

Transcript of Nevada Department of Transportation
Board of Directors Meeting
December 3, 2018

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

Sandoval: Well, good morning everyone. I will call the Nevada Board of Transportation, Board of Directors Transportation Meeting to order. All Members are present with the exception of Member Martin, who is excused. So, why don't we commence with Agenda Item 1, which is to receive the Director's Report. Mr. Director, please proceed.

Malfabon: Good morning Governor and Board Members. [audio cut] —prepared by NV Energy, after they were struck by a helicopter on the Nevada Day weekend. So, on the weekend of November 17th and 18th, NV Energy worked with NDOT, NHP and others to schedule their fix on those power lines. They repaired them and luckily, they were done by the second day, by 9:30 in the morning. So, a lot of people were impacted by that road closure, but fortunately we got the word out. We also took advantage of those road closures to get some maintenance work done. You can see a picture there of our stormwater maintenance folks cleaning out some drains and inlets on the I-580, during the same time that the roads were closed, so we took advantage.

Federal Update. We were on track for—we were hopeful, at least, that we were going to see approval of the Appropriations Bill for Transportation for this current federal fiscal year by the end of the week. The current continuing resolution expires on December 7th. Now, it's looking like there might be another short-term extension while they get their ducks in a row in Congress and probably delayed until early 2019, for the full appropriation for this current federal fiscal year. The good news is that, they're having hearings. Senate, Environmental and Public Works Committee. Heard from AASHTO, the Associated General Contractor's Association and the Sacramento Council of Government's testimony about the need for transportation funding and a fix to the federal gas tax situation. It's not

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bringing in enough money for the spending levels authorized by Congress currently. There is support for an infrastructure bill, hopefully next Session of Congress.

One of the things that I mentioned last month is that Brightline is looking at building Xpress West, the project between Las Vegas and Victorville, a high-speed rail project. We've been working with them. One of the questions that I received was, where is the money coming from? Well, recently, it was announced that billionaire, Richard Branson, of Virgin Air kind of—I think he even has a space company similar to Elon Musk, so he's associated with this company now.

They're teaming up and hopefully that will be real funding for the project as they look at raising the funds for this high-speed rail project in Nevada to California. We're also finalizing the Memorandum of Understanding on how we'll work together with the company as they develop the project. There will be some expenses that they'll cover as we review plans or modify any of the existing project designs along I-15 South. We're looking at an internal coordination meeting on the 10th, with the Federal Highway Administration. So, that project is moving along. This company does operate a rail project or passenger rail in Florida currently.

The draft EIS has been posted. I just wanted to mention again that our team has done a great job of working with the local stakeholders on Spaghetti Bowl Xpress Project. They've really accelerated this EIS, the environmental clearance process and the public hearing is scheduled for December 12th at the Reno Sparks Convention Center. Presentations will be broadcast, two opportunities on Facebook Live, 3:30 and 5:30, so they'll repeat the presentation at 5:30. The comment period will be open until January 15th of next year.

Big news lately with some of the storms passing through this area. We work with—based on the input from our maintainers that watch these roads during the winter and plow and assist motorists that are in problems with not having the proper traction devices on their tires, we put new requirements in effect that chains or four-wheel drive and all-wheel drive with snow tires are required on these routes: SR-431, Mount Rose Highway, US-50 and SR-207.

So, basically the higher elevations of these roadways, we've—our maintainers have told us we've had problems with people spinning out and causing some—some traffic crashes, delays. I know that somebody just ran off the road recently this last weekend with the recent snow storms. So, we worked with Nevada

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Highway Patrol on identifying which areas to put this new requirement on. It's similar to what you see on I-80, on the Cal Trans portion of the summit there, going into California.

The media coverage was very good on this. They got the word out and they're repeating this message on every snow storm that you have to have the proper traction devices. I put the mud and snow symbol there. You can either see the M+S on your tires or that snowflake symbol. That's how you can tell if you've got mud and snow tires that are proper for this new requirement during these winter storms. The important thing is, you have to have it on all four tires, either all four mud and snow tires or traction chains on all four tires, not just on the front of a front wheel drive vehicle, for instance, that's not—proven to be not enough on these highways.

We've been working on Mount Rose Highway and had a team that did a safety assessment review. We have been coordinating the results of that report which is quite lengthy. It has a lot of recommendations to pursue. We've been working with Washoe County and the RTC of Washoe County on what improvements are needed on that stretch. As I mentioned last month, I've directed our staff to proceed with some of the low hanging fruit, whether it's lighting or signage improvements that could be rapidly deployed, but there are some more improvements that are going to take more time to develop. We have a community meeting with the Mount Rose Highway Community on December 5th at South Valley's Library, 6:00 to 8:00 PM.

One of the things that's been in—I've received some emails about Edmonton Drive and Mount Rose Highway. There's a developer that was permitted to develop a project there by Washoe County, coordinated with NDOT, on our permit at the intersection of Edmonton and SR-431. They installed a porkchop island which prevents left turns to go to Lake Tahoe, for instance from the side street. The idea there was that there's already been some fatal crashes on this section of highway and the porkchop island is forcing people to go now to a signalized intersection at Wedge Parkway, to turn left to go up the highway. Dwayne Smith, who is Director of Engineering at Capital Projects for Washoe County will be in attendance at this meeting to describe that process and that requirement. As more and more traffic and development occurs on Mount Rose Highway, we know that it's going to change the nature of the roadway and there will be other improvements that are needed on that section.

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We're going to be celebrating the completion of the Garnet Interchange project and the widening of US-93 there. Ames Construction has done an amazing job getting that project done within this calendar year. Wanted to thank Ryan Wheeler and Steven Conner, our project manager and our resident engineer on that project that oversaw construction and design. It was a design-build project. Tony Illia and Adrian Packer are coordinating this event on December 13th. This is basically what—we were amazed to see that they hit this hard, got the design done. Got it approved. We actually worked with the BLM as well, to get some property on what would be the northside of that drawing on the right, to get another connection to the frontage road on the north side. They—kudos to BLM for working with us on that property acquisition, for that easement. Great team success on this Garnet Interchange Project. We'll celebrate on the 13th.

On the 4th, we have a public information coming up for the I-15 North and Clark County Beltway Interchange Project. This is a system-to-system interchange, so similar to what we've done at Centennial Bowl and 95. The Beltway, you'd have to come up a ramp and then stop and then make turns at the top of the ramp. So, this will have continuous movement through these flyover ramps and what we've seen in a typical system-to-system interchange, like the Spaghetti Bowl. So, we're looking forward to that public comment period opening up and we'll receive public comments until December 21st. This public information meeting is going to be held at City of North Las Vegas, City Hall from 4:00 to 7:00, with their presentation at 5:30 PM.

I wanted to acknowledge the efforts of BJ Almberg and Len Savage as Transportation Board Members that have worked with staff on this issue of rumble strips. So, you see a lot of folks there from NDOT that have been helpful in working on this issue. Chris Gonzalez from Traffic Safety did the detail modifications that turned it into standard plan details going forward. A lot of folks there helped out but I wanted to especially thank BJ and Len for raising this issue.

This is, I believe why BJ was constantly bringing it to our attention. You see a lot of rural highways where once you put the rumble strips in, it breaks that top layer of pavement which is typically a chip seal. You get into that—the lower levels of pavement, get some moisture in there and it can deteriorate in the center line where we have the rumble strips. So, the idea was, how can we still provide safety for the traffic, remind drivers that they're getting over and encroaching into another lane without causing this deterioration on the pavement?

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One of the new updates to the standard is to reduce the width of the rumble. So, it will still be effective to get the driver's attention when you run over the rumble strip, but it reduced it from 12-inches to 6-inches. The other thing was to have a 40-foot repeating cycle. So, you'd have 20-foot of rumble strip and then 20-foot with no rumble strip. It's enough of a—that the driver will still get the rumbles when they drive over this on a two-way, two-lane road.

There's no settlements, thankfully Dennis, for the Board of Examiners meeting for this month, but in your packet you do have the previous settlement that was approved last month and the details can be discussed at that time for Jackson. That's associated with Project NEON.

I wanted to be brief in the Director's Update because I wanted to take a moment to thank the departing members of the Transportation Board. I know that, Governor, it's unique in Nevada that the Governor chairs the Board of Transportation or a Transportation Commission and we've enjoyed your leadership and your direction for the last eight years. I've been Director for the last six.

You've really brought Nevada back into the forefront of being an economic powerhouse again. To attract innovative companies and I think that you've turned this economy around through that diversification effort and also the focus on education for the next group of workforce and leaders in our great state of Nevada. We wanted to just thank you for that.

We have a gift that we created for you. So, one of the things is that, it highlights a lot of the projects and programs that the Governor was instrumental in giving us the direction to pursue in Nevada. This is just a handful of the ones that we could fit on this poster. There's so many more that you were involved in Governor, the pedestrian safety, for instance. The work with National Governor's Association, with innovation. We've posted some things on here like, Project NEON obviously, I-11 down South, extension to the Arizona/Nevada line. Garnet Interchange, I mentioned. The US-95 widening. The Electric Highway. Finishing 580. I know that there's another interchange still to do at the junction with 395 and US-50, but getting that connection on I-580 for the Carson Freeway was important. There's some of these that still have to be constructed, Spaghetti Bowl Xpress. You drove us to get that draft EIS done quickly, get it on track so that in the future we can deliver that design-build project and get those improvements and improve safety at that important interchange in Reno. The SR-

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28 bike path, I know you were up there last month celebrating the near completion of that. They still have some work to do but you can see what it's going to look like and how it's going to be a game changer there for that three miles of shared use path on SR-28. The Infinity Highway, USA Parkway was important, but also the legislation that you were in the lead on with autonomous vehicles and Nevada being one of the first states to have that type of legislation. The State Recreational Area at Walker River is another one.

So, we would just want to present this to you Governor and just a small token of our appreciation for your leadership on this Transportation Board and just recognizing the importance of transportation to economic development and diversification of our economy.

[applause]

Malfabon: We also have—not to be chopped liver for the other—[laughs] Lieutenant Governor and State Controller, but we also have some framed photographs that we did. Sondra Rosenberg actually got with DOB to make—

Rosenberg: Actually Sholeh did it

Malfabon: Barron Lauderbaugh and Sholeh did a great job with this, kind of a layout and it looks pretty cool with the 3D effect.

[photographs taken]

Malfabon: Thank you, Mr. Controller. Your time is just as important as well. We've got a picture of you in a groundbreaking.

[photographs taken]

Sandoval: That's beautiful.

[crosstalk] [photographs taken] [applause]

Malfabon: And, Mr. Lieutenant Governor, we'll get your framed photograph to your office. Thank you for your years of service on this Transportation Board and also to Mr. State Controller, thank you for your years of service and dedication.

With that, that concludes the Director's Update.

Sandoval: Rudy, thank you. Just a few words. First, you know, my most profound and heartfelt thanks for the recognition. And that is, for lack of a better term, a really

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cool sign. I don't know who—that is really nice. I really appreciate it because I know it took a lot of time and effort to put that in. It really brings back some good memories. Maybe not such good memories for staff because of all the work that went into all that, but first and foremost, I want to thank you and the executive staff for all of your hard work and your patience and willingness to work with all of us and go that extra mile to answer all the questions, the extra time and effort that you put in to make things happen.

I think about how far we've come in eight years and you know, Rudy, you talked about the economic development, but we needed the infrastructure to match. Not only just the economic development, but you know, for our citizens. For the people of this great state. So that they can get back and forth to work, they can see their families, they can be safe, I mean, we can go on and on.

I want to thank the Board Members and again, you know, for each and every one of their support. Those that are here and those that served previously. Someday, they'll do an inventory of the infrastructure that we've done and the amount of investment that has been done, I don't know if it will ever be matched. You know, I talked about Project NEON and it is the single largest public works project in the history of Nevada. The Boulder City Bypass, you know, something that everyone said couldn't be done and had been tried to be done for years before we got that done. You know, you look at all the other things that are on that sign.

It really has been a renaissance, I believe, for infrastructure in this state. For those men and women who can't be here, for NDOT, you know, those men and women when there's a flood or there's a fire and they go out and in the most extreme conditions are out there repairing the roads, repairing the railings, plowing the roads, doing whatever it takes so that people can be safe. Those are the unsung heroes, I think of this department. That it doesn't matter what it's like outside or what the conditions are, they put it all out there on the line. I want to publicly thank them.

It indeed has been a privilege and honor. I think the word that comes to mind for me is, I'm just grateful for having had the chance to serve with everybody. I'm grateful for having had the opportunity to work together. No one person does this. Everybody has a piece of this. To come together and really change this state for the better forever.

As I said, I can talk for a really long time but you know, I will have really fond memories of having worked on this Board and that's part of the benefit is you get

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to see what you've done. As you drive the roads. I was in Las Vegas this weekend and seeing Project NEON getting ever so close and as you mentioned, that bike path up at Tahoe which was another one of those projects that everybody dreamed about but didn't think it would become a reality. It literally will be the most beautiful bike path in America. And I don't think I'm exaggerating when I say that. Just as important as those projects are the projects that we talked about in rural Nevada with those rumble strips and making sure that the residents of rural Nevada have a quality transportation experience as well.

There is not a life that this Department doesn't touch in Nevada and I think you all realize that as you come to work everyday that you really do touch every man, woman and child and make their lives better. It's been a great eight years and then the few years before that as Attorney General, sitting on this Board, but just a profound thanks for all of you and all of your efforts. For those of you that don't work for the Department, I know there are several individuals out here that work for the construction companies and the consulting companies. You have a piece of this as well. We really count on you for your advice and your input. We're going to see an example of that today. None of these projects come together in a short amount of time. It really takes, you know, really building the case to get it done.

I will say that moving forward, the budget is healthy. The Highway Fund is healthy. So, the incoming administration will have an opportunity to continue to do great things. I tried to get it all done before they got here, but there's always something to do. In any event, I think that that the state is on a great trajectory now and I'm really proud of the work that we've all done.

Again, for the Board Members, it is going to be a lot different not seeing you all each and every month. I'm really proud of the fact that I never missed a meeting. It was a big priority for me, for this. As you said Rudy, we're not aware, there's not another Governor in the nation that chairs its Transportation Board. It really is, as I said, really important, for me, to have a firm understanding of what is going on in terms of our infrastructure. There's a lot of different moments that come to mind, both great and some tragic.

I want to thank Deputy Howell and the dedication of the freeway and getting that done right away, for those two young men who lost their lives at BLM and dedicating that highway, in a short amount of time. I've had family members

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from both families approach me privately and tell me how thankful they were that there wasn't a bureaucratic red tape and we just got that done.

Putting up the signs for all the state parks so people could have an easier time finding all of them. Doing the new Welcome signs for the state. I mean, as I said, as you start to go on and on, there are just so many things that perhaps people think just happens with the snap of the fingers or a magic wand. It really takes a lot of time, as I said, for the men and women of NDOT to get it to that point.

