

Transcript of Nevada Department of Transportation
Board of Directors Meeting
November 14, 2018

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

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

Speaker: Yes, we can.

Sandoval: And this may be a first, with the entire Board in Southern Nevada for a meeting, correct?

Malfabon: I think it's the second, other than the Project NEON approval.

Sandoval: All right. Well, why don't we commence with Agenda Item No. 1 which is the Director's Report. Director Malfabon.

Malfabon: Thank you, Governor. Good morning Board Members. Get this up there. Let's first start out with some emergency operations information. Those of you up north know there was an incident involving a Washoe County Sherriff's helicopter, when they were escorting Vice President Pence back to the Reno area, the helicopter clipped some power lines. NV Energy is going to repair those power lines this upcoming weekend. Serious traffic impacts are expected because they have to shut down the highway between Reno and Carson City. Unfortunately, there's no good alternative routes available because of where the power lines are located. You can't get to the old highway, let alone I-580.

We're using our dynamic message signs along the freeway in Carson City and in Reno to let people know that this work is going to be going on this weekend with closures in the morning, 7:00 AM to 1:00 PM on Saturday and Sunday. We'll

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have a press release to give more details on that, but those power lines need to be repaired by NV Energy.

The federal update. So, we're currently under a continuing resolution funding surface transportation in the United States until December 7th. We expect the lame duck Congress to pass the actual appropriations bill for this current federal fiscal year. With the change in the House, we're hearing that the Democrat Party Leadership is in support of an infrastructure bill in the next Congress. They still have to work in a bipartisan manner to get that approved by the Senate. Peter DeFazio from Oregon will be the Chair of the House Transportation and Infrastructure Committee and he's been supportive of spending on infrastructure as well.

A little update on Xpress West just bought the rights to—the rights to Xpress West Project were purchased by Brightline. It's a company out of Florida that runs passenger rail. They're in that state. We're having preliminary discussions with them about a Memorandum of Understanding on how we're going to work together to support the project. We anticipate that they're going to get into the I-15 right-of-way, we'll work with them on that, as well as the design reviews, any kind of changes to existing projects that we have planned in that corridor. We have some interchanges on I-15 south of Las Vegas to still construct in the coming years and they'll be impacted by the—whether the location of the rail project impacts them or not. We'll have to work that out. Obviously funding is a major issue on this project, but they're hopeful that they'll start construction soon, once they get that funding situation settled.

A different Xpress project, Spaghetti Bowl Xpress. Wanted to give an update to the Board. The draft environmental impact statement has been posted for public review. It's a big step in the process for getting environmental clearance from the federal government. A public hearing scheduled for December 12th at the Reno Sparks Convention Center and that's from 3:00 PM to 7:30 PM, with two live broadcasts on Facebook Live from the presentations. They'll be initially given at 3:30 and then repeated at 5:30 PM. So, folks that can't make it down there to the Convention Center can watch online and see the presentation. The comment period will be open until January 15, 2019. Our environmental staff and the agencies that have been cooperating with us on this document have done an amazing job to fast track this environmental clearance. Wanted to thank them for their efforts. We're getting close to a federal decision from the Federal Highway Administration early next year.

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As far as the I-80 Unsolicited Proposal, this is as a reminder, just for the widening that's proposed by—as a public/private partnership on I-80, east of Sparks. We'll have a presentation next month at the Transportation Board for you to consider on what actions to take on this, but we are just wrapping up all the reviews and the—both financial and technical on this and we'll have more information for the Board's consideration next month.

We recently went to the Interim Finance Committee. When we had the Shared Radio System budgeted in our biennial budget request for the current biennium, we didn't know the exact cost yet; we hadn't negotiated the agreement. Subsequently, the Board has approved that contract with Harris and now we know the cost. So, we went back to the Interim Finance Committee, for the budget authority for this current fiscal year and received that as well as—explained the funding split. They wanted to know how it was going to be split between the State Highway Fund and the General Fund Agencies that rely on this shared radio system. So, that went well. I testified along with the technical staff from Traffic Operations to get that approved and we're on way with that contract now.

We have an update on—the bids were opened for the widening of US-50 from Roy's Road to US-95A. Granite Construction is the apparent low bidder at about \$50 million bid there. We got good competitive bids on that. We're conducting the bid analysis currently with our staff and we'll have the request to award before this Transportation Board next month. We're excited about getting that project underway next year.

We had a tragic event this last weekend with a triple fatality at Thomas Creek Road and Mount Rose Highway. Wanted to mention some of the things that we've been doing to improve safety along this corridor. You may recall in May of this year, we had a fatal crash at a different intersection on Mount Rose Highway, but I, after that crash, I reviewed the corridor with Thor Dyson when he was still District Engineer and requested that we do a review with our safety staff of some—what safety improvements that we could do. Do it as a corridor assessment.

So, they did a road safety assessment that was conducted in July. We received the draft report recently in October and I directed staff to proceed with the early action items, like lighting improvements and signage improvements and then look at any major improvements that could be added to the Statewide Transportation Improvement Program.

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We had an initial meeting with some of the stakeholders that live along Mount Rose Highway and presented initial findings to them at the end of October but we're going to have a community meeting in December of this year. A very tragic event that hopefully, some of the improvements that we make will improve the safety along this corridor. The event that occurred recently, there was two good Samaritans that were assisting an initial crash where the driver was a fatality and they were struck by another vehicle. So, it resulted in three people dying on that fatal crash. A very unfortunate event. Our hearts were with the surviving family and friends of the folks that were deceased.

Wanted to mention that we conducted an intersection control evaluation in Fernley on—it's actually US-50A, I put US-50 on there, it should be 50-Alternate, Nevada Pacific Parkway and saw that traffic signal warrants have been met at that location. The City of Fernley, Public Works Director had requested our assistance with the project there to have a signal, so I've directed staff to proceed with that signal project at that intersection at US-50A and Nevada Pacific Parkway in Fernley.

Desert Engineering did commence the retaining wall work at the Nevada—I mean, EV, electric vehicle charging station at Tonopah, at US-95, Electric Highway. We addressed the utility conflicts there. They had some fiber and some other underground utilities in the way of the underground work for the charging station. I know that the weather has been nice lately, but Tonopah is very high elevation, about 6,000 feet. Eventually it's going to get very cold, it already is cold at night, but they're going to get the heavy weather, so we're about 25% complete Governor, but I know that you wanted to make that route down the Electric Highway. We might make some other accommodations, maybe a car switch there if you're interested, but we won't—partially it's looking like we won't have it completed by the time the end of the year. We're about, as I said, 25% complete and still have the charging equipment and the power line hookups to do with NV Energy.

We're here today to attend an event later on, at 2:00 with the workers on the Project NEON. I think you would agree, we drove through the project this morning and they've done an awesome job with the traffic switches on the northbound I-15, it was flowing really well. They have some major work to do on the southbound lanes of I-15, but the team really deserves some appreciation from NDOT and from the Transportation Board for their hard work. They've been double shifting for months and have done a great job with outreach on this

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project. We were working hard with our Project NEON team to have this major switch completed before Black Friday next week. So, I think that you'll definitely, as you drive through the project, you'll see all the progress that's been made and I think that the public sees that and is less hesitant to complain because they see so much work going on day and night on this project. It's showing the benefits with the flow of traffic, at least that we noticed on the northbound lanes this morning. Definitely some more work to do and we'll wrap up the project. We're in the home stretch and we'll complete it next Spring.

Our other major contract down here in North Las Vegas, we've been widening US-93 and improving the Garnet Interchange at I-15 and US-93. We're planning for the ribbon cutting event on December 13th for that project. Ames Construction has done a great job there for NDOT at that interchange. It's a diverging diamond interchange, is kind of what you see at Moana Lane up there in Reno, as an example. It will be a unique interchange that will have better flow and safer flow of traffic. A lot of trucks there, that County Landfill is at that interchange, so looking forward to that ribbon cutting event on December 13th, with Ames.

Some upcoming meetings. We have a public workshop on our 408 regulations related to partnering with telecommunication companies on fiber in the right-of-way. We also have a public information meeting scheduled for a major project down here in Las Vegas, I-15 North and Clark County Beltway Interchange. That project is going to wrap up and start—it will go out for bids next year. It's a major improvement at that system, the system interchange.

Recently, yesterday the Board of Examiners approved a settlement with Jackson, LLC. This was a settlement for \$642,000 and our exposure on this one was in excess of \$2 million. This settlement resolves all actions in their entirety inclusive of all attorney's fees, costs and interest. We felt that it was in the best interest of the taxpayers and the state to accept this settlement with Jackson. It was approved by the Board of Examiners. We'll have more details in next month's packet, since it was just recently approved, the details will come next month.

Speaking of next month, the Board Meeting will be held a little earlier. December 3rd at 9:30 and we'll meet in Headquarters in Carson City. It's going to be a full agenda. We have a couple of public—the regulations process, so the public meetings will have been held and you'll have approval of some of those

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regulations for 408 and also with the over dimensional permitting process for commercial vehicles, for trucks. A lot of other end of the year items to have, like our information reports that are published, our fact book, our preservation report. Those types of reports will be before the Board as well.

Last but not least, I wanted to wish the best to Dave Gaskin, who is announced his retirement this month. He'll be going on to more hiking and traveling and just enjoying life in general. So, I wanted to extend my appreciation to Dave for his leadership of the Stormwater group. As he reported last month, we're out from under that—the consent decree with USEPA and Dave's done an amazing job with the staff. Just really getting that Stormwater Program on its legs and assistant Deputy Director Bill Hoffman really started that group and then once we got the Governor's support and the legislative support for the additional staff and the equipment for maintenance, Dave took over the reins and really saw that through. Saw it through completion with the consent decree being vacated by the Courts. So, best wishes to Dave and enjoy your retirement Dave.

Gaskin: Thank you very much Rudy.

[applause]

Malfabon: That concludes the Director's report, willing to answer any questions from the Board.

Sandoval: Thank you, Director Malfabon. First, Dave, we had an opportunity to speak privately, but I will say publicly what I said privately. I think you've done a magnificent job that has truly affected the health, safety and welfare of every man, woman and child in this state. We went from a really horrible situation in this Department and the maintenance stations and some of the things we saw before when the EPA inspected and you turned it around. We needed a leader like you to take us to where we are, to a point where the EPA has, you know, we got that resolution that Rudy talked about. We developed a whole new Department out of whole cloth that you have led. We even have a project today that we're going to be approving that has something to do with stormwater and taking care of Lake Tahoe. It isn't just about Lake Tahoe, it's about all parts of the state. I know I really appreciate what you've done because you've saved this Department and you've this state from millions of dollars in fines and put a face on this that we needed. A professional, I mean, you left your Department where you were and came over here and took the reins.

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I think as you go into retirement, you can look back with a lot of satisfaction on what you've done. I don't know if any of the other Board Members have any comments but I truly appreciate what you've done because some of us who sat here and saw where we were and how far we've come, it's because of your leadership, so thank you.

Gaskin: Thank you very much, Governor.

Martin: Dave, I wanted to congratulate you. Coming from the vertical world, I get to work with those forces that you've been working with, [inaudible] over the course of the last few years, it's not always a direct path. You seem to have found a direct path for us to get so many issues taken care of in such a short period of time. My hat is really off to you. We're going to miss your presence around the NDOT, especially talking from a Board Member.

Gaskin: Thank you.

Martin: Thank you.

Gaskin: Thank you all for your support and interest over the years. Couldn't have done it without all of you and the team at NDOT working together. It was a very positive experience.

Speaker: Thank you, Dave.

Sandoval: Thank you, Dave.

Hutchison: Thank you, Dave.

Sandoval: You're going to have some—

Martin: I wanted to make one quick statement.

Sandoval: Sure.

Martin: Rudy, you were talking about the Interstate 15 northbound and so on and I was telling the Governor and Len here that I came through there about 6:15 last night from Spring Mountain Road, which Spring Mountain Road through to the Spaghetti Bowl is always—

Hutchison: A mess.

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- Martin: Yeah. But I came through there about 6:15, not too long after rush hour, northbound and it went right straight through. I mean, I was astonished at how short the travel time was between Spring Mountain Road and me actually being able to get on northbound 95. No stops. Nothing below 35-40 miles an hour, before it'd be dead stopped, so.
- Hutchison: Yeah.
- Martin: Kiewit and the team out there have done a phenomenal job of putting that thing together.
- Malfabon: Thanks, Frank.
- Sandoval: All right, I do have a couple of questions. On this presentation in December, for the I-80 Unsolicited Proposal, is that a staff presentation?
- Malfabon: Yes. NDOT staff will present to the Board about what they've seen in the financial and technical review of the project and then give the Board an opportunity to consider how to move forward. What actions to take.
- Sandoval: Okay. We've talked about this, so are we still or is NDOT still focused on just one contractor or is this going to be positioned so that other contractors would have an opportunity—
- Malfabon: That will be presented to the Board, Governor, as an option to—whether—the options by NRS with an unsolicited proposal are to accept it, to reject it and go out for competitive procurement or to reject it. All of the options will be explained in the Board—
- Sandoval: And what is staff's recommendation going to be?
- Malfabon: They don't—I think that we have to gather that together. Right now, my concern would be that the—on the financial. I haven't been briefed personally on the financial aspects of it. We've had our financial consultants reviewing it. So, that's what I want to receive before it's presented to the Board, I want to have a better handle on what are the financial implications of the project and I have not been briefed on that yet. I've stayed away from being involved in that until they're completed with their due process and review.
- Sandoval: So, given that, is it premature to be making a presentation like this, if you don't even know what the financial piece is?

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- Malfabon: I think—well, our staff know the financial, just personally, I've stayed outside of that review, I haven't been involved in the review, as the Director of the Department. I wanted to be briefed on what are the findings from the technical and the financial review. I don't think that it's premature to have it before the Board, but we can definitely—once I receive that information, hopefully before the end of this month, that we'll definitely [crosstalk].
- Sandoval: And I said this in a previous meeting. I see you Cole reaching for your microphone, just a sec. How do we know if that's the best price if we're only getting one bid?
- Malfabon: That's a concern Governor, that we don't know until—unless we had a competitive procurement that that's the best price. I think that we can do some review and we do have independent cost estimating ability but because it's so early in the process, we don't really have plans, we just can do a high-level review, even with a production based cost estimate, not an engineer's estimate, but—[crosstalk]
- Sandoval: Part of the question being asked is whether we should move forward, accept—
- Malfabon: Right.
- Sandoval: --the unsolicited proposal. And, it's almost—I don't know how we could possibly accept it not knowing what other contractors may have—may be willing to present as well.
- Malfabon: I tend to agree with that assessment, Governor. It's fairly early in the process. I don't know, Cole, if you want to add to that, but definitely, my concern would be that competitive nature is going to typically yield a competitive price, but—
- Mortensen: Yeah, good morning Governor, Members of the Board. I would say that we've heard you all very loud and clear on the competitive aspect of that. So, we are evaluating the proposal in its—as proposed. We're also evaluating the proposal with taking a look at it through NDOT eyes to actually determine whether or not we think that the values and the costs in there are appropriate. So, what we're doing is, we're running another P3 bid that we kind of refer to as a shadow bid, so it's what we think that proposal should've been. We're also going to be comparing that to what we think we could do delivering the project using bonding, similar to what you saw on Project NEON. We're also going to be able to present the no-build alternative, which will give you guys an understanding

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what it's going to cost the state and taxpayers in delays and those types of social impacts to not doing something there for the project. Then, as Rudy mentioned, we anticipate having the ability to provide you guys with a recommendation on how to move forward with the I-80 corridor.

