

Transcript of Nevada Department of Transportation
Board of Directors Meeting
June 11, 2018

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

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

Malfabon: Yes, Governor.

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

Malfabon: Thank you, Governor. Just wanted to mention that Bill Hoffman and Mary Martini are attending the Western States DOT's Meeting in South Dakota. Best wishes and safe travels to them.

Wanted to pull Condemnation Resolution under Agenda Item 10 from the Agenda. As we continue to work with property owners, we like to keep our projects on schedule and will often bring a condemnation resolution to the Board. As you've directed us Governor, and Board, to NDOT, to continue those types of discussions and negotiations. In this case, we were actually able to reach a settlement with a property owner, so we'll pull that item.

Wanted to express our condolences to Las Vegas Paving and just the entire Southern Nevada community and Nevada as a whole. We really lost a great leader with Bob Mendenhall. He was the founder of Las Vegas Paving Corporation. He passed away on June 2nd. He was really a giant in the asphalt paving industry. He did a lot of the early research into asphalt paving recycling; held a lot of patents. He really built up Las Vegas Paving to be one of the premier construction companies, not only in Nevada but they do work in other states as well now. They are actually #188 on the Top 400 Construction Contractors List from Engineering News Record. They've worked on every major freeway that NDOT has, as well as the Beltway for the County, and other major roads for other

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agencies in Southern Nevada and across the State. I just wanted to acknowledge his passing and express our condolences. He was a great benefactor also to the University of Nevada, Las Vegas, with some of his donations and building an Innovation Center down there in Southern Nevada.

Knecht: Governor? Governor?

Malfabon: The Controller would like to—

Sandoval: Mr. Controller.

Knecht: Thank you. If I may, just one question to Mr. Malfabon on the previous item, the pulling of Item 10. Does that mean that the parcel in question will be going back to the private land owner and that the State will no longer have any authority over it? If so, when?

Malfabon: I'm going to have Ruth Borrelli respond to that.

Borrelli: This is a settlement that we came to with the property owner. It is still necessary for the construction of the project. That's the item that's being pulled. I believe you're referring to another item under the Transportation Board. We will address that later.

Knecht: Here's the reason I ask. On Item 10, I looked at the map and campaign signs pop-up on that parcel all the time. In case I wanted to put one there this fall, I wanted to know who to talk to.

Borrelli: Oh, okay. And, we are only acquiring a portion of that property. So, you can place your signs outside of that, if the property owner so wishes. Thank you.

Knecht: Thank you. Thank you, Governor.

Malfabon: Yes indeed, you remind us that it is important week. Especially tomorrow.

Sandoval: Yeah, but if those signs are in the right-of-way, yank them Rudy. [laughter]

Malfabon: Yes, we always notify elected officials or people running for office of the rules.

Here is Emergency Operations. I just wanted to thank District 2, once again. They seem to be bear the brunt of a lot of bad weather in the winter and in the spring, had mudslides out at Topaz Lake. They closed down the highway on US-395 on May 21st. Then a couple of days later—we just had a series of storms that week and had flash flooding that took away a lot of the shoulder material, up to

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five feet and some areas had to be rebuilt. Our maintenance folks did an awesome job, thanks to Thor and the District 2 Management Team and the Maintainers in District 2 for their efforts.

Just to mention also with Emergency Operations, we just heard about another fire, kind of southwest of Lockwood. We're in fire season and thankfully we didn't have a big fire this weekend, on Saturday, when we had those high winds. Our folks will continue to assist in any kind of emergency operations to protect public safety and property.

Federal update. So, we're preparing a grant application, looking at the I-580, early action project. This is the project that the Board approved to look at bonding. We feel that it would be a good match for this program, which the administration and USDOT are looking at a significant local funding for projects and so we're bonding it. It does fit the bill for competing for this program. We'll also look at others. These grant applications are not due until July, so we have a little bit of time.

INFRA Grants, previously known as Fastlane, so concentrated on freight movement. There was \$1.5 billion approximately, announced by USDOT subject to Congressional Review in the next couple of months. The reason it was so large was, they didn't issue the FY '17 grant funds available, they combined them with FY '18. Unfortunately, we didn't receive an award or entities in Nevada didn't receive one. Twenty-three states, primarily DOTs did receive awards. So, we were disappointed in that.

Good news is that, the US Senate and the House of Representatives are getting close to agreeing on appropriations bill for Federal FY '19, that starts October 1st. As you recall, sometimes when they don't agree, we get these little short-term extensions, they give us our spending authority. We're pleased that they're not that far apart and it looks like they will pass something. On the next slide you'll see some of the details, but the—go ahead to the next slide.

I put some blue arrows there on some important programs. The Administration wanted to zero out Capital Investment Grants for Federal Transit Administration and Congress funded that substantially. The Federal Highways, FHWA and Federal Transit Administration, Transit Formula Grants, the other two blue arrows give you a sense of that \$45 billion to the FHWA and nearly \$10 billion for Transit. Those are important programs to continue.

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As you can see at the bottom, the percent of FAST Act authorization level, they gave us a little bit extra from what was anticipated. The FAST Act had a little bit above 2% built in for inflation in the annual amounts authorized by Congress in that Surface Transportation Bill. So, we're pleased that they're not that far apart and they're also—there was a portion of it that's related to a bridge program, \$800 million in bridge funding that's going to be distributed by the formula process. So, sometimes they have these monies available through grants, when they add a little bit of money. In this case, they're doing it by formula, meaning, all the states will get their fair share based on the current formula that distributes surface transportation funding.

We prefer formula—having that distributed by formula, rather than grants, as you can see in the last slide, where we didn't fair too well in the grant application process. We'd rather have it distributed by formula. Good news is, they're not far apart and they're going to likely pass that before they're done with the—before the federal fiscal year currently expires.

We've been working with the Reno Airport Staff and their consultant. Want to give a lot of thanks to Cole Mortensen and the Spaghetti Bowl Team. They've been working with the Airport's consultant and Airport Management Staff to not only keep our project on schedule but come up with some ideas and concepts that could meet the needs of both NDOT and the Airport.

Governor, I wanted to thank you also, for the meeting that we had with the airport leadership recently and appreciated your comments. As Cole was going in to present this week to the Airport Board on June 14th, you said you'd appreciate the leadership at the Airport kind of brief their Board Members so they're not beating up on him. I'm sure Cole appreciated that too.

We anticipate that they'll pass the resolution, just kind of stating what they want to see. Our goal was to keep the process of the environmental approval on schedule for the Spaghetti Bowl project. We advised the airport that while we're working on these details, which I'll show a graphic later, it's unlikely that it's developed enough to get it into the draft Environmental Impact Statement, but we're working to get it into the final EIS, which we want to get approval from the Feds by mid-2019. This is a very quick turnaround for an EIS of this magnitude. It's a large project.

This is a graphic of what we've been working on with the Airport's consultant. You can see that there's a lot of lines there but the point being that, on the top,

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you see that red and blue line, that's the flyover ramp. It misses the high school, that's the important thing is try to stay within the right-of-way with some of the concepts. Their concept is a little bit different. It has the roundabout where we didn't have ours as a roundabout on Plumb Lane.

The point is, we are trying to work with Kittelson and Associates, the Airport's consultant to come up with some concepts that can fit within the right-of-way, not add a significant amount of expense, relatively speaking, to the project and we believe that we are accomplishing that goal by continuing these meetings with the Airport. Not developed enough to just plunk into the draft EIS, but we're getting there. Then it will be subject to federal review, as far as the final document, the Environmental Impact Statement.

A little bit on the Early Action Project, which will—I'll talk about the rebranding effort a little bit later. The Request for Qualification was released after the Board approved us going forward with the project. Responses are due the middle of next month. The Federal Highway Administration felt that the environmental approval for the Spaghetti Bowl Project, the EIS, will cover the Early Action Project. It's kind of the—we had said it was more independent. They're saying, just keep it together as kind of the initial phase of the project. It won't affect the timing of our Early Action Project, the design-build project that was approved to go forward by the Board.

We're happy the timing of the NEPA process, the environmental process for Spaghetti Bowl is not going to delay the Early Action Project going forward. It is subject to the funding that's going to be approved by the Governor's Finance Office when they review NDOT's biennial budget request and then subsequently, the Legislative approval required in the 2019 session for bonding.

Speaking of branding concepts. We didn't want to call it Early Action Project. We wanted to call it something more, kind of more marketable and sexy. If you want to call a project sexy. We got some concept on the left that the team had kind of brainstormed and then a few logos in the right. If you look at the list on the left; Ramp Up, Spaghetti Bowl Express, Fast Track Rapid Auto Commute, ESC/East to South Connector, which Member Savage said, it's a lot bigger than that, so we noted his comments from the last month. Fast Lane, Phase I, Zoom or Zoom 1.0. EXCELerate, Biggest Little Interchange. It's something the City of Reno came up with.

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So, definitely would be interested in the Board Members thoughts about that. Governor, if the Board has preference, just let us know. I know it's kind of just new to the Board Members today, but we are definitely open to any kind of comments from the Board about what they think would fit. We want to have a brand-name associated with this Early Action Project, which would be in concert with the Spaghetti Bowl.

Wanted to mention to the Board the good news about the Project NEON bonding. You had previously approved it in March and the Board of Finance in March the issuance of approximately \$140 million bond. We did continue to receive a high-rating from Standard & Poor's, AAA Rating. We had six bidders so a lot of interest. Approximately 3.3% interest rate from B of A. The State Treasurer announced significant savings by combining all these phases of Project NEON, which was one of the goals of the Transportation Board years ago when we were talking about getting Project NEON out the door. Get it built, rather than waiting the 20 years or so and doing it with bonding made sense, financially. It made it more affordable, although it's the biggest surface transportation project that NDOT has ever embarked on.

I think it's a good news story that we did the right thing by going with bonding and it was a significant amount of savings. I think that over the term of—had we gone with that 20-year term of delivering the project, it was about \$1 billion in savings by doing it quickly and that project will be completed middle of next year.

I wanted to inform the Board about a meeting I had recently with the Stadium Developer and the MGM Representatives about the Hacienda HOV Ramp. As you recall, we're doing the environmental clearance for the Tropicana Interchange, along with the Hacienda HOV Ramp and the Harmon HOV Ramp. They're all in that same vicinity, near the resort corridor and the stadium.

What the MGM's concern was with the—the HOV plan update that NDOT did a few years ago was done before we knew where the stadium was going in. NDOT viewed it as, well the HOV ramp will actually be able to serve the stadium as well, but the MGM brought up some points that I think were good points about the location of the HOV ramp and they didn't support that. They were concerned that because of the fact that the pedestrian access is primarily going to be on Hacienda and they're not building a separate bridge for that, they felt that their plan was to basically close off Hacienda, except for one lane for transit, for access to the stadium on event days and then have all the other lanes—basically have

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most of the bridge accessible to pedestrians that are crossing over I-15 from the strip side, where primarily there's Mandalay Bay and kind of to the north, the Luxor and Excalibur. And the Monorail is looking to extending to that side of Las Vegas Boulevard as well, at Mandalay Bay.

So, given that their plan was to have Hacienda as a pedestrian access for the stadium events; not just NFL games or UNLV games, but also concerts and other special events throughout the year. It didn't—their concern was, their traffic control plan would have them closing off the HOV, so we wouldn't get the benefit of the HOV for supporting that and we looked at other concerns. You see the layout there, the stadium is well underway with all those cranes and construction effort there. You see the bridge that we're talking about, the grade separation or overpass, over I-15.

So, at the top of that aerial photo, you see Hacienda and it goes under the Mandalay Bay property. You can kind of see their concern there. They have a small sidewalk. There's access to garages or shopping at that—on that street. They felt it wasn't a good location for the HOV. They wanted us to look at the possibility of looking at Harmon for the access point for the HOV.