Again, I'm not going anywhere. I'll still be in the state. Really watching with admiration and respect and appreciation for what you all do.

Mr. Lieutenant Governor, I also wanted to mention that I'm heartfully thankful for having had the opportunity to serve with you as well. You're an incredible leader and someone that I've really appreciated your dedication and attention to detail with regard this Board. As well as our friendship. It really has been a magnificent four years. Member Valentine, likewise. We've had the opportunity to serve together, although I've known you by reputation before this and I thought that you were a massive add to this Board. Mr. Controller, I also want to thank you for the opportunity to serve with you as well. So, Rudy, thank you for everything, to the staff and everyone. You know, my very, very best to all of you in your futures and I can't wait to see what you all do next. Thank you. Thank you.

[applause]

Sandoval: Mr. Controller.

Knecht: Thank you, Governor. As you sometimes do, you said everything I was going to say. I must tell you, by the way, I saw that Sandoval sign down in New Mexico, I knew it was your family. It's been a pleasure to serve with you and all of the other Board Members. You've all done a fine job. It's been a privilege and an honor, most of all, I want to salute Rudy, the executive team, everybody in this room and all the people who work for NDOT, for the fine job you've done and the way you've made it a pleasure to spend this four years with you and work with you all. I'm really touched by the personal notes on this and [inaudible], per usual, you got me the best way you could in the camera. Anyway, this is something I'll always remember fondly. It was a real pleasure and it was something I was deeply interested in. I look forward to seeing you all in the

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future because I'm not going anywhere either. And to seeing the continued progress. A big thank you to all of you.

Malfabon: Thank you.

[applause]

Hutchison: Governor?

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you so much, Governor. And again, I'll echo comments and just try to keep this short to just say how grateful I've been to serve and have an opportunity to be involved with this Board and be involved with state government. It's an honor and a privilege to be part of this constitutional system that our founding fathers created to ensure liberty and freedom and opportunities and blessings to Americans. We're part of that system, as part of state government.

It's been an honor to be able to serve on this Board. Rudy, thank you for your tremendous work. Your dedication to the good people of Nevada. To the entire team at NDOT. Dennis, I don't know that you're going to miss me. [laughter] I don't know if you have any—you'll have any more lawyers who will be asking about the legal bills or about what's going on, but I will tell you, as I have said over and over again, Dennis, you've done an extraordinary job with some very difficult legal problems and challenges. I know from just experience what that's like. So, my hat's off to you, as I said before. My hat's off to the entire team, for the just tremendous job.

Let me just pause and just say something about our Chair, because I've been in government, not that long but long enough to know that the Chair is what drives any Committee or any Board. Many people don't know that the Governor chairs I think 15 Boards or Committees. He's never missed a meeting, in eight years. I don't know that any Governor could be held to the same level of competence, of character and commitment as Brian Sandoval.

The infrastructure that we've put in place through this Committee supports economic development, as the Governor mentioned. And all that we do in state government is, I hope to bless the lives of the families and the people who live in Nevada. That's what we've done and that's what this administration has done.

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I think the Sandoval administration will be remembered for just golden eras of economic development, of infrastructure, of education, of growth and the future. It's been my honor, Governor, to serve with you. I'm grateful for our friendship. I've said this before, I don't know if I've said it in this Board Meeting before, if I have, I apologize with this analogy, but I think most of us feel like we're part of this Sandoval Team. You know, the Brian Sandoval Administration, the Brian Sandoval Team. Many of us feel like Wilt Chamberlain's teammate. The night that Wilt Chamberlain scored 100 points in this great NBA game. Do you remember that? They asked his teammate—[laughter] They asked his teammate who scored two points in that game, they asked his teammate, now what would you remember from this night? He said, I'll just remember the night that Wilt Chamberlain and I combined the score of 102 points in an NBA game. [laughter]

We score a layup every once in a while, Governor. We score a layup every once in a while. We've looked to you to carry the team and to score over and over and over again and to be our Captain, to be our leader. So, it's an honor, it's been a privilege. And, Godspeed to you Governor, I know you're not going anywhere, but Rudy and the entire NDOT, we need to be looking for a freeway or an expressway or a beltway to name Brian Sandoval Expressway or Freeway, so that we remember, in a small way, the Governor, but I think we'll remember many, many golden eras to come in the future. So, God bless you Governor, thank you.

[applause]

Sandoval: Thank you, Mr. Lieutenant Governor. I'm really touched. Mr. Controller.

Knecht: Thank you, Governor. I just want to point out to the Lieutenant Governor and to yourself that some of us actually do remember the night Wilt Chamberlain scored 100 points. [laughter] I doubt that you do.

Sandoval: Any further comments? Member Savage?

Savage: Thank you Governor. It has been an incredible honor and privilege to have served under you as well as with you on the State of Nevada Transportation Board these past eight years. You have been an inspiration to me and the entire department. Today NDOT is much, much stronger and efficient than it was eight years ago. We have met monthly over the past eight years and you have not missed one meeting. That alone speaks volumes.

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You have shown us all your faith and commitment to a strong, consistent process that makes a state department run better. Not one time over the past eight years did you ever call me and wanted something to go a specific direction. You believe in all of us, as independent individuals with the strong sense of doing what is in the best interest for transportation in the State of Nevada. That belief and confidence in us in turn is faith and trust in your people.

Your character has defined your leadership. Humility, patience, competitiveness, compassion and careful consideration. Your Governorship and leadership will be a very hard act to follow. In honor of you and how you have led by example, I will support the change in leadership and continue to serve the state as you have for the past eight years.

Again, I sincerely thank you for being a true Nevadan, with Nevada in your heart. The people of this state have been fortunate to have you in the Governor's Office for these past eight years. I wish you all the very best in health and happiness with your days ahead and we will remain One Nevada. Thank you, Governor.

[applause]

Sandoval: Thank you Len.

Savage: Thank you, Governor.

Sandoval: Member Almberg.

Almberg: Thank you, Governor. I don't know that I can say anything as elegant as Len said it, but I 100% believe everything that he just said and support what he said. It's been an honor to serve with you and my fellow Board Members. In my life, I always look to people that I try to strive or model to be similar to or to learn from and you, my fellow Board Members, are those people that have shown me so much and led a great team and accomplished great things through here. I appreciate the opportunity that you provided me and I thank you for everything.

[applause]

Sandoval: Thank you, BJ. All right, any further questions or comments?

Valentine: Governor?

Sandoval: Yes, Member Valentine.

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Valentine: Well, going last, I feel like just about everything has been said. I do want to tell you that it's been an honor and a privilege to serve on this Board with you. It makes me feel proud as a Nevadan for 37 years now every time I hear people talk about you being the most popular Governor of all time. So, I will add that, of all the Boards I've served on and worked for, you are probably the most thorough and diligent Chairman I've had the opportunity and pleasure to observe. You make sure that every possible angle is vetted. You're very thorough. I just really appreciate the way you've conducted business on this Board. I will really miss the opportunity to continue working with you and the NDOT Board, so best wishes. It's just been a pleasure.

[applause]

Sandoval: Thank you. Thank you everyone. Let's make sure the minutes are correct next month so we have all that for the future. [laughter] No, I'm truly touched. I think Len said it best, it all comes down to this for all of us, we love our state. We love our state and everything it stands for and we love our people and we love our lands. And, we will do whatever it takes to make her the very best state in the country. So, thank you.

All right, why don't we move on then to Agenda Item No. 2 which is Public Comment. I'll begin in Southern Nevada. Are there any members of the public in Southern Nevada that would like to provide public comment.

Hutchison: There are none here, Governor.

Sandoval: Thank you, Mr. Lieutenant Governor. In Carson City, is there any member of the public that would like to provide public comment here in Carson City?

Price: Okay, well, how do I follow that. You don't. First of all, I'll just follow it by skipping to my speech I had and just tell the Governor that I truly do have it in here to thank you, sincerely. I was in the room as an employee when you told us as state workers that—in this room, this very room—and I applaud you because you held that, with the business you bring in and you have really done a fabulous job for Nevada. I too am proud of you, as a Governor. So, I just want you to know that.

Sandoval: And, if I may, just for the record, Ms. Price, this is Judy Price, who's speaking. Yes.

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Price: Yes, thank you for that, I appreciate that, very kindly. Okay. Good morning Governor Sandoval and esteemed Board Members. You guys all know who I am but I have good news; this will be the last time I'll be presenting in front of this Board, hopefully. I do intend to poke in occasionally to make sure there's follow-up because I'm here because of public assets.

I don't know where to really start except to tell you that I am coming with a solution, I hope. So, I'm going to give this little yellow piece of paper to Mr. Hoffman or someone when I leave. What this is is a suggestion for Human Resources. This is a tool that hopefully will be used by some of the Chiefs, let's call them Division Heads that I see in the room here today that have employees that they have to deal with on a daily basis and the process that I happen to know very well is that they drag you into Human Resources and then they—Human Resources has a job to do. So, this hopefully will provide the Human Resource Management with a resource for those Division Heads to pursue, an avenue.

What it is, it's just a What, When, Where, Who. This is basic elementary, but I wouldn't be standing here unemployed if this was in place. The reason it's important to have it in place is on November 17th, following my last meeting here, I discovered a little form called NPD-50 Form, which was an Appeal of Dismissal, or even an Appeal of a Suspension, which is an opportunity for an employee to know you have an avenue. I didn't know this was available to me.

So, today sir, I can't believe I skipped my entire speech, but I'm going to do that, to honor you because I don't know how to follow what I just heard and I want to leave it on a positive as well. I'll submit my speech in writing for the record, is that fair enough for the Board?

Sandoval: Thank you, Ms. Price.

Price: You're welcome. And, I do honor you for that. I'm asking two requests before I close. I ask that this sincerely gets submitted to Right-of-Way, as a suggestion and it takes the pressure and the onus off of Ms. Alison Wall who happened to be the Human Resource Manager that had to write notes that we—we, Judy, discovered you doing this, we—we heard that you did this. It's come to our attention. That has to stop, sir. It damaged myself, my family, I'm not here to whine about that. I'm a strong Nevadan too. Third generation. Proud Battleborn. This will be a solution going forward. I pray that you use it, okay.

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The other one is, I would like Mr. Malfabon just a request that he puts this available to all employees so they know that's an avenue for them. To file for this appeal if somebody suspends you for hearsay, sir. This needs to be out there for your employees, with all due respect, okay. That would be excellent if that gets out there.

Lastly, I tried to get a copy of my statements in the first meeting that I spoke and I was so afraid—so afraid and it's scanned on here, this is a difficult process. If a person of the public wants to hear what goes on in these meetings with your money, it's difficult to find out. We can do better, as a group. I'm really looking forward to—I believe everything that was said in here. I worked 10 years at the Department of Transportation, seven in Utilities, that's a difficult job, relocating utilities and a lot of negotiation skills are required. So, it's a big job for everybody.

So, I'm going to close just by saying, I'm here for the Utility Data Layer. I'm here for the first things I mentioned October 8th. So, hopefully the new people will go in and look at that, if they don't, I'll follow-up. I'll close sir, in just telling that you that I've learned to lower expectations from others. I've learned to try to come with solutions of some sort. And I'm committed to advancing in grace on this situation and in the employee situation, Rudy, you've got a team of people working here, okay. So, reach out to every employee, not just the Ms. Rosenberg's and the Mr. Nellis' and the Mr. Dyson's. Reach out to all of the wheels, okay, reach out to all of the employees and let them know that this form is important for them. This form for the record is NPD-50, 4—it's not the Whistleblower Form, it's 54. Now, I'm done. I'm sorry. You have an excellent whatever you choose to do in the future sir.

Sandoval: Thank you, Ms. Price.

Price: You're welcome.

Sandoval: Is there anyone else present in Carson City that would like to provide public comment? We have someone approaching.

Moreno: Thank you Governor. Michael Moreno, RTC of Washoe County. Just wanted to take the opportunity to also echo the comments that have been expressed for your leadership and vision during your administration. Especially in Washoe County, I'd be remiss if I didn't express how appreciative we are for the Spaghetti Bowl

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project that is being fast tracked. It's a very critical project for us and we appreciate that this is such a high priority for you during your administration.

Last but not least, we are going to be celebrating the Grand Opening of the Fourth Street and Prater Way, Bus Rapid Transit Project on December 14th at 11:00 AM at the El Rancho Station in the City of Sparks. I extend an invitation to you, the Members of the Board and everybody in the audience and everybody who is watching to join us. We're really excited for this project, which is improving safety, adding bike lanes, adding more transit into the corridor and it's an opportunity to provide greater transportation amenities for the workforce in Washoe County. Thank you.

Sandoval: Thank you, Mr. Moreno. I hope this is appropriate, but I want to thank you first and Mr. Gibson and everyone at the RTC for the opportunity to work with all of you. On a personal note, speaking of safety, I don't know if Mr. Gibson passed this on to you but I dropped my daughter off at Reno High School every morning at the corner of Booth and Foster Drive and it's complete chaos. [laughter] Because you have teenager drivers, you have parental drivers that are in a rush, you have pedestrian kids that are trying to cross the streets. Len knows this. But in any event, I think and I'm not a traffic engineer, but a left-hand turn arrow would really help. [laughter] Because you've got people running lights and things and kids dodging cars. I did several weeks ago leave a message for Mr. Gibson, I hadn't heard back from him. So, I'd ask if somebody from RTC could at least take a look at it because it really is a chaotic—I don't want to call it dangerous, but chaotic situation that I think could be really improved.

So, sorry, you know, I live here too and [laughter] and just if you could take a look at that for me.

Moreno: We'll follow-up on that Governor. Thank you.

Sandoval: Okay, thank you. All right, any other public comment from Carson City? There's none. We'll move on to Agenda Item No. 3, which is Approval of the November 14, 2018 Nevada Department of Transportation Board of Directors 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. Member Savage has moved for approval, is there a second.

Almberg: Second.

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Sandoval: Second by Member Alberg. Any questions or discussion on the motion? I hear none. All those in favor, say aye. [ayes around] Those opposed say no. That motion passes unanimously. Let's move on to Agenda Item No. 4, Approval of Contracts over \$5 million. Mr. Nellis, good morning.

Nellis: Good morning Governor, Members of the Board. For the record, Robert Nellis, Assistant Director for Administration. There is one contract under Agenda Item No. 4, for the Board's consideration that can be found on Page 3 of 15 in your packet. The project is located on US-50 from Roy's Road, to the junction with US-95A in Lyon County. This is to widen the roadway to a four-lane divided highway with lighting and drainage improvements and constructing a new roundabout. There were four bids and the Director recommend award to Granite Construction Company in the amount of \$49,996,996. With that, that concludes this Agenda item, does the Board have any questions regarding this contract?