Sandoval: And all of that's happening next month?

Mortensen: We're very hopeful. We've been really pushing our project team to get it done by the December Board Meeting. Presently, we're scheduling meetings with each of the Board Members to be able to brief them. I believe it's going to end up being, you know, the week before the Board Meeting, unfortunately, since the December Board Meeting was moved up. But, we'd like the opportunity to sit down with each one of you to discuss the findings and kind of the overall aspects of it. Because it's really pretty complicated, you know, once you kind of get into the nuts and bolts of it. We are looking at the bonding that we have out there, what we have available and again, you know, we always have to consider our priorities statewide as well. So, those are all of the things we anticipate being able to discuss in the December Board Meeting.

Sandoval: And then, given this project on USA Parkway that we have in our—on our Agenda today, you know how—we spent \$6 million, whatever it is there and then we're going to be getting an unsolicited proposal. Will that be redesigned as part of this unsolicited proposal and would we have to, essentially, if we do this project and we do the unsolicited proposal or something like it, would we have to redo work that we just did?

Mortensen: Governor, what I would say with this project is that this one is going to be an immediate need and I would have to go back and look at what was actually in the technical aspects of the unsolicited proposal to tell you what the interchange—what they plan to do there, as far as modifying that interchange itself. I think the important part about the project today and I don't know if you're familiar with kind of the traffic issues that are out there but right now, presently, in the morning with the traffic commute going out to the Tahoe Reno Industrial Center, it backs up on to I-80 and it's never good to have that speed differential in a general purpose lane.

So, what this is going to be doing is it's going to be providing auxiliary lanes that that traffic can back up into rather than the general purpose lanes and then on the other side, the westbound side, it's going to be providing an auxiliary lane that those trucks can accelerate in. Right now, part of the issue that we have there at

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that interchange is that those trucks come on to the freeway and they don't really have a good run to get up to the 70 miles per hour that the facility is running at and so it does cause congestion there. Those trucks are just slow to get up to speed. And so, I think that from a safety and operations standpoint, that the investment on the USA Parkway project today is well worth it.

Sandoval: I'm not questioning that. I just don't want to be three years from now, tearing down what we spent \$6 million on today. That's my only comment. I get it. We've got to do something now, but I would think the proposal, hopefully whatever it is for the future would incorporate these improvements that we're making now so that we're not spending money now that will be wasted later.

Mortensen: I have Pedro Rodriguez here, next to me, he's the PM for both projects. I believe he probably has some of those details that you're asking for.

Rodriguez: Good morning. For the record, Pedro Rodriguez, NDOT Project Management. Governor, to answer your question, the signal interchange project that's being voted on today will complement anything we do in the future should the I-80 unsolicited proposal move forward.

Sandoval: Okay. That's very important to know, so thank you. All right. I'm looking forward to the event today. I will say, on the Electric Highway, Rudy, I'm disappointed. I've been talking about this for years. I've heard time and time again that it's going to get done and now you're telling me it's not. I don't know if it wasn't a priority or not, I don't know why it didn't get it done. It was something that I had asked to get done that you said was doable. Here we are and it's not. So, it is what it is. I hope that it gets completed. As I said, this is something we started six years ago, five years ago and we've been talking about it. In any event, like I said, I can't change it. I asked for photos, I've seen that photo and I thought it was based on your indication that it was much further along than it is. Again, you know, can't say anything more.

So, Board Members, any other questions or comments with regards to the Director's Report?

Hutchison: Governor?

Sandoval: Mr. Lieutenant Governor.

Hutchison: Rudy, I wonder if you could just put a little more detail on Xpress West. You know, that's been on the planning stages for a long, long time. Is there anything

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different now than there has been in the past to lead you to believe that that would actually come to fruition sometime in the near future?

Malfabon: I have not heard the details about the funding. It's the same project, so it would be the Las Vegas to Victorville and then they were looking at Victorville to Palmdale, as another connection to get to Southern California. The Brightline Company purchased the rights to the project and they are getting the—they got the federal approvals for that transfer of ownership of the project. They did have an environmental study that was approved. I think they have to update it because it's been over five years since that environmental document was approved.

For the most part, we had talked about a lot of the ground work for previously when it was owned by a different company, about how to work together. So, we have a good launching point for the project, it's just whether they have the funding secured. I think Tracy might add to that.

Larkin: I have heard that the funding has been secured. I heard that through the Project Manager, maybe to do about 6-8 months of the environmental. There is some change of alignment before it went on the northwesterly side and then crossed over where Ivanpah was and then came into town. Now they would like to come up the center, and this has to do with construction costs, then turn off at Sloan and go in the northwesterly side, coming into town along Dean Martin and there was some property nearby Flamingo, I haven't seen the engineering details for that. Some of that is outside of our right-of-way. They are hopefully, like I said, have that done in 6-8 months. They want to begin construction the middle of next year. They'd like to be in operation, I think it was—honestly, I can't remember if it was 2020 or 2022, 2020 seems so close. I can provide more details as it comes up.

So, we have put a project manager to work with them directly. It will be a permit within the right-of-way. The I-15 right-of-way that was established during the initial environmental impact study which was completed in 2011.

Hutchison: Have we ever had a project manager assigned before or is this so far along now, we're actually assigning a project manager?

Larkin: Because of the complications of the details, we'll be working with Xpress West. We also had the City of Palmdale was out here recently and we were talking with them. Talking with BLM. Just basically making sure all the pieces go together. And along with the permit process because we do not have rail expertise within

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the Department to review the design, so there will be—we are contracting to have that done, which is a pass-thru cost to the developer.

Hutchison: Is that private funding?

Larkin: Yes.

Hutchison: So, we don't have to wait for the government to allocate anything or decide what Congress is going to do?

Larkin: At this point, we have not been requested for any money.

Hutchison: Great.

Larkin: Which was a different conversation.

Hutchison: Thank you. Thank you Governor.

Sandoval: Thank you, Mr. Lieutenant Governor. Any other questions or comments from Board Members on the Director's Report?

Almberg: I've got a quick question.

Sandoval: Mr. Almberg.

Almberg: Hey Rudy, I've got a question. It's not directly based on your report here, but back in June there was some email correspondence going on about NDOT preparing a BDR for NDOT's retention specifications.

Malfabon: Yes.

Almberg: Is that still proceeding?

Malfabon: Yes.

Almberg: Okay.

Malfabon: The language was recently received from the Legislative Council Bureau. We have agreed to that language in the BDR, so it's going to forward with the Governor's support.

Almberg: Great. Thank you.

Sandoval: Thank you. Mr. Controller.

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Knecht: Thank you Governor. Rudy, the accident at Thomas Creek Road and Mount Rose Highway, was that due—was that in the daylight or in the dark, or?

Malfabon: It was in the dark. I know that it's getting darker earlier now that we've had the time change, but it was in hours of darkness and the first two cars collided head on, kind of the left side of each vehicle struck head on and then the two separate motorists stopped their vehicles and were trying to assist when they were struck by another car.

Knecht: Because that's a nice flat broad intersection. I guess it's not well lighted.

Malfabon: It has a traffic signal there too.

Knecht: It does, yeah. I came through there last night. I'm glad I wasn't one of them. Thank you.

Sandoval: All right, thank you, Mr. Controller. Any further questions or comments with regard to the Director's Report? All right. We'll move to Public Comment. Is there any member of the public present in Las Vegas that would like to provide public comment to the Board? I see and hear no one. Is there anyone present in Carson City that would like to provide public comment to the Board? Yes sir, if you would please identify yourself for the record. Your mic is not on sir, we can't hear you.

White: Is it on now?

Sandoval: Yes, please proceed.

White: Oh, okay. Good morning Governor and Board. For the record, Maurice White, Carson City. Regarding items 7 and 8 of this November 14 meeting, I am asking you to remove from consideration for transfer to Carson City Parcel No. S529CC00.462, also known as APN 00916123. This parcel, formerly leased to Carson City's Board Supervisor, Brad Bonkowski, also known as Greg Street Partners, has an underground storage tank facility contamination that has not been remediated nor has the UST facility been removed. On this parcel in 1996, Resource Concepts, Inc. performed a site assessment of the soil and water confirming the UST facility contamination and detail mapped the contamination plume.

In December of 2010, Jerry Hoover of NDOT issued a letter to Scott Heaton, Carson City Supervisor, Brad Bonkowski's lawyer. This letter informed

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Supervisor Bonkowski that he was the responsible owner of the UST facility, the associated environmental contamination and ordered him to remove the UST facility and remediate the environmental contamination. To date, that work has not been done.

In August of 2016, the Carson City Board of Supervisors, including Supervisor Bonkowski, voted to approve Amendment #4 to the 1997 Agreement between NDOT and Carson City. Paragraphs 12 and 13 attempt to assign Supervisor Bonkowski's responsibility of this environmental contamination to the taxpayers of Carson City.

Subsequently, the Nevada Commission on Ethics issued opinion RO1678C, sanctioning and fining Supervisor Bonkowski for concealing his fellow supervisors and the community of his ownership and responsibility for the environmental contamination and referenced on the referenced parcel.

During the hearing, Commissioner P.K. O'Neill informed Supervisor Bonkowski that the Commission's action did not absolve Bonkowski from his responsibility to clean up the contamination. Commissioner O'Neill further stated, he did not want Carson City to be financially impacted by the contamination cleanup.

Your vote today could complete this attempted grievous imposition of assigning remediation costs of this clean up to Carson City taxpayers. I ask you again, please remove this parcel from consideration for transfer until this environmental contamination cleanup is completed. There is so much more to discuss about this issue than three minutes allows. I thank you for your time and I can answer any questions if you may have some.

Sandoval: No questions, but thank you. Mr. Gallagher, I'll ask you to address that when this agenda item comes up, if you're able to. All right, thank you. Is there any other public comment from Carson City?

Maloney: Good morning. Lucia Maloney, Transportation Manager for Carson City. Thank you for the opportunity to comment this morning and it's nice to see you all. We at Carson City greatly value our relationship with NDOT, as we continue to work hand-in-hand on many great projects and programs in the region.

We're particularly excited to move forward with design and construction of improvements to the South Carson Street. The South Carson Street Complete Streets Project plans to convert this large spanning corridor into a complete street

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that facilitates comfortable, safe travel for pedestrians, cyclists and motorists alike. It improves business access. It spurs private investment and it prepares Carson City for the future of Smart City Advancements.

As you probably know, the City was awarded a \$7.6 million TIGER Grant in the Spring of 2018 by the USDOT. The USDOT described the project as an important investment in Carson City's infrastructure with a focus to improve pedestrian safety and mobility in the area and enhanced commercial and business access. Our TIGER Grant application garnered project support from Governor Sandoval, NDOT Leadership, Senators and Congressmen from both sides of the aisle and many others. We thank you for your support.

As part of the TIGER Grant and any federally aided project, Carson City will be required to certify the right-of-way and show that we have clear legal possession of South Carson Street right-of-way in order to construct the proposed improvements. Therefore, the thoroughness and completeness of these relinquishment documents will be critical in helping streamline our efforts to certify the right-of-way properly.

We understand that we have been provided with everything we need to legally show this ownership and successfully certify the right-of-way. On behalf of Carson City, please allow me to thank the Department for your efforts in compiling the necessary documents and working with us to get this right. Our partnership is stronger than ever and we're excited to move forward on this project and projects in the future. Thank you.

Sandoval: Thank you very much. Is there any other public comment from Carson City?

Grace: Good morning, Governor, Lieutenant Governor, and Board. My name is Joel Grace. I am the Vice President of Development for Reno Land. I'm also a Member of the [inaudible] Transportation Coalition where we work with the RTC and NDOT on various different projects.

I'm here regarding something that came up in the report. One of the items with the unsolicited offer—with the offer. Amongst other projects that we have in Northern Nevada, we have about 730 acres left to be developed in Tahoe Reno Industrial Center that we're looking at R&D, Tech, staying more away from distribution but the higher paying jobs and good quality jobs that we're looking to provide out there.

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Anybody that's been out there at 5:00 or in the morning understands the traffic and safety concerns that are going on, so I won't beat that. The biggest thing with the unsolicited offer that came forward was just a sense of urgency, is if we could kind of impose anything, it would be the sense of urgency because if the Big Four that we've been communicating with on job numbers, what their future plans are, if they are 50% right, we're behind the 8-ball already.

So, just here to lend some support to the Lincoln Partners proposal and anything that comes forward. I understand there's policy and procedure as far as other offers, but if there's anything we can express today, it would be the sense of urgency.

Just in closing, just want to thank the Governor for his service, Lieutenant Governor, you guys will be missed.

Sandoval: Thank you very much.

Hooper: Good morning.

Sandoval: Good morning.

Hooper: I'm Daphne Hooper, City Manager for the City of Fernley for the record. Today I have with me Tim Thompson our Planning Director and Dave Whalen, our Public Works Director. The City of Fernley is experiencing growth and economic development as the Tesla Effect moves east. We have a great multiuse project with a \$20 million investment that will be beneficial to the City and to the region, which will eventually provide commercial and housing which are very much in need.

The issue at hand is that the development is being built between the existing roundabout and the existing interchange of Nevada Pacific Parkway along the Highway 50A corridor. This corridor has been problematic over the last decade and a half. The project intersection to access Highway 50A is at River Ranch Road and Highway 50, which is an NDOT right-of-way. Over the years, NDOT has performed analysis to determine the traffic needs for this portion of the road. In the early 2010s, the speed limit within the corridor was increased, which to the disappointment of the desires of the City Council at the time. In 2016, prior to movement on development, NDOT was asked to reevaluate this corridor by the City to see if another assessment might indicate that crashes that were occurring warranted a change in speed or signalization.

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In September 2017, NDOT shared the ICE study done by a third-party engineer firm for NDOT. This ICE analysis determined that a traffic light was recommended at the intersection and the Nevada Pacific Parkway intersection as well, as to alleviate high-speed crashes. Unfortunately, the process to vet and build a recommended High-T Signal is potentially five years away based on a letter from NDOT District 2 to the Public Works Director of Fernley. This creates a problem with the project moving forward because of the liability it creates with additional traffic. In this case, the City has conditioned the project to have the current developer pay a proportionate share to build this signal, which they have done. The developer submitted a check to the City of Fernley for \$58,000 which provides for their fair share contribution toward the \$450,000 project.

Unfortunately, the project cannot proceed until they have met the condition of the light installation. The City is concerned about the safety issues as identified in the ICE Study which will be increased with the addition of this project. As with other signals in the community, the City is willing to maintain the light once it has been constructed. The City Council, local law enforcement and the fire district are all in favor of seeing more conservative traffic conditions through this corridor. The roadway is also adjacent to the City's main park, the out of town park, which hosts most of our kid's sport leagues and local events such as July 4th.

We would like to request that a commitment from NDOT to install the light immediately to help with economic development, housing and ultimately safety. I noticed on the Director's Report that there was a slide that included this project, so anything that you can do to support this would be helpful, thank you.

Sandoval: Thank you very much. Any other public comment from Carson City?