I think that they made some good points. We definitely don't want a situation where the stadium and the MGM can't support what we intend to construct there. We would like to—we're working with Federal Highway Administration and our environmental group that's working on the current Tropicana/Hacienda/Harmon Project to have this considered as some options to look at other HOV access points, rather than the northbound access point that was intended at Hacienda.

We'll continue to work with those groups. Looking at possibly revising the HOV Plan. One of the benefits of that is that, we didn't know, when we were putting together the HOV Plan, we didn't have all the details, but the replacement, the Hacienda Bridge, actually when you build something in the center of I-15, you have to shift the lanes over, northbound, which means the bridge supports for the Hacienda Bridge are in the way of some of those lanes that you shift over to make room for the improvements in the center of I-15.

So, it avoids the expense of complete removal and replacement of the Hacienda Bridge. One of the concerns from the stadium, obviously was, they don't want to see any construction in that area that would basically, affect the operations on opening day for the stadium in August 2020 is when it's anticipated. Also, it allows us to take another look at the most optimal, the best location for the

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northbound I-15 off-ramp; whether it's south of Harmon or North of Harmon, as I said, we're going to look at Hacienda and possibly look at changing the HOV plan to see what makes sense for—because we want to make it accessible to not only the tourists and the visitors for the strip but also for employees that are trying to get to where they work on the resort corridor.

Our concern is, obviously how does it affect the NEPA schedule for the Tropicana Interchange, which we anticipated trying to get approvals from the Federal Highway Administration in the early part of next year. I think that it's best to approach it realistically, to say what's the best location for the HOV, rather than taking the plan that was developed before the stadium site was determined and go any further with that. Given the points raised by the MGM and the stadium developer, we're willing to look at that and reconsider the best location for the HOV ramp.

The good news was, they both understood that Tropicana Interchange and the reconstruction there is needed. It will really open up I-15 underneath and improve operations at that interchange. They knew it'd be a significant impact to that area of the resort corridor with reconstructing the flyover and the interchange ramps, the bridge over I-15 but they weren't as concerned about that. It's still, it's further away from the stadium and it's good news that we can still have their support on the Tropicana Interchange Reconstruction that will be coming in the future years.

The RTC of Southern Nevada is going to hold a groundbreaking event for their I-11 Phase 2 Project, that's the lion's share of the I-11 route that bypasses Boulder City and connects to the existing interchange there by the O'Callahan-Tillman Bridge, over the Colorado River. Significant projects, significant amount of investment by the RTC of Southern Nevada. They moved the date to August 9th and I believe that's been coordinated with both Governors of both Arizona and your office Governor. It's going to be a huge event August 9th for that groundbreaking.

You'll have the award of Blue Diamond Road, that's a significant project that finishes the widening of SR-160, the road to Pahrump from Las Vegas next month. As I mentioned, Aggregate Industries was the apparent low bidder at nearly \$59 million. It's a significant project in Southern Nevada that you'll approve next month. We're doing the bid analysis currently.

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Then, a significant project, Phase 3C of the Centennial Bowl, that's the interchange of the Beltway and the US-95 in the northwest part of the Valley there in Las Vegas. Advertise for bids, opening later this month on June 28th. It's in the \$49-59 million range. You can see the amount of investment that we're doing on some projects in Southern Nevada.

No settlements expected at this week's Board of Examiner's Meeting. Dennis could probably put in more in legal terms for the Nassiri case, but I just put it succinctly there that the Nevada Supreme Court, they—Nassiri tried to get his attorneys to basically request a reconsideration. It wasn't granted. Previously, the Supreme Court told the District Court, basically that NDOT had prevailed and we had about \$1 million in legal costs and fees that were due back from that case. There will be an opportunity to ask Dennis any questions about that during the Old Business, as well.

Lastly and sadly, we want to wish the best to Reid Kaiser, our Assistant Director of Operations. This is his last week. He's done a great job here at NDOT. Reid, thank you for the efforts that you did in improving relations with the Headquarters Divisions and just solid management of their programs and operations. Just to remind everyone, that's the bread and butter of what NDOT does, the construction, maintenance, traffic operations, equipment division, the materials division. They really get a lot done. That's where the rubber hits the road and Reid's leadership really led them to work diligently on their programs but also to work with the Districts and to be more in touch with what the District's needs are. Having a centralized organization such as NDOT, it's often that the Districts feel that they kind of get lost in the shuffle. Reid was very key in keeping those communications open with the Districts, as well as Tracey Larkin-Thomason's efforts with the Districts and just making that partnership work. I wanted to thank you Reid, for your years of service to the State of Nevada and to NDOT. I'm sure that some of the Board Members have comments too.

Kaiser: Thanks, Director Malfabon.

Sandoval: If I may, Mr. Director. I personally want to thank Reid for his service to the State of Nevada. Lieutenant Governor just leaned over and said, that's a big loss. It truly is. Reid, you know, I hope that you know that you have the satisfaction of driving anywhere in the State of Nevada and knowing that you've positively impacted every person in this State in all the projects that we do. That's really something to be proud of. In terms of meetings and my interactions with you, you've always been prepared, you've been professional. Everything that you

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touch, everything that you do is quality. Reid, we're truly going to miss you. This is a great opportunity for you and you know, it always makes me proud personally to see people who done a good job for the State of Nevada to move on to other things. You'll continue to have a positive impact on Nevada, but just in a different way. Speaking for me and speaking on behalf of all the people of the great State of Nevada, thank you very much for your service.

Kaiser: Thanks Governor. If I might, we have—the last eight years under your leadership, I know sometimes we kind of complain about these agreements, having to go over all the agreements and the contracts and everything, but—

Malfabon: We do not. [laughter]

Kaiser: You know, I appreciate your leadership because you have made us more cost-effective. We're a little leaner now and you know, in my opinion, under your leadership, we have become more efficient as a transportation community. I think that's what the State—the people who live in the State of Nevada, that's what they want. So, I appreciate your leadership that you've given to us in the last eight years.

Sandoval: Thank you Reid, that really means a lot. I think I saw the State Controller with his hand up.

Knecht: Thank you, Governor. I won't repeat all the things you said, but I agree with them. I just wanted to let Reid know that last meeting, I suggested maybe I'd bring a motion to keep him here, I thought real hard about that and decided it was in his best interest that I not do so. Reid, thanks a lot.

Kaiser: Thanks, Controller.

Sandoval: Member Savage.

Savage: Thank you, Governor. Reid, thank you for the many years of commitment and loyalty to NDOT. Today, NDOT is a better place, a better Department of Transportation because of Reid Kaiser. Personally, it's been an honor and a privilege to work with you shoulder-to-shoulder, Reid, over the past eight years. Your professionalism, integrity, consistency, ethics and professional standards are amongst the highest of any man or woman I've ever worked with over the last 35 years. You have reassured us all with your composure and your steadiness that the operations here at NDOT are the highest of quality in any state within the

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Union. We're going to truly miss you Reid and I wish you all the best in health and happiness in your future years. Thank you, Reid Kaiser.

Kaiser: Thanks Member Savage. I appreciate your leadership also on the CWG Board. Again, it's kind of the same that I said of the Governor. You know, there weren't always easy things that you guys brought up, you know, with unbalanced bidding and getting our projects closed out in a timely fashion, but again, with your leadership and Member Almberg and Frank Martin's, you know, we have made changes that I think the transportation community can appreciate and again, we our leaner—especially on the operations side, we're doing things better and more efficiently these days and I appreciate your leadership.

Savage: Well, thank you Reid. It's—you worked with us, we worked together. That means everything to all of us at the CWG. We appreciate it and we're going to miss you. Thank you, Reid.

Kaiser: Thanks.

Malfabon: Lieutenant Governor?

Hutchison: Yes. I just wanted to add my comments as well. Reid, everything that we have ever done together, again, has been first-class. You're a man of competence and character and I love to hold up examples of true public servants. You've got a lot of options, you've had a lot of options in your professional life and you've chose public service. When we talk about up and coming engineers and professionals going into public service, particularly with NDOT, we're going to hold you as an example of a true public servant who really sacrificed for the State of Nevada. As everybody here has said, the Governor and everybody else, we're grateful, wish you the very best and God bless you.

Kaiser: Thank you, Lieutenant Governor.

Sandoval: Rudy, did you have a comment?

Malfabon: No, I was just going to have one last item before we open it up for questions for the Director.

Sandoval: All right, please proceed.

Malfabon: Thank you, Governor. I just wanted to announce, the RTC of Washoe County is going to have a grand opening ceremony for the Southeast Connector on July 6th. I didn't have a slide for that but it's significant in that it's a big investment in

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transportation in Washoe County, but also should relieve some of the traffic that goes into the Spaghetti Bowl from Sparks, that once it heads south to the—either to Carson City or you can take that new road once it's opened up in July and it will alleviate some of the pressure that we see from traffic volumes at the Spaghetti Bowl on I-80. Definitely will attend that opening. If any Board Members are interested, it's July 6th. We can get you the details.

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

Sandoval: Okay, thank you Rudy. I don't have any questions, just a few comments as I went through your presentation on the Reno Airport. I want to compliment you and Cole and everyone else involved in that project in terms of your efforts to communicate with the representatives there. I know that you've been reaching out to them from day one. We did have a meeting in my office and I think that everyone understands that NDOT's intent is to improve the quality of life and ability to move around in Washoe County in a much better effort and in no way would NDOT do anything to hurt the Airport. In fact, there's an opportunity here to improve ingress and egress to the Airport.

So, I was very pleased to see the Airport representatives now actively seek to participate in the process. Cole, you know, I appreciate you going to the Board Meeting on June 14th. As I said, this should not be and will not be an adversarial relationship. It will be one with the people, the State and particularly the people in Northern Nevada expect which is a spirit of cooperation and working together and I know—and I'm not saying we have not, because I think we have. I would expect that that meeting would be one that there would be a fair exchange of questions and answers. Really, you know, the big effort there is to avoid what could be a really big transportation problem in the future and get ahead of it.

I'm excited about that. With regard to the naming, my vote goes to Spaghetti Bowl Express. I like that. I mean, the other ones don't really describe where it is and I think that one, everyone there in Northern Nevada will know exactly what we're talking about.

Moving on to Project NEON bonding. I think it's extraordinary that there was \$1 billion in savings by moving up the construction schedule from a 20 year one to a five-year one. Not only does it save taxpayers \$1 billion, but as I mentioned to Lieutenant Governor and Member Valentine, you know, my comment then and my comment now is, the project would've been obsolete by the time it was

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finished in 20 years. I think that we've done the people of Southern Nevada a big service by being a lot smarter about things in terms of saving money and providing a quality project in a much quicker fashion.

Having been down here for the past several days, it's remarkable what NDOT and Kiewit have accomplished here in terms of the magnitude of this project but still doing a really good job in terms of allowing people to move around the best they can in the midst of the largest public works project in the history of the State. My compliments to you, Rudy, and Mr. Keller and everybody else associated with the project down here. I think you did a great job and Kiewit as well.

On to the stadium. I'm glad to see again, that we're trying to get in front of everything in terms of working with all the interested parties to—to make sure that this is done in an intelligent way, in terms of coordinating the stadium representatives, the gaming industry representatives and the transportation representatives. I think that's—one of the worst outcomes would be to have Day 1 and have a big traffic jam and not have everything done. I'm really pleased to see that we're ahead of this.

I do have a question there, Rudy and I don't know if I heard this anecdotally or internally. There was some discussion about a pedestrian ramp over the 15. Is that something that is still under consideration or ever was under consideration?