Sandoval: Thank you, Mr. Nellis. Just one question for me. It says that it includes a new roundabout, is this the same roundabout that we discussed with the County Commissioner, I think it was—this is a different location?

Malfabon: Governor, this is the roundabout at US-95A, the road to Fernley, so this completes the widening of US-50 all the way out to that junction with US-95A.

Sandoval: Thank you. Board Members, any other questions with regard to Agenda Item No. 4? If there are none, the Chair will accept a motion for approval.

Knecht: So moved.

Sandoval: The Controller has moved to approve the contract presented in Agenda Item No. 4 with Granite Construction Company, is there a second?

Alberg: Second.

Sandoval: Second by Member Alberg. Any questions or discussion on the motion? I hear none. All those in favor, please say aye. [ayes around] Those opposed say no. That motion passes unanimously. We'll move on to Agenda Item No. 5, Approval of Agreements over \$300,000. Mr. Nellis.

Nellis: Thank you, Governor. There are five agreements under Agenda Item No. 5, for the Board's consideration. These can be found on Pages 3 of 65. Item No. 1 is with CDM Smith in the amount of \$800,000. This is Amendment #1, to increase authority and extend the termination date. The service provider effort thus far has

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been invested in evaluating the unsolicited proposal for I-80. This amendment is to complete the Pioneer Program Guidelines and the plan to implement the State Infrastructure Bank.

I moved Item No. 2 last so I could put it on its own slide. So, skipping to Item No. 3 with Jacobs in the amount of \$330,000. This is for federal policy analysis to provide monitoring and information gathering with the Administration and Congress, review the State's Transportation Program, prepare testimony and briefing papers and assist in implementation of our strategy of the House and Senate Committees.

Item No. 4 is with Aztech Inspections and Testing and Aztech Materials Testing in the amount of \$660,209.43. This is Amendment #1 to increase authority due to the size and scope of NEON phases and crew workload to address the continual need for professional and technical services to ensure Project NEON construction conforms with the plans, specifications and all other contract documents.

Item No. 5 with Atkins, HDR and CA Group is in the amount of \$4.2 million. These three service providers will be selected on an as needed basis, to provide engineering design services for traffic operations and augment workload as well as provide needed expertise.

Back to Item No. 2 with Agile Assets in the amount of \$2,050,000. This is Amendment #1 to increase authority and extend the termination. The first module for stormwater will actually be going live this month and we're adding time to the agreement as well as a resident consultant. Originally this was presented to the Board as a 4-5 year project and we're correcting an error on the agreement that set the termination date to 12/31/18, the end of this month.

Regarding the Resident Consultant Program, we've learned about this program back in April 2018. They provide in depth knowledge of the product, onsite presence to assist the staff using the program and quickly provide resolutions. And ensures delivery of anticipated value of the product and that it's utilized to its full potential. This eliminates the need to issue change orders or enter into a new agreement and comes highly recommended by other states using the program such as Texas, Oklahoma and Louisiana.

Our IT Chief, David Wooldridge is available to answer any questions you may have on this item if you have detailed questions. With that Governor, this

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concludes this Agenda item. Does the Board have any questions on any of these five agreements?

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

Savage: Thank you, Governor. Actually, just one question, Robert. It has to do with Agenda Item 2, Agile Assets. How much has the Department been billed to date by Agile Assets?

Nellis: To date, we've expended \$2,376,040.

Savage: Okay, very good. That's all I have Governor, thank you Robert.

Sandoval: Other questions or comments from Board Members with regard to Agenda Item No. 5? Member Almberg.

Almberg: Thank you, Governor. I've got a question on No. 1. This appears to be that we spent the budget reviewing the unsolicited proposal and assisting us in the review of that unsolicited proposal.

Mortensen: That's correct. The original agreement for this was put in place to allow us to respond to that unsolicited proposal, as well as start work on evaluating the Pioneer Program Guidelines, the State Infrastructure Bank Legislation and starting to get a better feel for the overall scope and so what this does, is this will mend that overall scope to include the additional work that we anticipated originally, we just didn't have the time to put together.

Almberg: So, that leads to the question of, what did we get? When that unsolicited proposal and maybe this isn't the Agenda item to talk about it, we can talk about it under that item, but it was just—it's costing us a substantial amount of money to review that proposal and are we going to get any benefit from it? Are we going to get any costs to cover those fees?

Mortensen: That's a great question. As part of the process, the unsolicited proposal process, the proposers are required to submit fees along with those proposals. The first fee is \$5,000 and I believe that that gets you past the—the right term for it is the—or, the acronym is the UPPAC, but it's a high-level committee basically evaluating the proposal. The second fee is \$30,000 to help offset the costs of the project evaluation. That doesn't cover the cost of the project evaluation, but really it's more of an earnest money situation where we want to make sure that they're serious when they submit an unsolicited proposal.

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As far as the second part of your question, as we've gone through the project evaluation, we have done further analysis on the project that isn't going to waste that we'll be able to utilize in the future. We haven't had the time necessarily to put in the in depth evaluation that we would like to, but we're getting there.

Almberg: Well, thank you for that. I mean, it just—you answered that very well because knowing the amount of money we received, turning it in, is nowhere near the amount of the money it costs us to review that proposal. I just don't want this to come in and be a money loosing situation for us where we continue to get unsolicited proposals that do nothing but cost us money in the future.

Sandoval: No, and I would've like to have known that we were doing that before we did it. I mean, I didn't know that it was costing the Department \$800,000 to review that proposal.

Mortensen: I apologize, I thought that was part of the discussion that we had with the Board in August when we approved the original agreement.

Sandoval: Do you remember that?

Almberg: I don't remember.

[crosstalk]

Sandoval: You do?

Malfabon: Well, it's not entirely that amount.

Mortensen: Yeah, it's not entirely the \$800,000. The \$800,000 isn't the total. I can get you the amount that we have expended in that review, I don't have it in my fingertips.

Sandoval: Okay. Well, I'm going to save some comments for the future Agenda item because I guess the benefit of that will depend on the outcome of that Agenda item.

Almberg: That's all for me, Governor.

Sandoval: Okay, thank you. All right, other Board Member questions or comments with regard to Agenda Item No. 5?

Hutchison: Governor?

Sandoval: Mr. Lieutenant Governor.

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Hutchison: Thank you, Governor. I have—it sounds like a lot of us had the same concern about these unsolicited proposals and the cost to the Department. Is there any filter system or just by legislation do we get to, as a Board or as a Department accept every unsolicited bid and evaluate it or what's the filtering system, if any for NDOT employees, when they get an unsolicited proposal?

Mortensen: For the record, Cole Mortensen, Assistant Director of Engineering. The process for the evaluation of that unsolicited proposal is actually outlined in the Pioneer Program Guidelines and there are several steps to that process whereby if it's not a valued project or a valued asset to the state, that we would no longer continue the evaluation. We start off and I believe that we'll cover that evaluation as part of the presentation in the later Board item.

Hutchison: Okay, thank you. And then just, what changed between August of this year and this meeting where we need to justify this \$800,000 amendment? I know there were expenditures you said with this unsolicited proposal, but what else changed? Why couldn't this amount of \$800,000 been presented when the original contract was presented, which was actually less than the amount of the amendment?

Mortensen: What we needed to do with the original amendment was to allow the team to actually evaluate the legislation that's been passed over the last few Legislative Sessions and really to review and evaluate the Pioneer Program Guidelines as they sit right now, as well as, to evaluate the State Infrastructure Bank Legislation. So, once that was done and we had a better understanding what the effort would take, that's how we ended up to this amendment.

Hutchison: And, were those regulations completed in August of '18 or have they been subsequently completed and that's one of the items that has changed between August and today?

Mortensen: None of the regulations have changed between August and today, but they have changed over the last two Legislative Sessions or three Legislative Sessions and we're—this is our move to update the Pioneer Program Guidelines to reflect those changes and to make sure that we're up to the state-of-the-art, I guess so to speak on how we're actually handling our design-build and our Construction Manager At-Risk Projects, as well as, we'll be looking at the P3 Processes as part of that too.

Hutchison: Okay, thank you very much. Thank you, Governor.

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Sandoval: Thank you, Mr. Lieutenant Governor. Any other questions or comments with regard to Agenda Item No. 5? Mr. Controller, please proceed.

Knecht: Thank you, Governor. I share the concerns about the cost of reviewing unsolicited proposals and that we not turn this into a lottery where people essentially spin the wheel and hope that something good happens for them. I think the earnest money that Mr. Mortensen mentioned is a rather sufficient barrier when you consider also the costs of putting together that proposal. My question to NDOT would be, do we track the costs of—front-end costs of development of RFP and RFQs and such that we send out and how does that compare to—how does that and the evaluation and implementation process on solicited contracts, how does that compare to the costs of unsolicited contracts or proposals?

Mortensen: That's something that I don't think we accurately track to answer your question. Generally speaking, when we go through the process of putting together an RFP for a project, it gets billed to that project number, but we don't necessarily have that project number broken down into the various tasks or work associated with it. So, we do not have that data available, I don't think.

Knecht: As you go forward with the reviews and the evaluations of the process, I would suggest you put an element in there for understanding the costs of development of our own RFPs and the front end costs that we never really see and how many of them actually come to fruition and how many are abandoned ultimately. Thank you.

Sandoval: Thank you, Mr. Controller. Any other questions or comments with regard to Agenda Item No. 5? Mr. Nellis, any further presentation?

Nellis: No sir, that concludes this Agenda item.

Sandoval: Thank you. If there are no further questions or comments, the Chair will accept a motion to approve the agreements over \$300,000 as presented in Agenda Item No. 5.

Hutchison: Move to approve.

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

Knecht: Second.

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Sandoval: Second by the Controller. Any questions or comments on the motion? I hear none. All in favor say aye. [ayes around] Those opposed say no. That motion passes unanimously. We'll move to Agenda Item No. 6, Contracts, Agreements and Settlements. Mr. Nellis.

Nellis: Thank you, Governor. There are three attachments under Agenda Item No. 6 for the Board's information. Beginning with Attachment A, there are four contracts—I was going to say there are four contracts and one emergency contract but that's not correct, there's just four contracts.

The first project is located on State Route 756, Centerville Lane, a bridge structure 287 and from Waterloo Lane to US-95 in Douglas County. This is to widen the roadway and bridge, construct new curb, gutter and sidewalk and add striping and signage for bike lanes. There was one bid and the Director awarded the contract to Q&D Construction in the amount of \$1,181,000.

The second project is located at the Washoe Tribe Communities of Carson, Stewart and Dresslerville in Carson City and Douglas Counties to install pedestrian and road safety improvements. There were three bids and the Director awarded the contract to Sierra Nevada Construction in the amount of \$475,007.

The third project is located on Second Street from Keystone Avenue to I-580 and Arlington Avenue from Court Street to Sixth Street in Washoe County. This is for pedestrian and ADA improvements. There were three bids and the Director awarded the contract to Granite Construction Company in the amount of \$2,084,084.

Lastly, the fourth project is located on Eastern Avenue and Civic Center Drive from US-95 to Cope Avenue in Clark County. This is for pedestrian and ADA road improvements. There were three bids and the Director awarded the contract to Unicon, LLC in the amount of \$2,777,283.97.

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

Sandoval: Thank you, Mr. Nellis. Any questions? Mr. Controller.

Knecht: Thank you, Governor. Mr. Nellis, on Items 1 and 2, is there any future work that you anticipate in connection with those projects will those be complete and sufficient and safe and connected for the foreseeable future?

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Nellis: Mr. Controller, I don't anticipate any future work but I don't know if the engineers want to weigh in on that, if they see anything that's coming down the pike in the future?

Mortensen: I don't recall seeing anything in addition to these.

Knecht: Thank you.

Sandoval: Any other questions? All right, please proceed Mr. Nellis, thank you.

Nellis: Thank you, Governor, Members of the Board. There are 31 agreements under Attachment B, that can be found on Pages 15-17 for the Board's Information. Item 1 is a Cooperative Agreement. Items 2-8 are Service Providers. And lastly, Items 9-31 are No Cost Agreements and Amendments.

Does the Board have any questions regarding any of these agreements before we turn to Attachment C?

Sandoval: Board Members, any questions on Attachment B? Mr. Almberg.

Almberg: Thank you, Governor. On Item No. 6, we paid \$18,000 to pump a 2,500-gallon septic tank?

Malfabon: It's for a four-year period for that service, so.

Almberg: Okay, that's fine. I thought, wow, one time—

[crosstalk]

Malfabon: That's a lot.

Almberg: Yes. All right, that's all for me.

Sandoval: All right, any other questions on Attachment B? I hear none, Mr. Nellis, please proceed with C.

Nellis: Thank you, Governor. There is one settlement under Attachment C for the Board's information. This provides for an additional \$475,000 for an eminent domain action for 12,137 sq. ft. property with 1,728 sq. ft. temporary construction easement. This resolves all related condemnation issues over the 2.5 years of litigation with this case.

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That concludes Agenda Item No. 6, does the Board have any questions regarding this settlement?

Sandoval: Thank you, Mr. Nellis. Questions from Board Members on the settlement. Do you have anything Mr. Lieutenant Governor?

Hutchison: Thank you, Governor. Dennis, just in terms of just the temporary construction easement. I assume this has been evaluated and I know it's already been approved, but does that fall within the range of what is typically paid for a temporary construction easement?

Gallagher: For the record, Dennis Gallagher, Counsel for the Board. First, Lieutenant Governor, I will miss your questions. [laughter] The value for the temporary construction easement, like other real estate values, fluctuates over a period of time. Overall, the resolution of this matter, the State had over \$2 million exposure. This settlement all-in resolves that and reduces the risk of ongoing litigation and completely resolves the case and as I mentioned to the Governor at the Board of Examiner's Meeting, I believe that this settlement is fair, just and equitable both to the property owners, as well as the people of the State of Nevada.

Hutchison: Thank you Dennis. And, from your comments, I take it then that the demand was \$2 million, is that what the Plaintiff was at?

Gallagher: The Plaintiff was a little over \$2 million and as this was also—or, was an eminent domain action, should the property owners prevail, they would be entitled to their costs and fees associated with the case, which could range another \$100,000-\$200,000.

Hutchison: Okay. All right, good. So, that's good to have on the record. Thank you very much for that analysis Dennis, thank you Governor.

Gallagher: Thank you, sir.

Sandoval: Thank you, Mr. Lieutenant Governor. Any further questions with regard to the settlement? Mr. Nellis, any further presentation?

Nellis: No sir, that concludes this item.

Sandoval: Before we move on, Board Members, any further questions with regard to Agenda Item No. 6? It's an informational item, so we will not be voting. All right, thank

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you. We'll move to Agenda Item No. 7, Resolution of Relinquishment. Director Malfabon.

