials, maintenance, construction. You've got traffic operations. Who am I forgetting? Equipment division, yes. So, all those folks work together basically for our Operations side of the house and they work closely together with the Districts. So, Reid really did well with getting those groups together and really building relationships there internally. I wanted to thank him for his years of service to NDOT, but also for his service to me. He kind of gave me some kudos in his letter about—we kind of, all of us have worked together on the construction side for decades and I want to extend my appreciation, Reid, for all the help that you've given me over the years. Thanks.

Kaiser: Thanks, Rudy. [applause]

Malfabon: So, Reid's last day will be June 15th. He will be at one more Transportation Board Meeting and one more Construction Working Group Meeting. So, definitely, you'll have an opportunity to still work with him for one more month.

With that, that concludes the Director's update. I'm willing to answer any questions from the Board.

Sandoval: All right. Thank you, Rudy. The only question I had was on the federal update, on this replacement of TIGER Grants. Do you have any opinion as to whether, how we're positioned to be eligible for those grants? I don't know if because of the fact—I guess the fuel indexing isn't really relevant, that we've already approved those because that's, for the most part, only in Washoe and Clark. You said these grants are going to be used in the rurals. So, I was just kind of wondering, is there anything we can do to position ourselves to be in a way, you know, at the top of the list in terms of eligibility.

Malfabon: I think as we discuss Item No. 8. That might be a great project to meet the requirements of this program, because we were planning on bonding it. That Early Action Project, which we'll rebrand is, I think, right up that alley. As far as the rural areas, I've asked staff to look at what rural projects we do have. We were reluctant to mess with the Downtown Ely Project. We just think we'd better keep it on track, not put it in that mix, but we are looking at what other options.

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There was a project in Tonopah, the Complete Streets. Unfortunately, we have some work to do on developing that project. We had a public meeting and there's a lot of resistance to the concept of Complete Streets in Tonopah. Although we feel it's appropriate because of the volume of traffic through town and the speeds through town. It makes sense to look at a Complete Streets approach there, but we have more work to do because of the—based on the feedback we've received from the community after that public meeting.

We'll keep looking, Governor, and keep this Board informed about which projects we feel are a great opportunity to submit for that.

Sandoval: Pardon my ignorance, so does this Agenda Item No. 8 qualify as a rural project?

Malfabon: No, but we think that it would still—it won't be all rural. It's still an urban project, but they'll have urban and rural projects selected through this grant program.

Sandoval: Oh, okay. I understand. Thank you. That's all the questions I have. Board Members, any questions or comments on the Director's Report? Member Savage?

Savage: Thank you Governor. Just to add on to your comments earlier, which were very [inaudible] regarding the airport ramps. I, too, would like to thank NDOT's professionalism, Bill Hoffman, Cole Mortensen and Nick Johnson and I have met several times with different stakeholders and NDOT is very respectable to all stakeholders within the community. I'm hoping that the airport is receptive and understanding. I thank you, Governor, for your leadership on this, in the letter that Rudy wrote. But again, NDOT is here for everybody. I think that's the message that we send to wherever we're at in the state. Here in District 2, you've reached out many, many times and we'll continue to do the best for all the stakeholders here in northern Nevada. So, thank you, Governor.

Sandoval: Thank you, Member Savage. Member AlMBERG.

AlMBERG: Thank you, Governor. I also want to congratulate Reid. Reid told me last week of what he was doing. I hope I wasn't a part of—always putting pressure on you and calling. Reid's my guy that I always call and talk to. So, I hope I had no involvement in that. [laughs]

Kaiser: No involvement.

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Almberg: First off, I also want to apologize to Sondra and Lee for not being there to support NDOT last week when you were in White Pine County's Commission Meeting. I always try to be there to support NDOT, but unfortunately, my other prior work commitments didn't allow me to be there. So, I apologize for that.

Secondly, I also want to recognize and thank Tracy for organizing a meeting of all the District Engineers. They came out into Ely and met with me. As isolated as I am in Ely, these type of sit-down, face-to-face meetings are invaluable in helping me to understand the daily workings of NDOT and how to make me a better Board Member. The topics in that meeting ranged from emergency communications on our rural highways to our rumble strips on those same rural highways. From the people that are here regularly at these meetings, I do not believe that it comes as a surprise that I've always been a critic of our rumble strips, because of the devastation and maintenance issues it causes on our highways. Especially our northern highways who are subject to the freeze-thaw situation of our environment.

In the past, I requested Reid to form a committee to look at possible new options for rumble strips. That committee came up with three new options. A contractor has installed these three options, in three test-mile strips. Three test-mile strips along the Highway 50, that just happens to be five miles outside of Ely. To take advantage of the rare opportunity to have all of our District Engineers together, we took a field trip that day to review these installed strips. Two of the three test strips quickly rose to the surface as the favorites for the group.

On the way back into town, we also swung by and looked at our completed—last year we completed a Highway 6 maintenance project over there in Ely. On the way back into town, we stopped and looked at the bicycle friendly rumble strips on the side of the road. I also believe that there was an overall general support of those rumble strips by everybody there at that meeting with us.

The temperatures have finally warmed up enough for this fair-weather cyclist to get out there, to ride this newly completed project. I was beside myself with the difference that the Share the Road signs and the bicycle friendly rumble strips can make in the experience of riding our highways. It has changed this ride from a questionable at best, to now one of my favorites that I have already completed multiple times this year. The only mistake that was a part of this project was not installing those rumble strips all the way throughout the project. They stopped at the top of the summit.

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Now, I guess, I need to get to the point of my rant here. I requested Reid, again, to get together a committee to finalize our decision on these rumble strips and bring the results back to this Board for approval and implementation of these rumble strips. I request that on this other committee, that we basically have our District Engineers from both our Assistant and District Engineer from District 2 to be on there. I request Thor to be on there. Because as I said before, I believe this is a northern Nevada issue that really causes problems on the highways. I also request that I would be in attendance to these meetings.

Since rumble strips are not federally mandated, we have lots of flexibility to make these desirable changes. I want to move quickly and get this back in front of the Board, possibly sometime this summer. As a Board Member that spends so much time on our rural highways, and almost 8,000 miles alone, driving to this monthly meeting, I hope that my fellow Board Members can support me in the implementation of these revised rumble strips as the new standards that will be installed on all new construction, reconstruction projects, unless conditions dictate otherwise. Thank you, Governor.

Sandoval: Thank you. Rudy, can we get that done?

Malfabon: Yes, Governor. We'll take the appropriate action on that as requested by Member Almborg.

Sandoval: Reid, you got a month, right? [laughter]

Kaiser: We'll make it happen. I'll place a champion that will take care of it once I'm gone.

Sandoval: Yeah, let's make sure that there's someone in the queue that can carry on your work.

Kaiser: We'll get it done. Yeah.

Sandoval: Just as an aside, I'll have a lot of words, but next month. So, I'll save them. [laughter] I really appreciate your service.

Kaiser: Oh, thank you.

Sandoval: Truly appreciate your service.

Kaiser: Thanks, Governor.

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Sandoval: Questions or comments from southern Nevada or from Member Martin on the phone?

Valentine: Virginia Valentine, Governor, rest of the Committee. I am a little concerned about the closure of 95 during EDC and I understand that [inaudible] the promoter. I'd be interested in knowing more about how those conversations are going and if there are alternatives in terms of informing the guests or the visitors about potential detours, alternative modes of transportation, coordinating with RTC bus transportation or anything else they can do to make that less painful for everyone.

Malfabon: Good question, Member Valentine.

Valentine: Thank you.

Malfabon: We'll have our Project Manager, Dale Keller respond.

Keller: Good morning, Governor and good morning Members of the Transportation Board, Member Valentine. We've been working closely with EDC organizers to really address what their problems and concerns were. They are not concerned about the US-95 closure itself. They are concerned about ingress and egress out of downtown Las Vegas. So, we understand what their bus schedules are to get people who are attending the show here this coming weekend. They actually take Hollywood Boulevard, go up north to Nellis Airforce Base and then they check everybody into the Speedway.

We made some changes to our—first time we close US-95, we're keeping Las Vegas Boulevard open to have another north/south route to get out to the Speedway. Also, all the system ramps remain open, so people who like to take I-15, get to and from downtown, they can. So, there's numerous ways that we're working closely with those EDC organizers.

Malfabon: And if you could Dale, could you address the issue of, well, couldn't NDOT have not done the full closure this weekend?

Keller: There was numerous different things that we were trying to work through to get the schedule done and move forward. If we miss this window for this weekend, we'd be impacting Memorial Day weekend, which we see uptick of visitors in downtown Las Vegas, and more people traveling, not only around town, but through the I-15 corridor. That's one thing, we're very limited on what those times are, we can actually close down US-95 and this is the best window we

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could. Unfortunately, there was a change of the date of the EDC this year from July to May. So, we're doing our best to work through these special events during this time period and we're trying to be proactive with our communications as we impact these special events.