Price: Good morning Governor and esteemed Board Members. I'm Judy Price for the record and I'm here for public asset management. I'm a concerned taxpayer first and foremost and much to the chagrin, I think it's become perhaps something of a personal duty to my relationship with NDOT and no longer being employed here.

I'm here today to prove that I'm not a disgruntled employee. That's a whole other thing. On April 9, 2015, Jerry Hoover accosted me in the garage here at NDOT and I took it to the Supervisor and that's yet to be resolved or spoken to, even—so, we'll deal with that on another matter. Today, I'm here to get a follow-up and if I could just read a brief statement. I appreciate everybody, by the way, last month that I was here because I was a nervous wreck and as you can see, I still

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am. So, your agreement to just be humble and bear with me is greatly appreciated.

The follow-up I'll look forward to because I still haven't heard it and I'd just like to tie in that and remind the Board that the US-50 project where there was retaliation and in my opinion, abuse against the public. An elderly gentleman was the reason I came here today. I can bring up many, many other projects that that ties into as well, but I won't because it was written in what I gave the Board last month. These are Exhibits, Governor, with due respect, they were written in handwriting the night before that meeting.

I've heard comments and I'm not saying this as a derogatory toward anybody, you have 1,700 I think plus employees at the Department of Transportation, if I'm not mistaken. Out of that, you probably have a heart and 90% of those people, they are hardworking and they have excellent intent. So, these Exhibits are meant to be taken seriously by somebody and I'm going to give a follow-up to those today. I'm just going to hand them for the sake of time to the community.

I won't bring up that I'm not even guaranteed at this moment that any of you from the Board, which I respect, with all due, because that's the statute that you are in charge of my assets, which means my—the people. The people at NDOT. Like a Jesse McDonald and I'm privileged to be able to use her name. She's an Admin III in right-of-way and she'll always be an Admin III unless somebody helps to open the door and allow her to grow.

On October 8th, I brought in comments that I personally had witnessed, belittling and isolation and the favoritism, the neglect, the threat, the rejection, it's all obvious and I know it's all on the record—I mean, you know, it's just for the record I'm stating it.

This right here is the plan for the McCarran Pyramid Project. This is the entire 100% utility plans for that project. I started this and I still have the refrigerator art in the back of it. I'm proud to say that Thor Dyson actually was such a big help and others but the way that we got to our right-of-way setting on this sir and esteemed members is archaic. It needs to change. I told that to the Committee last month. I did the math and if I do six minutes, if I get three minutes before and after every meeting, that's 172 minutes. It needs to change and it needs to get up and it needs to get GIS, that right-of-way, engineering division needs to be overhauled. There's a group of wonderful people. You have several that are being targeted for right now, where Judy Price is standing. Unemployed, after 46

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years of full time work with never receiving a check from a government other than the hard work I did at State Lands and here.

This methodology is broken and it doesn't serve the taxpayers sir, and I know that they can fix it. They have a utility data layer project that the community and utility of Sparks accepted. They wanted to overlay all of their utility as-builts on to our right-of-way and we couldn't accommodate that. We brought over, I think 162 people in this very room, which I put that meeting together and they were saying, yes Judy, we're ready and we couldn't accommodate that sir.

So, every project that Mr. Malfabon and the group puts together, we have to go back to reinventing the wheel and that does not serve the public. I want to help fix it. The utility community is ready. I spoke about things in those exhibits that I'm not even certain or nor will I ever be but I'll be back to keep grinding away, to see if the property management process is changing to benefit. I drive every day by that property across from the Winters Ranch and it's been dilapidated and getting worse for the taxpayer asset day by day. There's quick fixes.

The surplus is a broken process. You really need somebody to just rewrite the whole right-of-way manual to simplify it sir, with all due respect. And, if you had a real estate experienced person in there that could help with the negotiations—and I'm here to proudly say this is given to me, this on my lapel from the National Guard when I had the privilege of working with very high integrity people like Robert Nellis. They gave this to me when I exited there of one month shy of five years employment as a state commendation medal for logistics. That's not to brag, nor is this, it's to show that I work. And I'm an asset, and I'm no longer able to be one, even though I want to be and I'm capable.

So, in closing, I just want to say that all of this only happens because the Board lacks the power, I suppose, to help these individuals that are in leadership positions to respect people rather than abuse them. Help the community, give them a spirit of hope. It's difficult to go in and call everybody, Chief, Chief, Chief, Chief, Chief; we could start with a simple fix, let's just look at the language we use every day.

It's your job and your responsibility and ultimately, all I'm not sure to be honest, I've been a lot in your law library over the months I got penalized with time off by the public. I studied a lot and I didn't see anything that was more important than the civics. The definition of civics. It's the social science designed for the dealing with the rights and the duties of the citizens. It's simple. That's your job,

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it was my job when I did it for almost 14 years. It was the 18 minutes on March 12th that makes me be here today because I kept trying to do this quietly at my job, at my desk, Mr. Malfabon. I reached out for help and I tried desperately to just help culture change to a more positive impact. It cost me everything. I have nothing again to gain here today. I'm so grateful I'm not as nervous.

I don't want a lot. I've talked to your senior advisor. I thank you greatly, Governor, that you had him reach out to me, that was very kind of you. We did not have a resolution to the best of my knowledge and I appreciate that you sent the Human Resource service individual, asking what I want, but I think it's pretty clear what I want.

Then, I'm going to close with this because I think it's pretty powerful. Recently, I heard a voice and it was a voice that has a lot of power and it was a voice that I consider, has a lot of hope in it, spoke that truth matters. It still matters. The truth still matters. So, that's all I have to give today and I just thank you very sincerely for your time. I would appreciate greatly if these exhibits, which are only three, I apologize, but it costs me money to make copies, if you could get a copy of these to each of your Board Members sir, I would be greatly appreciative. Thank you for your time.

Sandoval: Thank you. Is there any other public comment from Carson City? Good morning.

Kazmierksi: Good morning Governor, Board Members. I'm Mike Kazmierksi, President and CEO of EDawn Economic Authority of Western Nevada. I'm here to provide comments and support on something like the public/private unsolicited offer to increase capacity on the I-80 corridor between [inaudible] and Reno/Sparks and the Industrial Center, in fact, all the way out to Fernley.

I think everyone who has been on that road lately knows it's a problem. If you look at the 20-year plan, there's not a widening solution, really planned, certainly not funded. At least not in the next 10 years. Governor, you know from the recent tech conference at the Industrial Center, we're looking at massive growth there. Even if we fall far short of what was projected by just two companies, Blockchain and Tesla, talking about 15,000-20,000 people, where we just have 7,000 now.

We do have—we've added over 100, almost 200 new companies to the region, many in the industrial park. Certainly, we have significant growth expected in

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Fernley. We actually have four major projects expected to land in Fernley in the next six to nine months. I don't think Fernley knows what's going to hit them. And, while they are planning housing out there, we're looking at most of that workforce, in fact, 90% of what is working at the Industrial Center is still in the metro area. There's not a lot of housing out in the north 40 and if we don't do something soon and when I say soon, three to five years, some people would say tomorrow because the people that are commuting on a daily basis now are having serious problems getting to and from the Industrial Center—we're going to have serious problems, not just with safety, but with mobility. That's our major corridor as you know, through our state in the north and it affects a lot of things, beyond just what's happening at the Industrial Center.

So, my request is that we take a hard look at the public/private unsolicited proposal. If it needs to be competed, that certainly makes a lot of sense. At the end of the day, probably the fastest way, the most cost-effective way to get this done in our lifetime is to do something as a public/private venture as opposed to putting it on the list and letting it just bump down the priorities when we have other very, very important priorities on the list as well.

I would close by just saying, it's been a pleasure working with NDOT. I have had an opportunity to understand better what they're trying to do and we are asking them to do 100 things and we have funding for 50, or some would say 20. I hate to say, this is one of the 20. So, maybe bringing in another way to do it with a public/private solution could help us get this done in a timely manner. Thank you.

Sandoval: Thank you, Mr. Kazmierski. Is there any other public comment from Carson City? I don't see anyone coming forward, thank you. We'll move to Agenda Item No. 3, which is approval of the October 8, 2018 Board Meeting Minutes. Have the Members had an opportunity to review the minutes and are there any changes? If there are none, the Chair will accept a motion for approval.

Savage: Move to approve.

Hutchison: Move to approve.

Sandoval: Member Savage has moved for approval. Lieutenant Governor has seconded the motion. All those in favor of the motion, say aye. [ayes around] Those opposed, say no. That motion passes unanimously.

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Knecht: Governor?

Sandoval: Yes.

Knecht: Will you mark me as abstaining [inaudible]

Sandoval: Oh, thank you. Mr. Controller. If the record would reflect that the Controller has abstained from the vote because he was not present at the October 8, 2018 meeting. We'll move on to Agenda Item No. 4 which is Approval of Agreements or excuse me, Contracts over \$5 million. Mr. Nellis.

Nellis: Good morning Governor and Members of the Board. For the record, Robert Nellis, Assistant Director for Administration. There are two contracts under Agenda Item No. 4 today for the Board's consideration and they can be found on Page 3 of 23 in your packet.

The first project is located on US-50 from Spooner Summit to Clear Creek Interchange in Carson City and Douglas Counties. This is for multiple storm drains, drop inlets, trench drains, slope flattening, grading, concrete curve and gutters, channel work and replacing guard rail with concrete barrier rail. There were five bids and the Director recommends award to Granite Construction Company in the amount of \$7,994,944.

The second contract is located on Interstate 80 at USA Parkway in Washoe County. This is for interchange improvements. There were five bids and the Director recommends award to Ames Construction in the amount of \$6,456,359.76.

Governor, that concludes Agenda Item No. 4, does the Board have any questions regarding these two contracts?

[sound issues]

Sandoval: Why don't you start over again, Mr. Controller.

Knecht: Sure. I'll start over. The difference on Item 2, between the engineer's estimate and the low bidder is positive and that's a good thing, but for Item 1, the difference is over a million dollars and that's roughly 14% more or less. Can you give me some comfort about that? Maybe not.

Speaker: We're looking Mr. Controller, we'll be with you in a second.

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- Knecht: Thank you. I do note that all five bids were above the engineer's estimate by well over a million, the first two were about a million, a million plus, the other three were way out of range and I just wondered, I know from Item 5 also that any number of others were underestimated on this one or overbid or whatever, is it something systematic in the market right now for construction services or is there something idiosyncratic about this one that we should note?
- Mortensen: Governor, Members of the Board, I don't believe that our BRAT team, when they reviewed this bid found anything that was of concern. I would expect that the difference between the engineer's estimate and the bid were likely due to the economic growth in the region as well as the area that this project is in. It's going to be a haul from many of our materials locations, so sometimes that ends up adding additional costs to our projects that may be unanticipated.
- Dyson: Also, Thor Dyson, Assistant Director of Operations. As Assistant Director Cole Mortensen stated, contractors are extremely busy at this point. In addition, this area is difficult. It's on steep terrain. It has a lot of things to deal with as far as the slope and stormwater management. In addition, we've got to pay attention to traffic. We've got traffic control up on top and you know, I believe that the contractor that's the low bid is a reasonable contractor and the price seems right to us even though our engineer's estimate is lower by 14%.
- Knecht: Thank you Thor and Cole. Mr. Dyson, considering all the factors, the slope, the stormwater, the safety factors, etc., and the market, I would think that those are taken account of in making the engineer's estimate. When was the engineer's estimate made?
- Mortensen: Generally the engineer's estimate is made at about—between 90-100%. One of the things that I have in—from the BRAT review team here is that they believed the difference is also due to part of the new pipes that we're putting in and the additional structure excavation to get that in and as Thor mentioned, when you're trying to do excavation on slopes, that starts being a little more problematic and so I think it's just a kind of a situation where it all came together and it's a little more difficult than what we anticipated with our engineer's estimate.
- Knecht: I'm certainly willing to accept that, I just wondered what was the date of the engineer's estimate? Roughly. Not to the minute.
- Mortensen: I don't have that. I would anticipate that it was probably three months ago.

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Knecht: Okay. Thank you and thank you Governor.

Sandoval: All right, thank you Mr. Controller. Other questions? On this agenda—Member Savage.

Savage: Governor, just one question or one comment. On Page 7 of 23 in the packet it says, the estimate range [audio cut] I know it does fall within the estimate a range and the competitive values for an \$85,000 delta from first to second bidder indicates it's the right price. So, I can fully support agenda item [inaudible]. That's all I have Governor.

Sandoval: Okay, thank you Member Savage. Any other questions with regard to Agenda Item No. 4? I hear none. Mr. Nellis, any further presentation?

Nellis: No sir, that concludes this Agenda item.

Sandoval: All right, thank you. If there are no further questions, the Chair will accept a motion for approval of the contracts over \$5 million as presented in Agenda Item No. 4.

Almberg: So moved.

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

Martin: Second.

Sandoval: Second by Mr. Martin. Any questions or discussion on the motion? I hear none, all in favor say aye. [ayes around] Opposed, say no. That motion passes unanimously. Let's move to Agenda Item No. 5, Approval of Agreements over \$300,000. Mr. Nellis.

Nellis: Thank you Governor. There are four agreements under Agenda Item No. 5 for the Board's consideration. They can be found on Page 3 of 96 in your packet.

The first one is with HDR in the amount of \$2,437,722. This is Amendment No. 6 to increase authority and extend the termination date to provide additional support required for geotechnical investigation and analysis, independent structural review, as well as project visualization for Centennial Bowl public meetings.

Line Item No. 2 is with SH Architecture in the amount of \$1,671,606. This is for a feasibility study for Las Vegas Maintenance Station to provide architectural and

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engineering support for space utilization and a building study of the existing maintenance facility at the District 1 Headquarters.

Line Item No. 3 is with Cambridge Systematics in the amount of \$375,453. This is for an autonomous vehicle feasibility study to determine potential ridership levels, lane and bridge options and configurations, as well as, technology infrastructure for a facility between Reno-Sparks and the TRIC Industrial Park. Also, to potentially develop public/private partnership funding mechanism for that facility.

Lastly, Line Item No. 4 is with Aurigo Software Technologies in the amount of \$11,365,499. This is for a project estimating, funding and scheduling system replacement for three of NDOT's systems. Each Board Member was emailed a packet containing answers to the Board's questions from the October Meeting when this agreement was first presented. Deputy IT Chief, Kim Munoz, as well as representatives from Aurigo are available to answer any additional questions the Board may have on this agreement.

With that Governor, that concludes this Agenda item and we'd be happy to take any questions on any of these four agreements.

Sandoval: Thank you, Mr. Nellis. I have a question on No. 2, with regard to—I suppose it affects this campus where we're sitting right now. Is that something that's going to be presented to the legislature?

Malfabon: Not this current biennium, Governor, this is just a feasibility study to look at options. There's some possibility of some land available in the northern [inaudible]. It was not anticipated in our budget request for a new facility, but the feasibility study is kind of the first step to look at. There was some—the City of Las Vegas is taking over the Cashman Center. That baseball team has moved out to Summerlin and they want to look at revitalization of this area, including the possibility of NDOT's land here as well. A lot of work to be done to look at that. As you can see, this facility is old and spread out, as a campus. So, we're looking at some benefits of consolidation of the office space and looking at some other options in the valley to move the maintenance facility to.

Sandoval: And, why was the original estimate—at least the Department estimate was \$250,000, the service provider is \$1.6 million?

Malfabon: I'd have to get staff to respond to that.