Malfabon: It was at one time, Governor, it was identified—it would be a pedestrian bridge, which I think they're looking at—because of the layout of the MGM properties, the Mandalay Bay and they found an approach that could work with Special Events to use the Hacienda Bridge. It still could come to pass that in future years, a pedestrian bridge could be built there, but for now, they felt that they could use Hacienda as a primary access for pedestrian traffic; which is going to be substantial from the Strip Area, South Strip, Mandalay Bay area.

Sandoval: All right, thank you. And then just finally, another comment with regard to the RTC, I-11, Phase 2 Project; also in coordination with our piece, the Boulder City Bypass. That again was something that really seemed like it wasn't possible. My compliments to NDOT, as well as the RTC for what I believe is a visionary project, in terms of the first piece to what will be a major transportation artery for the Southwest United States, connect Mexico, Canada and everyone in between. Particularly, for the benefit of the State of Nevada. This is really something that, you know, all of us won't be here, but when it's completed, I think people are really going to appreciate again the vision of NDOT and the RTC and everyone—

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and also our brothers and sisters from Arizona, from all of us working together to get this done. I know there's a lot more work that has to be accomplished in planning but this is a really big piece. I think a really massive indication of what the State of Nevada's intent and our commitment to making sure it gets done. Thank you for that Rudy.

Malfabon: Thank you, Governor.

Sandoval: Questions or comments from other Board Members with regard to the Director's Report, Member Valentine.

Valentine: Rudy, I'd like to acknowledge and thank you, Cole and Nick Johnson who appeared before the Northern Nevada Resort Association Board of Directors to talk about the Reno Ramps. I hope those will continue. I have one question, have they been added as a participating agency?

Malfabon: Cole is going to go ahead and address that Member Valentine.

Mortensen: First of all, I'd like to say thank you for all the kind words there. We have been considering them as a participating agency, I think since our meeting in late March. We actually did respond after it was apparent that there was some confusion as to whether or not there was an official document or something that made that happen. They will be and have been considered a participating agency since then. Basically what it boils down to is, it will be documented within the EIS and then we'll continue to work with them as we've worked with the other agencies to get through the process.

Valentine: I appreciate that. I have also a comment about that. I was a little surprised to see a traffic circle pop-up. I drive through traffic circles several times a day and they particularly, I think if you have people who are not familiar with how to drive in traffic circles, something like at an airport, where people are not familiar with the area, I think there could be some challenges associated with that. It surprised me too because I'm used to seeing traffic circles in conjunction [inaudible] and not necessarily capacity solutions. I hope that when you do your report, we—a good discussion about capacity and some of the alternatives, that things get a little bit lost and they don't really jump out at you from the graphics. I hope they'll consider that, to the Governor's point about long-term solutions as you are looking way down the road at increased volume.

Mortensen: Thank you. That's part of the reason why, at this point in time, we're not going to be able to include those alternatives as part of the draft EIS because we still have

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a lot of evaluation that has to be done. The traffic analysis and other environmental considerations as well, so basically at this point in time, the whole purpose for us doing the draft EIS is to allow us to discontinue looking at the other two alternatives and to discontinue doing any further evaluation on those. What it doesn't mean is that we're not going to be making changes to the preferred alternative that we presently have in going forward. We'll continue to work with them and make sure that we can do our best to handle those traffic volumes and make sure that we're mitigating any of the environmental concerns as we go forward.

Valentine: Thank you.

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you. Governor, thank you. Rudy, thank you for your report. I just wanted to make a couple comments. One just on the passing of Bob Mendenhall, as Rudy you had mentioned and it was and is a loss for the great State of Nevada. As you mentioned, Bob was very innovative and really an icon in Nevada. I had an opportunity several months ago to take a tour of I-15, the I-15 stretch with his grandson Ryan. His legacy continues and his efforts continue and his history with the company will continue beyond his life. Some of that bridge work was excavation sites and that wildlife protection facilities that they came up with out there, I mean, those were very, very difficult engineering challenges that they conquered out there and very, very impressive. We continue to be blessed to have Bob's influence and his generosity in Southern Nevada and throughout the State.

I wanted to just follow-up on a couple of points and add my thanks on Project NEON. I drive Project NEON almost every day and it's never convenient to have a construction site in the middle of a freeway system like that, for anybody, but it is, I think as smooth as it possibly could be. I remember when we planned that and we thought about that and that was our number one priority, beyond making sure that the State of Nevada and the taxpayers receive a quality value for their tax dollars, but avoid the inconvenience as much as possible. I think we're accomplishing that. As I say, it's not convenient to have a construction project in the middle of I-15 and 95, but I think it's as smooth as it can possibly be. I just appreciate that. I haven't heard a lot of complaints, at least from my end down here.

Then again, just adding the emphasis that others have made to the pedestrian access for that stadium. Whatever we can do to coordinate with those hotels and

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the stadium, just—that's got to be a great game day experience, event day experience for everybody. Again, I'm very pleased that we're coordinating all those efforts.

Finally, maybe this is a best question for Counsel, in terms of Nassiri v. NDOT, what do we think our chances of actually recovering attorney's fees in that million dollar lawsuit there?

Gallagher: For the record, Dennis Gallagher, Counsel to the Board. If you'll indulge me for a moment because I know some Board Members aren't familiar with this case. It originated in 2012. NDOT was sued by Mr. Nassiri. Various tort and breach of contract allegations. Through the years, it was extensively motion practice to reduce the claims. Mr. Nassiri's theory of the case changed which added to the complexity to it and at different times, what he wanted from NDOT changed. At one point it was rescission plus \$20 million. At another point, he wanted \$45 million. Then at another point, he wanted \$20 million but he got to keep the property.

Everything was thrown out except a couple of breach of contract related claims. We were scheduled to go to trial with that. The State opted to go to the Nevada Supreme Court to seek a Writ of Mandamus. Earlier this year, the Court entered such a Writ, directing the District Court to enter judgment in favor of NDOT on all remaining counts. Mr. Nassiri requested a rehearing from the Supreme Court which was denied earlier this year. We filed, on behalf of NDOT a Motion for Cost and Fees. The Judge ordered supplemental briefing. We submitted supplemental briefing and at argument on the supplemental briefing, the Judge ruled from the bench in favor of NDOT, awarding approximately \$1 million worth of cost and fees. Significantly, that judgment will be entered against Mr. Nassiri both as an individual and his personal trust.

Hutchison: Mr. Gallagher, thank you very much. Congratulations to you, I know to outside counsel, had a chance to talk with him about the case. Competently handled, obviously, by his firm and managed by you. That's a big win and a great victory for us. Thank you.

Gallagher: Thank you, Lieutenant Governor.

Sandoval: Questions or comments from Northern Nevada?

Malfabon: None up here, Governor.

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Sandoval: Thank you. We will move to Agenda Item No. 2, Public Comment. Is there any member of the public present in Las Vegas that would like to provide public comment to the Board? There's no one. Is there anyone in Northern Nevada who would like to provide public comment to the Board?

Malfabon: Yes, there is Governor. Someone is approaching the podium. Please state your name.

O'Malley: My name is Cynthia O'Malley. Governor Sandoval, I'm so sorry to have missed you today. I hope I get to see you soon. I'm here because NDOT just did a fabulous job in dedicating the 12-mile segment of Highway 140 for my son Jacob O'Malley and Will Hawkins. I wanted to thank you again. It was so amazing how Governor Sandoval pushed this through and everybody here worked hard and got it done so quickly. So, thank you very much. Thank you. And, that day, on November 2nd when we met out there, it was a very special time. It will always be held in my heart and I will not forget it.

Governor Sandoval, I'm here today because I brought the ballcaps that I told you I'd bring for Len and Sean and Bill and you. Since you're not here, I wondered if I could make an appointment with you when you get back from Las Vegas, and give this to you in person?

Sandoval: Ms. O'Malley, thank you for being here. You don't need to make an appointment, you come any time you want.

O'Malley: Okay.

Sandoval: That was an extraordinary day. It makes me emotional just thinking about it. Please know, you're always in my thoughts and prayers and you know, again, your son is a hero and just a shining example for everyone. You know, again everyone at NDOT and everyone who was out there that day, it was truly a special moment. It will be a place that everyone will be able to come to and think and pray and reflect. It's such a beautiful, beautiful place. It's really nice to see you again. I apologize I was down here today. If I had known that you were going to be up there, I would've made a special effort to be there. Please know, any time you want to come in, I truly look forward to seeing you. I'm going to really, really treasure that hat.

O'Malley: Oh yes and you know, you will. I have something for your dog Charlie as well. Because, Gatsby was out there that day. I'd like to say, to give a recap too that, I don't know, probably Governor Sandoval knows this, but in April we were flown

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up with your tax dollars, thank you very much, to meet with and see the men that were behind the engine that day, the eight Boise Crew. There was eight men. They did their job and they saved the lives of Zachary and he's doing really well. We were flown up there because the National Director from Washington DC came and gave them all—they all received the Metal of Valor. I wanted to give that as a recap for everybody here, to know that happened. That was, gosh, they're eight young men, wonderful young men that did their job and went beyond the call of duty that day. That was really a special occasion that we went up there for and we were grateful to be there and to be able to thank them for the job they did. They saved Zach's life.

On this hat is the sticker that was done. It's called Never Forgotten. It has Engine 2410, O'Malley-Hawkins on here. And the date. What's special about this sticker is, it was asked to be put on the BLM engines in the State of Nevada as well, okay. So, they've made a hat and when I talked to the guys out there on November 2nd, you all said you wanted the Never Forgotten hats, so that's what I've brought you. I wondered, Governor Sandoval, if it would be okay, that I could give this to Len today and to Sean and then, at a later date, get maybe all four of us together and get a picture, altogether with the hat.

Sandoval: Absolutely, thank you. Thank you, thank you, very much. God bless you.

O'Malley: Thank you. So, can I give these to at least Len and Sean are here today, is that okay?

Sandoval: Yes, please.

O'Malley: Okay, thank you.

Savage: Governor, I typically don't speak during public comment, I don't think I ever have. This moment, it was very heartfelt and I want to thank Cynthia and may Jacob and Will rest in peace knowing they'll never be forgotten and this hat will be worn very proudly. I thank you, Cynthia. I thank you, Governor.

Sandoval: Thank you Len. Is there any other public comment from Northern Nevada?

Malfabon: I don't see any other speakers, Governor.

Sandoval: All right, thank you. We'll move to Agenda Item No. 3, which is the Approval of the May 14, 2018 Board Meeting Minutes, have the Members had an opportunity to review the minutes and are there any changes? Mr. Controller?

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Knecht: Governor? Thank you. At Page 4, in the third line of my remarks, towards the middle of the page, there seems to be a fugitive extra word there and we should take out the 'but' that's in that line. At Page 35, two items. The top line, the word reins should be R-E-I-N-S, not R-E-I-G-N-S. The second line from the bottom, there are three what's in that line, the second one should be 'want'. Those are all the changes I have, thank you.

Sandoval: Thank you, Mr. Controller. Do the Members have any other changes? If there are none, the Chair will accept a motion to approve the May 14, 2018 Minutes with the amendments recommended by the Controller.

Valentine: So moved.

Sandoval: Member Valentine has moved for approval, is there a second?

Hutchison: Second.

Sandoval: Second by the Lieutenant Governor. All the Southern Nevadans are going to get their motions this week. Any questions or discussion on the motion? I hear none, all in favor say aye. [ayes around] Those opposed say no. That motion passes unanimously. We'll move to Agenda Item No. 4, Approval of Agreements Over \$300,000, Mr. Nellis, I would assume, you're up.

Nellis: Yes, good morning Governor, Members of the Board. For the record, Robert Nellis, Assistant Director for Administration. There are two agreements under Agenda Item No. 4, that can be found on Page 3 of 13 for the Board's consideration.