Malfabon: And, just to add that had we messed with Keiwit's schedule at all, we would've been in the situation of paying millions of dollars of bonus for early completion when they, in fact, were delayed by a week or two weeks, if we're going to avoid two weekends in a row that are significant tourist weekends. It's just unfortunate timing, but I think we have to proceed as scheduled for Project NEON and meet that final end date of Black Friday, opening up these lanes on I-15.

Sandoval: Member Valentine, does that satisfy you?

Valentine: I'll follow-up with staff. I just want to make sure that everything that can be done is being done, because that is—that traffic down there can be really, really tough on everybody, thank you.

Sandoval: So, Dale, is the promoter satisfied with what we've done, in terms of trying to mitigate, as much as we can?

Keller: The short answer is yes. We just had a meeting with him last week to go over their traffic control policies and how they're going to get the people to the event. They are satisfied about what our set-up is going to be, especially on US-95 and the downtown area, and include that Las Vegas Boulevard traffic up north.

Sandoval: Thank you. Mr. Controller.

Knecht: Thank you, Governor. Very briefly, Rudy and Governor, I was relieved and happy to see that letter to the Airport Authority. That was a good thing and timely.

Secondly, Reid Kaiser, I'm going to tell you what I told one of my senior people recently when he said he wanted to retire. Our loss, his benefit. I wish you well. I am contemplating bringing a motion to keep you here. [laughter]

Hutchison: Governor?

Martin: Governor?

Sandoval: Yes. I'll go to Lieutenant Governor and then Member Martin.

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- Hutchison: This is just a timing issue, Governor, whenever you'd like us to do it. We've got our representatives from the RTC here, you probably can't see them in Carson City. They're here to participate in a ceremonial signing of one of our orange cones for Infrastructure Week. So, at an appropriate time, we'd just like to break and be able to do that and get some photographs. So, you just let us know when that'd be appropriate, Governor.
- Sandoval: All right, thank you. Frank, please proceed.
- Martin: Mr. Controller, I would second that motion. [laughter] I just wanted to commend Rudy for his wide-open communication. It seems like every time there is an issue that I've heard about, Rudy is on top of it. And, Rudy, my thanks and I'm certainly very grateful for your leadership during these periods that we go through.
- Reid, I'm going to miss you a bunch because you've been my go-to guy for 10-11 years now. That's all I have to say.
- Kaiser: Thanks, Frank.
- Malfabon: Thank you, Member Martin.
- Sandoval: Do any of the Members have any further questions or comments with regard to the Director's Report? All right, we'll move to Public Comment. I would imagine this is the appropriate time to have the ceremonial cone signing, Mr. Gallagher.
- Gallagher: For the record, Dennis Gallagher, Counsel to the Board. Now would be an ideal time, Governor.
- Sandoval: So, we'll begin public comment in Southern Nevada and we'll enjoy watching this ceremony.
- Hutchison: Well, Governor, thank you very much. We appreciate RTC and of course, the great partnership that we have with RTC Southern Nevada here. We've got representatives, John is here, and Glen. We thank you so much for being here with us today. Virginia and I will sign this cone and we'll do a little photography session here. Just again, thank you for all your great work and being here today. We appreciate the partnership.

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Malfabon: If you've never seen it, the RTC put together some really funny commercials about "Respect the Cone". They're available on their website. Really good effort to try to educate the public about the Cone Zone.

[pause for cone signing]

Hutchison: Thank you, Governor.

Sandoval: You going to put that in your trophy case, Mr. Lieutenant Governor? [laughter]

Hutchison: I've got a prominent place for it in my office, yes, I do.

Sandoval: All right, good. Congratulations.

Hutchison: Actually, I see the RTC folks actually stealing it and moving quickly to the door, so you all enjoy that in your trophy case. Thanks again and great partnership.

Sandoval: My thanks to the RTC as well. Any further public comment from southern Nevada?

Hutchison: Nothing else here, Your Honor—Governor, sorry. [laughter]

Sandoval: Thank you, Mr. Lieutenant Governor. Public comment from northern Nevada?

Gibson: Good morning, Governor, and Members of the State Transportation Board. For the record, Lee Gibson of the Regional Transportation Commission of Washoe County. Governor, I won't be long. I just want tell you and convey to you and the Members of the Board, and to Rudy and the staff; on behalf of RTC, our deep appreciation for Item No. 8. I also want to make sure it's clear, we will be with the Department throughout this project. We will be looking at the regional road connections, funding scenarios, et cetera. I just—I can't say thank you enough for taking that project out of the whole Spaghetti Bowl plan and moving that forward. I get a lot of calls at RTC about the east to south movement. We see this as a really, a great thing. So, thank you very much and, oh, one other thing. There's going to be a little event in early July, the opening of the Southeast Connector. All of you will be receiving an invitation to attend that event and we look forward to seeing—having everyone there. Thank you very much.

Sandoval: Thank you, Mr. Gibson. Appreciate your words and we need you. This is an example of an opportunity to work together on a very important regional project. We look forward to working with you. Thank you.

Any further public comment?

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Lake: Good morning, Governor, Board Members. For the record, Ray Lake. I'm the Vice-Chair of the North Valley Citizens Advisory Board. I sit on the Golden Valley Property Owners Association Board. I had not expected to say anything today. I just came to hear about Agenda Item 8, but I have to echo Director Gibson's comments. We're very pleased.

We had our Property Owner's Board Meeting Thursday evening, and I was able to at least present them Agenda Item 8 and they and I are very pleased to see this happening. We're encouraged to see the beginning of the cones up in the North Valleys that indicate something is actually happening. It seems like it's been a very long two years and things are finally coming together.

So, thank you very much. I want to also pass along some kudos to all of the staff in here who have been very, very, very good at keeping me informed and engaging with me and even though, I'm just essentially a regular person but they do take time to talk to me and I would name names, but I would leave someone out. So, I'll forego that but thank you very much.

Sandoval: Mr. Lake, if I may, I just want to compliment you for your tenacity in being here every month. It is, to me, the essence of a true community representative who cares deeply about the people he lives with. Without that, you've brought a real face and experience to the decisions that this Board makes. It's very critical in our decision process. Again, I truly want to compliment you and you should go back to your Board and say that you played a very important role in getting this done.

Lake: Thank you Governor, I appreciate that.

Sandoval: Thank you. All right, any other public comment from northern Nevada? I hear none. We'll move to Agenda Item No. 3 which is approval of the April 9, 2018 Meeting Minutes. Have the Members had an opportunity to review the minutes and are there any changes?

Savage: Yes.

Sandoval: Member Savage.

Savage: Thank you, Governor. Small change on Page 17. At the bottom, last three sentences, we realize that—and I would hope—and I don't know if anybody is here from RHB, what we really need their, T-H-E-I-R, need their A-Team on this project. Thank you, Governor.

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Sandoval: Okay, thank you, Member Savage. If we would note those grammatical changes. Any other proposed changes to the meeting minutes? If there are none, the Chair will accept a motion for approval.

Knecht: So moved.

Sandoval: Controller has moved to approve Agenda Item No. 3 with the changes suggested by Member Savage. Is there a second?

Valentine: Second.

Sandoval: Second by Member Valentine. Any questions or discussion on the motion? I hear none, all in favor say aye. [ayes around] Opposed, no. That motion passes unanimously. We'll move to Agenda Item No. 4, Approval of Agreements over \$300,000. Mr. Nellis.

Malfabon: Governor, if we could take Item No. 8.

Sandoval: Wow, I got distracted. Thank you. [laughter] Thank you, Rudy. We'll move to Agenda Item No. 8.

Malfabon: Thank you, Governor. And, we're going to have Dale Keller present this item to the Board.

Keller: All right, good morning again, Governor and Members of the Transportation Board. Dale Keller with NDOT Project Management, switching with a different hat on this project and this is a great opportunity to deliver a tremendous benefit to the Truckee Meadows community by getting something done now and early.

Before I get started, I'd like to complement Nick Johnson and the entire Reno Spaghetti Bowl Team and his leadership to develop and keep on schedule and on pace this draft EIS, which will be out this fall, as well as accomplish this NEPA process for three and a half years, which is an accomplished feat in itself.

With that said, this first initial phase, if you start looking into the Reno Spaghetti Bowl, we said, what could we deliver now? What could we deliver early? What we present here today is actually a project that we can deliver early, that can be done very quickly. It can be constructed now and most notably, address the two top bottlenecks that we have here in the Reno/Sparks area. Also, that aligns with the ultimate Reno Spaghetti Bowl configuration.

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What is the project scope? What we're going to be doing here is this Early Action Project. It resolves the safety and operational problems that we have on eastbound I-80 as well as southbound US-95/I-580. The project area here is shown in yellow. The scope is really five key elements.

The first one is to address the I-80 eastbound and Wells entrance ramp. Right now, we're going to change that and re-advise the Wells on-ramp and make that a parallel on-ramp and provide ramp metering during peak time periods, help with that flow of traffic from Wells.

Also, to change how eastbound I-80 is striped with two lanes dedicated to I-580 movement, which helps out tremendously. With that, create this—widen the east to south ramp to two lanes. Right now, it goes from two lanes down to one lane. We're going to provide two lanes all the way, throughout.