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- Dyson: Governor, this is Thor Dyson. Anita Bush is coming up to discuss and answer your question.
- Bush: Good morning, Governor, Members of the Board. The original estimate was only focused on an existing space study in the District 1 yard. The scope of the actual feasibility study includes conceptual plans for the existing yard, conceptual plans for the new yard, so we can, when it's time to present for the Legislature, we have good cost estimates that we can present to them. So, the scope really evolved from the original estimate, of the \$250,000.
- Sandoval: Yeah, because this is more than—I mean, this includes a campus design.
- Bush: Yes, so—
- Sandoval: And, it won't even—it wouldn't even go to the Legislature until 2021, correct?
- Bush: Yes, that's correct. Because, you know, when we present to the Legislature, we are kind of anticipating the questions we are going to get. It's usually asked from us to consider, okay how much it would cost to improve the existing yard, to accommodate the space needs in the existing yard, how much it's going to cost to move the yard, so when we—we really didn't have a good scope in mind when we got the initial charge to do a feasibility study on the existing yard. So, once we put more thought into it, that's—we developed the scope and it became much, much bigger.
- Sandoval: And the only other reason—I brought it up because I was concerned about that jump and also, most if not all the other state agencies when they do this, they bring it to the Legislature first for a feasibility and architectural study. That's the way it's been for every state building and I'm just wondering if it would be more prudent to have the Legislature review this so that they'll understand the entire process rather than having it come to them after the fact in 2021.
- Malfabon: Governor, previously the Legislature did approve [audio cut] it was never built because we went into the recession, but I assumed that staff was looking at that previous support from the Legislature as identifying the need to consolidate it and build a new facility here for NDOT. Subsequently, we had the availability of land in the northwest part of the Valley, along the Beltway, as an option to look into. And so, it changed from the building a new building here on this site back when Jeff Fontaine was the Director, to now looking at options for that. I think it's a

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point well taken that typically when new facilities are planned for a state agency, the Legislature has to weigh in on that decision.

Sandoval: I bet there's probably maybe five members of the Legislature that are there now, that were there then.

Malfabon: I think so.

Sandoval: And, it's just term limits, what have you. Again, I'm not going to be here, but just a little advice, that I think if you went forward in 2021 with all these plans and hadn't presented it to the Legislature first, you might get some cross looks at the Transportation Committee Meetings. I think Lieutenant Governor was a Member of the Transportation Committee, was he not, or were you?

Hutchison: I was not.

Sandoval: Oh, but you were in the Legislature.

Hutchison: I think that your assessment of the cross looks by the Legislature is exactly right, Governor.

Sandoval: So, I'm not sure what to do with this because you know, we've got a Legislative Session coming up in two months. As I said, I think that there might be, I'm not saying that there will be, but there might be a perception at the Legislature that this was going around them without their opportunity to have a say.

Hutchison: Governor, I'll just second that and just say that I think the best approach is to fully inform the Legislature and get leadership involved and sort of go there with your hat in your hand and ask them what they want you to do if anything more, because [inaudible]. The worst thing you could do is just get that perception that you're trying to sort of just, you know, end run around them or present something that they haven't seen and considered before. So, I just second that, Governor.

Sandoval: So again, my advice, for whatever it's worth is, each of the Directors make a presentation to the respective committees that have jurisdiction and it seems that it would be more prudent to make that presentation, or this matter as part of that presentation to see if the Legislature has an appetite to look at this and if it doesn't then bring it back to the Board for review and approval. Mr. Controller, did you want to weigh in, I thought you—

Knecht: I'll just third the observation because I was on the Assembly Transportation Committee and I agree with both you and the Lieutenant Governor that this could

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not be well received. Of course, that was in the old days when people served forever, but—

Sandoval: All right, other Board Members, questions or comments on these contracts? Member Savage.

Savage: Thank you Governor. A couple of questions and comments. Beginning with Agenda Item No. 1, on the HDR item. Can anyone tell me the current amount that HDR has billed to this date, percentage wise, roughly? Because it's shocking to me that here we are at the end of 2018, the current contract runs through 2020. I realize the work needs to be done, I'm just looking at the whole timing issue as to why because I know HDR has done a good job, but I'm wondering why it's so premature.

Mortensen: For the record, Cole Mortensen, Assistant Director of Engineering. I will have somebody find out how much they've actually billed to date. I understand that this is exactly what the Board doesn't like seeing, as far as the number of amendments that we've had on this contract. That's partially due to kind of the arc of the story of this project. We've had to break it into several packages to get them out the door. We've had some hiring issues in our Geotechnical Division that's prevented us from actually getting out there and getting the geotechnical investigation done, which is why we're coming forward with this amendment. We just simply don't have the staff available to meet the timelines that we're trying to meet.

As you can see, from part of the other amendments, there were also various other items that we weren't able to perform as a Department at the time in order to keep it moving. One of it was allowing the local interchange for the City of Las Vegas, that was Amendment No. 1 to do the traffic analysis for that. Amendment No. 2 was simply to amend the termination date, just because this project has dragged out as we've phased it and it's made sense== to keep HDR on board because they're familiar with the project from one end to the other. Amendment 3 was including an independent structural bridge check that we didn't have the internal resource for, retaining walls, a public meeting and additional traffic operations and modeling for Phase 3A. Amendment No. 4, was again, due to the additional work in the construction of Phase 3, specifically change and control of access report. The design of additional structures and the continued project management, public information and outreach. So, you know, as these projects spread out, it does cost us a little more in that actual management of the project.

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Amendment 5 was due to an accounting error, it was just a math error in the agreement itself, so we had to fix that. And again, here we are with Amendment No. 6, to add additional geotechnical investigation and some structural design work that we simply don't have resources for in house.

Savage: Thank you Cole. I certainly understand, HDR is giving the Department and the State of Nevada the value—

Mortensen: Yeah.

Savage: --like they always do on the project. I understand that the project has been modified over the last eight years. I'm just curious as to why it's two years in advance and secondly, can you remind me what type of delivery we're having? Is this going to be a lump sum hard bid project?

Mortensen: Yes.

Savage: Or, it is, okay. Very good. So, this is all pre-engineering work up to that point.

Mortensen: Correct. Correct and that's why we're two years ahead of time is, we're having them help us put the plan set together so we can do the hard bid at that time.

Savage: So, when do you expect the hard bid to be solicited?

Mortensen: I would have to get back to you on that, as far as where it's actually landed in our plan. I don't have that in front of me.

Malfabon: I believe this is—the final phase is 20/20 for this interchange.

Savage: The final phase is 20/20?

Malfabon: Yes. It's currently, there's a construction phase that's underway, under construction now and this one comes on, right as that completes this last and final phase, goes out for bids.

Savage: Okay.

Nellis: Member Savage, this is Robert Nellis. We do have a number of how much that's been expended to date, it's \$4,274,800.

Savage: So, that's one reason the contract was amended.

Mortensen: Correct.

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- Savage: Because the current amount is \$3.1, okay.
- Mortensen: No, the current agreement total right now, Board Member Savage is \$5,274,179.
- Savage: Exactly, I stand corrected. I was looking at the original amount. So, it's not billed to the point it's approved at this time.
- Mortenson: Correct.
- Savage: That's good. That sounds fine to me.
- Mortensen: Yes, correct. We're adding additional scope of work through the contract that we need to because of a lack of resources on our end. So, there still is work that they're doing, that hasn't been billed to us yet. We need to move forward with the geotechnical investigation and get the plans done.
- Savage: Thank you, Cole. That's all I have Governor, except for Item No. 4, and I don't know if we're ready—
- Sandoval: You can go ahead and move to 4.
- Almberg: I've got a question on 1.
- Sandoval: Oh, okay. Member Almberg.
- Almberg: On Item No. 1, on Page 8 of 96, we have 12,108 man-hours projected for this. So, are those man-hours, those are excluding the time involved for the subconsultant for the geotechnical work, is that correct?
- Mortensen: I believe that is correct, Board Member Almberg. The subconsultant for the geotechnical investigation itself, I believe is a direct expense under Item 4 on that page.
- Almberg: Correct and that's the way I was taking it, as well but I just wanted to verify that. With reading the scope of work associated with this Item No. 1 here, there includes—appears to be two subconsultants. One is to perform the public outreach and the other one is for the geotechnical. Is there any other subconsultants that I missed?
- Mortensen: I would have to get back to you on that. I don't believe so, but there may have been subconsultants on previous items of work. So, this—this negotiations may have only included those two subconsultants based on this amendment. Overall, the overall scope of the project may have other subconsultants involved.

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Almberg: Okay. And then, finally, based on subconsultant work of, you know, close to \$700,000, is there a reason that we're not going out and obtaining a consultant just to do that work directly for us instead of getting a subconsultant under the existing agreement?

Mortensen: That's something that we generally haven't done. We usually rely on one prime service provider and then have the subconsultants working under them. I think that there would be additional cost and risk associated with having multiple agreements out there trying to get subs to perform work. Then, what ends up happening is we run the risk of our—let's just say we went out and did a geotechnical investigation service provider agreement. We would potentially be on the hook for the performance of the one subcontractor doing the geotechnical investigation if they hold up the work of the engineer doing the actual geotechnical design. So, part of it is managing the risk for the Department on that part. If we utilize the prime and having them hire the subconsultant, they take the risk of the schedule and getting that work done and any delays that may happen for their sub, rather than the Department having two separate service provider agreements.

Almberg: Okay. One last thing on Page 17 of 96, it talks about webcams and having a live stream video. What exactly is that for? I mean, is this something we do on every project?

Mortensen: This is something that we've moved more and more towards from a public outreach standpoint. We've found that the public's more involved if we can get more audio/visual feedback to them so that they can visualize what that project is going to be. I think that the webcams would provide an opportunity for the traveling public to look up on the website to see what the traffic looks like through the interchange to make a decision as to whether or not they want to travel through the work zone or find an alternate route. I believe the webcams also help our construction management group, just kind of watch and keep track of what's going on out there. We've had a number of instances where it's been very helpful to have the webcams taking pictures for us and keeping track of the actual work that's getting done and where it's getting done at.

Almberg: Okay, that's all for me, Governor, thank you.

Sandoval: Thank you. Why don't we move to Contract No. 4, Member Savage.

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Savage: Thank you Governor. Before I go to 4, I would like to make note on Agenda Item No. 3, I want to complement the Department for the feasibility study for the autonomous vehicle. On Page 34 of 96, that study is going to occur between Reno/Sparks and the TRI Center. The Department remains very well aware of the congestion out there and we're doing a lot of things in different ways. The end result will be quantitative results regarding the feasibility of this potential automated vehicle. So, I complement the Department on that study. Money well spent.

Then, on to Agenda Item No. 4. As you know, there were a few questions last month and I want to first of all, thank Robert, Dave and Kim for their patience. I stated last month, I'm not an IT guy. I'm still not an IT guy. I'm a business guy, but I've learned a lot after meeting several times with Robert, Dave and Kim. I appreciate your patience.

We've openly discussed specific concerns and issues with the construction project management and the financial side of NDOT. I believe the process has been openly transparent and educational to ensure at the end of the day that NDOT and the people of Nevada are getting the best value for the dollar spent. I remain cautiously optimistic but at the same time, after talking to several NDOT people, something has to be done.

We all know this five year Aurigo Masterworks agreement is significant, but it is imperative that Aurigo ensure the consistent service and timely responses to NDOT. The UDOT, Wisconsin and the Massachusetts Departments of Transportation references that staff has forwarded to the Board have been extremely helpful and they answered many of my questions. Each DOT had very worthwhile comments, pros and cons. They were very honest, so I thank each one of those DOTs.

But I do have a few questions for Aurigo, just briefly and I don't know if Robert or Dave or Kim can answer those or if there's anybody from Aurigo.

Speaker: They're approaching the microphone now.

Sreenivasan: Governor, Members of the Board. My name is Balaji Sreenivasan, I'm CEO of Aurigo Software and I thank you for the opportunity to come up here and answer any questions you may have. I also have two of my colleagues, esteemed members of my executive team here; Kevin Koenig our CTO and Josh Moriarty

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our Senior Director of Professional Services, who will drive the program, if we're selected.

Savage: Thank you sir, for coming to Carson City today. That means the world. You know that we've been in discussion. I know staff has been in discussion with you this last month. I do have a few questions to have an understanding and clear conscious on my behalf. The first question is, what DOT do you feel is most similar to NDOT in their operation and modeling?

Sreenivasan: The way we look at DOTs is mostly in terms of CIP budgets and how they manage their programs and scope and functionality of what they really want to automate. The three references we gave you are all very similar, albeit a little different. Massachusetts has the best fit in terms of functionality that Nevada is looking to automate, from a software functionality perspective. Wisconsin has a different set of product mix that they're deploying, but from a user perspective, they have more number of users—double—than what Nevada is actually looking to do. Utah comes the closest in terms of user base and functionality that Nevada is trying to accomplish here.

Savage: Thank you, that is helpful. Question No. 2, last month, staff presented that both Texas and Colorado were users of Aurigo and it's come to our attention that both of those states have dropped Aurigo. If you could answer that question as to why they have gone in a different direction.

Sreenivasan: Yeah, thank you. So, the two contracts are very different. TxDOT was not terminated. It was a mutual termination for convenience by both TxDOT and Aurigo. So, let me explain what the context was. We were not the first vendor they selected. They had selected Hewlett Packard, HP, in the first go round. That contract was for \$12 million and it turned out 10 months into the program that they had underestimated what it would cost to deliver such a large program. Texas is a pretty unique state, \$100 billion CIP Program, much more complex than most state DOTs that you would encounter.

The second go round, it was Aurigo and Accenture that had bid the program and we competed with IBM, Deloitte and a few other large technology vendors and we were all in the same ballpark, so a contract of \$32 million was awarded to us. A year into the program, we were still in elaboration. We had never started any software development or anything. We were trying to figure out what they wanted because it was a four-year implementation program. We realized that the scope they were looking for was probably two and a half, to three times more,

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even at that stage, then what we had bid. It made a lot of sense, for both parties at that time, to mutually terminate because the contract vehicle we had didn't allow for making a change order.

Colorado was not terminated. Colorado was basically a case where they had procured a planning system and when they started the program, there was an ah-ha moment with the team where they thought they had procured program and planning and they hadn't. So, they're re-procuring the system. In fact, we just resubmitted our bid 15 days back.

Savage: Okay, so that's good. Colorado was not terminated, it was never initiated.

Sreenivasan: Yes, it was never initiated. We just started it, it was paused and now it's being re-procured. TxDOT was terminated mutually for convenience by both parties.

Savage: Okay, thank you sir. I appreciate the clarification. Question No. 3, on some of the references between Wisconsin and UDOT, there were concerns about a United States based project manager and business analyst. One of the comments that UMASS had, or MassDOT had was that it was very helpful to have a United States based project manager and business analyst. Will NDOT have that support?

Sreenivasan: The simple answer is yes and the longer answer is that we are a global business. We have—we're headquartered in the US and we are an American company, but we have operations in Canada and India. For the purpose of all DOT projects and all public sector programs, we staff all resources in the US and for Nevada, all resources assigned to the program will be stationed here, in Austin, Texas, which is where we're headquartered.

Savage: Perfect, thank you. Next question is, on the Wisconsin review, it looked like they had a \$1 million unlimited license fee. Right now, we're projected at \$1.5, so my question is, how many users does Wisconsin currently have?