Line Item No. 1 is the first amendment with three service providers to increase authority by \$400,000 and extend the termination date for the continuation of on-call archeological services due to limited staff resources, number of anticipated projects and to meet the requirements of the National Historic Preservation Act.

Line Item No. 2 is also the first amendment with three service providers to increase authority by \$400,000 and extend the termination date for the continuation of on-call architectural historian services, due to limited staff resources, number of anticipated projects and to meet the requirements of the National Historic Preservation Act.

With that, Governor, that concludes Agenda Item No. 4. Does the Board have any questions regarding these two agreements?

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- Sandoval: Thank you, Mr. Nellis. I have no questions. Board Members, any questions with regard to Agenda Item No. 4?
- Knecht: Governor?
- Sandoval: Is that you, Mr. Controller? Yes.
- Knecht: Thank you. Mr. Nellis, a couple of questions. Could we have foreseen the need to run these projects three years, instead of one, at the time when they were first approved?
- Nellis: Mr. Controller, I'll defer you to Cole Mortenson for those answers.
- Mortensen: For the record, Cole Mortensen, Assistant Director of Engineering. I would have to verify with staff on that but my anticipation is, we've just started some more of these on-call lists. I would have to say, they're probably trying to find out how much use they actually get out of them, which is why they did one year to start with rather than the three. I think that that first year also helped them understand how much they'd be utilizing their services as well, which is why now they we're asking to extend it by two years, with the expectation of about \$200,000 for each of those years.
- Knecht: Fair enough. And, the problem that I see here is—actually two problems. One, there's an appearance here of getting the camel's nose under the tent and then two humps to follow. You know, as someone who used to have state contracts, getting an extension and more money in the amendment than the original had, it always looked like a great thing for the contractor. I guess, I understood your answer that you know, this is a start and a learning process. In the future, will we expect to see fewer of these back-end loaded amendments?
- Mortensen: I understand your concern and your question there. Maybe to give you a little bit more comfort with this also. With this being an on-call, this isn't a direct contract guaranteeing each one of them would receive this funding.
- Knecht: Right.
- Mortensen: What this does is it allows us to open up the door to send out a quicker process to get smaller amounts of work done. So, even though we're amending this overall payable amount to \$650,000, it doesn't mean that it is going to be spent or to given all to one contractor. But yeah, in the future, we're certainly—where we can, we certainly try to identify the total duration that we expect along with the

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total amount that we expect. In certain circumstances, it just doesn't work out that way.

Knecht: One final question here, how do we manage the budgetary aspects of this? We're looking at a new biennium here and I presume that the portion, the period and the dollars of the amendment that go into the new biennium are subject to legislative authorization and approval by the new Governor in the budget. Is that correct?

Malfabon: I'll respond to that, Mr. Controller. NDOT uses our Capital Improvement Program to pay the consultants that support our project delivery process, as well as our contractors that ultimately bill the project. Because that's a fluid situation, with receipt of grants or other funding adjustments, typically we do have to go to Interim Finance Committee for adjustments to the Capital Improvement Budget for NDOT. It's taken into account at that stage, when we go to IFC adjustments.

Knecht: Thank you, Mr. Malfabon and thank you, Governor.

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

Almberg: I have one quick questions, Governor.

Sandoval: If there is none—oh yes, Mr. Almberg.

Almberg: This is—each of these items here have three consultants, for each of them. I'm just wondering, I realize that this work is given out by task order, whatever may come up and the simple question I have, have each of these consultants have had some type of task to do?

Mortensen: I would have to get that answer for you. Typically, with these, we'll send out a Request for Approach, or an RFA and then we'll get—it's a shorter type proposal, so they're not putting as much effort into it. Then they'll make the selection on who gets the work based off of the proposals that they receive. And, that doesn't necessarily mean that all three firms are going to submit a proposal either, right? It's just that we're asking them to submit, so that hopefully we can get them on board a little bit quicker. To—short answer to your question is, I don't know—

Almberg: Okay.

Mortensen: --if all three have, at this point in time or not.

Almberg: And I understand the process and I agree with the process, I was strictly wondering.

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Nellis: Member Alberg, I can answer that question. In the archeological services, all three have been issued task orders and then one had been issued a task order so far in the architectural history services.

Alberg: All right, thank you. That's all for me, Governor.

Sandoval: Thank you. Any other questions? If there are none, the Chair will accept a motion for approval of the agreements presented in Agenda Item No. 4.

Savage: Move to approve.

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

Valentine: Second.

Sandoval: Second by Member Valentine. Any questions or discussion? I hear none, all 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. 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 four contracts on Pages 4 and 5 of 14 in your packet. The first project is located on I-15 at 215 in Clark County. This is a capacity project in which restriping will modify the existing single lane southbound I-15 to westbound I-215 offramp to two lanes. There were two bids and the Director awarded the contract to CMMCM in the amount of \$548,006.55.

The second project is located at the Elko Administration Building. This is for asbestos removal, rough carpentry, new doors and windows, as well as, mechanical and electrical improvements. The Director awarded the contract to Core International, in the amount of \$343,730.13.

The third project is located in Fernley, Main Street from Hardie Lane to 400 feet west of Seventh Street. Construction includes ADA improvements, bike lane, curb gutters, sidewalks, approaches and drainage improvements. There were four bids and the Director awarded the contract to Granite Construction Company in the amount of \$735,735.

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Lastly, the fourth project is at the Kingsbury Maintenance Station in Douglas County. This is for water line and sewer line installations. There were two bids and the Director awarded the contract to A&K Earthmovers in the amount of \$544,000.

With that, does the Board have any questions regarding these four contracts before we turn to Attachment B?

Sandoval: Thank you, Mr. Nellis. I have no questions. Board Members, any questions with the first portion of this agenda item?

Hutchison: Governor?

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you, just a quick question for you on Item 2. Were you surprised that there was only one bidder for that item?

Kaiser: Reid Kaiser, Assistant Director for Operations. Yeah, we were surprised and that—Northeast Nevada is very busy right now. In fact, this contractor had 11 subs on this job. Prices for the materials he was using has increased 40% this year. The contractors, the vertical contractors are very busy. That also gives an explanation as to why we were above the Engineer's estimate.

Hutchison: Okay. Thank you.

Sandoval: Thank you, Mr. Lieutenant Governor. Mr. Controller.

Knecht: Thank you Governor. Mr. Nellis, the first three projects came in nicely under the Engineer's estimate, so naturally I'm going to ask about the fourth one which came in about 30% over and its, you know, within seeing distance of the urban area here. Actually, you can see it from Carson City. Help us understand why that one came in 30% over.

Kaiser: Again, Reid Kaiser, Assistant Director for Operations. The biggest reason we think it came in over is, this job was up at Lake Tahoe and we had increased our Engineer's estimate a couple of times in the last couple of months because we've been meeting with the TRPA and trying to get this permit through. So, all we can figure is that, with it being in Lake Tahoe, there's longer hauls than what we had thought. I would have to assume that would be why the—why the contractor is over the engineer's estimate.

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- Knecht: Okay. And, I guess there's an uphill aspect of that one too, as well as longer. Thank you, Reid. Thank you, Governor.
- Sandoval: Any other questions?
- Savage: Yes, Governor.
- Sandoval: Member Savage.
- Savage: On the same item, number 4, being over budget again 35%. We talked about this last month as well. I would like to take this discussion to our next meeting at the CWG because there does have to be a point where the Department says, we can't afford something if it's 35%, 50%, wherever that margin is. So, I would like to discuss it at our next meeting this afternoon at the CWG on a further basis. Because as a contractor on the private side, I realize materials and labor have increased substantially over this past year and will continue to do so. As a Department, wearing the other hat, we need to be well aware, on top of the game, understanding what those estimated costs are. So, just to reassure the Controller and the Governor and the rest of the Board, we will discuss this particular issue and other estimates at the next CWG. Thank you very much.
- Nellis: Member Savage, Robert Nellis for the record, I believe part of the—this is a unique situation in this particular one where the engineer's estimate was eight months old and that was—there was a delay from acquiring a utility easement. So, we had a—we had an estimate, we've been working on this for a number of years and then, by the time we got that acquisition or ready to go, it didn't take into account the current cost escalation and the big climb that we're experiencing now. I believe this is a little unique from some of the other overages that you've seen.
- Savage: Thank you, Mr. Nellis.
- Sandoval: Thank you. Any other questions on this portion of the agenda? All right, Mr. Nellis, please continue.
- Nellis: Thank you Governor. Turning to Attachment B in your packet. There are 62 agreements under this attachment. On Pages 11-14 for the Board's information. Items 1-18 are Acquisitions and Cooperative Agreements. 19-29 are Facility Agreements and a Grant. 30-34 are Interlocal Agreements and Leases. Lastly, Items 35-62 are for Right-of-Way Access and Service Providers.

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With that, that concludes this agenda item, Governor. Does the Board have any questions for us regarding these agreements?

Sandoval: Board Members, questions on this portion of the agenda? Mr. Lieutenant Governor?

Hutchison: Thank you. Thank you, Governor. Just a couple of—just a question really on two items. Item 41 and Item 49 are just for janitorial services, fairly routine services here. I'm just curious, these I'm sure are competitively bid. These are within the range that we've seen in the past, or is this something that we're seeing an escalation in costs because of labor issues or other market conditions?

Malfabon: I'll respond to that and maybe Tracy can add, but usually the Districts, when they're procuring the janitorial services they allow the vendors, the service providers to look at the sites. They consider some other factors, as well as obviously the cost. They try to keep these as simple projects, but also do a lot of leg work in advance, to let the janitorial companies know what the expectations are for service so that our—the public that uses these facilities is not inconvenienced or that has that clean rest area and they negotiate the terms of that but explain it all in advance, so we get a level playing field on the bids. Tracy, do you want to add anything to that?

Larkin: For the record, Tracy Larkin, Deputy Director for NDOT. These costs—adding on to what Rudy said, but these costs are fairly typical for what we are expecting to see in these areas.

Hutchison: Okay. Thank you and one more question for me and that's Item 46. \$300,000 for a Hazardous Commodity Flow Study. I understand the importance of making sure that we deal with hazardous materials in a way that minimizes danger and maximizes safety, but just for the record, can somebody explain what we're doing here and the purpose of the \$300,000 for this study?

Rosenberg: Sondra Rosenberg, Assistant Director for Planning. That's something that came out of our Statewide Freight Plan, from our Freight Partners that it was of interest to several agencies to better understand where hazardous commodities are flowing through the State, create some maps. Really, it's more of a partnership on communication on this issue. That money is coming from the Freight Funds that we get from the Federal Highway Administration. Again, it was something that popped up through that study. We're working with Emergency Management and several other agencies to develop that.

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Hutchison: Is Cambridge Systematics a company that we've contracted with before and has experience in this area?

Rosenberg: Yes. They have—actually, they've recently established a Nevada office who has worked with us under other consulting firms, but they are a national expert on freight issues. They were a subconsultant on the Freight Plan. They're a subconsultant on our statewide plan. We are very familiar and comfortable with their abilities.

Hutchison: All right, thank you Governor. Thank you.

Sandoval: Thank you, Mr. Lieutenant Governor. I'm going to jump in here, just while you're speaking Sondra, on Contract 32, with University of Nebraska and this—I know it's not a cost one but it says, due to a delay in the receipt of materials, can you provide a little bit more detail on that?

Kaiser: Governor, I'll handle that for Sondra. That was a—the delay in that contract was we sent them materials, concrete and cement from Northern Nevada and Southern Nevada. We were slow in acquiring those materials and getting that material to them so they could start the research. So, that's why we're requesting an extension in time on this agreement.

Sandoval: Okay, so that one is on us, right?