In addition, some improvements here to help restore from the North Valleys areas. It comes from three lanes on southbound 395 down to two. We're going to restore that third bound, southbound lane at I-80. In addition, south of I-80, we're going to help this lane balance between the 2nd/Glendale, as well as Mill Street.

So, overall, very tremendous. Both need and also showing the benefits. On the need wise, we talked about the bottlenecks that we see there today; undesirable lane balance, where we lose these lanes through the Spaghetti Bowl and they come back on at weird places. We're going to help address that and help provide better lane balance. We're going to approve weaving distance at 2nd/Glendale and Mill Street, as well as, help improve the whole freeway operations from that safety and mobility aspect.

Instead of going through and listing the benefits, I'd like to show you two different simulations that we came up with. To help orient yourself, this is I-80 running left to right on the eastbound. On the left side of the screen is the Wells Avenue interchange, and as you can see on the right-side, the Reno Spaghetti Bowl.

This is the existing conditions we see out here today. We see the speed differential between the bottleneck that we see on the bottom right, with everybody trying to get to southbound I-580 and everybody flying 65-70 miles per hour, going eastbound 80. What we're helping to do is help address that speed differential, eliminate that bottleneck and by the time the project is complete—once again, the same type of set up that we see before here, as well as the interchange and the Spaghetti Bowl is on the right of the screen—is that, when

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the project is complete, this is what we're anticipating these improvements to look like and feel like in 2022 when we're complete.

As you can see, the bottleneck has been eliminated. There's speed harmonization both on eastbound I-80 and people wanting to get to I-580 southbound. In addition, it helps provide some relief to the North Valleys, at the Spaghetti Bowl by creating that third lane southbound. As we kind of merge here and get rotated as we look to the south here, each of these lanes come into its own area and be able to flow in a lot better lane balance, as we like to talk about. On to the top of the screen, you see that reconfiguration of that 2nd and Glendale, providing more spacing for weaving distance to help generate larger speeds and eliminate some of these weaving concerns and the safety concerns that cause these accidents and bottlenecks.

Overall, tremendous benefit. Once again, helping to address these things now and incorporate in a very tight footprint and schedule-wise.

Regarding schedule, our design-build schedule here is that, based on the Board's approval, we'd like to release the Request for Qualifications this month. In August time period, we'd like to short-list down to about three to five teams, depending on how many qualified bidders, design-build teams we have. Release the final RFP this fall. Next summer, award a contract to the preferred design-builder.

Later next fall, we'll start to go through the design and construction. We anticipate about two years of construction time period. Depending what the teams do and come in at and depends on what other environmental concerns we have. If we can start construction fall of 2019, we may miss that window, but we'll definitely be under construction in the spring of 2020.

As we go through the design-build procurement, there are a few outstanding items that we need to address at NDOT. Funding, right away, and environmental. On the funding aspect, all of this final design and right-of-way is being addressed through state funds. Construction funding has not been identified at this time, but we would like to work closely with the Governor's Office of Finance as well as submit something with our fiscal year '19-'21 biennial budget request.

Right now, we're going to ensure that these construction funds remain eligible for federal funds. In the package today, Rudy has outlined and approved a stipend amount for each of the unsuccessful proposers for \$225,000.

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On the right-of-way side, we have a very small and limited right-of-way footprint. We're working closely with Ruth Borelli, the Chief Right-of-Way Agent to start this early acquisition for corridor protection as we go through the environmental stage.

Lastly, on the environmental status aspect of it, we do anticipate we can move forward with what we call a Documented Categorical Exclusion, which allows us to move forward and clear different components of this freeway improvements a lot sooner and we anticipate getting that done by November of this year.

In order to help with this procurement, we do need consultant support. We have sole sourced CH2M/Jacobs to help administer the design-build procurement. A little background is, CH2M was hired in a competitive recruitment for the Reno Spaghetti Bowl project itself. This project kind of developed out of that and they're the most—firm who is more intimate with the design elements and kind of helping move this process along without delaying the process. We felt the sole source was the best to move forward with that. That is for possible action in Agenda Item No. 4.

That scope of services is not only for the procurement but helps with our reference documents, as well as, provides some right-of-way support services as we go through a very minimum right-of-way acquisition.

I'd like to point out, if requested, we do—and if it's best for the Department and for the Board, to amend their contract to help with the design-build administration support through construction.

Per NRS and per our Pioneer Program Guidelines, the Department may enter into a design-build contract if one of these three things can happen, if significantly lower—lower cost, construction within a shorter time period or if it's unique and highly technical or complex in nature. We went through our project delivery selection approach, through our guidelines and we definitely see design-build is best fit to construct in a shorter time period, as well as, addressing new challenges, working around the river with the Truckee River, as well as the UPRR and help with the maintenance of traffic that we see with a very congested corridor as it is today.

Here's where we are in our program and our guidelines and our processes. Today, for possible action, is to approve the design-build procurement as we have before, with different design-build procurement, we'll keep you up to speed, in

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the loop of how we progress here this summer and later this fall. Like I said, we hopefully have an awarded contract by next summer of 2019.

Today, the action—the recommendation for the approval for the Department to begin a design-build procurement for the improvements of southbound I-580 from Interstate 80 to Mill Street and otherwise known as the Reno Early Action Project. I would be happy to answer any questions at this time.

Sandoval: Mr. Keller, thank you. Before I get into my questions, just thank you. This is a really important regional project and I know it took a lot of effort, resources, time on top of an already very busy schedule. I mean, you're handling the Project NEON down south as it is, but to get this altogether and make it a priority, you know, I'm personally thankful for it. This is something that's been—we've been talking about for a very long time.

I was concerned that the overall Spaghetti Bowl project was going to take a really long time to get done and you were able to identify a very important piece and cut it out and make it a priority. Rudy, thank you and everyone at NDOT for making that happen.

Malfabon: Thank you.

Sandoval: I truly don't have the proper words to let you know how much I appreciate this. And, you know, not just me but the people in this region and how important it is to the quality of life, as Mr. Lake has talked about, how important it is to economic development, how important it is to be able to attract businesses here. On so many levels, this is going to make a massive, massive difference.

So, the only, and I shouldn't say the only, but where I want to start is get a little more clarity on the funding and how we're going to pay for this. So, if you could go into a little more detail on that.

Malfabon: Yes, I'll cover that, Governor. And before I get to that, I just wanted to acknowledge the efforts of the Federal Highway Administration, as well. We wouldn't be here before you today asking for this approval, if it weren't for their agreement that this is a stand-alone project that has independent utility. They're working with us on the environmental process for this independent project. Really, they deserve a lot of recognition for working with us on this solution.

With respect to funding the project, so as Assistant Director for Administration, Robert Nellis has shown in the past, we have our policy for three times debt

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service coverage on our bonding program. We have some capacity available. We had a presentation in December that had about five or so projects that we want to advance. The highest priority down south is the stuff at Tropicana/Hacienda/Harmon, near the stadium. We were looking at Reno Spaghetti Bowl, kind of in the outer years of a— that time frame that we were looking at in that December presentation. What we would do is take some of that bonding capacity. Put it towards this early action project, while we develop the EIS for Reno Spaghetti Bowl. The remainder of the Reno Spaghetti Bowl that comes out of that EIS, we're basically using any bonding capacity that we're going to put towards that, to this project. And it will achieve results a lot quicker and address the main issues that have been the bane of commuters in the Truckee Meadows for decades, basically.

So, definitely we still have some work to do on that. But one thing that we learned from Project NEON is that we can tailor our annual payments, if we have any pinch points. And that we can use, basically, our bond counsel to advise us on what's doable in the near term. But use our traditional bonding revenue sources to look at that. Now, it's subject to approval of the Legislature. But first, we have to go to the Governor's Finance Office on our budget draft for the next buy and aim [phonetic]. So, we definitely feel that we'll have a lot of questions asked at that level, as well. So, we'll develop the details of this. But primarily, it's associated with bonding.

Sandoval: And I'll ask this question now, because you're going to get asked this. This won't inhibit any projects in southern Nevada in any way, will it?

Malfabon: No, Governor, it will not. That's a good thing to get on the record. The project— I mean, the five projects or so. The majority of those were in southern Nevada that we presented to this Board in December of last year. We're still committed to those projects. We still have to put together a finance plan for some of those major projects, such as, I mentioned the Tropicana Interchange. We want to look at the possibility of doing the HOV Direct Connect at Hacienda Avenue over I-15 as an Early Action Project, as well. We still have some more work to develop that concept. But we will not delay any projects in Southern Nevada, as a result of this commitment.

Sandoval: Okay. Thank you. And you mentioned this, but this will complement it, the entire Spaghetti Bowl project. Will it not? It won't slow it down in any way?

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Malfabon: It will not slow down the EIS process. One thing to note is all these improvements tie in with that project, too. They're not going to be a throw away. They'll be something that we can put to use right away, and that would have been—it's just going to be built sooner, rather than later.

Sandoval: Now, in other words, we won't be building something and then ripping it up later, correct?

Malfabon: Right, correct.

Sandoval: And then finally, do you anticipate that there will be a lot of interest from contractors on this project?