Sreenivasan: Yeah, Wisconsin has 2,000 users and they have 950 internal users and approximately 1,000 external users from a contracting perspective. They haven't licensed the exact products that Nevada is licensing. They have licensed a much smaller subset of just contract and solicitation and bidding; whereas, Nevada DOT is actually procuring a lot more functionality from us. So, the Aurigo Masterworks Software is a suite of many products. We have 11 products.

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Nevada is actually soliciting more number of products than Wisconsin did, therefore, there's a higher fee involved with that.

Savage: Okay. So, it's not apples and apples.

Sreenivasan: No.

Savage: It's a different set of modules. Okay.

Sreenivasan: Yes.

Savage: Thank you sir. Second to last question, again, looking at the background on some of these other DOTs, they all voice concerns of personnel changes by Aurigo during their agreements. How can NDOT be assured that this will be kept to a bare minimum by Aurigo?

Sreenivasan: That's an easy answer, but I'll give you what happened. The growth in the company has really been the last four years. We've had 100% YOY growth for the last four years. As a result, I think three years back when we just started work with Wisconsin, we didn't have the critical mass required to deliver larger programs and so we were hiring tremendously in 2015 and 2016. As a result of that, a lot of that staff had to come back to Austin to get trained and then get redeployed and we had some amount of churn. That has been fixed. We have the critical mass right now; the team size is three times where we were in 2014. We absolutely have the scale to deliver the programs like this.

Savage: So, you'll have—

Sreenivasan: We actually have named resources for NDOT in our proposal, and those named resources will be kept on the program, there will be no change.

Savage: That's great to hear. Lastly, in my discussions with Robert, Dave and Kim, I was told I need to ask you that, it is our understanding that you're willing to return all the money spent by NDOT through liquidated damages if we are not completely satisfied, is that correct?

Sreenivasan: Let me clarify. Again, simple answer is yes. The longer answer is that we have language that we have provided to NDOT that if you, for some reason, want to terminate the contract for cause, during the implementation phase and any software has not been accepted by NDOT, then we will return all the monies. However, if software has been accepted, is in production, then monies paid for that portion will obviously not be returned.

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Savage: That's fair. So, you completely stand behind your product, 1000%.

Sreenivasan: Absolutely.

Savage: That's all I have at this time. I sincerely appreciate you being here in person today to answer these questions. As you realize, this is a major investment for our state and we all want Aurigo to be successful on this venture, while ensuring the Nevada Department of Transportation makes a seamless and cost-efficient transition to this new software. That's all I have Governor.

Sandoval: Thank you Member Savage. Good questions. We just—it has to work. And, unfortunately, at least in my experience and this isn't anything about you but in other departments, we've had some pretty dramatic failures with technology. It's led to litigation, it's led to a lot of delays and so, when it comes to another big ticket item that really will be the backbone of this Department when it comes to projects, we just want to be sure. So, that's just my comment. Unfortunately, you're getting a lot harder questions because of the experience we've had in other places. I really—I agree with Member Savage, it's very meaningful and this is actually a first for me where the CEO has come forward and answered the questions directly. That's very impressive.

Savage: It is.

Sreenivasan: Thank you Governor.

Sandoval: Other questions? No, did you have something else, I didn't mean to interrupt you.

Sreenivasan: No. I said, thank you. We really appreciate the opportunity to come here and present to you and Nevada is an important customer to us. We are doing business in the State of Nevada. The City of Las Vegas is one of our projects, deployed. They're using our software already. We're really looking forward to the opportunity to work with the State.

Sandoval: Thank you. Mr. Controller.

Knecht: Thank you Governor. I sympathize with Member Savage and with yourself. When I ran for Controller four years ago, I knew that we were facing IT issues. I didn't realize that that would take up at least a quarter or more like a third of my job. It is a challenge we've had. We had a problematic contract and we went through two contract revisions, amendments, with the help of the AG's Office etc.

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So, I know from experience what the Governor knows about what a challenge this is and what Mr. Savage has pointed out here.

I want to say that Kim and Dave and Robert came to my office and gave me a very thorough and efficient briefing on what they presented last time and on the answers to the questions. My concern was with only one bidder, how do we make sure that essentially the taxpayers of Nevada will be getting full value for their money. I think, the questions that Mr. Savage asked and that they answered satisfied me on that. So, I'm ready to support this. I do thank you for coming, as the CEO and I won't say that when I was on the Board of Regents, another CEO came and unfortunately that experience wasn't as good in the long run but I'm hopeful and confident that this one will be better. So, I just want the record to reflect that I got the full briefing and I've given this the full consideration and thank you again Len, and Governor.

Sandoval: Thank you, Mr. Controller. Any other questions or comments on this contract? Mr. Almberg.

Almberg: I just wondered why nobody came to my office to update me. [laughter]

Martin: Me too.

[crosstalk, laughter]

Almberg: That's all for me Governor.

Sandoval: All right. [audio cut] vote on Contracts 1-4 and brings me back to Contract No. 2, as to how we should handle that. We could—

Sreenivasan: Thank you.

Sandoval: Thank you very much sir—provide a motion subject to approval by the Legislature or just remove it until it's brought forward to the Legislature?

Malfabon: I think it would be best to remove it. It was stated that the additional estimate was very low. When we saw it was significantly more, I think it is best to approach it from that manner, Governor.

Sandoval: A stitch in time saves nine, Rudy, I'm just trying to help you out there. All right then. We will remove Contract No. 2, subject to presentation by the Legislature and further consideration by this Board. So, the Chair will accept a motion for approval of Contracts 1, 3 and 4.

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Knecht: So moved.

Sandoval: Controller has moved for approval.

Savage: Second.

Sandoval: Second by Member Savage. Any questions or discussion on the motion? I hear none, all in favor say aye. [ayes around] Those opposed say no. That motion passes unanimously. Let's move on to Contracts, Agreements and Settlements. Mr. Nellis.

Nellis: Thank you Governor, Members of the Board. There are three attachments that are under Agenda Item No. 6 for the Board's Information. Beginning with Attachment A, there are 10 contracts and one emergency contract that can be found on Pages 4-7 of 33 in your packet.

The first project is located on US-95 from the California/Nevada state line, to Boulder City Bypass in Clark County; to install intelligent transportation system infrastructure. There were five bids and the Director awarded the contract to Las Vegas Electric, Inc., in the amount of \$3,248,771.10.

The second contract is located on Main Street in Fallon to replace a bridge structure. There were three bids and the Director awarded the contract to A& K Earthmovers in the amount of \$940,000.

The third project is located on SR-397, 398 and 399 for resurfacing and culvert replacements. There were five bids and the Director awarded the contract to Granite Construction Company in the amount of \$410,410.

The fourth project is to install edge line stripe and center line rumble strips at multiple locations in Lincoln, Mineral and Nye Counties. There were two bids and the Director awarded the contract to Nevada Barricade and Sign Company in the amount of \$532,100.74.

The fifth project is located on US-395 in Douglas and Washoe Counties. This is to install a Nevada State Gateway Monument at both Topaz and Bordertown. There was one bid and the Director awarded the contract to Spanish Springs Construction, in the amount of \$791,444.

The sixth project is located on US-93 in Clark County. Also to install a Nevada State Gateway Monument at Hoover Dam. There were two bids and the Director awarded the contract to Las Vegas Paving Corporation in the amount of \$396,090.

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The seventh project is located on US-93 in Elko County. Also to install a Nevada State Gateway Monument at Jackpot. There was one bid and the Director awarded the contract to Spanish Springs Construction in the amount of \$415,444.

The eighth project is to install edge line stripe and centerline rumble strips at multiple locations in Elko, Eureka, Humboldt, Lander and White Pine Counties. There were two bids and the Director awarded the contract to Surface Preparation Technologies in the amount of \$725,412.50.

The ninth project is to install edge line stripe and centerline rumble strips at multiple locations in Churchill, Lyon, Mineral and Washoe Counties. There were two bids and the Director awarded the contract to Nevada Barricade and Sign Company in the amount of \$506,200.75.

The tenth project is located at NDOT's north annex building in Carson City to install an emergency generator. There were two bids and the Director awarded the contract to Simerson Construction in the amount of \$392,374.50.

Lastly, the eleventh item is an emergency project located on Kietzke Lane in Washoe County to remove and repair a damaged storm drain, system pipes and drop inlets. The Director awarded the contract to Q&D Construction in the amount of \$200,000.

Does the Board have any questions regarding these 11 projects before we turn to Attachment B?

Sandoval: Thank you Mr. Nellis, any questions? Member Savage.

Savage: Thank you, Governor. Mr. Nellis, just a couple of comments. I know this is an information item only, but Items 4-10, there were three projects that only had one bidder and there were four projects that had two bidders. Is the Department reaching out to the construction industry and marketing and being proactive to the point where we can get more than one bidder or two bidders on a project? What are we doing as a Department? Because I know it's busy out there, but again, we pay every two weeks, we currently don't hold retention. It's a pretty good deal, to works for the Department of Transportation. Are we doing anything on that?

Hoffman: Member Savage, this is Bill Hoffman, Deputy Director. Good morning.

Savage: Good morning.

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Hoffman: Well, it is busy, as you've mentioned, but you bring up some great comments and we do meet with the AGC in Northern Nevada and the Southern Contractors of Southern Nevada. So, good comment. We can definitely reach out to them. It is excessively busy out there, especially in Northern Nevada where you see a lot of cones. Down south in Southern Nevada, you see contractors working everywhere. We will reach out to the contractors, Member Savage.

Savage: That would be appreciated, Mr. Hoffman, because I know as a vertical contractor, it's very important to know that the money is there at the end of the day. With the Department of Transportation here in Nevada, the money is there. So, I would think there'd be a few more contractors looking at some of this work, but I'd appreciate it if you'd look into it. Thank you Governor, that's all I had.

Sandoval: Thank you. Mr. Controller?

Knecht: Thank you. Thank you, Governor. My question goes to the fact that nine of these 10 projects, excluding only number 3 came in between a quarter of a percent and 67% over the engineer's estimate. I understand the market has heated up, but I'm wondering, there must be a systematic problem in the estimating or something to get that kind of a result. There's a really thin probability that it would happen stochastically.

Hoffman: That's a great comment, Mr. Controller. We'll look into that as well. So, when we meet with the contractors and talk to them, we'll talk about number of bidders and then, we'll work internally with our estimation process. Cole Mortensen and Scott Hine and then we'll work across the Board with the contractors, making sure that the estimates are real and that we have enough contractors on board to make it beneficial for the taxpayers of Nevada.

Knecht: Thank you.

Sandoval: All right, anything else? Member Almberg.

Almberg: Multiple of these contracts that went out here were for edge rumble strips and centerline rumble strips. Last Board Meeting we had a rumble strip that was supposed to be on the Board, but we pulled it off. It's not on this Board Meeting. I was wondering if those rumble strips are included in these projects.

Hoffman: We don't have that information, Member Almberg. This is Deputy Director Hoffman, but we'll get that information to you as soon as we can.

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- Almberg: Okay, I appreciate it. And, will that rumble strip be back up next month?
- Hoffman: I'm not sure, but we'll get that information to you very soon.
- Almberg: Because as far as I'm aware, I think we've come to consensus of what we were looking at, so just I appreciate it. That's all for me.
- Sandoval: All right, thank you. Anything else? All right, Mr. Nellis, please proceed.
- Nellis: Thank you, Governor. There's 74 agreements under Attachment B, on Pages 23-27 for the Board's information. Items 1-2 are an Acquisition and an Appraisal. Items 3-12 are Facility and Interlocal Agreements. Items 13-29 are Service Providers. Lastly, Items 30-74 are No Cost Agreements and Amendments. Does the Board have any questions on any of these agreements before we turn to Attachment C?
- Sandoval: Any questions on Attachment B? We'll go with the Lieutenant Governor.
- Hutchison: Thank you. My question and Dennis, this is for you, it's the Kip Jones contract extension. Maybe you could just—I don't know if you want to do it now or would it be better under Agenda Item 12, as far as the update on that. And, it looks like this is going to be \$150,000 and I saw on our outside counsel report that we've got about \$100,000 left. So, are we thinking about \$250,000 remaining on this and just kind of an update? Either now or later, whatever is best for you Dennis.
- Gallagher: For the record, Dennis Gallagher, Counsel to the Board. This involves the Nassiri case. Mr. Nassiri had recently filed another appeal with the Supreme Court. So, it was anticipated that this would carry us up to the Supreme Court and possibly back down again. Mr. Nassiri recently, his counsel has withdrawn for failure to be paid. We are in the process of—we agreed to an informal meeting with Mr. Nassiri and his former counsel before proceeding with an official judgment/debtor examination. If the appeal goes away, this agreement will probably not incur many fees.
- Hutchison: So, it sounds like Dennis, this may be an attempt to get a little negotiating power to resolve the case, that's why they filed another appeal?
- Gallagher: Yes, as recently as yesterday, Mr. Nassiri reached out to a representative of NDOT with a proposal that's not acceptable to the Department. For the Board's edification, the status of the case currently is the District Court awarded NDOT a

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little over \$1.1 million in cost and fees in defending this action over the past 6-7 years.

Hutchison: Did the appeal originate from that award, or was it just—was the prior appeal not dispositive of all issues?

Gallagher: The prior appeal dealt with everything but the fees and costs, when it was sent back down, the fees and costs were then awarded and now it's the new deal.

Hutchison: Now it's being awarded, okay. It sounds like this is headed for a settlement and Mr. Nassiri may be being a little more reasonable and we can find a resolution to this, it sounds like.

Gallagher: We're always available to listen to any proposals.

Hutchison: To reasonable proposals.

Gallagher: Yes.

Hutchison: Because NDOT Counsel is always reasonable. I know that from experience. [laughter] Thank you, Governor.

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

Knecht: Thank you, Governor. I'm going to go first to Items 32, 37 and 39. All of which are supposed to be no-cost agreements but they have amounts ranging from \$4,800 to over \$1 million. Can somebody explain to me how those are no-cost agreements? Excuse me, forget Item 37 because that's an Amendment. It does say no-cost agreement but there's no amendment amount. Items 32 and 39 are called no-cost interlocal agreements and they have positive dollar amounts.

Nellis: Mr. Controller, this is Robert Nellis. These are receivable amounts, so there's no cost to the Department. We're receiving the funds for those.

Knecht: Say that again.

Nellis: These are funds that we are receiving.

Knecht: Okay.

Nellis: So, they're not—yeah, it's not a cost to the Department. We're not paying out the money.

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Knecht: Okay. I appreciate that explanation. That's helpful. It wasn't apparent on the face of the document, as least as far as I could tell. Let's go back to Item 11. I'm sort of surprised the Governor didn't go forward with this one. This is research and design—or, research by a consortium research studies or that's the purpose. It says, conduct research on topics to be selected by an NDOT advisory board, through a consortium of universities led by UNR, etc., etc., etc. \$143,700. Give me some comfort that this is going to actually deliver some value to NDOT and to the taxpayers.

Rosenberg: For the record, Sondra Rosenberg, Assistant Director for Planning. I was also surprised this hadn't come up yet.

Sandoval: I've got to let everybody else have some fun. [laughter]

Rosenberg: Let's go back to the research topic on the other item—no. What this is, it's actually a holdover from several years ago when this consortium of universities was selected for a University Transportation Center Grant. We had an agreement with them—I can't remember if it was four or five years ago, when they won that to help support that research that was federally funded at a 50% match level.