Kaiser: That one is on us. Yes, Governor.

Sandoval: Okay, thank you. That's all I have. Mr. Controller.

Knecht: Thank you, Governor. I've got three items. Mr. Mortensen, Item No. 8, Billboard relocation for \$325,000. Anywhere in the State and most of the country, \$325,000 is well above a starter house. What are they going to do for the billboard relocation that's going to cost \$325,000? Are they going to disassemble the thing and move it and reconstruct it or are they just going to build it from scratch or, must be some hotdog kind of billboard?

Mortensen: If I may, Ruth Borrelli, our Chief Right-of-Way Agent will provide detail on that.

Borrelli: For the record, Ruth Borrelli, Chief Right-of-Way Agent. What they need to do, the structure is no longer compliant. So, they'll be demolishing, bringing down the structure. Then they had to acquire and reconstruct the new structure and place it. So, it also is bringing in the infrastructure necessary to support the billboard. That's power, power lines need to be brought in.

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- Knecht: Okay. Power lines are required because this is an electronic billboard?
- Borrelli: Correct.
- Knecht: Gee, I thought electronics were going to save us money. Thank you, Ruth.
- Borrelli: Thank you.
- Knecht: Item 30 is Department of Public Safety, Office of Traffic Safety and it's an amendment, a no-cost amendment that extends a two-year contract to a five-year contract, roughly. I wondered about that. You know, there's been previous increases in the total of a modest nature but why are we extending it from two years to five years?
- Rosenberg: For the record, Sondra Rosenberg, Assistant Director for Planning. I was looking around to see if one of my traffic safety folks was here. Unfortunately, I may have to get back with you on the details of that—oh, there you are. Never mind. Ken Mammen will answer that question.
- Mammen: Good morning Governor, Members of the Board. For the record, Ken Mammen, Chief Traffic Safety Engineer. That agreement is one of our ongoing purposeful collection of data that we always have to have. There's two things going on here. We've got USOM, which is the School of Medicine, which we're working with on the Trend Newsletters. Then, of course, we get our crash and citation data base that we're constantly working on. It's a never-ending process, it will never go away. So, you'll always see these things come up and be extended.
- Knecht: So, if it's information technology, instead of the old rule of thumb that you double the time, this one is 2.5 times the time.
- Mammen: I can't answer the question on why it's—that the timeframe is. I can get back to you on that, why that transpired to that timeframe, but—I don't have an answer for why the timeframe is as it is.
- Knecht: And I would appreciate that.
- Mammen: Okay.
- Knecht: Thank you very much. Finally, Item 48 is an amendment that increases the authority by about 135% from what it originally was for continuation of services on an on-call basis. What's going on there? This actually will extend the end

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date only slightly, if at all. I'm just wondering, why we have basically 135% increase.

Malfabon: Thor Dyson is approaching the podium, but typically they just need this type of service on-call for concrete pavement repairs. Thor, you want to add to that?

Dyson: Certainly. Thor Dyson, District Engineer for NDOT, Board Member Knecht, thank you. We anticipated that question. This is another one of those, it's on us. There was a clerical error, unintentional processing error on the contract and it was written for only \$102,612. It was determined and agreed at that time that the amendment was spent down to make this agreement whole to the original amount. So, it was initially a clerical error on our part.

Knecht: Okay, and—

Dyson: And, it's an on-call. We're constantly using this particular service. Our infrastructure is always being hit, crashed into, destroyed, needing repair, needing to be made whole on a timely basis.

Knecht: Thank you. So, we have two of them out of 48 this time that are on us, or do we have any others that basically, that involve some problem with our contracting process or would you know?

Dyson: We have the one earlier that Mr. Kaiser was talking about and then this one. I'm trying to think if there was another one that we had. We had a tree trimming contract, yeah, No. 59, same thing. That was in our District. That one was for, again, a clerical error. We needed to change the rate from \$340 to \$352 per hour. It does not change the total amount of the agreement. It's—it includes for a four-person crew to, with equipment, to address tree trimming.

So, like last Saturday, it was pretty windy. Had a hard time standing up. We have a lot of tree damage. A lot of trees have been blown over. So, we'll be using some of these guys. Not only to trim the trees, but on an over time basis, if we need to, to augment our staff to address tree trimming and tree removal, dangerous trees along the highway. That could be anything from, you know, — let's say we have some issues that trees are partially or all in the right-of-way and it's going to be an issue falling on to traffic or it's a vision problem for people making turns.

Knecht: Mr. Dyson, thank you very much for your candor and your forthcoming and informed response.

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- Dyson: I'm sorry we have—
- Knecht: I would like to say we never have—we never make errors at the Controller's Office, but I know better. So, 3 out of 62, I'm comfortable with that.
- Dyson: Well, we'll tighten it up, three is too many. Thanks.
- Knecht: Thank you. Thank you Governor.
- Sandoval: Thank you, Mr. Controller. Any further questions on this agenda item? Mr. Nellis, any further presentation?
- Nellis: No sir, that concludes this agenda item.
- Sandoval: Thank you very much. We'll move on to Agenda Item No. 6 which is a Resolution of Relinquishment. Director Malfabon.
- Malfabon: Thank you, Governor. This is for disposal of a portion of NDOT right-of-way. Eight permanent easements along SR-593/Tropicana Avenue and SR-604/Las Vegas Boulevard, for the elevators/escalators and stairways to the pedestrian bridges in Clark County.
- Apologize because we had to send you the additional reference materials separately. The original Board Packet had to be amended but it was correct on the agenda and we just had to get you that information and get you a hard copy as well.
- This is, as I mentioned last month, the final action for those pedestrian bridges at Tropicana Avenue and Las Vegas Boulevard. Basically to transfer to property at the landings of these escalators and the stairways to the County, to Clark County. We'll all be complete and actually pop the champagne for transferring the pedestrian bridges to Clark County for this last action associated with the pedestrian bridges.
- Sandoval: Thank you, Rudy. I actually went on them on Thursday, last Thursday. I will—I have no questions and you know, this is something that I talked about quite often and that I've followed since 2003. I've been a part of that discussion. If there are no questions, I don't want to discourage anybody but I will enthusiastically accept a motion for approval. Before I do, does anyone have any questions or comments on this agenda item?
- Hutchison: Only comment, Governor is just, hallelujah, the day has arrived. [laughter]

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Sandoval: Yeah. Again, I know there have been a lot of people in the Department that have been involved in getting this done. I hope that no one takes my being a bit factious as being pejorative in any way. I just—I know something like this is a really big deal and takes a really long time. Fifteen years is—I don't think—and actually, I don't lay it on the Department at all. I lay it on other—others. [laughter] In any event, all is well that ends well. Is there a motion for approval of the resolution of relinquishment as presented in Agenda Item No. 6?

Hutchison: Move to approve.

Sandoval: Lieutenant Governor has moved for approval, is there a second?

Valentine: I'll second.

Sandoval: Second by Member Valentine. Any questions or discussion on the motion? All those in favor, please say aye. [ayes around] Those opposed say no. That motion passes unanimously. Thank you everyone who was associated with this. We'll move on to Agenda Item No. 7 which is another Resolution of Relinquishment, Director Malfabon.

Malfabon: Thank you, Governor. This is associated with disposal of a portion of NDOT right-of-way, parcel of land, in the City of Henderson in Clark County. We have a parcel of land associated with North Stephanie Street. It's within the City of Henderson's jurisdiction and the City of Henderson consented, by resolution, passed and adopted on May 15, of this year, to our relinquishment to the City of Henderson. It's just associated with a road that we do not maintain but we own the parcel and we're just transferring it to the City.

Sandoval: Thank you, Director Malfabon. Board Members, any questions with regard to Agenda Item No. 7? If there are none, the Chair will accept a motion for approval of the resolution of relinquishment as presented in Agenda Item No. 7.

Savage: Move to approve.

Sandoval: Member Savage has moved for approval. Member Valentine has seconded the motion. Any questions or discussion on the motion? If there are none, all in favor, say aye. [ayes around] Those opposed, say no. That motion passes unanimously. We'll move on to Agenda Item No. 8 which is a proposed Rescission of Logan G. Hand and Debra Hand Parcel from Condemnation Resolution #464. Director Malfabon.

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Malfabon: Thank you, Governor. One of the things associated with the US-50 project is we've continued to refine the design and in this case, we—the redesign changes that we've done for US-50 have resulted in us having to rescind this condemnation resolution because the property—the parcel in question, which lies along the north side of US-50 near Bowers Avenue, east of Onyx Street, we no longer require it. So, we're rescinding the action associated with Logan G. Hand and Debra L. Hand, and basically, if there's any questions about that, we can have Ruth Borrelli respond to those, but we no longer need the property. Therefore, we're rescinding the condemnation resolution previously passed.

Sandoval: Thank you, Director Malfabon. Board Members, any questions with regard to Agenda Item No. 8? Pretty straightforward. If there are none, then the Chair will accept a motion to approve the rescission of the Logan and Debra Hand parcel from Condemnation Resolution #464.

Knecht: So moved.

Sandoval: We have a motion by the Controller. Is there a second?

Valentine: I'll second.

Sandoval: Second by Member Valentine. Any questions or discussion? I hear none. All in favor, say aye. [ayes around] Those opposed, say no. That motion passes unanimously, we'll move on to Agenda Item No. 9, which is another proposed rescission of 303050 LLC and Bowers-USA, LLC, parcels from Condemnation Resolution #467. Director Malfabon.

Malfabon: Thank you, Governor. Similar to the previous item, NDOT redesigned so that we are—instead of building a road that required the acquisition of these portions of these parcels, we're going to be paving two County roads instead to get access to US-50. This affects previous condemnation resolutions approved by the Board for 303050 LLC and Bowers-USA, LLC. If the Board has any questions, we can have Ruth Borrelli, the Chief Right-of-Way Agent respond.

Sandoval: Just a reminder. This doesn't implicate some of the discussion that we had at a prior Board Meeting, where we had individuals who came and presented?

Malfabon: Governor, you might be referring to Mr. [inaudible]. That was associated with the USA Parkway project and we settled on a price for the acquisition of the property associated with USA Parkway. It's in the same area of USA Parkway, for this US-50 Project. Ruth, if you have anything to add?

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Borrelli: Ruth Borrelli, Chief Right-of-Way Agent, for the record. Governor, [phonetic] did come and speak to the Transportation Board, several months ago, when we made—when we had the original resolution on the agenda for condemnation, so you may be referring to that. Thank you.

Sandoval: Thank you. I probably should've asked that question in the prior agenda item, but it did—I wasn't sure if it was the same thing, thank you for the clarification. I have no other questions or comments. Board Members, any questions or comments on Agenda Item No. 9? If there are none, the Chair will accept a motion to approve the rescission presented in Agenda Item No. 9 with regard to Condemnation Resolution #467.

Hutchison: Move to approve.

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

Valentine: I'll second.

Sandoval: Second by Member Valentine. Any questions or discussion? I hear none. All in favor, say aye. [ayes around] Those opposed, say no. That motion passes unanimously. Agenda Item No. 10 has been removed from the Agenda. So, we'll move to Agenda Item No. 11 which is the Fiscal Year 2019 Equipment Replacement and Additions Request. Director Malfabon.

Malfabon: Thank you, Governor. District Engineer, Thor Dyson, will present this item to the Board. Just to remind the Board, our equipment line item is approved by the Legislature and we're now on the—just getting ready to enter into the next State Fiscal Year, so we're requesting Board approval early, as we finish FY '18 and are getting ready for '19, so that State Purchasing can proceed in a timely manner with acquisition of this equipment. Thor?

Dyson: Thank you. Thor Dyson, District Engineer. It's a pleasure to be back here. [audio cut] Fiscal Year for 2019 Equipment. As Director Malfabon stated, it certainly has been approved by the Legislature and we're going through process like we did last December for FY '18.