Malfabon: We do, Governor. Primarily because of the Reno Spaghetti Bowl project, that's going to be a significant project, which will have to be a phased approach. But contractors will view this as a way to get their foot in the door on the design-build process, get some good experience in that specific area of Reno. And there will be a lot of interest, not only from our traditional design-build contractors. Might even attract some new ones, too, that are looking at the possibility of how imminent the next phases, first phase of Reno Spaghetti Bowl would be, too, subject to available funds. But will have a lot of interest.

Sandoval: Thank you. That completes my questions. Questions from other members? Mr. Controller?

Knecht: Thank you, Governor. And one of the benefits of going first, is you get to ask all the good questions. [laughter] And you did. And thank you for doing that, and thanks for the answers.

Mr. Keller, I was impressed by one thing. A few minutes ago, the Governor asked for before and after comparisons on the airport matter. And while you stepped up and you had the before and after comparison with your little show here, that was pretty impressive. In fact, by the way, as some people have said, this is of great concern to everyone here in the area. And in fact, I thought I saw my car stuck in the middle of the bottleneck area and about to be hit by some of those people flying by at 65 miles an hour. A very good job. Very much appreciated.

I will be interested, also, in the financing. Last time I asked a question about moving money forward and backwards. This is an example of moving money around. I, nonetheless, remain concerned that we are doing tight budgeting. That

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we should be doing tight budgeting, and I look forward to hearing from you all further to talk about what we characterized last time as a stochastic process on funding various projects, when they go faster and slower and that sort of thing. But overall, I'm very enthusiastic about this and very happy for it. Thank you.

Sandoval: Mr. Savage.

Savage: Thank you, Governor. This is paramount. There's no doubt about it, and Governor, it starts with you. I know before, you were Chairman of this Board, this Board, I think met twice a year. This is the real meat and potatoes of the aggressiveness and the goodness that you lead with. So, I thank you personally, Governor. This action item is going to benefit generations beyond, for better safety, better mobility. I'm truly thankful to the brilliant minds at this Department and the work ethic that everyone has in here. And in this building and in District 2, District 3 and District 1. But on this project, District 2 and the Headquarters. The support of RTC, what Mr. Gibson said earlier, and the FHWA. This is paramount.

I am very grateful to be alive during these times, and I think we all need to be proud of what we're doing here. We don't know what's going to occur after the first of the year, but with the Board that you have now and the leadership that you have, and the brilliant minds that we have, we're taking action. That's the Reno Early Action project for the betterment of this community. So, I am very grateful. I thank you, Governor. Thank you NDOT. Thank you RTC/FHWA for this design-build method. We've been successful in the past. It's quick. It's efficient. It's cost-worthy and it's deliverable. You're using state funds for this design. Again, that's creative and innovative, rather than waiting. We don't wait, we get it done. So, I thank everyone.

Sandoval: Thank you, Member Savage. Any questions or comments for Mr. Martin or from southern Nevada?

Martin: No, no sir, I'm good. I think that as Len said so eloquently, I think is a really good thing. It doesn't impact me, necessarily. But we are a state that takes care of both the north and the south end. This is going to make a huge statement to all the residents, as we already know.

Hutchison: And Governor, we're just nodding our heads in the South here. So, thank you. We appreciate all the comments and whole-heartedly embrace them. Thank you.

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Sandoval: Yeah, thank you. I guess my last comment is when you put this project together with the Southeast Commuter Project that's going to be opening, it is just going to make a universe of difference with regard to mobility, as Mr. Savage said, and really change things for people in this valley and in that valley. And again, this isn't just for Reno, this is a regional, significant project that will change the dynamic associated with all the industry and everything else that's happening here. So, I mean, it's not quite Project NEON, but we've got to think of something clever. [laughter]

Martin: I still like "Escape."

Knecht: We need "Wolf."

Sandoval: I mean, we'll think of something. I'm not going to do it on the fly. [laughter] But Mr. Keller, any further presentation that you wanted to make, sir?

Keller: No, sir. Thank you.

Sandoval: Okay. Thank you. Rudy, anything else that you wanted to present?

Malfabon: No, Governor. I just wanted to thank the project team for working diligently. They really did a good job at developing this concept and this project. And I just gave them some direction on what to have prepared for today and they did a bang-up job.

Sandoval: Now, and just for future references, Mr. Controller said those videos make all the difference. I mean, those are really good and really helpful in terms of presenting projects. So, well done. If there are no further questions or comments, the Chair will accept a motion to approve—for approval for the Department to begin the solicitation of the design-build project for improvements to southbound Interstate 580, I-580 from Interstate 80 to Mills Street Interchange, otherwise known as the Reno Early Action Project in Washoe County.

Knecht: Governor, I move approval and note that this is one of those efficiency and effectiveness measures that I was talking about earlier. Thank you.

Sandoval: Thank you. The Controller has moved for Approval. Is there a second?

Savage: I'll second.

Sandoval: Second by Member Savage. Any questions or discussion on the motion? And here on that all in favor, say aye. [ayes around] Those opposed say no. That

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motion passes unanimously. All right. Let's roll. That's good. All right. Let's move to Agenda Item Number 4. Mr. Nellis.

Nellis: Thank you, Governor, Members of the Board. For the record, Robert Nellis, Assistant Director for Administration. There are six agreements under Agenda Item Number 4. They can be found on Page 3 of 189 for the Board's consideration. Beginning with Line Item No. 1. There are two service providers, in the amount of \$900,000 to provide road safety assessments on an as-needed basis for projects statewide. Line Item No. 2 is with CH2M Hill in the amount of \$4,809,121.38 to provide engineering services for a project identified during the Reno Spaghetti Bowl Environmental Phase, needed for the continuation of the southbound I-580, US-395 design-build project. Item No. 3, is with three service providers in the amount of \$2,460,000 to provide traffic safety, engineering design services on an as-needed basis. Item No. 4 is for augmentation of Crew 906, in the amount of \$3,389,060 for multiple projects in Clark County and Nye County. Item No. 5 with United Road Towing is in the amount of \$13,445,236. This is for Freeway Service Patrol Program in the Reno and Las Vegas metropolitan areas. And lastly, Item No. 6 with HDR is the amount of \$1,929,611.84. This is to provide professional and technical engineering services for full administration of District 2's betterments, projects on an intermittent, as-needed basis. And with that, Governor, that concludes Agenda Item No. 4. Does the Board have any questions for us?

Sandoval: Questions or comments from Board Members? Member Savage?

Savage: Thank you, Governor. I guess I'll go ahead and get started. [laughter] So, just sit back and relax. We have very important items here and a lot of dollars, Robert. The first one is on Agenda Item No. 2, with CH2M Hill and Jacobs. The information that you've gathered here in our documents are very much appreciated and very critical to a lot of my questions I have. I'd just like to point out, for example, on Page 23 of 189, the negotiations that went on between NDOT and CH2M Hill and Jacobs. We saved some dollars there. So, I think that needs to be highlighted.

The second item on 27 of 189, for the estimated dollar amounts, it's more than just a ramp. There's approximately two miles' worth of work and there are seven bridges, I believe, Mr. Keller, if that's correct. I want it to be clear to the public that it's more than just an east, south ramp. And the magnitude of work here is significant.

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Keller: Member Savage, Dale Keller here for the record. That is correct. It's more than just a ramp. There's over, about seven bridges that we anticipate to be constructed. Also, one thing that we're going to look at and monitor closely with CH2M/Jacobs, would be the scope of services help to develop what engineering documents are needed for the design-build procurement, and closely watch that. In addition, that scope has—there's about four or five different scope items associated with that. That's a very, one of those, the major pieces though.

Savage: Right. Thank you, Mr. Keller. That's all I had with Agenda Item No. 2. And if you'd like to move to Agenda Item No. 3, the traffic safety. That 2.4 million amount, is that total for all three consultants, or is that individual amount for each consultant?

Rosenberg: Sondra Rosenberg, Assistant Director for Planning. That's the total. We have to sign the agreements for each one of them for up to that amount. But the intent is for the total to equal that, if that makes sense.

Savage: That's a great answer.

Rosenberg: It's going to be sort of an on-call basis.

Savage: Yes, thank you, Sondra. I was hoping that was the answer. Then lastly on the Freeway Service Patrol, I know Denise can appreciate this. We started talking about this my first year on the Board about eight years ago and it's come a long ways. I questioned it early on because of the expense, but I'm seeing the cost-benefit back to the community, back to the mobility, back to the safety both down in the south, as well as here in the north. We see them every day and I think the Department needs to be commended and we, again, appreciate the FHWA's support. And along with the new enhancements over the many years that our vendors have incorporated with the use of their different vehicles.

The last question I had, pretty minor, was the advertising for the different companies named on the trucks. Does that money go to NDOT or does that go to the United Towing?