Much of that has been expended. It's actually leveraged. The required match is 50%. It's actually leveraged, I think significantly more than that in additional research funds, both from the universities as well as other partners. We had a slight amount remaining, this \$143,000. The additional requests that we were getting from the universities, we were having a bit of a disagreement on the overhead rate. We decided it was simpler to clarify that in one agreement with the remaining committing funds towards that, that UTC research and the way that works is, each time they have a proposal for selected research they would like us to fund, we have to agree to that 50% of that research statement. They come to us on a one-by-one basis, not to exceed this amount and we say, yes this is worth some of our funds to—there's a benefit to the Department to select that.

So, it's one agreement, rather than the individual ones we get through our typical research program, because they got this large grant from USDOT. So, we'll be working with them to expend those remaining funds, to complete their UTC grant amount.

Knecht: Okay so, the short version of that is, this is sort of an overhang from the previous agreement—

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Rosenberg: Correct.

Knecht: And that we're going to trust you, Sondra, to make sure that we get full value.

Rosenberg: Correct. Yeah, this was—it was previously committed funds, essentially. So, we just rewrote the agreement to clarify that overhead rate, at the lower rate, per state funded agreements, rather than at the higher rate for federal agreements because the federal funds don't come through us. So, yes, essentially the Director's Office serves as the Research Management Committee and we will be approving any of these funds that are actually spent on this specific research.

Knecht: So, by explaining that you're leaning on them about the overhead rate, you give me some confidence, so thank you for that. I've got two more. One is Item 10 with the City of Las Vegas. We're increasing the authority by \$500,000 from \$1.1 million, which is something like 45%, due to a delay in the start of the project. These are all nice soft round numbers with the City of North Las Vegas. Cole, can you or somebody explain to me how we got to \$500,000 increase due to the termination date being extended from June 30th of this year to the end of 2020, due to a delay in the start of the project?

Mortensen: Yes, for the record, this is Cole Mortensen, Assistant Director of Engineering. That particular project was taking a portion of a resurfacing project in an agreement with City of North Las Vegas to allow them to construct and bid it because they were putting in, I believe a water line, through that area. Sorry, not a water line, an interceptor sewer project. We knew that they were coming in after us, so we didn't want to build the project just to have them come in and cut it. It's my understanding that the difference in the agreement was the difference in the engineer's estimate. So, early on, we did an agreement with them for the \$1.1 million. Once we got down to a point where they actually bid the job, there was quite an increase in the cost there and we were on the hook for it because that was our portion of the work.

Knecht: I think I follow that. Final one and this is a little bit bigger. Mr. Dyson, Item 12, \$4.25 million to provide necessary funding for the Freeway Management System Component of the FAST System and the Central Operations Building, referred to as the Traffic Management Center, etc. That's a big chunk of money for one of these. It just meets the—or, comes under the threshold, but it's for maintaining and operating the ITS, can you explain what the ITS is and why \$4.25 million is a reasonable figure?

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Malfabon: I can actually take that Thor. So, the RTC of Southern Nevada has the Freeway and Arterial System of Transportation, FAST, Operations Center. NDOT and Clark County, the cities here locally pay the RTC to operate and maintain those devices. So, we have, as far as our Intelligent Transportation System devices, it's signals at interchanges and it's the cameras, it's the flow meters that will look at how traffic is flowing in certain highways. A lot of state highways or arterials will be discussed later on in the transfer agreement, but those have traffic signals that are part of those, the system. So, a lot of devices are out there that they—yeah, the overhead structure, the DMSs, they maintain that because they have a—it's seamless in that they can have the technicians go out there rapidly. As part of this agreement, this agreement's been in place but it's due for renewal and we've added a lot of devices under Project NEON. So, that was a lot of the justification for the increased cost. You can see those as you drive around town today. A lot of those overhead message boards is part of the Automated Traffic Management System. So, this was just a renegotiation of the cost based on the number of devices. It's similar to what they do in Clark County and all the cities down here.

Knecht: How does the billing work on—under this contract? Do they bill it by event or—

Malfabon: It's a monthly—I believe it's a monthly bill that's reviewed by the District staff for agreement to pay. They review it and then they submit it up to Traffic Operations for a final review and it's processed for payment.

Knecht: Thank you Rudy, thank you Governor.

Sandoval: Thank you, Mr. Controller. Just wanted the record to reflect that Member Valentine has joined us in Carson City. All right, any further questions with regard to Attachment B? All right, Mr. Nellis, if you'd please proceed.

Nellis: Thank you, Governor. There is one settlement under Attachment C for the Board's information. This is with FLP Holdings, LLC in the amount of \$75,000. It's an inverse condemnation for a billboard that was removed and never replaced along I-15 and Cactus Avenue in Las Vegas.

That concludes Agenda Item No. 6. If there any questions, I'm sure Mr. Gallagher will be able to answer them.

Sandoval: All right, any further questions with regard to Agenda Item No. 6? If there are no questions, this is an informational item only, so there will be no vote. We'll move on to Agenda Item No. 7 which is a Road Transfer.

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Malfabon: Thank you, Governor, Board Members. Items 7, 8 and 9 are associated with Road Transfers. As NDOT completed the construction of Interstate 580 in Carson City, the Carson Freeway, we looked at an agreement as was mentioned earlier during public comment with Carson City to take over some of the local roads. So, this completes the disposal of the NDOT right-of-way to Carson City.

Item 7 is associated with Carson Street from Fairview to the freeway, to I-580, intersection. Item 8 is associated with the frontage road at Clear Creek Avenue, in the same vicinity at the south end of the freeway. Item 9 is for Snyder Avenue. The City passed a resolution supporting the transfer from NDOT to the City and I think that now is the time for Dennis Gallagher, our Chief Counsel, to address that issue of the underground storage ground tanks on property that was mentioned in public comment.

Gallagher: Thank you, Director. For the record, Dennis Gallagher, Counsel for the Board. The question that came up this morning is dealing with some underground tanks that have been at that location for decades. The relinquishment of this property to the City doesn't change the responsibility to remove those tanks. It will just keep the Department in the change of title, which we currently hold and now add the Carson City. I take it from the comments by the representative from Carson City, they are aware of this situation and under the circumstances, are still willing to accept this property from the State.

Sandoval: All right, anything else?

Mortensen: Governor, if I may add to that.

Sandoval: Yes.

Mortensen: We have a letter from NDEP dated July 14, 2010, basically confirming that the site has been treated. Now, with sites like this where you have a fuel tank and there's a plume, I believe that the important part of the treatment is to ensure that the plume is no longer migrating or anything along those lines. At this location, it is not. The tanks have been scoured and cleaned, which is one of the requirements for underground storage tanks. So, essentially at this point in time, the site is considered remediated.

Sandoval: Okay. Again, I haven't done this in a while, but just the mere relinquishment to Carson City wouldn't absolve the property owner from any potential liability, is that an accurate way to put it, Mr. Gallagher?

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- Gallagher: For the record, Dennis Gallagher. That is a very accurate way to put it, Governor.
- Sandoval: Yeah, all right. Thank you. Mr. Controller.
- Knecht: Governor, thank you for making that point clear, but as Mr. Gallagher pointed out, we'll still be in the chain of title and the transfer doesn't absolve the state from any potential liability either, does it?
- Gallagher: All the record holders will be potentially liable, if the current owner is unable to remediate it, but as Mr. Mortensen put out, or just stated, NDEP used this site now as remediated and that could be why Carson City is willing to accept this property.
- Knecht: NDEP does, is it possible the federal government will have a contrary opinion? Does it have any jurisdiction on this?
- Gallagher: Yes, they have jurisdiction, but NDEP is the arm of the EPA, if you will, in the State of Nevada.
- Mortensen: If I may, based on the guidance that we have here, I have the requirements for 40 CFR 280.20 and 40 CFR 280.21, that provide the requirements for those underground storage tanks, in a temporary closure condition, which is what they consider this, since they're still in place. They've just been remediated. That would be the requirement that the NDEP would be holding the property owner to.
- Knecht: I guess the bottom line is this - is there some possibility that the removal of those tanks will be required in the future? A practical possible idea.
- Gallagher: For the record, Dennis Gallagher. I suppose it is possible, depending on what the City of Carson City chooses to do with that property.
- Sandoval: We won't be in any worse off position by relinquishing this than we are now, correct?
- Gallagher: That is correct, Governor.
- Sandoval: Yeah.
- Hutchison: Governor?
- Sandoval: Yeah, Mr. Lieutenant Governor.

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Hutchison: My understanding of all this federal law is, everybody in the chain of title is going to be liable. This is—the federal law captures anybody who has ever held chain of title. Matter of fact, people who like, just drive trucks over it can be responsible for it. So, there's nothing that we're going to do today that's going to increase the state's liability. There's really nothing we can do that's going to decrease the state's liability. We're in the chain of title period, for time and all eternity and so is this individual. I know Mr. White had expressed some concern about that during public comment, but so is this individual property owner, is not going to be absolved of liability. Is that your understanding of what the federal law is and state requirements, Mr. Gallagher?

Gallagher: For the record, Dennis Gallagher. That is in fact my understanding and you put it so much better than I could express it. Thank you.

Mortensen: If I may, the risk at this point in time is not increasing. What would happen if the storage tanks were to be removed, they would have to be handled in whatever fashion necessary for the tank itself. The soil and the material around the tanks to a certain level would be removed and handled as a hazardous material, under the circumstances that we normally would handle that, to the level that they get disturbed, I would assume. At this point in time, I don't think that the liability is a great liability.

Sandoval: [audio cut] the City of Carson City, did we on this?

Gallagher: For the record [crosstalk]

Sandoval: In the event of a future action, which is fine. I think we've covered this pretty well, in terms of that there—if there is indeed a responsibility by the property owner, or that property owner still will be responsible, it provides comfort that Mr. Mortensen has presented a letter from NDEP that says that the tanks have been cleaned. Carson City does not foreclose its ability to seek damages or compensation or clean up from the property owner. So, it—you know, the other piece of this is, this is necessary to move forward with that Clean Streets Project. Given that we've laid, I think, a sufficient record that the State is in no worse position by virtue of this relinquishment, that the property owner is still responsible, that—I guess, that's all I have. I'm comfortable moving forward with Agenda Items 7, 8 and 9 because they are all part of the same project. Any other comments or questions from Board Members?

Knecht: Governor, I just see Mr. White raising his hand, can we indulge him a question?

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- Sandoval: Well, I just don't want to get into a debate on the record—
- Knecht: No, I understand that.
- Sandoval: Mr. Controller, you know, I think we've heard what we need to hear on that with regard to public comment.
- Knecht: I guess he'll have an opportunity at the end of the meeting to say whatever else he has to say at this point?
- Sandoval: Uh huh. Yeah, Member Savage.
- Savage: Thank you, Governor. Just a comment on the relinquishment. I know Bob has been working on a lot of relinquishments for eight years and we have several Board Meetings, so I just want to thank Carson City for seeing the big picture. It's a pleasure and I wish other cities would also relinquish some of the roads that we have throughout the State of Nevada because they just need to see the big picture. So, I thank Carson City. Thank you, Governor.
- Sandoval: For those of us that have sat on this Board for a while, this was one of my issues was that, we continue to essentially subsidize some of the local governments because we take care of highways that are no longer highways and are within city limits, etc. Again, I think, a little bit at a time and this is a great project. We've got that TIGER Grant that allows this project to go forward when it otherwise wouldn't. This project can't go forward unless we do this relinquishment. I would imagine there's also a time limit on the ability to use those TIGER Grant funds and complete the project. Is that accurate, Director Malfabon?
- Malfabon: Yes Governor, typically, federal funds have a certain timeframe that they're allowed to spend it.
- Sandoval: All right. So, within each of these agenda items is a Resolution of Relinquishment. The Chair will accept a motion to approve the Resolutions of Relinquishment as presented in Agenda Items 7, 8 and 9.
- Martin: So moved.
- Almberg: Second.
- Sandoval: Member Martin has moved for approval. Member Almberg has seconded the motion. Any questions or discussion on the motion? I hear none. All in favor, please say aye. [ayes around] Those opposed say no. That motion passes

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unanimously. Let's move to Agenda Item No. 10, speaking of transfers between NDOT and local governments, Clark County.

Madewell: Good morning Governor, Members of the Board. My name is Bob Madewell, I'm the—

Hutchison: Can they hear you in Carson City?

Madewell: I'm not sure.

[pause to fix audio]

Madewell: Let me restart it. Good morning, Governor, Members of the Board. For the record, my name is Bob Madewell. I'm the Manager of the Roadway Systems Unit of the NDOT Planning. I deal with [audio cut] in the state and today, I'm very excited to bring this one to you.

We've had over two years plus, negotiations with Clark County regarding the transfer of a portion of the CC215, you may all also be aware, it's also called the Beltway. In exchange for NDOT taking over that road, a portion that's between Stephanie and Warm Springs. We already have the portion between 515 and Stephanie. Also, the portion between 515—or, excuse me, I-15 and the Airport Connector, Warm Springs, in that area.

In exchange for that, they're going to take over several of the state roads, which I will mention to you in my presentation, but it's been an accumulation of a couple of years of negotiations. I definitely want to thank Clark County and their staff, specifically Public Works Director, Dennis Cederburg, for his assistance and getting us through to this point.

The accumulation of that is two agreements that were signed by Clark County on October 2nd of this year. We had to go with two agreements because one is a new agreement to transfer roads that were not contained in an earlier agreement where we—where NDOT took over the responsibility for those roads. So, this is a new agreement. Two of the roads involved in this transfer are roads that were involved with a 1983 agreement where the state took over several roads in the Clark County area for the purpose of maintenance and operation only. We never obtained the right-of-way to those. So, we're giving those back to Clark County.

The other ones in the original agreement that I'm talking about today, they'll actually be right-of-way transfers and at some point in the future, you will have an

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opportunity or the Board will have an opportunity to approve that actual transfer at that time.

As mentioned to you, the two years of the transfer and the result of the two agreements, the Transportation Board will have the final say on a portion of this and when I get to the maps at the end, you will see two different maps that will show you the roads in question that you'll ultimately have that opportunity to actually vote on that transfer at that time.

If you could bear with me, this pushing over to the left is a little different for me.

So, I wanted to give you a little brief on relinquishments first, because some of you may have been involved in my presentation back in 2013 and 2015 where we went to the Transportation Board and updated NRS 408.527 that required a new process for road transfers. It required us to first meet with and negotiate with various agencies on this road transfer. During the process, it also required that we develop and create a manual, a guiding manual that all the cities and counties and NDOT followed that process to negotiate, so that there was an equitable transfer or exchange of properties. In some cases, there may be a monetary exchange. In this particular case, it's an exchange of roads for roads. So, in those discussions with Clark County, we have determined that the equitable exchange will be the transfer of the roads because of the uses.

NRS 408.527 also allows the state to take roads that are no longer in—the state no longer needs. We have a lot of surface streets in the state, as the Governor has mentioned that NDOT has taken over for a lot—for various reasons through the past. They don't act as State Routes for our purposes. We prefer to have roads that act as freeways, expressways, high-speed, higher volume roads that will get you from, not just Point A to Point B, but Point A to Point Z sometimes.