We had Legislative approval. NDOT is required to have the Board review and approve our fleet units that are greater than \$50,000. That's the procurement of new equipment is under NRS 408. It states that we'll not procure any equipment which exceeds \$50,000 unless we have your approval.

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This is right out of the Legislature. NDOT is to replace heavy-duty equipment \$7.5 million. That's again, for FY 2019. And, down at the bottom, Construction and Bridge, additional Special Equipment, for \$620,000.

Here's the class codes, the number of units, a brief description of the unit and the approximate dollar amount that we put together for \$7.5 million. A total of 99 units. This is statewide. This chart, you look at this table, one slide, but there is a tremendous amount of work and a tremendous amount of effort statewide, particularly with the Equipment Division. We've got Mr. Wayne Miller and Jeff Greenblot with us. They're here also to answer any questions, as well. I just want to say, a tremendous effort by the team. Mr. Mike Feese and some other individuals, of course, District 1 and 3 and headquarters with the Director's Office support. This slide right here represents a lot of work.

So, how do we replace our equipment? It's the same way I discussed back in December. We base it on miles and hours, the age, the downtime, the repair and recapitalization costs and then parts and parts availability.

This fiscal year, FY '19, we proposed to replace 4% of the current fleet. Before this replacement, more than 50% of the fleet meets replacement requirements. So, we'll have roughly 45% will meet fleet replacement criteria after this replacement. And, we're holding what we have, we're holding it together. There was a long time where we didn't replace equipment because of the recession and trying to be fiscally responsible and make things do with what we had. We're proud of that effort but now it's time to move forward and start replacing.

Here's a classic Class 12. It's one of—an older truck as you can tell. We've gotten a lot of life out of it. We're trying to replace this type of dump truck, which we use for multiple tasks for snow and ice operations, for hauling dirt and material, dealing with flash floods, debris, lots of debris. We're trying to move towards these Class 13s. Get out of the Class 12s. The Class 13s, they—first off, they have a higher resell value. Second, you can do more with them and you can get a lot out of these Class 13 dump trucks. You'll notice there's a stainless-steel bed on this truck and the reason is because we're out to save money by not painting it and having a stainless steel, we don't have the rust issues as you see on this. Our trucks are in very difficult, arduous environments.

Also, our trucks are going to be painted yellow—or, excuse me, white. This one here was before we decided to move to white. White is cheaper, so we're looking to save money on white trucks.

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I showed this last December. Not a lot has changed. This is our analysis for different units. For Class 13 Unit, here we have, this particular one, Unit 829, GMC, it's a 1995 diesel. It has 233,000 miles. It's, you know, 23 years old. The unit qualifies for replacement after 12 years or 200,000 miles. So, rather proud of squeezing every drop of blood out of this unit.

Same thing with the Class 35, front-end loader. Another case study that we have for Unit 2217. It's a frontend loader. I believe I showed this in December of 2017. 1998 diesel, it's got 5,400 miles [sic] and the unit qualifies for replacement after 17 years or 5,000 hours. We've done this analysis, Equipment Division, NDOT Headquarters, as well as the Districts, to justify why we need to replace our units.

Here's a couple of units that represent what we're asking for; a backhoe and a pick-up. You see this slide and you're going, gee Thor, what does this have to do with equipment? This is just debris, trash, picked up off the highway, only in the Reno/Sparks area. I believe it represents under two weeks of debris, probably closer to a week. We're constantly hauling, picking up debris and trash and we need equipment to do that. That's just in the Reno/Sparks area.

Here's—this is called the Fleet Augmentation. A high-speed profile system, six construction lab trailers and the Headquarters Bridge, which was purchased—I believe it's already been purchased, this Headquarters Bridge vehicle. I do want to say that the lab trailers on the last fiscal year, we—it's not—we already purchased those, but somehow in the Legislature write-up, it was written as an augmentation, it's not. It's a replacement. We're strictly replacement the lab trailers. We're not augmenting the lab trailers and I want to be clear and transparent on that. We've done three, this is the next three in FY '19. These trailers are pretty old.

How do we use our fleet and how does this impact how we move forward? Well, we don't like to look backwards. We want to look forwards, right? And, we want to be in the driver's seat looking forward. It's important to us that we stay current with technology. We stay current with, you know, parts availability. Stay current with safety aspects of our equipment. We want to look forward.

Here's how we use some of our current equipment. [plays video] This is on US-50, towards Spooner's Summit, I believe. We're constantly cleaning up, picking up debris.

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Seeing this slide, up above already once. That's the Topaz Flood that we had back in May, May 21st. The equipment, the self-propelled broom below was critical in helping us clean up the debris that you see up above. The reason I say that is, once you remove all the debris, you still have to come back and really broom and sweep the asphalt, the roadway surface because it is slick. We've got the rocks and all the mud off, but there's still like two or three millimeters or even maybe a centimeter of material that can make people be in an unsafe condition.

Here's a shot, we use the drone that we have and you can see, Topaz Lodge, you can see NDOT's equipment. Immediate response. You can see the self-propelled brooms, they're in the lead, 1, 2, 3. Then you see a couple of sweeper trucks which is fine-tuning the sweeping. Then, up front, the water trucks. We have an NDOT truck there and then we have a rented water truck that we use. We just threw everything at it to get this thing opened up as quickly as possible. We're pretty proud of getting to these responses, these disasters as quickly as possible.

[plays video] This is just routine maintenance. We're trying to fix up our ditches. It's not a large project but we have lots and lots of small tiny ones all over the place. This type of equipment visits those areas along with our dump trucks and we're just trying to preserve the infrastructure. That's our main goal. We want to preserve the infrastructure.

[plays video] Same thing. Loader. Around the corner we have a dump truck and we're hauling off debris that slides down the mountain. Trying to keep things clean and stay storm water compliant and out of trouble. Ultimately though, most importantly, keep the public safe.

This was a bad, bad morning, December 19th in particular. It was December 19th. We had four accidents within three and a half hours, from 4:00 AM to 7:30; all on USA Parkway. These accidents were attributed to driver fatigue. NDOT crews responded from several different areas along with emergency crews. It was a pretty chaotic morning. Our equipment gets into these situations, helping out REMSA, NHP, law enforcement, Emergency Services and once things are kind of done, we spend a lot of time cleaning this up. What's not apparent is this was a very cold morning, no snow anywhere but very cold. Lyon County Fire Department had to put this fire out. When they did with all the water, the water froze. So, we had an ice condition.

Our equipment, again, I want to say is in very difficult elements. Difficult scenarios. This is a snow blower. It's over 20 years old. We're getting close to

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the last of the life of this thing. Our Equipment Division, I can't say enough about them, how they help us keep this going. I actually have a traveling mechanic with these snow blowers. We're going to need, at some time in the future to look at special request. One that doesn't tap into the replacement equipment but one that comes in for a special need to slowly start pulling out these old snow blowers. Like I said, they're 20 years old and older. That also includes our paint trucks. So, striping trucks. We want to eventually be coming back before the Board at some point to request these high dollar—a snow blower like this, nowadays costs about a million dollars. When you need one, you really need one. There's about 20 feet of snow that came down on this particular avalanche control on Mt. Rose.

Here's our equipment again, out on the rural areas of NDOT highways, just putting down chip seals along with the contractors. We need contractors to help us with chip seals. There's so many that need to be done that we're doing them as well.

So, why is this truck, why is this motor grader here? Again, our equipment is in very difficult situations. This is District 1, SR-774. A couple of years ago, we had a flash flood and we were trying to get some ditch lines established so the water would stay away from the highway and it sank. Talk about an empty feeling. We were able to pull it out with a loader and there was no damage at all, to either the loader or the motor grader. We're constantly in and out of these type of situations, before during and after storms, storm events.

This vehicle was, again, near—around Tonopah, Highway 6. This one broke our heart in the sense that, what was really good, no one got hurt, there was no fatalities, however, this was a brand-new truck that the Board had approved. What happened here was this was in a work zone and there were three cars traveling west. This was a Maintenance Supervisor traveling east. The three cars decided to pass another car in a no-passing zone. Our driver drove off to the shoulder to get out of the way, to avoid serious injury. The third car that was doing the passing westbound, clipped him and pretty much destroyed the truck. That's why we need to replace equipment.

We require—NRS requires that we go through these three bullet points. Purchasing and operating and maintaining the same item of equipment. We look at leasing and operating to maintain the same item of equipment. Then we look at the contracting performance of the work; which have been performed using the

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mobile equipment. We justify that, it's in your packet, like last December. We justify the needs to purchase the equipment.

It reflects the budget authorization of the Legislature. NRS requires that we have your approval to implement this procurement. After all the hard work and all the analysis that we've done, we recommend the Board approve this procurement as stated in the Staff Report.

I always put a plug in. We're always trying to hire temporary construction aides. We hire them at \$12.00 an hour. If anyone wants to come work for us at \$12.00 an hour, we're happy to accommodate you for a temporary six-month position. For the winter and permanent positions, maintenance workers, we start out at \$14.00 an hour. So, we welcome anybody that has a Class A, CDL License and is drug-free of course, willing to come work for us at \$14.00 an hour.

At that point, I'm going to defer to anyone that has questions. Thank you.

Sandoval: Thank you, Thor. I'm going to be in the job market in about six months. [laughter] So, you never know.

Dyson: I've got a job for you.

Sandoval: Okay. Just a couple of questions and just on a lighter note, who is the wonderful young lady whose photograph you have throughout the presentation?

Dyson: Well, they're my three kids. So, the lady driving the car in the beginning, that's my daughter. The other two are my twin boys. I don't know, how serious are we supposed to be at these meetings? [laughter] They're not NDOT employees, no.

Sandoval: Please don't even start to interpret my asking you that, going down that direction. I think it's wonderful and it brightens this up. I really appreciate that. I mean, I want to compliment you on how exhaustive the presentation is, in terms of providing the necessary detail to establish the record for the justification for the purchase of these vehicles. I mean, for all of us who sit as a Board, we know fully well how well maintained this equipment is, how well used it is, how you exhaust all of them to justify the purchase of new equipment. I think the purpose of providing such a detailed presentation is that, in the event anything is questioned later on we have the record to demonstrate that truly, you know, this isn't just replacement equipment for the sake of it. It's replacing equipment that frankly has been extended well beyond its useful life because of the quality of the maintenance that has been done on it through the years. Thank you for that, Thor.

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Just finally, I guess it's the old lawyer in me. When there's an at-fault accident by someone besides us, do we seek compensation for the replacement costs of our vehicles?

Dyson: We do.

Sandoval: Perhaps it's a question for Dennis.

Dyson: We do. We work with legal. I'm very familiar with legal and these type of issues. Our equipment is constantly being hit by members of the public for one reason or another. Not only our equipment but as well, our guard rail, barrier rail, hence the need for on-call contracts. Statewide, we fill out a property damage report, say on guide posts, guard rails and we submit that to Legal Division, to the Tort Claims folks. We go after the insurance companies to be made whole and to be compensated. It doesn't come back to my budget or Equipment Division's budget, but it does go back to the Highway Fund and maybe Dennis Gallagher would like to elaborate.

Gallagher: For the record, Dennis Gallagher, Counsel to the Board. Thor described the process pretty thoroughly. Generally, if there's insurance, we're very successful in recovering. There are the rare occasions where the driver involved in damaging state property is not insured. We pursue them up to a point, where we make the call, whether or not it's economically feasible.

Sandoval: All right, thank you. That's all I have. Board Members, any questions with regard to Agenda Item No. 11?

Hutchison: I've got one.