Inda: Governor, Members of the Board. To answer your question, Member Savage, the money, the contract, currently we have State Farm as the sponsor of the Freeway Service Patrol and we anticipate State Farm will continue to be the sponsor for the program. That relationship is directly between the UR Towing and the sponsor themselves. What happens is once they agree on the dollar amount, we know what that dollar amount is. It gets credited or it gets added to the invoices that

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we're—that UR Towing sends us, essentially reducing our cost to UR Towing for that sponsorship amount. The sponsorship is not finalized for this new contract just yet. So, I don't have an exact dollar amount for you, but UR Towing—once the agreement is approved and moving forward, we'll negotiate and finalize that with the sponsor and then we'll move forward.

Malfabon: Could you state your name, too?

Inda: Oh, I'm sorry. Thank you, Rudy. Denise Inda, Chief Traffic Operations Engineer.

Savage: Thank you, Denise. And I think it's clear that the Department does get the dollar-for-dollar benefit, except for the fee that is retained by United Towing, which is a small percentage. I think it's a 6%.

Inda: That's correct.

Savage: Thank you, Denise, and thank you, Governor. That's all I have at this time.

Sandoval: Board Members, any other questions with regard to Agenda Item No. 4? Mr. Controller?

Martin: Yes, sir. I have a couple.

Savage: Go ahead.

Sandoval: Okay. Member Martin, please proceed.

Martin: Okay. On Page 23 of 189, Item No. 5. The statement right at the end, the total sub-consultant cost is \$1,399,632. Legal Support cost is \$450,000. That's a different budget than the \$4.8 million. That, as I add up the numbers, that's the way it came up. Is that correct? Is that your understanding?

Mortensen: Governor, Members of the Board. Cole Mortensen, Assistant Director for Engineering. I believe that that's included in the \$4.8 million.

Martin: Okay, Cole. I couldn't get it to come to it. And when you go to the agreement, the legal costs are excluded in the agreement.

Mortensen: I'll have to take a look at that.

Martin: I couldn't get the numbers to foot. That's why I'm asking the clarifying question. On Page 95 of 139, you'll find the legal fees addressed on the Agreement or Scope of Work. It states that although part of scope, budget estimate excludes

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legal fees relating to the following items: SOQ, proposal protest, procurement support beyond the limited scope. But I couldn't get the \$450,000 to work into the \$4.8 million. And maybe I'm just pushing the wrong buttons on my calculator. That's why I'm asking for the clarification.

Keller: Well, once again, Governor, Members of the Board, Dale Keller for the record. Correct, now something is on here for legal support. Their overall scope of work is roughly \$450,000.

Martin: And they are not—are they a sub-consultant to CH?

Keller: Yes, sir.

Martin: Oh, okay. So, the \$450,000 is a part of the \$1,399,000. Is that correct?

Keller: I believe so, yes, sir.

Martin: Okay.

Keller: For that task.

Martin: Okay. Then Page 83 of 129. I'm sorry, Page 32 of 129. Where it says the cost estimated, labor, materials, et cetera. What I'm wondering here, are you establishing unit cost here to be used or are you establishing unit cost here, so that the ICE can do their estimate?

Keller: Once again, Dale Keller for the record. We were establishing these unit costs for the service provider for CH2M to use for a billable rate. This is a lump sum contract, but we're tracking this, how they bill us based off those unit rates and those time and materials. So, it's a really time and materials not to exceed a cost.

Mortensen: Governor, if...

Martin: Okay. Because the way I read this, this here was based on—I thought it was for the construction, not for the—because it says estimate, production rates, compile a list of materials, obtain material prices used in the local available sources. This is actually for the work, is it not? It's not for the billing of CH2M?

Mortensen: Governor, Members of the Board. Cole Mortensen, Assistant Director for Engineering. That essentially will be the scope of work where CH2M/Hill performs an independent cost estimate for us, based on production-based estimating.

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- Martin: Oh, okay. That's where I was going, Cole. Thank you.
- Mortensen: Yes.
- Martin: I thought that that was the case, but I just wanted to make sure that we were talking the same language here.
- Mortensen: Correct. And we also...
- Martin: I'm sorry. Go ahead.
- Mortensen: I was going to say, we also use that independent cost estimating as a way of also assessing and evaluating the risk on the project, too, as we move forward, so that we have a better understanding of what essentially a design-build bid would be versus what we normally do with our bid tab estimates.
- Martin: I got it. I understand. Thank you very much. The next thing is on Page 51 of 189. You've limited, when you're doing the geotechnical, you've limited the borings to a limited number of borings. You're saying that they're not to be used for design, only for exploration. These borings would be open to the short list in response to the RFQ people though, right?
- Mortensen: Yes, that's correct. Those would be used as part of the reference documents for the development of their proposals, as far as the exploration that we've done. It'll be provided to them in a report.
- Martin: And then the responders to the RFP can determine if that's enough or they need to—however many more borings they need, correct?
- Mortensen: That's correct.
- Martin: Okay. And then on Page 62 of 189. I'm looking at your structure section, and it looks pretty prescriptive to me, not being a horizontal guy, but being a vertical guy. This looks to be pretty prescriptive and so, if it's it so prescriptive here and would be put very prescriptive in the RFP, that it limits the innovation that a contractor should be bringing to the table in a design-build scenario? Is this similar language to what was on Project NEON?
- Mortensen: I believe it is. Essentially the structures section here is to show that we can have a viable solution for those bridges. That there is span lengths and configurations that will work in that scenario. When the design builders put their proposals together and actually do the engineering, they're more than welcome to bring

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innovation into that. This isn't to limit them. It's just more or less to prove that we have a viable design.

Martin: Okay. And the same would be for establishing the top and bottom elevations of the interim and permanent retaining walls? I know on Project NEON, Cole, we're using a lot of retaining walls that don't require big footings because they're tied back into the fill. So it—this one paragraph here about the interim and retaining walls, that's not going to be expanded into defining exactly what the design builder is supposed to provide?

Mortensen: Correct. As we work—as we create and develop the final RFP for this situation, what we're going to have to do is—and as Rudy mentioned earlier, that this project is going to fit right into the overall EIS. What we will have to do is we will have to be prescriptive with the geometry at the ends of the project, so that it does fit and match into what we would like to do in the future. As far as those walls go, we'll have to just take a look at each one of them as we go through the process.

Martin: Okay. Thank you. Then on Page 69, the service under appraisal, “the service provider will.” Then the way I understand it, we're the service provider, CH, are going to get appraisals for us on the parcels that we need for rights-of-way? And that's also part of the sub-consultant part, approximately \$1.4 million. Is that correct? Is that the way you read that?

Mortensen: I believe that is correct, sir.

Martin: Okay. That is the end of my questions. Thank you very much.

Sandoval: Love you, Frank. Thank you. [laughter] Mr. Controller.

Knecht: Thank you, Governor. Let me enlarge on the Governor's comments. I was really glad that I deferred to Member Martin. Frank, your questions were excellent, and they illustrate the real unique benefit that you bring to this Board. Thank you on a continuing basis for that.

I want to go also to Line 2 and ask on this matter. The total estimated cost from the second page of the briefing on Item 8 was \$135 million to \$165 million, if I read that right. Then there's that little matter of \$225,000 for the stipend. Here we have \$4.8-plus million. Is that going to get us through completely to where we have the documents ready and there won't be any other expected costs to get

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to a design-build that reins in something more toward \$135 million than \$165 million using the design-build method?

Mortensen: I'm not sure that I understand the end of your question there. But that \$4.8 is going to be the cost for our agreement with Jacobs to get them through the execution of the contract. At that point in time, we may elect to amend the agreement to have them assist us with contract administration after the fact. So, then it would be including them on design reviews and analysis and that kind of thing. One thing that I would like to say is that this really is a dynamic and an iterative process for us. So, depending on how many proposals we get, depending on the issues that may have come up during the RFP development, we have a number of one-on-one's, where we like to sit down with the proposers and determine where we're going to transfer risk and that kind of thing. What I will say is that there may be an outside possibility that we need to amend this to get us through to the end. But right now, this is our best guess at what the cost may be to get us to there.

Knecht: That's helpful, Mr. Mortensen. The last part of my question just went to the fact that the whole idea of the design-build process is the integration of all of that, we hope, leads us to some savings in the total cost. I understand what you said, about \$135 to \$165. It's a wide range, but we're at the beginning. Things are uncertain. We're going to do a lot of investigation and so forth. We'll find out what the facts are on the ground, and that'll help determine what the cost estimate is that comes from the bidders. I'm just saying that the cost of this \$4.8 million, plus the \$225,000 on the stipends, essentially is what's going to get us, we expect, with some contingencies, what's going to get us to where we can hope that we reap all the design-build benefits going forward.

Mortensen: Correct. This as a best-value procurement, we will have cost as part of the evaluation criteria. I don't believe that we've determined yet what percentage of that criteria it will be. But yes, in the end, not only will CH2M/Hill and—well, Jacobs now, continue to strive to reduce those costs and to bring value to the jumping-off point, if you will, for the base design. We anticipate that that \$225,000 stipend will encourage the design builders to come to the table with innovations and ways of making the project more efficient, bring better value.