In this case, when we started these negotiations, we looked at those elements and the roads that we're giving back to Clark County are surface streets here in the Clark County, City of Las Vegas area. In exchange for that, as I mentioned, we're going to be taking on the CC215, which is acting as a freeway today, if you will. Many of you have driven it, if you haven't, please do.

I mentioned the 2013 Legislation where we made the rule changes. Here are some of the key elements that occurred out of that 2013 change. Defined the instances where Department can relinquish roads or accept roads. Relinquish roads exceeds the Department's needs. In this case, surface streets exceed our

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needs because we don't need them to travel between freeways. We want people to get on the freeways and travel those freeways. We don't need surface streets because they tend to work for local businesses or residential uses. People getting around their community, if you will. We do need freeways and we do need expressways. We do need those high-speed roadways. That's where we're talking about on the third bullet there where it says, accept the roads that have risen to the level of qualifying as a state route. And, very specific there, I'll give you some examples: high volume, multilane, access controlled, long distance routes.

In this process, when we started this negotiation with Clark County, we did use the new Guide to Road Relinquishments. I call it "new" even though it's about four years old now. We've had this opportunity to actually apply many of the elements of that. We started out with a formal documentation of do you want to talk and they responded. We followed the further processes that are involved in the manual and identified a negotiation process, as I've said, over two years of negotiations, many, many meetings between the two agencies and consideration on both sides got us to this point today where again, I have to stay very excited about this because this is, in my opinion, one of the bigger ones we're doing in the state right now.

So, I want to go straight on to the maps and show you the roads in question because I've talked about some of those but some of you may not be aware of them. The first attachment shows the routes that we're giving to Clark County. Those are currently state routes and we're giving those portions to Clark County. I do want to caveat something here that, some of those roads, we're giving half of the road to Clark County, the other half goes to the City of Las Vegas; which I'm in final negotiations with them. My hope is, within the next two months, by January, we'll have completed that.

So, as you look at this map and you see those breaks, see that really as a solid line through because part of those roads are in the jurisdiction of Clark County. Part of those roads are in the jurisdiction of the City of Las Vegas. We are working with them, and again, within the next two months, very confident that we'll be completing that negotiation.

You have, I believe in your packet, the roads that are involved. Real quickly, I can tell you it's a portion of Charleston, portions of Sahara. Tropicana between Las Vegas Boulevard and Maryland. A little portion of Russell that goes over the

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freeway Interstate 15, over to Las Vegas Boulevard. And, in exchange for those roads and then my third map, when I get ready to show you, will be those two roads that were involved in the 1983 agreement, where we just simply are giving it back to them for them to take control of again.

In exchange for that, as I mentioned, we're going to be taking Warm Springs, from Stephanie—I mean, excuse me. CC215 from Warm Springs to Stephanie. We already maintain the portion from Interstate 15 to Warm Springs, as well as Stephanie to 515. This other portion will complete the entire portion of CC215 between Interstate 15 and Interstate 515.

The only other piece to that I need to add is that, this process—and I'll mention this again because this is a key point, this process of transfer takes an extended amount of time when you're doing right-of-way documents. So, the first phase of this is, we want to do the transfers and within 30 days of the signing of the agreements that had already been signed by Clark County, operation and maintenance would transfer to Clark County and we would transfer operation and maintenance of the 215, except a small portion of it.

Clark County wants to keep the portion for operation and maintenance between Warm Springs and Pecos because they're adding a lane in each direction. They have a project there that should be completed sometime in the next, let's say 6-18 months. It will take us that long to do the right-of-way documents, anyway. That's a cost savings to the state, I might add, by them having already put those lanes in.

Eventually, we will own all of that portion between 15 and 515 and Clark County would though take over the portions that I've shown you in the prior map for those surface roads within 30 days after signing of the agreements, which I hope today, your action will allow our Director to sign those agreements and let us move forward with this action.

This third map, of course I wanted to show you is the map that involves the two routes that would go back to Clark County. In the 1983 agreement, NDOT took over the operation and maintenance of those roads so they are technically state routes right now today. That's a portion of Jones, that's what it is, and the other portion of Sahara that takes off from Boulder Highway and goes on over to Nellis. That was the portion that was the amendment in the two agreements.

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With that, I gave you a very brief quick overview of two years or so of negotiation but also wanted to make sure you understood that—that this action will transfer a lot of those surface roads, get them out of the state's system and put us back into the business of working on and utilizing freeway type arterials, in this case CC215. I will also add that, this is the first phase of many to come. This is the first phase. We did a lot of work on this, to create templates for the future work, to get us to the next level. Very detailed agreement. I don't know if you have a copy of the agreements in your package, but you will see in Attachment C in there, that if you do not see that, it's a lot of detail, multiple pages of how we're going to handle in detail the maintenance and operation of these roads, including bridges and the offramps and onramps and everything. So, we got very detailed in it. That's the meats of the potato here, but the reality is, NDOT will get off of some surface streets, back into some portion of what can be decided/determined as a freeway, the CC215. It's Phase 1 of many future phases that come. As we trade more routes to them that are surface roads and take on more portions of the CC215 from 15 on around, as portions of it's built.

With that, I'm open for any questions you may have. I can tap dance too.
[laughter]

Sandoval: Thank you. It's an excellent report. I appreciate all your work. I guess I have a process question which is, this is marked as an action item and it's listed as a report on the status of road transfers between the Department and Clark County. We have copies of maps, so what we would—

Malfabon: That was at my request Governor, just basically to give the Transportation Board a new credit for authorizing me to sign—by the matrix of what's delegated to the Director and typically interagency agreements are delegated to the Director to sign, but I wanted it on the record that the Board supports this move and it is a testament to your guidance and direction to the Department to get these things done, for transfers. Subsequently, as Bob mentioned, in 18 months, the formal action for the legal transfer of right-of-way will take place at the Transportation Board.

Sandoval: Thank you. As I said, this has been years in the making. It's the right thing to do and I want to compliment Clark County for its willingness to cooperate with us and with us being the State. If I were to take a motion, would it be, Mr. Gallagher to approve the report on the status of road transfers between the Department and Clark County? What would be the action we're taking here?

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- Gallagher: For the record, Dennis Gallagher, Counsel for the Board. Yes, Governor, given the agenda, that would be the appropriate motion, as the Director indicated when we get into the actual transfers, they'll be brought back to the Board.
- Sandoval: Okay. Thank you. All right, any other questions or comments from Board Members?
- Martin: I have one for this gentleman.
- Sandoval: Mr. Martin.
- Martin: So, after two years of negotiation and I'm assuming you're spending most of your time working on this thing, you're trying to get all the cats in one playpen. Do you really want to see us pass it or are you fearing you're going to be out of a job after we do that? [laughter]
- Speaker: We've got a lot of 215 left.
- Madewell: Member Martin, being out of a job with the number of roads that the state has that they would like to give back to local agencies would take more years than I have left in my life. [laughter]
- Martin: So then you can support us passing it.
- Madewell: Absolutely. [crosstalk] I ask for your approval of it to allow our Director to sign that and allow this one to slightly move off of my plate so I can focus more on the next phase of this as well as the discussion I'm having with the City of Las Vegas again tomorrow morning, on the next portions that will help finalize these roads. I would ask your support.
- Martin: Okay. So, I'll move for approval of this item.
- Sandoval: Okay, before we take the motion, Lieutenant Governor.
- Hutchison: Bob, thank you very much for this briefing. I have a couple of just questions. So, the goal is to take all of 215, right? Are you going to start working on west of the I-15 next? Is that what you're kind of--
- Madewell: That would be our hope, but that has been a preliminary discussion so far, yes.
- Hutchison: Okay. Then, will actually change? Will the signage change? I travel that road every day. I'm just wondering, will it change from CC215 to SR215, or—

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Madewell: It's actually not SR, it's IR, Interstate—

Hutchison: Oh, it'd be an interstate, okay.

Madewell: So, there's a quick piece I will tell you on that. A portion that's already been approved by Federal Highways years ago for an interstate designation was the portion from 515 to I-15, that's already [crosstalk]

Hutchison: That's already an interstate [crosstalk]

Madewell: That's already approved for designation. It can't be an interstate today because Clark County owns it, the state doesn't. So, having said that, yes, we will—that will be changed to Interstate 515. Route signing would be changed to say Interstate 515 out there.

Hutchison: So, that will say, that's I-515. That will just be a—it will be I-215.

Madewell: It's 215, right. Yes.

Hutchison: Right, okay. Right. And then my—just a curiosity question. I, for the life of me, can't understand why the state would do that, but why would the state have back in the day designated, you know, Sahara between Rainbow and Decatur to be a State Route? It just seems like there's—I'm sure there's a good explanation for that, but can't imagine one right now.

Malfabon: [crosstalk] I believe it was associated with the Fuel Tax Revenue, in order to improve some of those roads, back in the 80s, there was an agreement the state would take responsibility for some of those roads between the curve lines and that way the pavement could be improved systematically as they were due for repaving. So, it had to do with revenue available, that was more available to the state at that time and it was thought that we needed to address the needs on these local roads. I can't—you know, I wasn't around back then, but it was back in the early 80s, they had an agreement for all these local roads, became state routes. I think it had to do with condition and need and available revenues.

Hutchison: Just curious, thank you. Thank you, Bob.

Madewell: I can actually add one thing to assist Director Malfabon and that was that, during that time, there was a need to change those over to Federal Aid Highways. So, at that time, that was prior to a huge change in the federal aid system. So, the state had opportunities to have federal aid highways [crosstalk]

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Hutchison: Okay. So, it really all came down to funding. Okay, thank you. Thank you, Governor.

Sandoval: Thank you, Mr. Lieutenant Governor. Any questions in addition to those that have been asked? Member Martin?

Martin: Now?

Sandoval: Yes, please.

Martin: I'll make a motion to approve the Agenda Item No. 10.

Sandoval: Yes.

Martin: That's in front of the Board.

Sandoval: Member Martin has moved to approve Agenda Item No. 10; is there a second?

Hutchison: Second.

Sandoval: Second by the Lieutenant Governor. Any questions or discussion on the motion? I hear none. All those in favor, please say aye. [ayes around] Oppose, no. Motion passes unanimously.

Malfabon: Thank you, Bob, for your hard effort on this, I know there's a lot more to do but [inaudible], but good job.

Sandoval: All right, we'll move to Agenda Item No. 11, the One Nevada Transportation Plan.

Rosenberg: Good afternoon, Sondra Rosenberg, Assistant Director for Planning. We saved the best for last. This is our new statewide Transportation Plan, the One Nevada Transportation Plan. One vision, one plan, one Nevada. So, we've been working on this for a couple of years. I did do a presentation two months ago to the Board for information. Now, we're coming back for hopefully for approval. I will go quickly because this isn't new information, but there is a lot to cover and I'm very excited about it.

What is the One Nevada Transportation Plan? This is a strategic document that guides future activities at NDOT. This doesn't have a detailed listing of our projects. That can be found in the electronic STIP. It really is to set the framework, set the foundation for how we go about transportation planning in the

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state and how we go about selecting our priorities and allocating resources. It will be regularly updated.

This plan was developed, led by NDOT Planning Division. Our Project Manager, Tim Mueller, is in the room with me today. Our consultant project manager, Brian Gant is in the room with you down there today. It was really a community effort, across the Department and with our partner agencies. It really took a village to create this visionary document. We got involvement across NDOT with all the Divisions. We also had a steering and technical committee made up of lots of those partner agencies at the local, state, regional level, federal level as well. We also garnered input from the traveling public and community and advocacy partners and supported that with technical analysis, performance data and other existing planning efforts.

Part of that outreach and I mentioned this last time as well, we did kind of do a roadshow, a tour around the state meeting with community members from various different communities as well as had focus group meetings, surveys, online survey, mobile outreach. We did a number of different venues to try and get input on this planning document. With again, the goal to have one vision for transportation for the state.

That vision is a safe and connected multimodal transportation system that links Nevadans and supports the state's economic vitality. That is supported by six goal areas; enhance safety, preserve infrastructure, optimize mobility, transform economies, foster sustainability and connect communities. Those goals were developed not only through that input from Department partners and the public, but also to align with USDOT FAST Act National goals, as well as NDOT strategic goals and so there, you can see that, that's a figure from the document. In addition, in the document itself, it also shows alignment with the State of Nevada's strategic planning framework as well as the regional planning goals. So, our metropolitan planning organization partners, we really wanted to align those other transportation agency goals with the statewide ones.

What's in the plan? So, this is just the table of contents. That includes the vision. Nevada Today, which has the current conditions. Nevada Tomorrow. Future trends we expect. What we've heard from the public. Our proposed performance and prioritization approach. Funding needs and strategies. And then, the implementation actions. I've said this before, I'll continue to say this, this is the foundation. This is really the starting point. So, I'm really excited about that

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Nevada Next chapter that outlines the next steps we have to take to really put this in action.

That includes planning for performance. This includes a roadmap for us to connect decision-making through performance and prioritization framework. That includes allocating resources, setting targets, prioritizing projects and measuring progress. Then we start that all over again. This will help NDOT make the right decisions on the right projects, at the right time.

We put this plan out, the draft plan. We presented the Executive Summary to you two months ago and since then, we put it out for public comment. Beginning at the end of September going through the end of October. During that time, we, staff, continued to revise the document more for consistency with other documents, readability and brevity. We wanted to make sure there was no erroneous information in there. We wanted to get to the point and convey that message clearly. Those revisions didn't alter the message or key findings of the document, really just to improve the readability of it.

Then we received comments, public comments from eight public individuals. I say from eight individuals because some of them were multipart comments. For the most part, they really didn't change the document. One of them had very specific requests in terms of understanding some of the figures. The rest of them really had mostly positive feedback. There was one that wanted to sell us a website search tool. We didn't—we're not going to do anything with that one, but really the biggest feedback, really positive feedback on improving the transparency and collaboration in the state. A lot of comments or a lot of emphasis on really the desire for increased multimodal recommendations and emphasis and primarily with high-capacity transit. So, we're going to reach out to those individuals and sort of explain why we currently have a limited role in that space, but what we'd like to do to kind of expand that conversation on what the state DOT's role is on transit and high-capacity modal options. There was a specific comment on some very specific current safety and way finding concerns. We'll reach out on that specific comment and then you know, specific project suggestions. So, we're going to reach out to all those individuals with responses and hope to engage them in future iterations of this and continuing to improve this process.

This is the Performance Implementation Roadmap. In my prior presentation, this was shown as that long and winding road. It will take us a while to get to kind of

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a full integrated performance driven process, however, again this builds a really great foundation and we have a roadmap for the steps we need to take to get there and ongoing increasing collaboration, coordination and transparency.

You can find the plan itself at OneNVPlan.com or contact our Project Manager, Tim Mueller with the NDOT Planning Division. We are working on improving the website. Once we get the plan approved, we're going to continue to work on how we communicate that. So, working on a more interactive website that's going to be a little more user friendly, not just pointing to the documents but really providing easy information on our current performance metrics and goal areas and things like that. So, I'd be happy to take any questions. Thank you.

Sandoval: Thank you. First and foremost, this is an awesome product. The amount of time and effort that must've gone into this is unimaginable. I bet its thousands of hours. So, my complements for what you've put together there. It's a comprehensive understandable great product that I think will set an example for many, many years. I really want to convey my appreciation to you, Ms. Rosenberg, and your team, for putting this together.