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you. Can I just get a clarification on one of the fleet replacement items. That's miscellaneous trucks. And again, thank you for the presentation. I echo what the Governor said. We know these are justified but I think for the record in terms of just, what are we talking about here with—it looks like it's Class Code 11, Miscellaneous, 20 units, miscellaneous trucks. Is there a reason we can't itemize that out, in terms of what trucks they are? And it looks like it's about an average of about \$75,000 a piece, if I'm doing my math right.

Dyson: So, some of these—if you look in the packet, miscellaneous trucks 11—

Hutchison: Right.

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Dyson: We've got aerial lift trucks, we've got [inaudible], compactor trucks, lube trucks, half-ton dump trucks, service trucks. It's a variety of equipment. Attenuator type trucks, swap loaders, single axles, flat beds. It would make this thing a lot longer. So, they fit a category in the Class 11. We could break it out if that's what you really want.

Hutchison: No, I just wanted to for the record, you can identify and itemize what we're talking about in those miscellaneous trucks. I prefer that it be compacted, like it is now, but I just thought it was important for the record.

Now, are we—one of the points that was made here in Page 2 of our packet is, the goal is to replace the fleet before they require regular major maintenance. It seems like, just probably because of the recession and our efforts to really try to maximize the mileage on these things, we may not be getting the maximum resell or we may not be replacing these really before they're in need of major maintenance, is that right?

Dyson: That's correct. We will do what we need to do as directed. If we need to hang on to the vehicle and maintain it and keep maintaining it, we'll do that, but if it's more prudent and we have direction to replace sooner, rather than later, so we can recoup some costs, we're happy to do that as well, Lieutenant Governor.

Hutchison: Thank you. No, I know you've been working hard with the budgets you've had over the last eight years or so and some of that budget was during a very difficult time economically for the State, I know that was a reason for it. I think we leave it to the best judgment of the professionals in terms of whether or not it makes sense to replace these earlier than we are, now that we're in a position maybe where we can do that. If we're going to save a lot of money on major maintenance, versus getting every drop we can out of these vehicles and extending the mileage beyond where we otherwise may want to extend them. I think in a lot of ways, we rely on your professional judgment and just kind of conditions on the ground.

Dyson: Thank you, appreciate that. Lieutenant Governor, back to your first question. In your Attachment C, it has it all broken down on Class 11. Every Class 11, what they are, a description.

Hutchison: Thank you. Thank you, Governor.

Sandoval: All right. Mr. Controller.

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Knecht: Thank you Governor. Mr. Dyson, thank you for a very good report. You have a lovely family and if I were you, I'd feature them too. In fact, I do that with my wife and daughter. My question is, we've got all these graphs in here, bar charts and a line for Unit 0829; that's the fourth page of the presentation or the packet we got and a bunch of others like that. As I read those graphs, the bars are amounts spent per year over the last 19 fiscal years for each of those classes of equipment, is that right?

Dyson: Yes, that's correct.

Knecht: Okay. So that would include purchase, maintenance, etc., for example, for Unit 0829?

Dyson: I don't know about the purchase, but I think it does include the maintenance that we've accrued for that year.

Knecht: Okay. Is the dotted line, is that a statistical best-fit line to those bars, is that what that is?

Dyson: Yes.

Knecht: And, what do we use that for? I'm wondering what the value is of that measurement, that statistical best-fit, what do we use that for?

Dyson: Well, it's straight line projection of the costs that should be occurring on an annual basis, as you go in age of the vehicle. Outside of that, it's kind of shock and awe, right? Some of it's—some years you don't have anything and some years you have a big dollar amount.

Knecht: Yeah.

Dyson: It could be a variety of things, what's going on. It could be new engine. It could be something critical that was expensive.

Knecht: Many of them, for FY '03, FY '06 and FY '15 have a large amount and much lower amounts for many other years. You find those straight line projections to be useful, despite some cases the low R-squared? You can take account of that and you just look basically for a wide range around the expected value?

Dyson: Yeah, it's kind of—we want to be on that line, but we're not. And, things happen. Sometimes you get a lemon. Sometimes, you know, you got 10 trucks, same

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manufacturer, same spec and one of them was built on a Monday after the Detroit Lyons got beat, right. So, you're running that risk in the lemon factor. [laughter]

Knecht: Okay. I appreciate that explanation. Good work you all do and thank you.

Dyson: Sure, no problem.

Knecht: Thank you Governor.

Sandoval: Thank you. Any other questions from Board Members with regard to Agenda Item No. 11?

Savage: Governor, just one quick comment, if I could.

Sandoval: Of course.

Savage: Thank you Governor. Again, my compliments, Thor, to you, Mike, Wayne and Jeff; District 2, Equipment Division and District 1 and District 3. The Department is very conservative, I think on replacement of equipment. I think this is well justified. There was a wealth of information in the packet here. You did your cost analysis on straight buy-out versus lease versus contracting out. Again, those are very, very informative. I'm grateful for everyone being conservative because it is difficult to buy new equipment. If we don't have the equipment, we can't get the job done.

I support this agenda item and I do think we need to seriously look at—I was fortunate to ride in a Mount Rose Snowblower. Thor, you said it was 20 years. I thought it was 1940 vintage. [laughter] Those guys—there's a traveling mechanic, and it was not as nice as this tempered boardroom by any means. Quite the experience. Very dedicated employees and the job got done. I think we need to seriously look at some of the major equipment, even though it's a hard pill to swallow. We have to be prepared. Thank you Thor and I thank the men and women of the Department.

Dyson: Thank you, Mr. Savage. I do want to say on some of these larger pieces of equipment, the stripers and the snowblowers, I think we need to take a look, seriously and maybe do another analysis on these. We haven't done it in a while for these large pieces of equipment, maybe we should lease. I don't know if that's the right answer, but an analysis should be looked at. They're very expensive, large complicated finicky pieces of equipment and that could be something that we could consider later.

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- Sandoval: Thank you. Any other questions or comments?
- Almberg: Governor, I've got—
- Sandoval: I just wanted—oh, go ahead, Mr. Almberg.
- Almberg: I got one question real fast. On the construction lab trailers, we have three lab trailers for \$540,000. Are those lab trailers equipped with new lab equipment?
- Dyson: No.
- Almberg: A lab trailer is that—is \$180,000, that just seems very costly.
- Dyson: They move around. They're all plumbed out for running lots of lab testing equipment. They get moved around to various sites throughout the entire state. They've got to be able to be air conditioned. They've got to have the ability to sustain difficult environments where the construction activity is and we want to keep them for a long time.
- Malfabon: It's really the customization of the ventilation system and the power and some of the gas for the propane tanks, or portable units. They do a lot of testing and specialized equipment has to go on special cabinets and it's a lot of specialization needed for the new retrofit of that trailer.
- Almberg: Sure.
- Dyson: And we want them to be secure and stout as well, so we don't—they're out in the middle of nowhere, with lots of expensive equipment. We want them to be able to survive any vandalism and that type of thing.
- Almberg: Sure. No, I mean, I just, it is higher than I would anticipate and I was hoping, I guess, that there was some lab equipment inside of it. I guess one last comment, just based on your pictures with the unfortunate of one of our vehicles on its side, during there—I'm just going to go back and take the opportunity to come in and respond that, I think that that is the exact reason why I am always going for on our rural highways, our needs for passing lanes and everything else because people get very impatient sitting in line behind construction equipment or just long lines of freight vehicles. I think it's very important that we continue to look at that. That's all for me, Governor, thank you.
- Sandoval: Thank you, Member Almberg. I just wanted to comment on or build on something Len had talked about in terms of, you know, we're sitting here in our

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nice climate controlled environment and we shouldn't feel timid or hesitant about approving this equipment at all because, as part of this presentation, these are some of the most extreme conditions possible and at the end of the day, it's about public safety and making sure that people are able to get home in a safe way. When they're taking their kids—as Thor has included his family in here and as you look through some of these photographs with regard to falling rock and floods and fires and snow and some of the most extreme conditions that you can have in one state from the snow to the heat down here. We have to have, for the safety of the men and women of the Department as well as the traveling public, the best that we can offer.

I feel really good about this presentation and what you have here Thor. Again, I want to thank you and everyone in the Department that was responsible for presenting this. It truly is as detailed as it gets. I won't be around to approve those new snowblowers, but hopefully we'll get into the 70s instead of the 40s, right Len?

All right, if there are no further questions or presentation, Thor, anything else you wanted to add?

Dyson: It's just a team effort. A lot of folks at NDOT involved on this. It was a team effort.

Sandoval: All right. Well, hail to the team. All right. So, if there are no further questions or comments, the Chair will accept a motion for approval of the FY 2019 Equipment Replacement and Additions Request as presented in Agenda Item No. 11.

Savage: Move to approve.

Valentine: Second.

Sandoval: Member Valentine has moved for approval. Member Savage has seconded the motion. Any questions or discussion on the motion? If there are none the Chair—or, all those in favor, say aye. [ayes around] Those opposed say no. Okay, that motion passes unanimously. Thank you Thor.

Dyson: Thank you Governor and thank you Transportation Board, appreciate it.

Sandoval: We'll move to Agenda Item No. 12, Old Business. Mr. Director.

Malfabon: Thank you Governor. You have a lot of updates and reports to review. I'll just be very brief and go over them quickly.

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Project NEON, as was noted, there's a significant amount of construction going on, significant impacts to travelers on I-15, but we really don't receive as many complaints, I think because the people are seeing such a large amount of construction going on throughout that corridor for the NEON footprint. It is amazing to see how many lanes that we're going to have when it's finally finished in the middle of next year. We're just a little bit over a year away from substantial completion. The Main Event is going well. Kiewit is doing a great job.

The Spaghetti Bowl Quarterly Update. We are looking for November 2018 Public Meetings. As Cole had mentioned previously, we're really zeroing in on the preferred alternative so we don't have to spend a lot more effort environmentally on the other alternatives that don't make sense; either financially or scope wise.

The I-11, as mentioned previously, our Phase 1 is complete by Fisher Sand and Gravel. RTC is having their event August 9th for Phase 2, so we're really looking forward to opening that road and having more efficient movement of freight and motorists along that new Route I-11. The second round of public meetings will occur for the rest of the State in identifying those corridor alternatives and what makes sense. They'll have that second round of meetings in those five venues again; from Vegas all the way up to the Reno/Sparks area. July and August is when we'll have that second round of public meetings and get input. We'll give a final presentation to the Board.

The Pedestrian Safety. We had previously had the award approved by the Board for Kietzke and the Boulder Highway Pedestrian Safety Projects. There is a note mentioned in the update about a project on Lake Mead. We were looking at a Complete Street approach on Lake Mead in North Las Vegas. Due to scope creep, it really was getting out of hand as far as some of the reconstruction needed of the roadway that wasn't originally anticipated. Due to the type of road it is, if you looked at a cross-section of the road, it was—where the new curb, gutter and sidewalk would've gone, it would require a lot of reconstruction of the road that wasn't anticipated in the engineer's estimated. We had to rethink that and we're going to proceed with the pedestrian safety improvements. The Complete Street idea was just not penciling out on Lake Mead Boulevard in North Las Vegas. I think it was the right decision to move forward with the pedestrian safety and crossing improvements on that project. A lot of other good work has been taking place on our pedestrian safety program throughout the State.

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Dave Gaskin will give a presentation on Item E shortly.

On the Shared Radio System Update, negotiations are continuing this summer. We expect them to be complete in late August. Eventually, Transportation Board approval and IFC approval. The Legislature wanted to see the actual negotiated costs of the shared radio system update.

Freeway Service Patrol. There's a very comprehensive report there. The Board had previously authorized the award of the Freeway Service Patrol contracts in Washoe County and Clark County. Really, a lot of good information about clearance times and performance measures associated with this very effective program. Very well received program by the public and much appreciated by the public.