Knecht: But we have a common understanding, and I just wanted to put that on the record, because the basic question here is what are we approving in Item 4 here today, versus what we approved in Item 8, and people want to know what to expect. I think one of the points you made that's really good is that, well, in something like

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this, we have a basic expectation, but it will be refined substantially as we go along.

Mortensen: Correct.

Knecht: Thank you for that.

Sandoval: Thank you, Mr. Controller. Member Almberg.

Almberg: Thank you, Governor. I'll be quick here. On Items 1 and 3, we have multiple consultants doing identical scope of work. But their overhead rates run from \$123 to \$195. So, I think, not to beat a dead horse, but the same request I always have is you have listed in here key players that are working on these projects. I would like to see the hourly rates for those key players. I know that Cole and I have worked in the past on some other projects. He provided me those rates coming in here and I can see it can get very out of hand, because everybody that makes a different wage for that company has a different hourly rate. So, since you guys to come and selected the key players in here, I personally would like to see that, because I'm still trying to grasp if they're both getting \$200 an hour, what's one company doing that has an overhead rate of 122 and what's the other company that has an overhead rate of 197 percent. What's the difference in there? I am still trying to grasp that concept. So, if you can get me the information for those key players to keep it minimal for me, I would appreciate that.

Martin: Governor?

Sandoval: Yes, Member Martin.

Martin: Thank you, BJ. I have exactly the same questions on the overhead rate. There's a 70-percentile difference between the three proposals on the low end to the high end. So, I developed exactly that same question. Thank you, BJ. So, whatever information you all get to BJ, would you please get it to me, as well?

Sandoval: All right. Thank you. Questions from southern Nevada?

Hutchison: Governor?

Sandoval: Yes, Mr. Lieutenant Governor.

Hutchison: Thank you. I just have a couple of questions on Item 5, on the United Road Towing contract. First question is, and I know that this went out for RFP. Has

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United Road Towing had the contract all along? Has there ever been another vendor who's had the contract?

Inda: Denise Inda, Chief Traffic Operations Engineer for the record. Governor, Members of the Board. Yes, Lieutenant Governor, to answer your question, we have had a Freeway Service Patrol Program in place since 1998, and we have managed the program under a variety of different ways. Our initial vendor was Samaritania. We worked with them for a number of years, couple of contracts. As we were shifting away from, or not shifting away from Samaritania. At a certain point and Len Savage eluded to this time when we met regularly with both him and Member Martin to further discuss Freeway Service Patrol, we actually looked into options for self-performing these duties. Our Equipment Division provided a pilot program for us to run the program in the Reno area for a period of time, so we could compare how a contractor did the work and with how we could do it ourselves. There were a lot of cost-savings. But there were also a lot of cost-limitations in what they could do for us. So after that, we ended up going out with another RFP for support and services for the program. At that point in time, UR Towing came on. They have been our contractor for, it was originally a four-year agreement. We extended it out to about five, where we are now, to provide time to transition from this existing contractor to the new contractor. It just so happens that UR Towing was the successful proposal for this RFP.

Hutchison: So with the extension of the contract, plus this new four-year contract, UR will have had the contract for a total of nine years? Is that what you're saying?

Inda: Yes, sir.

Hutchison: Okay. And is there—just out of curiosity, how many vendors responded to the RFP?

Inda: There were four vendors. Let me pull that sheet up here. There were four total vendors: Menzel Enterprises, UR Towing, HDR and Parsons. They were all evaluated and there was both a cost and qualifications component of it. UR Towing came out as the number one firm.

Hutchison: Okay. Thank you. This is just a follow up to Len's question earlier about this sponsorship State Farm has currently, and we expect it to continue. What's NDOT's involvement there, in terms of evaluating the value of that sponsorship? Because it's a dollar-for-dollar benefit to the state, based on the value of that contract. If you have just the two of those—it just seems to me that you've got two parties that don't have a strong incentive. I'm not saying that this is not, that

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it's reflective in the value of the sponsorship. But neither party has a strong incentive to find the right market value. Because if it's low, the state picks it up anyway. If it's high, the state pays less. What do they care? So, my question is, what's our involvement in evaluating the value of that sponsorship if the value of that sponsorship's really \$1 million, as opposed to \$365,000, it's a direct benefit to the state. So I'm curious in terms of what's our control and our involvement in evaluating the fairness, and I guess, the reasonable market value of that sponsorship?

Inda: We are involved in the process. You've identified accurately that the real interaction and relationship falls between UR Towing, and they actually have a sub-contractor. It's called Traveler's Marketing. That is a firm that focuses specifically on identifying sponsors for these kinds of programs. So, they are—we accept Traveler's Marketing as the sub-contractor for that portion of the work, because we recognize that they are an expert in this area. They have done a good job in other states, in other areas for other programs. We believe that they will do a good—continue to do a good job representing both their client, UR Towing, as well as NDOT.

We have the ability, in the past, we have the ability to discuss and evaluate what the proposals are and accept them or not accept them. You know, they'll come forward. The sponsorship is based on the number of vehicles that get wrapped with the State Farm logo. All of the employees or whoever the successful, the vendor is or sponsor is. All the employees have both NDOT and the sponsor logos on their uniforms and equipment.

And so, then there are also in southern Nevada along—in Las Vegas, there are also signs alongside the freeway. We don't have those in Reno. But it's based on—so, it's based on the number of vehicles, the hours of operation, the volumes that travel those roads, so kind of how many eyes, like a billboard on the side of the road. How many eyes have the opportunity to see that truck or those signs. They put together a package of what the cost might be, and then we talk about it. We look at it.

We also have information from other states on what they're getting for sponsorship, because we do want to make sure we're getting the best value that we can for Nevada and you know, as part of, as we were preparing for the RFP, we did some outreach and looked at whether other states are bringing in for their sponsorship programs. State Farm is a fairly common sponsor for these types of programs. They're the, maybe the most predominant sponsor.

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So, we're involved. We look into it and we just try to make sure that we are getting the best value that we possibly can, because it does free up these dollars for other areas, you know, the other areas of work within the state.

Hutchison: Okay. Thank you. The fundamental question really went to who's looking out for the state of Nevada's interest in the negotiations of this sponsorship. And what you're telling me is that NDOT is involved in the evaluation of the sponsorship by comparison with other states. Really, understanding what the market value of that sponsorship is. So, you're confident that in-house, you understand what the market value is, and you're ensuring that the market value is reflected in that sponsorship. So, I guess my follow up question is, is there a mechanism in place currently, that if NDOT does not think that the sponsorship level is appropriate, that there is some sort of veto opportunity for the state or at least some way that we can protect our interests, before these two parties that are not looking out for the best interests of the state of Nevada, and they don't necessarily have to. They're looking out for their own interests, and that we could somehow intervene there?

Inda: Yes, there is. That's correct.

Hutchison: Okay. Thank you. That was my question. Then my last question goes to Page 128 of 189. There's just a box notation on this map that says, "Summerlin Parkway and I-215 ramps are expected to be relinquished to NDOT in May, mid-to-late 2018." What does that mean?

Inda: I apologize. I thought you were moving on to another item, not another question. Could you repeat that? I apologize, Lieutenant Governor.

Hutchison: Sure, no, no, no. That's fine. Yeah, I'm just looking at Page 128.

Larkin: This is Tracy Larkin, Deputy Director for NDOT. On that point.

Hutchison: Tracy, go ahead.

Larkin: The negotiations are still in process. We have been talking with the city of Las Vegas, and we're basically just going through the details of the exchange.

Hutchison: But we expect that relinquishment to be mid- to late 2018?

Larkin: We were hoping it would be done by now. But we're looking at mid-to-late 2018.

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- Hutchison: So, does that mean that Las Vegas, the city of Las Vegas, will provide those freeway services? Is that what that means in terms of relinquishment?
- Larkin: Actually, at this time the Freeway Service Patrol is primarily on I-15 and US-95 on—extended it past on the 215 at this point.
- Hutchison. Okay. Thank you. Thank you, Governor.
- Sandoval: Okay. Thank you, Mr. Lieutenant Governor. Board Members, any further questions or comments with regard to Agenda Item No. 4? Mr. Nellis, any further presentation?
- Nellis: No, Governor. That concludes this item.
- Sandoval: Okay. If there are no further questions or comments, the Chair will accept a motion to approve Agreements 1-6, and presented in Agenda Item No. 4.
- Martin: Move for approval.
- Sandoval: Member Martin has moved for an approval. Is there a second?
- Hutchison: Second it.
- Sandoval: Second by 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. 5. Contracts Agreements and Settlements. Mr. Nellis.
- Nellis: Thank you, Governor. Members of the Board. Again, for the record, Robert Nellis. There are two attachments under Agenda Item No. 5 for the Board's information, and no settlements this month. Beginning with Attachment A, there are seven contracts that can be found on Pages 4 and 5 of 17 in your packet. The first project is located on US-50, Pike Street and Silver State Street in Carson City and Lyon Counties, for pedestrian safety improvements. There are two bids and the Director awarded the contract to Sierra Nevada Construction in the amount of \$522,007. The second project is located on SR 88 at Centerville Lane in Douglas County, to construct a compact roundabout. There were five bids and the Director awarded the contract to Granite Construction, in the amount of \$1,125,125. The third project is located on Eden Valley Road at Humboldt River, in Humboldt County, to replace a substandard bridge. There were four bids and the Director awarded the contract to Q&D Construction in the amount of \$4,018,007.30. Continuing on Page 5, the fourth project is located in Churchill

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and Mineral Counties, for scrub seal with sealcoat on SR 839, and to remove and replace a cattle guard on SR 121. There were three bids and the Director awarded the contract to Sierra Nevada Construction in the amount of \$757,007. The fifth is a resurfacing project located on US 95A in Lyon County. There were three bids and the Director awarded the contract to Sierra Nevada Construction, in the amount of \$607,007. The sixth project is located at NDOT Headquarters for re-roofing construction of NDOT's Administration Building. There were two bids and the Director awarded the contract to Western Single Ply in the amount of \$627,000. And lastly, the seventh project is located on US 395A of Washoe County for Double Chip Seal and Restriping. There were two bids and the Director awarded the contract to Intermountain Slurry Seal in the amount of \$3,383,383. With that, does the Board have any questions regarding the seven contracts, before we turn to Attachment B?