Malfabon: Thank you, Governor and Board Members. This is associated with Carson Freeway and as you saw last month, you approved the relinquishment of the main roads involved -- Carson Street, Snyder Avenue, for instance. This cleans the rest of the additional parcels associated that we acquired in fee to construct the Carson Freeway. A lot of them were smaller parcels associated with cul-de-sacs on residential streets and such. So, this completes the action that was agreed to with Carson City. They consented to a resolution back in October to take these parcels, in addition to the other roads that the Board previously approved last month. And, this cleans everything up and hopefully this closes the books on the transfer of the right-of-way associated with the Carson Freeway.

Sandoval: All right, thank you. Board Members, any questions with regard to Agenda Item No. 7? If there are none, the Chair will accept a motion to approve the resolution of relinquishment as presented in Agenda Item No. 7.

Savage: Move to approve.

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

Almberg: Second.

Sandoval: Second by Member Almberg. Any questions or discussion on the motion? I hear none. All those in favor, say aye. [ayes around] Those opposed say no. That motion passes unanimously. We'll move to Agenda Item No. 8, Approval of the Department's Recommendation Concerning the I-80 Corridor Unsolicited Proposal.

Hoffman: Good morning Governor and Transportation Board Members. Bill Hoffman, Deputy Director, for the record. First and foremost, I want to thank Lincoln Highway Partners for submitting the unsolicited proposal. As we heard last month from EDAWN and the Reno Land Company, this is a very important project to the community, essentially came from the community. They wanted us to evaluate it and see if there was any value for the State of Nevada.

I also want to thank our project team led by Pedro Rodriguez. They put a lot of effort into this. We wanted to make absolute certain that we were moving in the right direction and they've done a great job providing that information. With that, I would like to introduce Pedro Rodriguez. He's the Project Manager for this

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project. He will walk us through the details and background. He'll start out with some of those projects that we're working on right now. So, as we know, it's a heavily congested corridor right now. We're looking at any and all options, low hanging fruit, all the way to public/private partnerships to see if we can help with the safety and congestion issues between Sparks and USA Parkway. Pedro, if you wouldn't mind? Thank you.

Rodriguez: Thank you Bill. Good morning, Governor. Good morning, Members of the Transportation Board. For the record, Pedro Rodriguez, I'm the Project Manager. So, as Bill had mentioned, NDOT has been actively addressing issues on I-80. We've been aware of the congestion, the growth that has occurred over the last few years.

Some of the things that we've recently worked on and have completed or started include: the Reno Sparks Freeway Traffic Study, which was recently completed back in Spring of 2018, so this year. It identified key issues and alternatives including those that are located at USA Parkway South. We've started the I-80 Corridor study and we're about halfway through that, which also identifies key critical needs along the corridor and priorities to reduce congestion there.

Other studies that we've worked on include the Inter County Regional Transit Study and that's on the way right now, as well as the Autonomous Vehicle Feasibility Study. That is on top of the restriping that occurred shortly after the extension of USA Parkway, there at the interchange of I-80. So, that was completed back in 2017.

That also gave way to the need for improving the interchange there at USA Parkway, which was presented and awarded at last month's Transportation Board Meeting, which was the introduction of a signal there at the interchange. That project that was awarded, the signal interchange at USA Parkway introduced a signal at the westbound offramp on I-80. What you see there is the interchange itself and it also includes improvements for a second lane westbound onramp, as well as a second lane eastbound offramp. In essence, taking the traffic from Reno to USA Parkway.

This was needed, as we found out with our previous studies, that we needed to act on pretty immediately. Especially since the growth on that interchange has increased from 2,000 to 8,000 vehicles over the last four years. So, in essence, NDOT has been aware of these concerns. We've been working on these. The

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single interchange project itself was fast tracked and completed over a period of six months.

So, we do appreciate LHP or Lincoln Highway Partners helping us to actively address these issues on I-80 by submitting an unsolicited proposal to the Department. We received that unsolicited proposal back in August 1st. NDOT—I guess maybe to take you back a little bit. NDOT has the authority right now to do design-bid-build projects. We also have the ability to do CMAR projects, as well as, design-build projects. We do not have the authority to do public/private partnerships as this is that type of delivery method, unless it comes in an unsolicited manner.

The unsolicited proposal that came in offering the P3 or the public/private partnership offered improvements along I-80, east I-80. The yellow that you see there is the inclusion of one lane to have three lanes in each direction from Vista to USA Parkway. The proposal also suggested maintenance over that yellow section, that same section that would introduce the one lane in each direction, as well as the pink section, which takes out—which takes it out past USA Parkway to Nevada Pacific Parkway.

When the unsolicited proposal came in, in essence offering the Department a public/private partnership. The way the public/private partnerships work is, they say hey, we're going to come in, we're going to do improvements and then we're going to also maintain it. When we're done building the improvements, then we would like you—we'll front the money up with private financing and then, we'll want you to pay us back yearly a certain payment.

In this case, what they were proposing is to do the improvements over three years and then NDOT would pay them back an availability payment over 32 years for \$36 million every year. Because these P3s are pretty important because they could potentially offer quite a value to the Department. We take these seriously. We consider them complex projects that also require a complex review of their proposal at various levels.

This stretch of I-80 has, again, the value that was proposed by the proposer, offers such a value to us and again, we're aware that I-80 as it continues to grow with the economic development out at Tri-Center has the potential to increase congestion quite a bit. An introduction of a lane in each direction as proposed by the proposer, has the potential to reduce that congestion by 70%. Similarly with crashes, we expect the frequency of crashes with congestion to increase. A

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project like this has the potential for reduction in that frequency of crashes by 26%. This is knowing now what we've seen on I-80, and it's also the reason why we're moving forward with the single interchange project that was awarded last month and understanding that TRIC, as of now is only 20% developed. So, I guess to reiterate, the value that this or the potential value that this proposal can offer the Department is pretty great.

That's why it requires several levels of review. In accordance with our Pioneer Program, when we receive these unsolicited proposals for public/private partnership projects, we have to go through multiple levels. They include a completeness review check. They include a UPPAC or Unsolicited Proposal Program Advisory Committee Review. And, with each level down, we drill down further into the proposal to do further evaluation. The next level would be a high-level project screening that would go concurrent with the intergovernmental local agencies that would be affected by the project. In this case, RTC, Washoe, Storey County, those agencies.

Those concerns are all jotted down, reviewed and then they're taken to the next level which is Project Evaluation Committee, which dives into it further on a financial feasibility cost, as well as a risks and benefits. The results are then compiled and a recommendation is taken to the Transportation Board. This is following our Pioneer Program Guidelines, which in essence tells us how we deal with these types of unsolicited proposals.

This slide here depicts a snippet of those guidelines and what we do with this process. On August 1st, we received the unsolicited proposal. On August 17th, the UPPAC Committee completed their review. On October 1st, the High Level Project Screening Committee, as well as the Intergovernmental Local Agencies provided us with their concerns and comments. On November 14th, our Project Evaluation Committee completed their financial review and risks and benefits on the project. We're here today to present those findings to you, as well as to give you a recommendation on which way to proceed.

Once we approach the Board with a recommendation, the Board has one of three options to choose from. The first one is to accept the public/private partnership and move forward with sole source negotiations with the proposer, in this case Lincoln Highway Partners. The second option is to compete the P3, in essence, try and get a better value for the idea, saying we like the idea of the project, we can see the value that it has, but we also want to put it out there competitively and

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see if we get a better offer. The third option is to reject the P3. In this case, based on our evaluation, our recommendation is to reject the P3 and direct the staff to continue to develop the project to bring a recommendation to the Board.

The reason for the recommendation we'll walk through. What we reviewed, what we evaluate in these unsolicited proposals include the risks and the benefits and those risks and benefits were summarized and included in your Board Packet in the matrix.

The other things are, we look at the costs. We take a look at the cost that the proposer is telling us it would cost them to do the project. We also take a look at the cost it would take NDOT to run the P3. Then we also look at other scenarios. If the Department were to move forward with the project, and those were analyzed in this review. We also look at this from a financial feasibility perspective on whether or not NDOT can afford it and what impacts does it have to our capital program.

Understanding of course that when these proposals come in, as they did, as it did, are high-level. All the details cannot be included into one small proposal. So, broad assumptions have to be made for us to make a fair assessment, both from a financial perspective, as well as the costs and the risks and the benefits.

Generally speaking, with our public/private partnerships, our reviews of those types of delivery methods the Department does what's called a public sector comparator. The lighter blue column there represents the all-inclusive costs that were presented to us in the proposal that we evaluated that included everything from operations and maintenance, life cycle costs, financing costs, as well as the construction. All-inclusive costs brought to today's dollars, for us to make a comparison too. And, what the Department does is, the public sector comparator, which is the darker blue column, that's in essence all the same items, but just what are—what do we come out with as far as the cost goes? If we were to compete it or another scenario. The differences between the two there would represent the value of money that we would be getting for the project. All of this is measured over some affordability threshold to help us make a determination on which way we want to move forward.

This is the—the first scenario you see here is a representation of the all-inclusive costs by the proposer, that includes everything: operations, maintenance, construction, financing, etc., and they told us what this was. The second scenario is NDOT's public sector comparator or NDOT's P3. If we were to compete it.

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The cost for the first one being a little over—well, being over \$700 million and the second one, about \$600 million.

NDOT went ahead, as I mentioned before and did other scenarios. All of these dollars are brought to net present value. So, we're looking at today's dollars to make an apples to apples comparison.

The third scenario we looked at is, what if NDOT bonded the project and moved forward with the design-build. That came in a little over \$400 million, understanding of course that this also includes life cycle costs. So, what we would do over the 35 year period. The fourth year [sic] shows that a little closer with a no-build scenario, where NDOT does not move forward with the project, but we would still have to return over a period of 35 years, to resurface this stretch of I-80 three times. The last one is similar to scenario 3 which is NDOT bonding the project and moving forward with a design-build, but in essence, waiting a little while to bond. In this case, waiting six years to bond.

As I mentioned before, one of the things we look at is from a financial perspective on whether or not NDOT can afford to get into debt to bond for a project. What you see before you is that that service graph, NDOT right now has a requirement to have a three times debt coverage, which is represented by that red line. The blue columns you see there represent NDOT's existing debt service and debt service that we're going to enter into here in the near future for bonding and other projects. As you can see, we certainly have plenty of room to bond and get into debt if we wanted to move forward with the project.

The next four slides basically represent what the payment profiles would look like if we were to move forward. This first scenario here shows what the payments would look like, all brought to today's dollars, if we move forward with the proposers' availability payment schedule. The dark green there shows NDOT's initial costs that we would see upfront and then a \$36 million availability payment that we would have and as time moves forward, the increase represents indexing.

The second scenario represents NDOT running the P3 and in this case, we would use more pay-as-you-go, money upfront and then similarly, make payments yearly, over the 32 year period.

The third scenario is the NDOT bonded scenario. In this case, what you see before you is more pay-as-you-go dollars that are applied earlier on. Inclusive of NDOT's costs which are the green. The yellow represents the bonding that

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NDOT would enter into to pay for a design-build project. Then the light green peaks that you see there represents the costs that we would have for moving forward with resurfacing projects or lifecycle costs that we would go back out and do improvements to on I-80 over the 35 year period.

The last scenario there is similar to the previous scenario where we're bonding but we're waiting a little while to bond for the project.

So, NDOT went ahead and reviewed the proposals. We took a look at the costs and these all inclusive bars represent what came out of our evaluation. These are the first five that we're concentrating on, although NDOT looked at multiple scenarios, which are also included in your Board Packets.

Given the charts you've seen there and the differences between the Option 1, which is the private sector's all-inclusive costs, versus NDOT's scenario costs, the staff recommends to reject the P3 and then direct staff to continue to develop the project and bring a recommendation to the Board for delivery. This, all-in-all, is because we have lower financing costs. You know, the project costs are eligible for federal reimbursement and it gives the Department more time to do further due diligence to identify the actual costs on environmental impacts, right-of-way, construction and then also, further due diligence on better optimizing the scope on the project.

With that, I'll open it up for questions.

Sandoval: Thank you. I appreciate the work. I do have a series of questions. Will you put up that cost of scenarios with the three bars? So, you said \$36 million for 32 years.

Rodriguez: That's correct.

Sandoval: On my napkin math, has that over \$1 billion?

Rodriguez: Yes, it is.

Sandoval: So, why isn't that bar above—actually, it would probably go off the screen if we had—because you have it at a little less than \$800 million when it's actually about \$1.15 billion.

Mortensen: Governor, if I may?

Sandoval: Yes.

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Mortensen: Cole Mortensen, Assistant Director of Engineering. These costs are brought up to net present value, so a discount rate was taken into consideration on those payments and if Pedro, if you'd go back to the slide that depicted the payments that we'd make on an annual basis, it's indexed to CPI. So, as inflation increases, so would our payment to the proposer. And all of those payments then are brought back to net present value using that discount rate.

Sandoval: So, in the history of NDOT, have we ever bound ourselves for 32 years?

Rodriguez: Not that I'm aware of.

Speaker: [inaudible]

Sandoval: Well, for any bond. I mean—

Nellis: Well, no. I can answer that, for the record, Robert Nellis. We only recently, in the last Legislative Session, received approval to bond up to 30 years. Prior to that, we only had a 20-year maximum. So, everything has always been less than 20 years up until—

Sandoval: So, for example, Project NEON is 20 years. That was part of the analysis with Project NEON because we went through this P3 analysis as well. I think, if my recollection is correct, it would've cost us double to build Project NEON had we used that P3 approach. So, what is—and I know we have all these fancy nice graphs and—[laughter] That's what we paid \$800,000 for, right? [laughter] In any event, what's stopping us from just doing it the traditional way that we've done other projects?

Rodriguez: The reason we take unsolicited proposals seriously, P3s in particular is because someone is coming in and saying, hey, I got a great value here. I'm going to solve a problem for you that I know is out there and the public agrees with. I understand right now that you cannot bond for it, for whatever reason. Or, I can front the money now, which would free up capital for you to do other projects. Then, you just pay me over some time.

We do that analysis, but in this case, it didn't work out that way. We have plenty of room to bond for projects. I don't know if that answers your question.

Sandoval: Sort of, but—and I should've said this preliminary to my questions. I don't dispute there's a need for this. I mean, you just need to drive out there and experience it at 5:00 to see and then having the back-up in the morning as well.

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So, there's no dispute that this is necessary. Obviously, we have to be prudent with our taxpayer dollars. A project that over time, the present value and taking Cole's analysis, \$800 million—how much would it cost us, let's assume that we were able to do this, we have the cap room to do it, we have—just like we're doing with the Spaghetti Bowl, what is your estimate that it would cost if we just did it the traditional way that we have always done projects?

Rodriguez: As in, if we move forward with a design-build?

Sandoval: Yes.