The only question I have and I've been through probably 80% of this. Like I said, it's really good reading. Is there any intersection at all with the STIP?

Rosenberg: Yes. What we're—what this is setting the foundation for is actually another process we've been working on for a couple of years called the PLANA which is actually linked to the ESTIP. It's the Planning and Needs Assessment. So that tool is going to give us a way to collect all of the needs that aren't funded yet and to evaluate first at the planning level to see if it's truly a need and aligns with our goals. Then those that do, pass it on to scoping, that eventually become a project in that electronic STIP and work program.

So, in the interim, while we're working through that process, what we've done is simply provide a link to the ESTIP, on the One Nevada Plan website with the plan, so we say you know, here's the plan, here's the foundation, here's our current list of projects and we'll continue to refine that process and improve that transparency and where those needs go, how they get evaluated and eventually funded and refined.

Sandoval: So, there's no conflict between this and the STIP?

Rosenberg: No, absolutely not.

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Sandoval: Okay.

Rosenberg: And in fact, can you put my presentation back up, I have a ton of extra slides just in case. [laughter]

Sandoval: No, I trust you. I trust you, it's okay.

Rosenberg: And bear with me—

[crosstalk, laughter]

Hutchison: She's got a slide for this.

Rosenberg: And, I'm sure that Mark [inaudible] put together the initial draft of this presentation is doing a little, I told you so, because he had this in there and I took it out. On the right there is—and this is in the plan. So, this is part of that roadmap, in terms of where we're going and what process we're trying to build. The idea is that projects and ideas really need suggestions, concerns come into this, the plan, to form the planning and needs assessment. That gets screened at the long-range level, the planning level, really to see if it's aligned with the goals of this process. Then, if they are and as we refine those suggestions into real needs and as they become closer to becoming a real project, then they get considered for allocation of resources. Then eventually, to that mid-range level, that's where we start kind of refining the scope, defining the project a little bit more, ensuring that the researchers are available so that by the time projects get into the STIP, we're pretty confident on what it is, how much it's going to cost and when we can get it done.

So again, we're not there yet, but this is our vision in mind. We have kind of that long range list, our long range element in the work program, which is attached to the electronic STIP. Then we have that four-year constrained list of projects. So, we have kind of the starting and end points, and what we're working on is that process to further refine, to have better transparency in terms of where those long range projects fit in terms of our priorities and likelihood of getting funding. So, we're working on kind of those middle pieces, but we have that long range list and the short range constrained list. It's all part of this process. This document, this process is to help us have a more—have more confidence in that STIP document at the end of the day.

Sandoval: Thank you. Other questions or comments? Mr. Lieutenant Governor.

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Hutchison: Thank you, Governor. Again, I echo the Governor's sentiments and observations and conclusions about what's been done here with the plan. I really just kind of have a comment and maybe a question for follow-up. This is, this really is good work and lots of lots of time spent on this. I just think it'd be prudent for the Department to think about how this is going to be presented to the next Administration and to the Legislature. This is really a key working document for what's been happening over the last year or even longer, when this has been put together. I wonder if there's been thought given to how this will be presented to the next Administration and to the upcoming Legislature.

Rosenberg: I am going to give that back to Director Malfabon actually, we have—[laughter] Let me take a stab at it first actually. We did purposely want to get this kind of wrapped up and documented under this current Administration because we know this Governor, this Board has been very supportive of this type of a process. So, we wanted to get kind of support, kind of wrapped up and then use this as an education piece for the incoming Administration, as well as the Legislature, in terms of the details of how we're going to do that, I don't know that we know that yet. That was the intent, so we have something in place to kind of say, here's how we do things at the Department.

Hutchison: Yeah. If I could just interject, what you don't want to have happen is just have the next Administration come in and this just gets shelved somewhere and they're going to start all over again, or they want to start from scratch when you've got such a great product already. So, you may want to just give that some thought in terms of how that's going to be presented and offered, not only to this next Administration, but the Legislature as well. Rudy, do you have any thoughts on that?

Malfabon: I think that it's a good process. As Sandra had mentioned, it's going to be implemented over a few years. The idea was to take a lot of what we hear at our workshops and our annual presentations to counties, what they're telling us, what their needs are. As you saw during public comment, there was some needs expressed in Fernley today. The idea is gather those up, but also go through a rigorous process so that we look at the available revenues and the needs around the state and look at all the things that are supported. Safety, economic development, mobility.

Ultimately, it's the responsibility of the Transportation Board in approving the Statewide Transportation Improvement Program to give the guidance to the

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Department and the oversight and governance. So, it's part of the process to get that influence from the public, as well as decision-makers across the State and ultimately from the Board.

Hutchison: I just think it's impressive, some of these slides here, that maybe ought to be emphasized. This was not just something that was cooked up by NDOT or by this Board and this was a lot of engagement across the State.

Malfabon: Yes.

Hutchison: When you look at some of these slides here, in terms of more than 2,000 Nevadans were engaged in the process. You talk about all your mobile workshops and advisory partners and the input you received. I think it's really important that the incoming Administration understands, this is really a statewide effort and lots and lots of participants that really result in this fine work product that we have before us. So, my compliments and thanks again for your work.

Sandoval: Mr. Controller.

Knecht: Thank you. I have just one question. I saw the reference early on in this document to transit, light rail, etc., and I heard your discussion. The thought that occurred to me throughout is I looked for some more detail on that matter and didn't find it, was that with mobility on demand as a service, with autonomous vehicles, etc., isn't it likely that we're going to gut to a great extent the demand that's necessary for transit and light rail projects? What they need is high occupancy and high frequency and it seems to me that they're not going to have that in the future as people have more alternatives.

Rosenberg: Thank you, that's a great comment. These are the types of things that keep me up at night, as a transportation planner. With the emerging technology, like you said, mobility on demand, mobility as a service, when I was in grad school we had a class on discrete choice models. So, when we do our travel demand model, there used to be a step in there where you assigned discrete choices to the travelers, right. Are they going to drive alone? Are they going to carpool? Are they going to take the bus? Are they going to walk, bike? Those choices are no longer discrete, right? So, it might be some combination or those or you're getting an autonomous rideshare system. I know there's a lot of work nationally on how to do those travel demand models, but the reality is, we need to look at all of the above type solutions.

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So, in the past, we were the Highway Department and the urban areas, the MPOs, were the transit providers in the urban areas. We do get some funds for the Rural Transit Program, but that's kind of a—a very small piece of what's really needed. So, what we're hoping to do, what we're hoping this sets the foundation for is a broader conversation about what the transportation needs are for Nevadans. Then start looking at how do we meet those needs.

Right now, we're very limited because of our funding structure on supporting things other than highway type departments. That was actually one of the comments we got. It was a lot of, how come you're not doing this or that and at the end, it said, well I understand that you're supporting the car culture because that's where your funding comes from and that's really part of the issue here, but we want to broaden that conversation in planning to say, there are needs, there are transportation needs out there. What are those needs? What is our role in supporting those needs and how do we get there?

That was a long-winded answer that didn't really answer your question other than to say that, we're definitely thinking about it and part of this—I'm glad we're getting some kudos, some attention in terms of the collaboration of this document, because the intent is that this is a document for Nevada, by Nevadans. To kind of break down those silos, not only of expertise, but agency silos. So, it shouldn't—it doesn't matter to the traveling public where the county lines start and end, where the state lines start and end, who is running the transit. We have a role to support transportation in the state and so we want to start talking with the rural communities that are trying to connect to the urban communities for transit providers, right? So, you know, can we map out what's currently out there, what the needs are and help those collaborations, help those conversations, even if we're not funding the ultimate solution.

So, I'm kind of rambling on now, but it is something we're thinking about. We're breaking down those silos. We're having those conversations and we're hoping that we can have a more—more collaborative, more integrated approach in the future.

Knecht: Actually, your answer helped me more than you may know. When I was in transportation civil engineering graduate school, shortly after the fall of Rome, back when y'all were the Highway Department, the transportation demand models, A) assumed that we were talking about cars and roads, and B) they were basically focused on large employment destinations, factories and such. So yeah,

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things have changed and we do need to take a broader approach and I'm glad to see you're doing that. Thank you. Thank you, Governor.

Rosenberg: Thank you.

Sandoval: Thank you. Any other questions or comments on this agenda item, Member Savage.

Savage: Thank you, Governor. I'll make this brief. Sondra, this is the best for the last, so I don't want this to go by without saying, thank you, to you Sondra, to Tim and everyone else at NDOT within your Department. Sondra, your passion and engagement and leadership is sincerely appreciated. I want to just, for the record, out of the 70 plus pages within this packet, which are very informative, I would like to draw everyone's attention to Page 2. I'd like to read this for the record.

Due to the next Administration carrying this on, at the bottom, in Paragraph 1.1 – this plan responds to a call to action to action by Governor Sandoval, documented in the 2016-2020 Nevada Strategic Planning Framework, entitled “Generations to Come”. In this first edition document, Governor Sandoval addresses Nevadans saying that “we must continue to push to build that stronger Nevada and make it a place where the generations to come will call home.” Through this document, he chartered a course towards what he calls the New Nevada. A place of innovation, new and sometimes disruptive technologies and policies that amplify Nevadans' innate desire to succeed. Each agency of the government must play a role in ensuring this journey is a success. NDOT is tasked with advancing this infrastructure needs as reflected in this One Nevada Transportation Plan.

Almost emotional, but I thank you Sondra, I thank you Governor for your foresight, your leadership. Lieutenant Governor, Controller, Sondra, Tim and everyone else, and Rudy as well. Thank you so much. This is blueprint and it will continue forward. Thank you.

Sandoval: Thank you, Member Savage. Member Almberg.

Almberg: I would just like to reiterate everything that's been said here. You guys did a tremendous job with this document. It lays out the exact framework of how we want to accomplish our goals and what our goals actually are. In here, I think this document is invaluable to the public and not even to the public, but it's invaluable to me as a Board Member. I mean, there's so much information contained in a precise, concise manner to help myself, even understand some of these projects

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and how it works. So, I just want to reiterate what a great job this is. I read this thing from front to back and there's just so much information contained in here and expressed in such an eloquent manner; you guys did a great job. Thank you.

Sandoval: Thank you. Anyone else? So, you ready Sondra for a motion?

Rosenberg: I am so ready.

Sandoval: I thought so. [laughter] So, without further ado, the Chair will probably accept a motion to approve the One Nevada Plan as presented in Agenda Item No. 11.

Hutchison: Move to approve.

Sandoval: Lieutenant Governor has moved for approval. Member Valentine, you want to make a second?

Valentine: I would, I second.

Sandoval: Member Valentine has seconded the motion. Any questions or discussion on the motion? There are none. All those in favor, please say aye. [ayes around] Those opposed say no. That motion passes unanimously. Congratulations.

Rosenberg: Thank you very much.

Sandoval: Agenda Item 12, Old Business. Director Malfabon.

Malfabon: Good work on the One Nevada Plan, Sondra, to you and your staff. Moving on to Item 12, Old Business. We have the report of Outside Counsel Costs on Open Matters and the Monthly Litigation Report. And, our Chief Counsel, Dennis Gallagher is able to answer any questions for the Board.

Sandoval: Mr. Lieutenant Governor.

Hutchison: Yeah, thank you very much Governor. Dennis, just one question on—I think I—you've given repeated updates on the open outside counsel matters. We got an update from you on Nassiri earlier, so I appreciate that. I've made this observation from time to time, but I think when I started on this Board, this was two pages long, maybe two and a half pages long, of outside counsel contracts. It looks like after this Nassiri case is probably going to come to a, it sounds like, positive resolution and probably a settlement, that we're down to just really one. Outstanding job and outstanding work on behalf of me as a Board Member and a lawyer knows how tough this is to get some of these things done, to handle

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litigation like you have, a real tribute to your professionalism, Dennis. So, thank you.

I've got one question for you and there's a new case now, it appears to be a condemnation action, eminent domain, Tropicana and Dean Martin. Just quick update on that, since that's a new one. Do you remember it? [laughter]

Gallagher: For the record, Dennis Gallagher. Actually, I'd like to recognize some of the deputies assigned to the Las Vegas Office.

Hutchison: Oh, great.

Gallagher: Including the Deputy that's responsible for this case, the Canyon Apartments. It's just—it's a minor case involving, we need some property to make some improvements along Tropicana.

Hutchison: And that's it.

Gallagher: That's it.

Hutchison: So, it's not some big project, it's just like a what, a widening, or just an improvement?

Gallagher: Some ADA improvements.

Hutchison: ADA improvements necessary, okay. So, you're not too worried about that one.

Gallagher: I'm certainly not. I think the case is in very, very capable hands.

Hutchison: I'm sure we'll win on summary judgment. [laughter] Thank you.

Malfabon: And we do have the interchange project at Tropicana that we're working on, the environmental clearance too.

Hutchison: Right, right. Okay. Yeah, we talked about that before. Okay, Governor, thank you so much.

Sandoval: Thank you.

Malfabon: Moving on to Attachment C, we have the latest report on fatalities from the Office of Traffic Safety. As you can see, a lot of red in that report. So, we still have our challenges, particularly with pedestrian safety. I did want to mention that I was able to attend, along with many of our NDOT staff, the annual safety summit

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recently held here in Las Vegas. Director Wright from the Department of Public Safety received an award and several other folks from around the community received awards for their efforts in promoting safety. Whether it was in the area of emergency medical response or the first responders from the Department of Public Safety, Metro, all the law enforcement agencies, educators that worked tirelessly to get the message out on how to improve safety amongst our children, drivers.

Governor, you brought up the point about teen drivers in the past and the graduated driver's license laws in Nevada. There's definitely a big cohort of folks, not just at NDOT, but around the state that are working on the issue of traffic safety and hopefully driving these fatalities down in the future. Any questions on this item?

Sandoval: Any questions, Board Members? Thank you. All right, thank you Rudy. Are there any other questions or comments with regard to Agenda Item No. 12? Let's move to Agenda Item 13, Public Comment. Is there any member of the public present in Las Vegas that would like to provide public comment to the Board? I hear and see no one. Is there anyone present in Carson City that would like to provide public comment to the Board?

Stevens: Hello, my name is Cindy Stevens for the record and I am a lifelong Nevadan. First of all, I would like to say thank you, Governor Sandoval, for your service to our state.

Sandoval: Thank you.

Stevens: I just wanted to get a little clarification on the information that I heard today. Is this Board considering spending over \$1.6 million on monuments and does a generator really cost \$392,000? The other thing I'd like to ask is, sorry I'm nervous, does the Department of Transportation currently actively seek multiple bids and is there a process in place to seek multiple bids? If not, maybe there should be. I think that would benefit the citizens of this state, thank you.

Sandoval: Thank you, Ms. Stevens. If there's somebody available in Carson City that could assist her with her questions, that would be appreciated. Perhaps, Mr. Hoffman?

Hoffman: Yes sir, will do. Thank you, Governor.

Sandoval: Thank you. We'll move to Agenda Item—or, is there any other public comment from Carson City? I hear and see none. Is there a motion for adjournment?

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Savage: So moved.

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

Almberg: Second.

Sandoval: Member Almberg seconded the motion. All in favor say aye. [ayes around]
Those opposed say no. That motion passes unanimously. This meeting is
adjourned, thank you ladies and gentlemen.



Secretary to Board

Preparer of Minutes