Sandoval: Thank you, Mr. Nellis. I don't have a numbers question, but we see a lot of the same contractors getting the bid awards. Do they have the capacity to get all of this done? Rudy, is that something we look at?

Malfabon: We do look at that, Governor. But we believe that they do, and they do have substantial penalties if they are late on a project.

Sandoval: No, and I'm not questioning their ability. But you know, we see a lot of these and there are some big projects going on. I just want to make sure that they're still getting done. So, okay. That's all I needed to know. Now, Board Members, Mr. Controller.

Knecht: Thank you, Governor. I have questions on the two largest and the two small Carson City-based projects, which were the ones that had award amounts above the Engineer's estimate. First of all, the Item 1, Pike Street, Silver State Street, et cetera, \$378,000 to \$522,000, can you give us any insight? I mean, it's a lot less than the \$600,000 overrun on Item 3. But it's a big percentage. Why are we that far off on something like this?

Nellis: Robert Nellis for the record. In speaking with the Engineers, there's some thoughts on this. That with a small contract, there's minor qualities which have the tendency to vary widely. Also, as we talked about last month, just the improving economy, contractors are being selective on the contracts they bid for, and they've got work out there. Those are just some of our thoughts on it, but can't say entirely for certain.

Knecht: I'm sorry, what was that?

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Nellis: Can't say entirely for certain.

Knecht: Okay. Let's go to number, Project No. 6. Maybe I should address this question to Mr. Martin, because it goes to vertical construction. But not quite a—well, about a 45 percent difference between \$425,000 and \$627,000. Same explanation or something specific about vertical construction?

Kaiser: Controller, Reid Kaiser, Assistant Director for Operations. What happened with this is we set the Engineer's estimate at the time we bid, and by the time the bids were opened, we had added numerous items during the bid period. Also, one of our estimates on one of the items in the contract that we had received from a sub-contractor, was actually doubled by the actual bidders. So, we had a bad number there. It's just a number of things that compounded during the bid period that caused bids to look the way they are.

Knecht: Okay. It's at least helpful to get that on the record. I know you guys are usually perfect, but you had an off-day. [laughter] Project No. 3, it's not the biggest percentage, but almost \$600,000 difference between the Engineer's estimate and the bid awarded. What explanation—what insight can you give us there? That's, as Everett Dirksen would have said, "Approaching real money."

Kaiser: Again, Reid Kaiser. I'll give this one a shot. My guess is this is a remote project that's out near Battle Mountain. To get concrete materials out to this location, is very difficult. So, there's very few batch plants in rural Nevada, especially up in this area. So, my guess is we just didn't put enough money into our concrete bid item, and that's probably where we saw the underrun.

Knecht: Okay. Thank you for that and I'll just say that the 3,267 versus 3,383 difference on Item 7, well, it's \$117,000 or something. But, I guess that seems within the normal course or the normal range of variation, so I'll let that go. Thank you.

Sandoval: Thank you, Mr. Controller. Member Savage.

Savage: Thank you, Governor. I think the Controller's points are well-made here. I think we have to be very careful as a Department to ensure that these Engineers' estimates are where they need to be, because if we start setting a precedent by having an Engineer's estimate, and missing it by 40% and still awarding the job, there's going to be some questions. That can't continue. I do understand the economic drive and everything, and I understand the Engineers' concerns. But I support the Controller on this, because we have to be aware of not setting a

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precedent when we're 40% over on an Engineer's estimate. Sometimes you just have to pull the job and not do the work.

Secondly, is there any federal subsidy—support, I should say, for any of these projects, specifically No. 7?

Malfabon: I'll respond to the second. Well, just respond to the question about federal support is we've obligated all our Federal money for this current fiscal year. So, there's none available for these projects.

Savage: Thank you, Director. That's all I have, Governor. Thank you.

Sandoval: Questions from southern Nevada? Nothing, all right. Frank, you have any questions?

Martin: No, sir, I don't. Thank you.

Sandoval: Okay. Thank you. Mr. Nellis, please proceed.

Nellis: Thank you, Governor. There are 64 Agreements under Attachment B, that can be found on Pages 14-17 for the Board's information. Items 1-17 are Acquisitions and Appraisals. 18-26 are a Cooperative Agreement and Facility Agreements. Items 27-33 are Grants and Leases. 34-36 are Licenses and a Property Sale. And lastly items 37-64 are Right-of-Way Access and Service Provider Agreements. Now with that, Governor, that concludes this Agenda Item. Does the Board have any questions for us?

Sandoval: Thank you, Mr. Nellis. My only question is on 50. I believe that's Sondra's contract. Just a little more detail on what that one's about with Kimley-Horn and the Commuter Study?

Rosenberg: Yes, Sondra Rosenberg, Assistant Director for Planning. We're actually pretty excited about that. That's looking at commuting patterns for the Tri-Center and looking at transit options for that area.

Sandoval: And that's really important given the growth that's coming out there. Are you working with the new property land owner out there and what it has in mind?

Rosenberg: We'd be happy to do that. I don't know if I have that contact.

Sandoval: Okay.

Rosenberg: We will look at that.

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Sandoval: Well, I encourage you to do that, because I think they have some plans out there.

Rosenberg: Okay. We would love to hear that. Absolutely.

Sandoval: Okay. Thank you. All right. Board Members, any questions on the contracts? Mr. Controller.

Knecht: Thank you, Governor. I just assumed you'd go to question No. 18 or Item No. 18, which involves another one of our University research contracts. At least this one says, "Develop and evaluate advanced field-scale technologies for comprehensive water management, et cetera, including et cetera, et cetera." What practical results are we going to get from this that are going to improve efficiency, effectiveness and lower costs? I support University research just about as much as anybody as a former Regent and a guy who's benefitted from higher education and University research. But every once in a while, you have to ask the question, is this just for the benefit of the researchers or what's the public interest benefit?

Gaskin: Thank you, Mr. Controller. For the record, Dave Gaskin, Deputy Director. We had many conversations with the folks. This is in association with the Nevada Water Renovation Campus, that I presented before. And we've told them we cannot bear research just for research's sake. We want to have practical results that give us tangible savings and efficiencies and in dollars. They responded, yes, they have many people on staff that are PEs. But that stands for Practical Engineer, not just Professional Engineer. So, that they are aware that we do need to get practical, real-world solutions. Some examples are out in District 3, where there's a long distance or even to, I mean, in rural Nevada, there's a long distance between where a project is and where the water source might be to support that project. So, handling the water back and forth over hundreds of miles wastes a lot of time and a lot of money. So, if there's a way to recycle that water, reuse the water, make it so that they can just take one trip instead of having the water truck going back and forth for weeks is going to save a whole lot in terms of the time for the workers that are involved in the project and also the cost of hauling that water. So, just making better use of the water for all of the projects in construction and maintenance and storm water.

Knecht: We don't have a formal Social Cost Benefit Analysis of this, but you've given us a good example of how it will work or an anecdote.

Gaskin: Yes. And we can certainly report on the results and the benefits that we do receive from this work.

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Knecht: Please do.

Gaskin: Yes.

Knecht: Thank you, Mr. Gaskin.

Gaskin: You're welcome.

Knecht: Thank you, Governor.

Sandoval: Board Members, any further questions? Frank, were you going to chime in? Member Savage?

Martin: No, sir, I'm good. All of these seem to make sense to me.

Sandoval: Member Savage.

Savage: Thank you, Governor. Items No. 47 and 49, even though they're relatively small dollars, something just stuck out in my mind here in reading. We have a Construction Manager at Risk Project with Granite and then we have an Independent Cost Estimator Line Item No. 49. The cost increase was due to the delay of retaining right-of-way. I cannot, for the life of me, understand why an Independent Cost Estimator would increase 70% when there's a delay in right-of-way. And I'm just not sure, because I know this Cost Estimator works with NDOT. I see their names often. But I'm just not sure how that can be justified.