Rodriguez: That, you can see from the chart right here, our NDOT design-build bonded option, the difference between that scenario and the no-build scenario would be our guess right now of what it would cost. Our no-build scenario represents the resurfacing NDOT would do anyway over the 35 years. So, you'd look at a \$300 million cost.

Sandoval: But we're looking at the difference between almost \$800 million and \$300 million with the same window of time for construction?

Rodriguez: That's a fair assessment.

Sandoval: So, in order for us to vote for this, we have to justify spending an extra half billion dollars.

Rodriguez: That's correct.

Sandoval: And, with the P3, wouldn't it have to go through all the environmental impacts and all those studies before—in the same process, as we would as if we did it traditionally?

Rodriguez: That's correct. The proposer identified their plan on how they would move forward with being able to complete construction in three years, which included completing NEPA in a short timeframe. We would still have to go through that same process.

Sandoval: And then, just pardon the pun, shifting gears a little bit. What about the other guys? And again, I know we have this process where somebody could do an unsolicited proposal, but I would imagine there are other contractors and other teams, if we were going to go—I think it's Option 2—with this, I mean, have we—do we get that type of input, what about us? We'd like to have a shot at this?

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Rodriguez: It comes down to the decision you're faced with today. If we were to move forward with this, because these bars were pretty close together, more than likely, the Department would recommend to compete a public/private partnership to get a better value for the dollar.

Sandoval: And then, finally and I brought this up at a former meeting, if we voted to go with the unsolicited proposal, as it is, how would we know at the end of the day that that was the best price if there wasn't any competition?

Rodriguez: Without competing it, it would be difficult to say. It would be a situation where the Department found the value of the proposal to be great and wanting to take them up on the offer.

Sandoval: I know there are representatives here from Lincoln Partners. I don't want any of my questions to be interpreted as being derogatory or anything like that, but for us as a Board we have to be good shepherds of the public's money and a record has to be made with regard to the distinction between these different proposals.

I have a final, final question for you Rudy, we did this with the highway that goes through TRIC. We expedited that and we moved that up the list when we did that and it got built in what, a year, I think it was and it was about \$60 million or something like that, \$70 million. What's to stop us from doing the same thing, given that there is a need here? As I said, I'm not disputing that there's not a need. There's a safety issue, there's a commerce issue. All of those things. What's to stop this Board in the future from expediting a project like this, like we did previously?

Rodriguez: Rudy, if I may. Just to clarify a few things. USA Parkway was roughly \$76 million awarded. When that project was advanced a year, we advanced it, but had already completed our environmental which took approximately three years to get done.

Sandoval: Okay. And no, I appreciate the distinction for the record.

Malfabon: I think, Governor it's to the question, definitely is, it's a needed project. There wouldn't be anything stopping the Transportation Board from directing us to advance or accelerate the project. I think that there's some due diligence still to conduct as far as, do we agree that it can fit within the available right-of-way, or are there some environmental issues next to the river that would take longer to address in the long run with the final design of the project. And on top of that is,

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once we find out when the environmental could be cleared and when the project could be ready, what else is on the books already planned to proceed with, whether it's the future phases of Spaghetti Bowl or the North Valleys widening, or projects in Las Vegas or statewide? I think that we still need to do some more due diligence on what's the timeframe that would be more practical, even on an accelerated basis to deliver the project, the widening of I-80, east of Sparks, to the USA Parkway, but also, what's in the mix and what's affordable within that timeframe.

So, I think there's still some work to be done, but I think that there's nothing that prevents the Transportation Board in the future from asking the Department to accelerate the project and proceed and provide some more feedback to the Transportation Board about affordability and some of the options available to deliver the project. Obviously with having some availability of—the issuance of bonds for the project, we have that option available as a design-build. Typically, that's going to save us a lot of time as well, as it's proven on Project NEON and on USA Parkway.

We have tools available, we just need to do some more due diligence on environmental and whether we agree that it can fit within the existing right-of-way. If it doesn't fit within the existing right-of-way, it's going to take a little bit longer for the environmental clearance.

Sandoval: So, given that response, how could we vote to support an unsolicited proposal when we don't even know that we can build it yet?

Malfabon: That's a good question, Governor and I think that that's why the staff recommended that we reject and proceed with further development of the project concept to see what is—what are some of the limitations with environmental, right-of-way and what's a reasonable delivery date and we can also look at what's the accelerated delivery dates that are available for the project.

So, I think that due diligence is still needed. Cole probably wants to add to that.

Mortensen: Yeah, Governor, if I may, the Lincoln Highway Partners put a lot of effort into this proposal as well. And, while I know that they're confident that they can remain within the right-of-way and reduce and eliminate any of the environmental impacts that may be out there, to be able to get through with the categorical exclusion, our staff hasn't yet really had the opportunity to really do that evaluation and have that understanding also.

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And so, as part of the effort in moving forward, what we would be looking at would be proceeding with the development of the project so that we can verify whether or not, if we can keep it within the right-of-way and keep the environmental to a minimum or, what that environmental would actually end up being. Then we would be able to come back to the Board to let you know whether it's going to be, you know, a three year environmental window for us to get the EA done, along with the right-of-way acquisitions, or whether we can do it with the three-month categorical exclusion and no right-of-way acquisitions. So, we just need a little bit more time to really make sure that we've done the engineering effort.

Sandoval: And, what's a little bit more time? [laughter]

Mortensen: I would actually have to get back to you on that.

Sandoval: Yeah, sounds like a lot more time.

Mortensen: It's a big elephant.

Sandoval: All right. I'm trying to think if I have any other questions. I guess that will—that will be my questions for now, I'll turn it over to other Board Members for questions or comments. Member Savage?

Savage: Thank you Governor. I would like to thank Lincoln Partners. I know there was a lot of time and effort put into this project. I also want to thank the NDOT staff and our consultants. We don't take this lightly. We know the project needs to be done. It's very clear, by what the Governor and the Director have said. We know it needs to be done but again, we have the fiduciary responsibility for the state of Nevada. The wealth of information Pedro, Bill, Cole, CD Smith, Ernst & Young, this past five months is significant. It was reviewed in my office, reviewed in the packets you've given us and it really does assess the cost risks and the potential impacts to the Department, at the end of the day. I know that we as this Board have a difficult decision, but at the end of the day, it's about the dollars and what we get for what we pay for.

NEON has been a great example of a design-build process that's been very, very successful. Now, if that wasn't as successful as it has gone the past many years, there might be an opportunity for a P3 unsolicited proposal. We have a pretty good record. We have money in the bank and we like to control what we can control.

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So, I can understand the staff's recommendation. I fully support it at this time. That's all I have, Governor.

Sandoval: Thank you, Member Savage. Other questions or comments? Mr. Controller.

Knecht: Thank you, Governor and Pedro and all, fine job. Mr. Rodriguez, the Scenario 1 and Scenario 2 graphs show in the yellow, orange and the green bars that go from 22 to 54, the escalation and I think you said that's at the CPI?

Rodriguez: That's correct.

Knecht: Okay. So that—that means that you're essentially assuming for both parts of that that the—there's no real annual rate of increase in the cost; it's just for general inflation on the dollar.

Denney: Felicia Denney, I'm the Chief of Financial Management. The proposal submitted had a 50% of the availability payment was to increase that CPI.

Knecht: Okay, 50% of it, only.

Denney: Yes.

Knecht: And, what rate did you use to project the CPI for those 32 years, 31 years, whatever?

Denney: I believe Ernst & Young used 2%.

Knecht: 3%?

Denney: 2%.

Knecht: 2%, okay. That's the stated policy target of the Federal Reserve these days, so fair enough. And, what discount rate did you use to get from those graphs to the blue bar graphs, what nominal discount rate did you use to discount those annual cash flows?

Denney: I believe Ernst & Young used 3.75%.

Knecht: 3.75%, so with 2% inflation, they're using essentially a 1.75% real rate of discount, is that accurate? $3.75 - 2.00$ is 1.75?

Denney: I believe so, yes.

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Knecht: And, if—given the nature of these with the backend costs for Scenarios 1 and 2, or the cost being spread out over time and growing, if we used a higher discount rate, wouldn't the first blue bar be much lower? Wouldn't the total present worth be a lot lower than in that \$800 million?

Denney: It would be lower, all the bars would be lower if we used—

Knecht: All the bars would be lower, but would they all be lower in the same proportion or would the ones that have backend costs be lower still, relative to the others?

Denney: That's correct, the second assumption.

Knecht: Okay. I think I'll leave it at that. I'm going to support the staff recommendation, but I would suggest that you look into the court cases and the academic and professional literature on discount rates and you'll find that most of them support much higher discount rates than 1.75% in real terms. Thank you.

Sandoval: Other questions from Board Members? Member Almberg.

Almberg: Thank you, Governor. I want to thank NDOT for all the hard work, putting together the review of this. I want to thank the—thank you guys for actually meeting with me and discussing all of this and all the questions that came from that. There was a few things that came to the surface from my eyes, based on all the material that was provided and that we had read through is, the proposers have come in and said at this point in time, there is no stakeholder participation in this project. Said that they are willing to participate in it, but at this time, there is no commitment of it.

I feel that if we come in here and we committed to the P3, we are never going to get any commitment from any stakeholders. So, without any commitment from the stakeholders, if we approve this today, we're never going to get it. If those stakeholders had committed to it, that graph may be quite different today if we actually had their participation numbers involved in this and we may be talking about different numbers.

The other thing that rose to the surface in reading all the material is, in their proposal, some of the concerns that NDOT had was the ability to have federal funding and without having a procurement method that allowed that to use federal funding, the solution was, we would bid off, we would bid certain portions of this project or some percentage of this project we would bid. You know, at this point in time, we don't know if that is going to meet federal guidelines or not. So,

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there's again, some monies that would not be able to assist us in completing this project.

I'm in support of this project as a need, but I can't support going with a P3 at this point in time. So, I'm going to support staff's recommendation.

Sandoval: Thank you, Member AlMBERG. Questions or comments from Southern Nevada?

Valentine: Thank you, Governor.

Sandoval: Member Valentine.

Valentine: I would also like to thank Mr. Hoffman, Mr. Rodriguez and Mr. Mortensen for a very thorough briefing and also Lincoln for their proposal. I think it's very important that we remain receptive to other project delivery methods and this is certainly one of them. Over the last maybe 20 years, there's been an evolution, I think, in the types of more creative delivery systems than just the traditional design-bid-build method. I would also like to say, thank you for putting this project on our radar because this looks like a very important project and certainly something that we should consider.

I do have some concerns about the impacts on other projects on the Capital Improvement Plan and I look forward to hearing about those. I will be supporting this today, not the unsolicited proposal, but the staff recommendation. Thank you.

Sandoval: Mr. Lieutenant Governor, any questions?

Hutchison: Just a quick follow-up. I had the same question in terms of just, what kind of impact—if we went with Option 1 or Option 2, acceptance of the P3 or put it out for RFP, what kind of impact would that have on already existing prioritized projects that this Board and NDOT has already identified as also important, both in the North and the South. What kind—I mean, would we be able to even handle all of these projects, simultaneously as they're currently prioritized, or would there have to be some readjustment on the prioritized projects, if in fact this P3 surfaced to the top and was accelerated.

Mortensen: Governor, if I may. One of the advantages of the P3 is that the Department wouldn't make any payments on it until it was available to the public and that's something I wanted to point out also, just kind of an advantage of going that route. Whereas, if we bond for the project, we have to start making payments

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immediately. So, the evaluation of which projects would be impacted then would be delayed from the P3 standpoint, versus bonding immediately. But, at this point in time, there would certainly have to be some movement of projects in order to accommodate a payment of that magnitude.

Hutchison: Okay, thank you. I'm not going to repeat what everybody else has said, but I'm going to support staff's recommendation as well. It's hard to, although as important as this project is to vote for, spending \$50, or I guess Governor, \$500 million beyond what we would be spending if we were to actually bond this and put it in line with our other projects. Not knowing whether the project could be built with environmental concerns and then just leapfrogging other prioritized projects. Thank you.

Sandoval: Rudy, a couple other questions. I recall when we decided to do the USA Parkway Project that one of the factors was that it was rated, I think an 11, and it was the—we had a project with the highest need in the state because it was an 11. Have we done that type of analysis with this project?

Malfabon: USA Parkway, I think was over a 9:1 benefit cost. I don't think we've done a benefit cost analysis on this project, so we can't respond to what it is. I don't know if we have a feel for what the benefit to the cost would be on this project. Because we haven't done that level of analysis yet on it, but we do know roughly what it would cost. I think that we would still have to do some more work to get a good handle on the benefit cost.

Sandoval: Mr. Mortensen.

Mortensen: That's correct. I believe as part of the Reno Sparks Freeway Traffic Study that we had, we had done a very, very high-level benefit cost analysis, not our normal in-depth analysis like we had done for USA Parkway. So, that'd be something that we'd be looking to produce in the future for this.

Sandoval: Another one of those in the future, Cole, is there a little more certainty than that?

Mortensen: We are rolling with this project and this area as fast as we possibly can, Governor. As you know, the congestion out there has just skyrocketed over the last two to three years. Generally we have longer timeframes to really project where our project needs are. When we're talking, you know, Project NEON, we started that in 2002. USA 95-Northwest in Las Vegas, similar timeframes. So, generally we have more time to react to these projects than what we've been given on this one.

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As Pedro had mentioned earlier, you know, we aren't sitting by idly. We are looking at those short-term solutions that we can put together. We know that this is the long-term solution for the corridor and we just haven't had the ability to really do the due diligence necessary to have those numbers together for you.

Sandoval: Because, my other question is, these aren't stagnant, as you say and we have this Capital Improvement Plan and we have projects ranked, as we speak. Given the growth out there, doesn't that—wouldn't it change? I mean, would this move up the list if the growth happens that we think is going to happen out there and would it be given a higher priority because right now there are approximately 7,000 people that work at Tesla alone. The projection is that within 10 years, there could be 15,000 to 20,000 people working just at Tesla.

Mortensen: Right.

Sandoval: And then you have the Block Chains project which is estimated within the next 10 years to have approximately 10,000 to 15,000, 20,000 people working there that aren't working there—well, maybe there's 50 that are working there now. And then you have the other growth that's happening. This is going to get worse before it gets better.

What I don't want to happen is first, that this Board's vote to be interpreted that we're not interested in this. We are. And, it is a massive priority because if you think it's bad now, wait in a few more years because each day it will get a little bit worse because there are more and more people that are getting employment out there.

That's why I was asking you, Cole, what's a little bit of time and some time in the future? I don't want this binder to be put on the shelf and looking at other things. I mean, Lincoln Partners, I don't think its time and resources wasted because even though it looks like this Board is not going to accept the unsolicited proposal, there has to be a project. This isn't an if or a maybe, there has to be one because of the degree of traffic that is happening now and will get only worse.