Dennis Gallagher can respond to any questions about Outside Counsel Costs and Monthly Litigation Report.

Good news on the Fatality Report. We're receiving that again, in a lot better format. Fatalities—I recently received the June 6th report and we have five less than this time last year. Pedestrians down 32% in Clark County, as far as fatalities. So, great news there. 36% lower statewide. These are just tremendous achievements by our safety group and our other partners, law enforcement, educators and emergency medical responders to achieve these types of improvements in pedestrian safety. And, motorcyclists, 28% less fatalities in Clark County and 15% total statewide. These are emphasis areas in our Strategic Highway Safety Program. Just hats off to our safety folks in their efforts and dedication to saving lives on our streets and highways in Nevada.

With that, Governor, I'm going to have Dave Gaskin give a presentation on the Stormwater Program Quarterly Report. Then, if there's any questions for Dennis or any of us, the Director's Office will respond to the Board's questions. Dave.

Gaskin: Thank you, Rudy. Good morning Governor and Members of the Board. Dave Gaskin, Deputy Director. Brief update on the Stormwater Program. This has been kind of a meeting of milestones and I have a few milestones of my own for you.

First one is a significant milestone but not a very positive one. We've been working on getting our stormwater permit from NDEP for the past three years. It's taking a long time. We hope that it will finally go out to public comment this week. That would mean that we'll hopefully have our renewed permit by some

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time next month in July. It's been a long time coming but hopefully we'll get there.

More positive note, we had our—what EPA was calling our Final Quarterly Compliance Meeting with them on the consent decree. We met down in Las Vegas. They wanted to see some of the activities and NDOT systems down in Southern Nevada. They were very interested. I want to thank Mary and Mario and Mike—the folks down there for helping set everything up. It was a very positive meeting. Ellen Blake, the head EPA point for the consent decree said during the meeting that NDOT now has one of the best programs in the nation. So, I was pleased to hear that.

Just progress on the consent decree. On June 1st, another milestone. We sent in the last two submittals under the consent decree on our UAV monitoring sites and the supplemental environmental project on our real-time monitoring. So, at this point, we have met or exceeded every requirement or deadline that was contained in the consent decree. Last week, June 7th, we submitted our termination request which was the final step in the process on our end. At this point, the parties, being EPA, NDOT and NDEP will confer informally and if things are all agreed to, which all the parties indicate they are then EPA will send for the Court's approval a joint stipulation terminating the consent decree. EPA said at our meeting in Vegas, they saw no reason why that shouldn't proceed in a quick fashion. We're hopeful about that. That's a major milestone.

I really wanted to thank everyone. When I came to NDOT, I didn't know what to expect, but starting with you Governor, setting up the support for this whole program and through Rudy and Bill, we had some very fiery and colorful meetings with Mishon and Joe Reynolds at the Capital and it's really come along way. With Dennis's help. But really, I didn't know what to expect from NDOT coming from the outside, but the reception that I've gotten from the front office and especially Tracy and the District Engineers; we really couldn't have done it without all of their help. I saw Mario sitting down there. I see Mike [inaudible] here today with Thor. It's just been excellent support and everybody is really helped move us along. Of course, with the Stormwater Division, hired some excellent folks that have really made it work. So, wanted to thank everybody.

We'll still wait a word on the termination request. It has to go through the Court, but we'll keep you updated.

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In that final meeting down in Las Vegas, we met at the District 1 Maintenance Station. Had a very good discussion on how things were going. Mary, I wanted to thank, I know she's not present today but she gave a great presentation on the homeless situation. Thor has been of great assistance on that topic as well. We started at the Maintenance Station and went over to Project NEON. Dale Keller gave an excellent overview of the project but on the way, we went down F Street, underneath I-15, through this very long and dark overpass and it was just full of homeless. It was dark and they're walking like zombies around in there. I was looking, trying to find the door lock to make sure we could get through there in one piece but get through. It was scary. All around our District 1 Office, there's homeless all over. So, it's quite a topic. It's a big challenge for NDOT.

We looked at some other things at the Maintenance Yard. A lot of improvements that are being planned there from a stormwater perspective and in terms of an improved vehicle wash station and treatment system to treat the collected water. I think most of you have been there but it's got quite a gradient to it. It really slants off to the north and a lot of water flows through there. Just on the maintenance yard, there's a lot of activity.

As I mentioned, Dale gave a nice overview. Then we went to visit Project NEON, got a good view of that. It was very impressive. EPA was really amazed by everything being right in the middle of town, in the middle of everything, all this construction going on. It's pretty impressive.

As I mentioned, the homeless. You don't normally think of that being a stormwater issue but they are a lot of water quality impacts from the homeless being in the stormwater conveyances. They're very convenient places to get out of the sun and the heat and get out of the spotlight. They can't have a lot of water quality issues with biohazards and trash and other things. Big issue that—not just us, but EPA asked in particular to have us talk a bit about what we're doing because they recognize that as a national issue. NDOT is taking some leading edge action in dealing with that. There's no easy answer but there's a lot of mitigating measures that we can do.

We did visit our Continuous Real-Time Monitoring System which is out on East Vegas Valley Drive where the Sloan Channel meets Las Vegas Wash. EPA was very impressed with that. What that does is, stormwater is difficult to get samples of because it comes and it goes and by the time you get out there, it's hard to catch that flush of water. Usually the first flush is the worse quality water. We

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have some systems that can give it real-time—collect it real-time and transmit it out to everyone real-time on the internet.

One thing we've been talking about is we have some of these systems, the other jurisdictions have some. Some for water quality, some for flood control. So, why not work together and share our information. So, we are making a big push and something we've been talking with Tracy about is sharing data and sharing this so we can all appreciate the benefit of the work that we're doing.

The two last submittals under the consent decree involved our drone work with stormwater basins. Finding out what type of information we could get using these unmanned vehicles. It's been quite interesting. We've learned a lot about what we can do and what we can't do. EPA was quite impressed with that.

They also requested to visit the Clark County Wetlands Park, which hopefully all of you have been to down in the Las Vegas Wash. It's very impressive with lots of bike paths, lots of interpretative features. They have a whole museum that talks about water issues in the Las Vegas Valley. We have been working with them on some displays and helping them with their public outreach and education efforts.

Governor, you remember you were at the April 3rd partnering meeting with the Nevada Water Innovation Campus in Reno. The Governor was given a prestigious award for Public Official of the Year. He has been nominated for a national award in a similar manner and we hope to hear this month whether he will get that award. There were very many—all the top State Water Officials from the State, Northern Nevada, Southern Nevada were there and they were all very appreciative of the forum and the venue and really appreciated the comments from the Governor which were really from his heart, really spoke to all his work that he's done in improving the water environment of Nevada. So, congratulations again, Governor.

Stormwater Group has been very busy and NDOT in general, spreading the word for our Stormwater Division. Cliff Lawson spoke at the Nevada Transportation Conference. And, Krista Shamura has been involved in having a booth and sharing information at a lot of events like the GreenFest. I gave a talk at the American Public Works Association. Cliff again went to Texas to have a big meeting on the—with Agile Assets, just talking about our EAMS Project, the Enterprise Asset Management System, which is a big thing nationwide. Not just stormwater, but all aspects of transportation systems, tracking and managing your

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assets and being much more efficient in what you do and making sure those different management systems talk to each other. It's very important.

Part of the consent decree as the EPA expressed early on and their pleased with the progress we're making. So, appreciate our IT folks keeping up on that.

I don't have any pictures of my family, but can we make picture—maybe—maybe not, okay. That was just a picture of the Stormwater Group and Rudy. So, I got the work family. I got the work family, not the home family. That concludes my presentation and thank you very much. If you have any questions, I'd be glad to answer them.

Sandoval: Thank you Dave. I guess I'll start with the EPA and this consent decree. This is a red-letter day for the Department and for you, in terms of the amount of effort and investment we've made into getting this done. We've taken something that was maybe even over the [inaudible] in terms of the fines that we were looking at and the administrative action that could've been taken against the State and really taken it 180 degrees and brought it into a position, in a very short amount of time, where as you said, we're going to have this request. It's nothing short of remarkable. I want to thank you for your leadership and everybody else that's been associated with this. As I listened to you and thought about all this, at the end of the day, what it's about is the best quality water possible for everybody in the State. That's how you finish this, clean water for future generations. We've seen in some of our sister states where they've had some pretty extreme issues where the very essence of life, water, has been put at risk. We can be proud of the fact that with at least the water that we have control over and a fact that we are doing everything that we possibly can in terms of ensuring that it's treated properly and that it's kept as clean as possible.

This homeless situation is one that it is difficult statewide. Obviously, it's something that has to be addressed, but also I hope and I assume we're doing it with dignity and you know, treating these individuals with respect, that they deserve. We don't know why they're in that situation but we have to ensure that we provide them with the resources so that they can be successful. I know that we're doing that.

In any event—then finally, with the award, I really appreciate that, Dave. I may have commented on this in previous meetings. It really is a team effort. You know, it's just something that is really shared by everybody, by this Board. I know this Board has been absolutely committed to quality water and treating it

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properly and all the things I just described, everybody within the Department that's been working on this. Certainly, it's something that I share—in fact, I don't feel deserving. I think it's more deserving of all of you that have been really on the front lines in making sure that everything is happening that needs to be happening. Thank you for that.

Those are all the questions and comments I have. Board Members, any other questions with regard to Agenda Item 12E, or Mr. Lieutenant Governor.

Hutchison: Thank you. Mr. Gallagher, just quickly on the Outside Counsel contracts. Just underscoring what we talked about earlier with Nassiri. We've got total contracting authority of \$1,032,000. We've got \$341 left which means we've spent, \$1,032,000 of that litigation. I know we all want to try to recover what we can of those attorney's fees back to the extent we can push that and get as much as we possibly can back, it would benefit, obviously the State.

My question is, I see that we've got, it looks like three new eminent domain cases related to US-50. Do we anticipate retaining outside counsel for those, Dennis and what's the status? I assume we're just getting started.

Gallagher: For the record, Dennis Gallagher, Counsel to the Board. Lieutenant Governor, those will be handled by the Attorney General's Office. You are correct, those cases were just recently filed within the past month.

Hutchison: Great.

Gallagher: The projection is for all of the cases for the Highway 50 Project and other cases for the foreseeable future will all be handled internally.

Hutchison: That's great news and great work. Dennis, as you know, that's something that I think we've been working towards and if we can do that in-house then it obviously saves the State money and you've done a great job managing these cases so far. I've got great confidence that the Attorney General's Office will competently and professionally handles these cases as they have in the past. Thank you very much. Thank you, Governor.

Sandoval: Thank you, Mr. Lieutenant Governor. Member Valentine?

Valentine: I would just like to say, congratulations on getting out from under the consent decree. That's about as successful a story as I've heard. Nicely done.

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Sandoval: Thank you. Questions or comments from Northern Nevada? On any of the items within Agenda Item 12. All right. We'll move to Agenda Item 13, is there any public comment from Las Vegas? I hear and see none. Any public comment from Northern Nevada?

Malfabon: Nobody is approaching the podium Governor, so it looks like none.

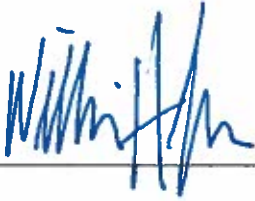
Sandoval: Thank you. Agenda Item No. 14, is there a motion to adjourn?

Hutchison: Move to adjourn.

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

Valentine: Second.

Sandoval: Second by Member Valentine. All in favor, say aye. [ayes around] Those opposed, say no. That motion passes. This meeting is adjourned. Thank you, ladies and gentlemen, have a wonderful week.



Secretary to Board



Preparer of Minutes