Mortensen: Governor, Members of the Board. With this particular contract, if you'll recall, the individuals who were actually performing the Independent Cost Estimating services were working for another firm. When they left that firm, we re-contracted with them as a sole source. Part of the work that they've already done on this job was on a previous contract and then we're continuing that work. The delays that we're seeing on this job right now are due to getting access down to the river at that location, as well as some of our permitting. Last summer, we turned in the permit to the Army Corp of Engineers. And we were informed that they couldn't look at it until November, because they were out of budget. So, at this point in time, they may or may not actually be reviewing our permit. And that may potentially be another schedule risk to the project. So, right now, we're actually evaluating the benefits versus the costs of getting in the river at that location and performing the work.

It's also a location where we're more than capable of continuing to monitor the bridges there. So, the plan was to go in and put ajax on the banks and then to do a

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concrete apron under the bridges at that location. What they're looking at now and some of the costs are increasing is how they get that work done within the river, from an environmentally friendly standpoint. So, we faced a few more challenges than we initially anticipated. So we're currently evaluating whether or not we actually want to continue and do the remaining erosion control work at that point.

Sandoval: Thank you, Cole. So, is this work to do with the safety of the bridge, or is it just due to erosion control with the river?

Mortensen: It's two parts. The bridge was flagged as a scour critical structure because when they ran their model, they anticipate 12 feet of scour at that location. This bridge has spread footings, and so that 12-foot depth gets it into a location where it may be a problem. Part of the question that was brought up was whether or not, even though it's anticipating scour down to 12 feet, we're unsure at this point in time. We don't have the geotechnical records for that bridge. It may actually be sitting on bedrock, which means that it's not going to be an issue in the future. Then furthermore, we've been through a number of very significant flood events in the recent years, and haven't seen any real critical findings at that location. So, again, it's kind of weighing the cost associated with getting in there and making changes to the river bed versus just monitoring and adjusting in the future, if necessary.

Sandoval: Okay. Thank you, Cole. And we can take this offline, too. I'd like to talk to you further on this independent cost estimating value.

Mortensen: Yeah, absolutely. Yeah.

Sandoval: Okay. That's all I have.

Mortensen: Thank you, Governor.

Sandoval: Thank you. Mr. Controller?

Knecht: Thank you, Governor. I have one more on Page 17, Line No. 59, Rose International. Extend the termination date from mid-'18 to mid-'19, and increase the authority by \$160,000 versus the original \$80,000 Agreement. This is retention of expert services. Why did that cost triple, essentially? I can understand that the expert services are needed for a longer time, but why did it triple the cost allowance?

Nellis: Mr. Controller, for the record, Robert Nellis. I did ask that question of the IT Staff and I'm sorry the answer escapes me. But there, I thought there was more

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scope or more that they were doing in that period of time, a reason. Because, yeah, I saw the same thing as you, as a smaller period of time. But I think they're just going through, actually, a lot longer period where originally it was a short period. So, it's actually the cost in the shorter period was a lot more than if you stretch out the Amendment to the Amendment date. That's a longer period of time, so, we're getting more value in that longer period of time.

Knecht: I should hope we do get more value when we triple the cost. I think I made some comments last time about IT services, double the original cost estimate, half the output and double the time. Seems to be the standard. But I would like to hear what you found when you ask the IT people about this one. You know how to get a hold of me. I won't belabor it at this point. But it does seem—sure it's only \$160,000, but it does seem like a lot, relative to the original \$80,000.

Nellis: Okay. I'll get in touch with you, Mr. Controller. Thank you.

Knecht: Thank you.

Sandoval: Board Members, any further questions or comments with regard to Agenda Item No. 5? Mr. Nellis, does that complete your presentation?

Nellis: Yes, sir, that completes this Agenda Item. Thank you.

Sandoval: Thank you. This is an informational item. So, if there are no further questions or comments, we'll move to Agenda Items 6 and 7, Condemnation Resolutions 465 and 467.

Malfabon: This Condemnation Resolution No. 465 is associated with the parcels and trusts owned by Entrust Administration, Incorporated and ERGS, Incorporated. Primarily, Governor and Board Members, this is to keep the project on track. There's not a lot of money involved. We gave you a confidential memo that gives you the status and dollar amounts that have been exchanged. In some cases, as you see under Item No. 6 and 7, sometimes we don't get a response or sometimes you just want a lot more without a lot of justification. The action associated with Item No. 6 for Condemnation of the—associated with US 50 from Roy's Road Project on that widening project, is to keep the project on track, just in case we need to go to court. The court can establish what the compensation would be. We're just asking for Board Approval of this Condemnation Resolution.

The same issue with Item No. 7. We provided a confidential memo to the Board on Status of Negotiations. But again, this is associated with several parcels. I can

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go over those: Nicole Fair, Justin & Corina Perry, John R. Traxler, 303050 LLC and Bower's-USA LLC. These are associated with the US-50 widening project, keeping it on track. And in the event we do have to go to court, we do have to have the Condemnation Resolution approved.

Sandoval: Thank you, Director Malfabon. Board Members, any questions on Agenda Items 6 and 7? If there are none, the Chair will accept a motion to approve Condemnation Resolution 465, as presented as Agenda No. 6, and Condemnation Resolution No. 467 as presented in Agenda Item No. 7.

Savage: Move to approve.

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

Almberg: Second.

Sandoval: Second by Member Almberg. Any questions or discussion on the motion? I hear none. All in favor say aye. [ayes around] Those opposed say no. Motion passes unanimously. That brings us to Agenda Item No. 9, old business.

Malfabon: Thank you, Governor. We have the report of outside counsel costs on open matters and the monthly litigation report. As I mentioned previously, we do not have a current FARS Report. The fatality report should be provided starting in June, I believe, after we've had the training for the new person that was hired to manage that program at the Office of Traffic Safety. Are there any questions for Chief Deputy Attorney General Dennis Gallagher under Item No. 9?

Sandoval: Governor. Yes, Mr. Lieutenant Governor, please proceed.

Hutchison: Thank you. Dennis, I just wanted to ask you this question under this Agenda Item. I saw under our previous Agenda Item 5 that there were expert witness fees that we had approved. I think it was \$35,000 for an Inverse Condemnation Trial. I just wondered if there was any trial imminent that we need to know about, or was that just more by way of consultation, rather than trial expert work?

Gallagher: For the record, Dennis Gallagher, Counsel to the Board. Lieutenant Governor, we started the trial this morning in the 8th JD on a Project NEON property. These particular agreements also involve pending litigation involving Project NEON, that we'll be taking to mediation before the court date.

Hutchison: Okay. And which one started trial yesterday or—you said today or yesterday?

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Gallagher: Today.

Hutchison: Okay.

Gallagher: This morning, Jackson.

Hutchison: Okay.

Gallagher: It's in the 8th JD.

Hutchison: Okay. Great. And then the only other thing I've got a question for here is just, I know there's a couple of new personnel matters and it appears those are all going to be taken in-house with the AG's Office. Is that correct?

Gallagher: For the record, Dennis Gallagher, Counsel to the Board. The answer to your question, Lieutenant Governor, is yes. The Attorney General's Office has a special unit that handles nothing but personnel matters.

Hutchison: Great. Thank you, Dennis.

Gallagher: Thank you, Governor.

Sandoval: You're welcome. Board Members, any other questions with regard to Agenda Item No. 9? I hear none, we'll move to Agenda Item No. 10, Public Comment. Is there any member of the public present in Las Vegas that would like to provide public comment to the Board?

Hutchison: None here, Governor.

Sandoval: Thank you, Mr. Lieutenant Governor. Any individual present in Carson City that would like to provide public comment to the Board?

Dyson: Thank you, Governor and Members of the Board. Thor Dyson, District Engineer for NDOT. I can't tell you, it's just a comment I have. I can't tell you how grateful we are in the operations area with the Reno Early Action Project. Not last Friday, but two Fridays ago, May 4th, there was a large semi getting on I-80 eastbound on-ramp from Wells. It was Friday afternoon, of course, 2:30. Great weather conditions. This large semi had thousands of cans of enchilada sauce and was attempting to merge over to go to I-80 eastbound to head points east. If you can't—haven't remembered or don't know, that truck flipped over around 2:30 PM. Involved a lot of NDOT personnel. Quite a few NHP personnel and other Emergency Services.

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Essentially, we didn't get I-80 eastbound fully open with traffic control removed and the cleanup and all the issues, I'm not going to get into. But we didn't get it open until 9:30 that night. We, from the field level, operationally, we're extremely excited for this Early Action Project and we think it has tremendous benefits. We're working with the project management team, Dale Keller and Nick Johnson, and we think that there will be not just traffic flow improvements, but we were very saddened that pretty much downtown Reno was in gridlock. Because there was no option, and traffic was backed up all the way to Rob Drive that afternoon. It was pretty taxing and stressing on not only the motorists, but NDOT employees and NHP employees. Thank you very much for your support on that.

Sandoval: Thank you, Thor. Any further public comment from Carson City? Move to Agenda Item No. 11. Is there a motion to adjourn?

Knecht: So moved.

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

Hutchison: Second.

Sandoval: Second by the Lieutenant Governor. 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