The other thing that I think has to be kept in mind is, yes, we've had a lot of economic diversification and growth with regard to jobs. Something like this will stop the growth out there if you can't get in or out. So, that's something else that has to be kept in mind because someone is not going to want to bring a large scale project if their employees can't get in and out, or their goods with regard to internet fulfillment or what have you, logistics, if they can't get in or out.

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So, I don't know how to keep a sense of urgency with regard to this project, although we're not going to—as I said, it sounds like, we haven't taken a vote, but most of the members have indicated they're not going to support the unsolicited proposal, but how do we maintain a sense of urgency moving forward to ensure that this due diligence is done that Rudy described needs to get done, so that that moment will come where we can have a project.

Malfabon: Governor, it's well pointed out that this is a needed project. I think that we have that sense from the Board of urgency so that we can look at what's the development of the Request for Proposals for the environmental clearance. Also, one of the interim improvements, just as Pedro talked about, the improvements that have been accomplished are currently underway. There's probably some other things we can do in the short-term, as far as Patrick Interchange and coming from Fernley that are needed. Definitely, the widening of this corridor is sorely needed. We know that, we've seen the growth in freight and commuter traffic. I think we can get with our engineering folks and decide, what's the next step for development of the project because we know that sooner, rather than later, this project has got to be built and we have to look at what's the cost associated with the other projects that are on our plate in the near term, in the STIP and what can we do so that we don't forget about this project. We move it forward incrementally and get the environmental clearance, get the preliminary engineering done and have a better sense of what it's going to cost for this project and what timeframe could be accelerated.

Sandoval: The other thing that we have to explore and I see Mr. Moreno still in the audience from the Regional Transportation Commission is mass transit out there. Reliable, mass transit. I don't know if that means buses, vans, what have you, but this is kind of an all hands on deck approach. In the meantime, see if there's a way to move larger amounts of people without each one having to drive in his/her own car.

Rosenberg: Governor, for the record, Sondra Rosenberg, Assistant Director for Planning. Pedro quickly went through some of the other efforts we're doing there and that includes an NDOT funded study on transit and five county regions surrounding the TRI Center. RTC is certainly a partner in that. They've had some challenges in terms of providing services outside of their county, when they just like everyone else have a difficult time just servicing all the needs within their county. So, we're taking the lead in terms of getting all of the counties as well as the

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private sector involved in terms of what types of transit solutions may be available for that large employment center.

Sandoval: And, I'm not suggesting that RTC hasn't been involved, I know it has. And you know, I've heard everything from rescheduling the rails so that you had some type of commuter ability to use the rail. I don't know if that's even feasible, Ms. Rosenberg?

Rosenberg: That would be very difficult. We are looking at that. The challenge when you share a rail with, you know, a private rail provider and freight is they take priority. So, if the freight line is running late, the passenger rail gets pushed. So, if people need to get to work on time, that's probably not a solution, at least not in the near term. The other thing we're looking at and that was approved last month at this Board is a research study on feasibility of autonomous shuttles. So, could we build maybe a smaller piece of infrastructure to fit an autonomous shuttle or something like that, so it would be somewhere in between kind of buses and trains, given the industries that are going out there and the technology advancements, we're looking at, is something else feasible for the long-term in terms of getting employers, employment out there.

Sandoval: Okay. Thank you. Mr. Controller.

Knecht: Thank you, Governor. Three brief things. First of all, Cole and Bill Hoffman, thank you for the briefing that I got in my office; it was very good. I look forward Cole, to getting the annual numbers for the various components and the totals so I can look at that.

Second thing, Lincoln Partners has done a good public service in bringing this thing forward, highlighting the need for it, which we all recognize and getting it going. I think it provided a real impetus.

The third thing is something that Cole and Bill and I discussed during our briefing, there was a letter in the Reno paper recently taking government and public officials and bureaucrats to task for this situation and others, all the way out there. With sudden congestion and problems like that and safety problems and saying, well you people should've seen all of this. My reaction, to highlight a point that the Governor made, was we couldn't have foreseen all of this. The development at TRIC was sudden, it was massive, it will continue to be massive and it will—it wasn't part of a five year, 10 year, 15 year growth plan. It was something that very fortunately came to us and now we've got to react to it.

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That's where Lincoln Partners proposal has been helpful and that's where—so that we don't fall victim to the, you know, making that criticism correct where we need to move forward, not just with due diligence but with great urgency on this.

I want to emphasize and echo what Member Valentine said about, it's a good thing that we have these alternative pathways to construction and to getting there and that we not just rely on our tried and true bureaucratic, we'll get around to that when we do.

Ms. Rosenberg, we can hope that alternative means and especially autonomous vehicles will take some of the pressure off, but we do have to, as the Governor said and Rudy acknowledged, we do have to make this a priority and really get going on it one way or the other. It may well be that we'll go some way other than the traditional bid—you know, plan bid and contract. I just want to emphasize those points and I thank you.

Sandoval: Thank you, Mr. Controller. I suppose I'll ask, Cole, another question because the staff recommendation is to reject the P3 and direct staff to continue to develop the project to bring a recommendation to the Board for delivery. The only thing that I'm concerned about is the uncertainty for your coming back. And I think that as part of a motion, I'd like to see a reasonable deadline by which staff would have to come back with a recommendation for a future Board.

Mortensen: If I may, Governor, I think two to three months would give us enough time to evaluate our resources, take a deeper dive in the engineering and to be able to come back in front of the Board with an understanding what the effort may take. Hopefully at that point in time, we'll be able to give you a better feel for the impacts to the program as well and how we may be able to get creative with bonding and financing this project to make sure that we're not adversely impacting the other projects that we have planned statewide.

Sandoval: So, you can get all that done in—I thought you were going to say like, two to three years. [laughter]

Mortensen: I'm hoping over the next two to three months we'll be able to really take that look, what we need to do and part of my concern is just staff resources. You know, internally we have the ability to do quite a bit of this work, but if we have to pull in external resources, I'll let you guys know that does take a little bit of additional time.

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Sandoval: As I said, I don't want to put unrealistic expectations on you or staff to get that done. Frankly, two to three months for the gravity of the issues that need to be resolved sounds really fast, because we're talking about right-of-way and whether it's available, environmental impacts, affordability, those are all things that I think need a lot more study so that this, a future Board can make a very informed decision on which way to move forward. What the impact is on some of the other statewide projects and what it is. If I recall, we were able to do USA Parkway and fit it in without negatively impacting any other projects.

Malfabon: I think we did defer some projects and I think but in the long run, we were able to deliver those projects maybe a year later at the worse case scenario.

Sandoval: So, those are all things that—everyone who lives in Southern Nevada is going to say, well wait a minute, we've got issues there. So, I think we just need to make sure that all that information is in front of the Board and so that, because again, this isn't an if, it's a when and when I say, "this", I mean, this project. To go out there and as I said, I want it to move as expeditiously as possible but not in a way that's unreasonable or will leave questions that will have to be answered moving forward.

Cole, I don't want to hold you to two or three months, what do you think is better, six months?

Mortensen: I'll commit to being back before this Board in three months to let you know where we're at. In three months, if I have better information for you, we'll present that information. If nothing else, I'll probably provide you an update as to where we're at, so that you guys can continue to monitor our progress and make sure that this doesn't get delayed as your concern.

Sandoval: Okay. That is fair, thank you. Mr. Rodriguez, any further presentation? Anything that's been talked about that prompted some thoughts that you wanted to present to the Board?

Rodriguez: No sir.

Sandoval: Are you sure? [laughter]

Rodriguez: Yes.

Sandoval: Okay. All right, before the Chair accepts a motion, any other further questions or comments from Board Members, particularly those of you that will continue to

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serve on this Board because it will be coming back to all of you. Do you feel good about what we've discussed here? Member Valentine, Savage and Almberg?

Savage: Yes sir.

Sandoval: Okay. All right then, if there is no further questions or discussion, the Chair will accept a motion to approve the staff recommendation to reject the P3 and direct staff to continue to develop the project to bring a recommendation to the Board for delivery with an update at a meeting within three months.

Hutchison: Governor, move to—I'll just say, so moved.

Knecht: Second.

Sandoval: The Lieutenant Governor has made the motion. I suppose to what I just stated, Mr. Lieutenant Governor?

Hutchison: Yes, if you want me to restate, I will, Governor, if you—

Sandoval: No, I think we've got it, I just want to make sure it's clear on the record.

Hutchison: Yeah, it's exactly what you said, Governor, that's my motion.

Sandoval: All right. And the Controller has seconded the motion. Any questions or discussions on the motion? The only discussion and I know I'm being redundant is, this is an absolute priority and the Board's rejection of this P3 or this proposal, unsolicited proposal is in no way to be interpreted that we're not interested in this project and that this project needs to get done. So, all those in favor of the motion, please say aye. [ayes around] Those opposed say no. Okay, the motion passes unanimously. Thank you and again, staff, this is really good work so that we can make an informed decision. To the Lincoln Highway Partners, I appreciate all of their due diligence and investment and hard work on getting this done and I look forward to watching what happens in the future. All right.

Let's move to the next Agenda item which is Agenda Item No. 9, Approval of the I-11 Northern Nevada Alternatives Analysis. Ms. Rosenberg.

Rosenberg: Sondra Rosenberg, Assistant Director for Planning. In September, we brought to you a presentation on the I-11 Northern Nevada Alternatives Analysis. An update on the analysis procedure and the outreach that we did for that study. So, we're coming back to you, after public comment, after that presentation, the analysis,

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the full report went out for public comment. We still stand by our recommendations, in terms of narrowing down the routes for I-11. So, we're back for approval. We do have a presentation we can show you if you'd like. It's primarily a repeat of what you saw back in September. In your packet, you have the Executive Summary and then a link to the website which has the more in-depth information.

In addition to the report, we've also developed a planning and environmental linkages, checklist and study which allows NDOT and Federal Highway Administration to sign off on the documentation of what was done. So, any of those decisions can move forward into a future NEPA process. With that, I'd be—oh, I do want to acknowledge Kevin Verre, the Project Manager on that who spent a lot of time and effort over the past six months to a year working on this, furthering the work that we did in the prior study and in addition to this analysis and this study that's complete now, where the work is ongoing. He has been conducting workshops in some of the rural towns who are concerned about either going through or bypassing to kind of work with them on the options for that. So, we've been to Beatty and Tonopah. In addition, we are setting up a call with our neighboring states, people at my level, to talk about potential linkages to the states to the north of us.

With that, I'd be happy to answer any questions, or we can show the presentation if you'd like.

Sandoval: Board Members, any questions with regard to Agenda Item No. 9? I think we're very familiar with—

Rosenberg: I thought so.

Sandoval: --the presentation, so any questions from Southern Nevada?

Hutchison: No, Governor.

Sandoval: Then the Chair will accept a motion for approval of the I-11 Northern Nevada Alternatives Analysis Report.

Knecht: So moved.

Sandoval: The Controller has moved for approval, is there a second?

Savage: Second.

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Sandoval: Second by Member Savage. Any questions or discussion? I hear none. All in favor say aye. [ayes around] Those opposed say no. That motion passes unanimously. We'll move on to Agenda Item No. 10, Acceptance of 2018 Performance Management Report, Highway Preservation Report, and Facts and Figures Book. Ms. Rosenberg.

Rosenberg: That would be me again. Again, for the record, Sondra Rosenberg, Assistant Director for Planning. This is our annual presentation of our reports that we put together for the public, for the Legislature. So, I'm going to do a brief summary of that. I would like to thank Peter Aiyuk in the Performance Analysis Division. That's a very small division that has a lot of information that passes through them and puts together these excellent reports that summarize information from across the Department.

So, the first one is the Performance Management Report. That is Legislatively mandated. It's produced every year and sent to LCB by the end of the calendar year. It tracks and reports on 15 performance measures. They're a little difficult to see there, but you have the full report in front of you, the draft report, so you can see, it's a mix of which ones we're meeting and not meeting, however, generally the trends we're on align with the desired trends. So, some of those that we aren't quite meeting yet, we are aligning with those trends. They do cover most of the various divisions throughout the Department. Everything from employee safety and satisfaction, project delivery, assets. Safety that is one that we're not always quite in the right trend yet, but we're doing everything we can to improve those trends.

Our partners—so, that summarizes those 15 measures and it is—you know, it is a Legislative report that we produce every year but we really do take it seriously and we're constantly looking at the Department in terms of how we're performing and how we can improve on those measures. In addition to this report, we also now have federal reports that came out of MAP 21 and the FAST Act that we're working and we're going to be working to merge those into a more accessible form online to show kind of how we're performing as an agency. As well as, measures that we have in cooperation with the Federal Highway Administration. This is just one piece of how we look at our performance.

Next, we have the State Highway Preservation Report. That is also legislatively mandated. It's produced every other year and sent to LCB by February 1st. That

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meets our requirement to develop a 10 year plan for preserving our state highways.

Then, finally, we have the Facts and Figures. That is not mandated, but it is something we produce every year. It gives an update on—you know, summarizing some of those performance measures, it talks about some of our major projects and goes in to a pretty good depth on revenues and expenditures, where our money is going, how we make our decisions and various things, just to highlight that are of importance to the public and decision makers.

So, with that, I'd be happy to take any questions.

Sandoval: I'll just say, this is amazing work. It's just really presented well, easy to understand. I love the graphics on there, so it's—I guess, in one way, I guess from somebody who is an informed reader, it makes it a really interesting and fun read to match the pictures along with what's going on. I don't know who could want any more information than you're conveying here. [laughter] It's as comprehensive of a presentation of what this Department does that I've ever seen.

Rosenberg: Thank you.

Sandoval: I really want to compliment everybody that was involved in putting this together. I know it must've been pretty much everybody at NDOT.

Rosenberg: It's—pretty much the whole Department participates in this and like I said, the Performance Analysis Division then has to herd those cats and pull it all together. Multimedia also helps us to make it look pretty.

Sandoval: Well then you know, there's some hard things in here and I think that's a good thing as well. It is always important to know where we need to improve.

Rosenberg: Right.

Sandoval: We can't—you know, not everything is as great as we would like it to be and we can learn from that and make decisions based on where those improvements need to go and allocate resources in that way. All right, questions or comments from other Board Members? Member Savage.

Savage: Just a comment to follow-up Governor. Again, my compliments, Sondra, to yourself, Kevin, everyone at NDOT. These booklets, I hope every Legislature can read and engage in these booklets because all the information anybody needs is right there in these three books. I know there's a wealth of time that people

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have taken to put these numbers together and these facts and these areas of improvement. That answers to the test are right here, and they always have been, but it takes a lot of hard work, a lot of diligence. I thank you, Sondra, your staff and I thank you Governor.

Sandoval: Thank you Member Savage. Member Almborg.

Almborg: Thank you, Governor. Again, just to repeat what Len said, thank you. These are great reference materials to easily get access to information and data from some of the analysis that we do. I do just want to take the opportunity—now is probably a little better time than earlier but during Rudy's Director's Report when he was talking about the rumble strips, you know, I think the rumble strips and my push for them on our rural highways has a lot to do with the information that comes out of these reports right here. This report lays out the amount of money that needs to be spent out there to keep these roads in the same condition as they are today and even improve them. I believe what we accomplished through the Committee and working through those rumble strips is that we hope that those potholes we were shown today in those pictures, you know, will never be eliminated but hopefully they will be reduced and we will have better effect on saving us some long-term maintenance costs on our roadways. I want to thank NDOT and everybody that worked together to make those modifications and changes. None of that stuff is obviously ever—those changes are not meant that there was something wrong with what NDOT was doing, but that's what—we can always make improvements on everything that we're doing and I think this is just one more little step down the road is, this is a little improvement over the last version we had and there's no reason to believe that we won't have another version down the road in the future. So, that's all for me, thank you Governor.

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

Knecht: I'll be really brief. From one numbers nerd to the others, you done good.
[laughter]

Rosenberg: Thank you. I just, because he's here, I want to embarrass him, so Peter Aiyuk, will you stand up? That's the guy who has to herd the cats and filter all the information and puts together these great reports. So, thank you Peter.

Aiyuk: [inaudible, off microphone]

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Rosenberg: Thank you. That's one of those divisions that's down on the first floor, very small division, just cranks things away and doesn't always get the appreciation that they deserve for the hard work they do for us.

Sandoval: Thank you, Ms. Rosenberg. Member Valentine, Mr. Lieutenant Governor, any questions or comments on this Agenda item?

Hutchison: Just a quick comment Governor, to echo what everybody else has said, in terms of just the quality of product here is remarkable. It's also remarkable when you look at the stats in terms of just the way in which the state has grown, the number of vehicles that are now on the road, compared to where we were 30 years ago. We've gone from, you know, just a little over a million licensed drivers to almost two million licensed drivers in that period of time. About a 1.1 passenger vehicles to 2.1, so just a huge increase that NDOT has kept up with and really blessed the lives of so many Nevadans.

The one thing that isn't captured on here, Governor, I would just note and it's been my experience over the time that I've served as Lieutenant Governor is just the level of care and attention that NDOT has provided to constituents who have concerns or challenges that fall within the NDOT wheelhouse. I want to thank Rudy, the entire staff. Whenever I've had anybody contact my office and I've referred them on to NDOT, they've always been cared for responsibly and professionally. That's a really big part of what we do as elected officials is to interface with state government and our constituents.

So, I want to thank you for your professionalism and just the level of competence and care that you've provided to many, many constituents that I've asked you to engage with over the years. So, thanks again.

Sandoval: Thank you, Mr. Lieutenant Governor. Any further questions or comments with regard to Agenda Item 10? If there are none, the Chair will accept a motion to accept the 2018 State Performance Management Report, the 2018 State Highway Preservation Report and the 2018 Facts & Figures book.

Almberg: So moved.

Knecht: Second.

Sandoval: Member Almberg has moved to accept. The Controller has seconded the motion. Any questions or discussion on the motion? I hear none. All those in favor, please say aye. [ayes around] Those opposed say no. That motion passes

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unanimously. We'll move to Agenda Item No. 11 which is proposed revisions to NAC 484D, Over-Dimensional Vehicle Permitting Restrictions.

Hoffman: Good morning Governor and Members of the Board. Lynn Hoffman, I am the Chief of Administrative Services and the item before you today is No. 11, it's also the same numbered tab in your packet. Now, it does say for potential action, but today, this is information only. What we're discussing is a proposed change to 484D, that's the Over-Dimensional Vehicle Permit Regulations.

Here you'll see a picture that I actually borrowed from Paul Delong, he's a heavy hauler down in Southern Nevada, there in Las Vegas. So, here again, we're looking at Chapter 484D and with this, NRS does allow agencies to modify regulation. You'll see the reference to NRS in both the first and second bullet points. The State of Nevada Administrative Rulemaking Manual also guides the process in which we do this.

So, why do we do these in the first place? We take a look occasionally, internally at the Department level and then also with stakeholders. Part of the purpose is to provide updates or to renew or revise certain sections. In this case, we've taken a look at and had discussions with AASHTO, WASHTO, the Nevada Trucking Association, as well as their Board Members, Paul Delong and we have Todd Anderson with Lakeside Specialized Transportation. Together with internal members of our Department and I want to give a little shout out and kudos to Kandee Bahr Worley who is now working with Sondra Rosenberg on innovation initiatives.

They discussed several aspects and one of which you'll see in Sections 1 and 2. I've summarized six areas here for you that we've taken a look at. Sections 1 and 2 of the proposed changes includes updates to hours. So, what you'll see if you look at our regulations.

What's that? Is there a buzz--

Sandoval: No, their mic is on. Your mic is on.

Hutchison: Oh, I'm so sorry. We were just trying to find the presentation up here Governor, my apologies.

Sandoval: Okay, no worries, thank you.

Hoffman: Do they have it now?

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Hutchison: You know what, it's on the screen for us and we can see what you were referencing now, thank you.

Hoffman: Okay, good. Thank you. So again, referencing, we're going down to the second portion which is the Summary of Proposed Key Amendments in Sections 1 and 2. So, if you're to take a look at this portion of the regulations, what you would see is that our hours are in regulation. That's our business hours to issue permits. We thought that that would unnecessarily bind us and if we ever needed to change office hours, we'd have to go back and ask for a change in regulations to do so. So, instead, we're going to make a more general statement in regulations about, we'll issue permits during business hours.

The online permitting system is currently not included as a reference in our regulations, so we wanted to let those know that it is available, as well as provide a link to the Department website within so people know where to go.

Another goal in Sections 1 and 2 is to more accurately reflect what we mean by what the current language would say, something in reference to deposits and credits, what does that look like? The industry pays their permits in two different ways. One way in which they pay them is by credit card, online or over the phone, or the other way is they arrange an agreement with our Department, where they will place a deposit with us, usually about \$600, we'll bill them. If they do not pay their permits, then we have a way to access that fee. We wanted to update the language to reflect the current business practices.

Also, with super loads. Currently, we only issue those permits via phone. There's a reason for that. We need to know the specific weight, dimension, height and discuss all of that with the industry in terms of the route they plan to navigate, to make sure that it's safe.

In Section 3, this allows for permits to be displayed on mobile devices. Believe it or not and you probably do believe this, in regulation we say, it needs to be a paper permit. We have moved into an electronic era, we try to go green, we do not want the NHP to issue any kind of violation penalty, warning of any sort if the trucking industry has the ability to display that permit via mobile device. So, we're going to make sure that's in there.

Taking a look at Section 4 and I should say that as I go through this, the summary and your attachment that shows the regulation currently with strikethroughs and

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all of the edits displays it in this way. So, you're looking at six—484D and then now that we're moving into Section 4, that would be 484D.645, in regulation.

What we wanted to do in this section and again, collectively discussions between the Department and the industry is we wanted to potentially require a survey for those vehicles that measure higher than 20 feet in width and 18 feet in height. The reason for that, we want to ensure that the routes are safe, that they're not subject to any bridge hits or things of that nature.

Section 5, now this is where we concentrated quite a bit of our discussions over time. This is in 484D.655. We do have language in there currently that will limit some navigation through, in and around the Las Vegas area. What we wanted to do is add what's called in the industry, a Gambler's Curfew. Really, this does increase some of the economy that flows in. We have people who travel in and out of that Las Vegas area. We have Highway 15 to the boundary of California. This is extending that line a little bit. We wanted to make it safe for travel for those coming in on Friday and leaving on Sunday. That way we have those visiting in and the trucks off the highway during that time, if they exceed certain dimensions.

Going into Section 6, now this one would be 484D.660. This one is subject to quite a bit of debate. There is an interest in the industry to harmonize with other states to allow for vehicles to move through 24/7 on interstate only, so that would be 80 and 15 and with this, the crux of the discussion is, when is it safe to do so? Initially, we entertained doing that, allowing for that on an annual permit basis or we could do it on a single permit basis. The difference there being annual, if you call me now, you'll have a permit good for a year and you can travel that course that I've said it's okay to travel on, if I'm the permit agent. If it's a single trip, then you have five consecutive days.

The discussion is, we didn't want to increase the liability or subject any of the public or any of us to any safety concerns. So, where we landed on that one is, it may now say for example, that it's annual, but we do want to make that one more single trip, that way each time anyone in the industry wants to travel a route, they will call one of our permit agents. They'll have five consecutive days to travel that route and they're good to travel during 24 hours, seven days a week, during that time.

Those are the high-level changes. Now, what's our process? With the LCB, there's a few different processes. There's one for emergency regulations, one for

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temporary and one for permanent. This one is for permanent. So, if we were to walk down the path, we'll discuss there at the very top, the proposed changes and consider the impacts on small businesses. This was done quite a bit by internal staff, more towards the beginning/middle of the year. We also conducted workshops, in and around the area in Northern and Southern Nevada. Changes were drafted and we submitted those to the Legislative Council Bureau.

Now, you'll see the star on the left in yellow and then the circle of arrows on the far right. That's intentional. The star means, you are here, or we are here. We're working with LCB to finalize the draft and send those drafts or draft back to us. Those three arrows are also very intentional. We submitted an original, they submitted one back to us. We met again internally and then also with the industry and we hope to receive that back on short order.

Now, fingers crossed, we know that we're right in the middle of BDRs and all of that, the bill drafts that are happening, so as soon as we can get this portion through along with those, we should have the draft back. Should we have that back soon enough, in the next week or two, then we'll be able to set a public hearing and issue a 30-day notice. It is a legal requirement that we have those documents first, before we can set that public hearing date. That will be the intent to adopt.

At that point, we can set the date, bring that draft back to the Board that's been finalized and then you'll see the darker blue, the green and the lighter blue then follows. So, we'll bring it back to the Board, evaluate and consider for public comment. With that comes the informational statement.

Then the Board here will consider adoption. Once the Board votes to adopt and I should mention that during that portion, in between now and then and also at that meeting, we can still accept public comment. Once that's happened, it's been adopted, then the final draft goes back to LCB. They finalize and they amend the regulation with the Secretary of State.

After that happens, our permit agents take this booklet around to industry and it's a summary of the NRS and the NAC changes. So, we'll have these reprinted and sent back out to the public.

With that, I'm trying to get everyone out by lunch, I think I hit noon just now. I'm happy to accept any questions. That's all I have at this time.

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Sandoval: Thank you, Ms. Hoffman and given that you have the support of the trucking industry, who else would be involved with this? I mean, it seems like, if you've got the trucking industry and the Department and I would imagine DPS would have a review of this as well, it should move pretty expeditiously, shouldn't it?

Hoffman: That's our goal and we also did vet some of this with our district engineers, just to make sure it's current and needed. It seems like, with the good work of staff before me and since it was handed to me, it's been well vetted.

Sandoval: And, is this similar to what other rules and regulations are in other states? So, in other words, you know, what I—in terms of commerce, is the—are the rules going to change when you come to Utah, or Oregon, or California, do you know if we're consistent with them?

Hoffman: It almost sounds like you've been planted in the audience, in a way with those types of questions. The Nevada Trucking Association, they're very concerned that we would harmonize with other states. That movement of allowing for 24/7, seven days a week, in some way, shape or form, would allow that. Now, the work that we have ongoing discussions, they're AASHTO and WASHTO is to continuously take a look at other opportunities to achieve that same goal.

Sandoval: Thank you very much, Ms. Hoffman.

Hoffman: Thank you.

Sandoval: And, good work. Any questions or comments from Board Members? Any questions from Southern Nevada?

Hutchison: Governor?

Sandoval: Mr. Lieutenant Governor.

Hutchison: Thank you very much. Ms. Hoffman, again, great work here. Just as somebody who travels all the time between Las Vegas and the California boundary, both North and South on the I-15, I think this is a welcome improvement to these regulations in terms of the way that these trucking—these large oversized trucks are regulated and that hauling is regulated. So, kudos for that.

My question for you is, throughout different places in the regs, it talks about appropriate fees that have to be paid. Do those fees have a relationship to ensure that it covers the cost associated with that particular load or that particular travel

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over our highways when we think about the, you know, Highway Patrol and the impacts on our road?

Hoffman: That's an excellent question and currently, what the language states around fees is we collect the cost to cover what the program needs are and that program need is, issuing the permit, running the system. It's not, to my knowledge and someone in the room, please correct me if I'm wrong, but it's not connected at this point to maintaining the highway with the impact that those larger loads would have on the road.

Hutchison: What about Highway Patrol? Does Highway Patrol ever have to get involved, for example, escorting some of these loads?

Hoffman: They do and the industry does take that into account. So, there are piloting services that are required that the industry will know it's a cost to them to have. NHP coordinates with us currently. I'm not sure that we exchange fees between agencies at this point.

Hutchison: And, what I'm talking about is, I'll see—like, when I—when you do this, when you travel between here and San Diego for example. If there's a big sized load, California Highway Patrol will escort that load and then often times, regulate traffic. Do we do the same thing in Nevada in terms of Highway Patrol escorting the load?

Hoffman: In certain circumstances, yes. Especially if we see things such as a house being moved. We would need that type of support to ensure the highways are safe.

Hutchison: So, do we then try to collect a fee that would be commensurate with what it's costing the state to have that escort through Highway Patrol, or is that even calculated into the fees?

Hoffman: Not to my knowledge through NDOT, unless there's some historical knowledge beyond mine in the room that can answer that in a separate way. I think NHP may take that cost on.

Hutchison: So, in other words, NHP just absorbs that cost. So, what would it take? Would it take a change in regulation or a change in legislation to maybe adjust these fees to cover costs?

Hoffman: I see Thor Dyson, did you have something to add?

Dyson: Yes.

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Hoffman: He might know a little bit more.

Dyson: This is Thor Dyson, Assistant Director for Operations, formerly with the District. There's been a lot of times where we coordinated with over-dimensional permits. A lot of the—let's say a house is going to be moved or a very large load, the districts have a lot of—NDOT has a lot of stake at the game because a really wide load can have not only impact to traffic, but also to the infrastructure that NDOT has. We don't want that wide load to hit structures, to wipe out guideposts, guard rails and we want it to be in an orderly fashion.

The permit will, a lot of times from the District, will dictate that the over-dimensional will have to use Highway Patrol. The Highway Patrol, I know, has agreements in place to charge the over-dimensional permittee to include that cost. It's just like when there is a running race around Lake Tahoe or a bicycle event and if the District is requiring Highway Patrol to help out with that, with that particular event, they will charge. There's a mechanism for Highway Patrol to charge the event organizer, or in this case, the over-dimensional permittee organizer.

Hutchison: Okay, thank you. Very helpful.

Hoffman: Thank you, Thor.

Hutchison: That was really the heart of the question, just in terms of the mechanism to charge those who are using our resources. Thank you. Thank you, Governor.

Sandoval: Thank you, Mr. Lieutenant Governor. Any other questions or comments? This is an informational item, Ms. Hoffman.

Hoffman: Yes.

Sandoval: Thank you very much.

Hoffman: Thank you.

Sandoval: Agenda Item 12, Report on the Status of SB53, Telecommunication Infrastructure Sharing Bill.

Inda: [inaudible, off microphone] Thank you. So, during the 2017 Legislative Session, the passage of SB53 provided NDOT with greater latitude to enter into public/private partnerships for telecommunication transportation facilities when it serves a public purpose. The definitions of information system, transportation

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system and highway were modified to include fiber optics, wire and related infrastructure.

SB53 enables us to partner with the telecom industry to grant access for the use of conduit and other facilities for compensation. There are many advantages to a fiber traded program and these are just a couple of them that I've listed on the slide.

Financial advantages from the trade program can be pretty significant and this slide shows some data from Utah over the past 20 years. The red bars show the miles of UDOT infrastructure and the pink bars, that's the top of the bars, show the miles of traded infrastructure. If you kind of sum up all of this trade, by 2015, there were approximately 2,500 miles of infrastructure, fiber infrastructure that were installed, worth nearly \$75 million in trade. So, if you're just looking at that last bar on the far right, there's more pink—more than half of the line is pink, than is red. So, they traded more miles, built up their infrastructure with over half trade compared to what they built and put in place through projects with NDOT [sic], so that's pretty exciting, what they have been able to accomplish in Utah.

So then we come to Nevada and we've been working really closely with the telecom industry to identify opportunities for infrastructure sharing and we've accrued nearly \$700,000 in trade on one non-interstate agreement alone. We're in active discussions with multiple parties in a variety of locations throughout the state and we expect that in the next couple of months, that we should have additional agreements and trades in place, increasing that \$700,000 amount.

One example is a project where we're wrapping up fiber hut installation project on US-50 and what that does is it ties into existing long-haul fiber and it gives the State, NDOT and state agencies access to that fiber along the US-50 corridor.

We're in discussions with a telecom company who is looking to expand their system in the vicinity of Ely. We have identified NDOT infrastructure tower rack space, those kinds of things. That will be of value to the telecom provider and the process to share and trade infrastructure under SB 53 has begun. In fact, the master agreement was on today's Agenda under Item No. 6 to share infrastructure.

This partnership is going to enable the telecom provider to minimize their expansion costs and for a fair compensation, it's a win-win because it provides

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Ely with much needed expansion in broadband and other services and it gives the state, NDOT, compensation for what we're working on them with.

Another example is on USA Parkway. It is our desire to connect fiber between US-50 and I-80. So, this map shows the 19 miles on the lower section of the photo that were the new roadway that we constructed and then the upper section is the existing section that we acquired. So, we've been working with multiple companies on the use of the spare conduit that we included in the new section of roadway and value from that—from access to the conduit, it going to be banked as we work with each telecom partner and then used for NDOT needs and to benefit the state. So, we're in discussion with several firms and we've identified opportunities for joint builds within that older section so that we can expand our conduit and our infrastructure all the way to I-80. We're going to use the value from the banked trade on that lower section to build and construct infrastructure on the newer section.

So, this is an example where SB 53 resulted in unexpected opportunities to speed up this fiber infrastructure expansion and it's pretty—it's pretty exciting for us.

So, through SB 53, we're authorized to enter into trade and sharing agreements for telecommunications infrastructure within our right-of-way. Where we are, we've been working through the same regulation setting process that Lynn just described for the over-dimensional permits.

In under a year and a half, we've developed policies for non-interstate routes, we've developed draft regulations for interstate routes, we held our public workshop on October 26th. We had our 30 day public comment period. That concluded on November 27th. Then we had a hearing on last week, on November 28th. Participation included telecommunication industry as well as partner state agencies and the feedback and communication we got from all of them was positive.

Director Malfabon has adopted the draft regulations and we're just finalizing all of the responses to the comments and feedback. We're going to get our package together and to submit the regs, the NAC regs and all of the associated documents to the LCB to complete that administrative rulemaking process.

A copy of the regs were included in the Board Packet, if you're interested in reading all the nitty gritty of that. I also included a copy of SB 53 which addressed the NRS portion of the process. I'm really happy to be able to be here

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today to let you guys know that we are well on our way to a promising partnership with the telecommunications industry. This is going to benefit NDOT, it's going to benefit the telecom industry, but more importantly, it's going to benefit the citizens of Nevada as we're able to grow and expand our system and provide folks all over the state with more access, reasonably priced access to broadband. So, that's pretty exciting.

The Board, the Governor, you, the Board have been supporters of this, but we've also had a lot of support from the Governor's Office of Science, Innovation and Technology. Through a subset of that, the Broadband Taskforce that took a couple of years to do some work and evaluate broadband in the State. That Taskforce has sunsetted, but they came up with some really good conclusions and results and that's what has led us here today with our SB 53 Program. If you have any questions or want any more detail, happy to give you that.

Sandoval: Thank you, Ms. Inda. This is really important to what I like to call the New Nevada. And, you've already said it, but it's obvious that a lot of the communities, the rural communities especially need and deserve the same access that the urban communities have. I had the privilege of attending an event maybe a couple of years ago in Beatty, or so and it's just a big difference maker. In terms of economic development, there are a lot of entities that won't go to these smaller towns because they don't have appropriate access or good access or any access for that matter. I suppose, there is a question in there. Always the biggest challenge from at least my observation is the last mile. So, we get it through the main thoroughfares and then that last mile is really expensive to get it to the schools or perhaps to some of those entities, is that included within all of this analysis?

Inda: Yes and no. One of—that's where intercommunication in between agencies is really valuable. Brian Mitchell and Jo-Jo Myers at OSIT, have been very—I'll give with the example of Ely. They've been very engaged and very active in those discussions making sure that the right folks with the telecom agencies are talking to the different folks within the government of Ely and the different parts and pieces of the agencies involved there, to get that last mile work in place. Some of it might be including, you know, expansion of conduit in an NDOT project and then other agencies—and then the telecom providers themselves kind of picking up parts and pieces. So, that last mile is critical, but one of the things that we're seeing is that through the increased communications and coordination that that's happening at a little faster rate. Because this is pretty exciting to have

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happening in Ely. I know Jo-Jo is really thrilled with the progress that's been made.

Sandoval: Speaking of Ely, I'll give it to Mr. Almberg. He's our—

Almberg: Well, I'm not sure, but you guys must have different internet than we have, because I always get a dial tone when I go to the internet. [laughter] No, I've actually met with Jo-Jo a couple of times, over in Ely over some of this stuff. So, hopefully this is progressing because there definitely is a need. When Jo-Jo was there, some of our discussions that we had with Jo-Jo and some of the other people within the community is the development that, what you just said Governor, will not come to the area because it's not there. And I think that's some of the things that we may be running into is, we have a state prison there that they can't even keep staffed. You know, it's not even staffed to capacity because you know, I'm not a gamer, but they said, people are coming, that are gamers, that our internet does not allow them to do that type of stuff.

So, it's new to me, to open my eyes of how much that is restricting us over there. So, I appreciate the Governor's Office and Jo-Jo for coming and reaching out and being a part of this. So, hopefully this is great news for our community.

Sandoval: Thank you. Other questions or comments with regard to this Agenda item? Any questions or comments from Southern Nevada?

Hutchison: None here, Governor.

Sandoval: Ms. Inda, thank you very much. Agenda Item 13, Old Business, Director Malfabon.

Malfabon: Thank you, Governor. Under Item No. 13, we have the Project NEON Quarterly Report, Spaghetti Bowl Quarterly Report and the Stormwater Program Quarterly Report. These are just updates on these projects as we know we're in the home stretch of Project NEON. Governor, I wanted to thank you personally for showing up in mid-November and speaking to that large group of employees. Not only from our design-builder Kiewit, but also from the NDOT staff and our consultant team, all the subs, suppliers were in that room and enjoyed a good meal, but also enjoyed your comments, thanking them for their dedication and effort on Project NEON.

The Spaghetti Bowl, I mentioned the public meeting coming up and just wanted to congratulate the team for how well they've done in accelerating the

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environmental study. We're in hopefully the accelerated mode for that. Wanted to also thank our Federal Highway Administration partners on this project, because we couldn't have accomplished that without their support.

On the Stormwater Program, as I reported previously, the Judge did agree that NDOT has done everything required under the consent decree with USEPA and we have our permit issued from Nevada Division of Environmental Protection. So, we're well on our way into having that as a sustainable program to protect Nevada's waters.

Moving on, we have also the Report of Outside Counsel Costs and Open Matters and the Monthly Litigation Report. Our Chief Counsel, Dennis Gallagher is able to answer any questions on that.

Hutchison: Governor? [laughter] Just wanted there to be a little suspense. [laughter]

Sandoval: You were successful. Please proceed.

Hutchison: Thank you, Governor. Just one last drive through the neighborhood here with what we've got going with outside counsel. Just taking a look at those three matters and again, I say it on a regular basis, you know, based on what we looked at when I first arrived on the Board, this looks terrific. My question for you is just on the remaining outside counsel contracts we've got, the remaining authority there. Should the Board expect any amendments to those contracts in the future?

Gallagher: For the record, Dennis Gallagher and if this is going to be the last question, I think I need to belabor the response. [laughter]

Hutchison: Dennis, I'm a lawyer, this is not the last question. [laughter] Even if I say it was the last question, as the Governor knows, it never is.

Gallagher: Well, I'd like to extend a personal invitation to you, for future board meetings to ask whatever questions you'd like during the public comment section. For these items, I don't anticipate bringing anything back to the Board on any of them. One is pending before the Supreme Court. The matter has been fairly very well briefed. All that may remain is an oral argument. Unless the Supreme Court remands it for further action at the trial court level.

The Nassiri matter, the last matter, we have plenty of funds remaining. We are in the process of opposing his most latest appeal, as well as proceeding on collection of the judgment that was award the Department for costs and fees.

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Hutchison: Thank you, Dennis. I just see with the inverse condemnation and condemnation cases, we don't have anything else that's new. Anything on the horizon you expect or are we going to be pretty well completed in the near future for those condemnation actions?

Gallagher: For the record, Dennis Gallagher. Certainly for the condemnation actions, as the Department prioritizes its projects, that will dictate condemnation needs on a go-forward basis. The hard one to gauge is the inverse condemnation actions because there's a 15-year statute of limitations for those claims. And, the First Presbyterian Church matter is kind of one in that many years ago, they had filed an inverse condemnation claim and after some preliminary discussions and motion work, they dropped the case for a good number of years, but recently this year brought it back—brought a new action for it. So, there's always the possibility, especially as NEON wraps up that other property owners in the area may feel that they've been damaged by the project and file an inverse action.

Hutchison: What about the remaining work on the 215 and the Beltway, down South here, you don't expect any more condemnation actions out of that? Everything has occurred with that project, right?

Gallagher: For the record, Dennis Gallagher. That is my understanding.

Hutchison: Okay, great. And then, I just see there's one more case, that your office is handling in-house, apparently a new mobile phone personal injury case. And again, thank you for doing such a great job managing these Dennis. It's difficult to be an average lawyer and you're far beyond an average lawyer. You're a very high-level competent counsel that we're blessed as a state, in particular NDOT, to have supervising and managing some of these very difficult cases. So, again, my compliments to you. Member Valentine and I have already worked out an arrangement where I will be watching these on internet proceedings and will be texting to her all manner of very difficult legal questions in the future. [laughter]

Gallagher: Thank you for the kind words, Lieutenant Governor, but I owe any success to the great staff that I work with, both here in Carson City and in Las Vegas. Without them, the results that we've been able to deliver on behalf of the Board would not have been possible. And, in all seriousness, I welcomed all your questions. They kept me on my toes. Thank you.

Hutchison: All right, well thank you again, Dennis. Thank you very much, Governor.

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Sandoval: Thank you, Mr. Lieutenant Governor. Director Malfabon.

Malfabon: Thank you. The final item is a Fatality Report. We've had some unfortunate incidents recently with pedestrians right around Thanksgiving, here in Carson City even. I was pleased to see the comments from Sheriff Furlong, locally that he's going to put an emphasis area on trying to keep pedestrians safe, but also impressing on the need for pedestrians and drivers to watch out for each other and be responsible. I also saw a public service announcement. Was showing Mayor Schieve, Mayor Martini from Reno and Sparks respectfully and Councilwoman Jardin about the importance of pedestrian safety with a large group of local folks that are definitely supportive of improving pedestrian safety in the Reno/Sparks area.

Our challenges are still before us and we put more emphasis on infrastructure but also on behavioral programs and education programs and I talked previously about the Traffic Safety Summit. Our staff are working on this effort, but it takes everybody, the drivers, the motorists, just the folks that are pedestrians, bicyclists, motorcyclists, people have to take responsibility and do their part. We're going to work on this and try to drive fatalities down and work with our local partners and law enforcement agencies and education representatives as well, and emergency medical responders.

Sandoval: Thank you, Rudy. I was just paging through our Agenda because some of our contracts were for pedestrian safety, of that very purpose. That work is never done but I think we've made a huge amount of progress from where we were approximately four years ago, so it's good. All right, Board Members, any questions or comments with regard to Agenda Item 13? We'll move on then to Agenda Item 14, Public Comment. Is there any member of the public present in Las Vegas that would like to provide public comment to the Board?

Hutchison: None here, Governor.

Sandoval: Thank you. Here in Carson City, is there anyone present that would like to provide public comment to the Board? I see you Mr. Rodriguez. Okay. I hear and see no one coming forward. Agenda Item 15, adjournment.

Hutchison: Move to adjourn.

Sandoval: Can I make that motion, as the Chair? [laughter]

Hutchison: Definitely.

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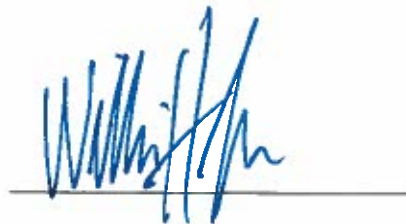
Sandoval: No, and again, I don't want to repeat anything, but it really has been a privilege and honor to work with all of you. I really, really will treasure the memories and experience that I've received on this Board. Thank you.

[standing ovation, applause]

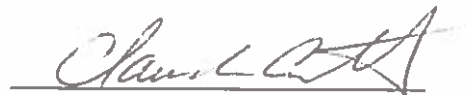
Sandoval: I move to adjourn. [laughter]

Hutchison: Second!

Sandoval: Lieutenant Governor has seconded the motion, all in favor say aye. [ayes around]
That motion passes unanimously, again, thank you ladies and gentlemen, this meeting is adjourned.



Secretary to Board



Preparer of Minutes