

**MINUTES OF THE JOINT MEETING OF THE
SENATE COMMITTEE ON ENERGY, INFRASTRUCTURE AND
TRANSPORTATION
AND THE ASSEMBLY COMMITTEE ON TRANSPORTATION**

**Seventy-fifth Session
March 10, 2009**

The joint meeting of the Senate Committee on Energy, Infrastructure and Transportation and the Assembly Committee on Transportation was called to order by Chair Michael A. Schneider at 4:11 p.m. on Tuesday, March 10, 2009, in Room 4100 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4401, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE COMMITTEE MEMBERS PRESENT:

Senator Michael A. Schneider, Chair
Senator Maggie Carlton, Vice Chair
Senator John J. Lee
Senator Shirley A. Breeden
Senator Randolph Townsend
Senator Barbara K. Cegavske
Senator Dennis Nolan

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblyman Kelvin Atkinson, Chair
Assemblyman Mark A. Manendo, Vice Chair
Assemblyman John C. Carpenter
Assemblyman Chad Christensen
Assemblyman Jerry D. Claborn
Assemblywoman Marilyn Dondero Loop
Assemblyman Pete Goicoechea
Assemblyman Joseph M. Hogan
Assemblyman Ruben Kihuen
Assemblywoman Ellen B. Spiegel
Assemblywoman Melissa Woodbury

Senate Committee on Energy, Infrastructure and Transportation
Assembly Committee on Transportation
March 10, 2009
Page 2

STAFF MEMBERS PRESENT:

Marjorie Paslov Thomas, Committee Policy Analyst
Lona M. Domenici, Committee Manager
Sherwood Howard, Document Management Clerk
Matt Nichols, Committee Counsel
Scott Young, Committee Policy Analyst
Lynn Hendricks, Committee Secretary

OTHERS PRESENT:

Susan Martinovich, Director, Nevada Department of Transportation
Kent L. Cooper, Nevada Department of Transportation
Jacob Snow, General Manager, Regional Transportation Commission of
Southern Nevada
Derek W. Morse, Interim Executive Director, Regional Transportation
Commission of Washoe County
Robert Stanley Hadfield, Nevada Association of Counties; Nevada League of
Cities

CHAIR SCHNEIDER:

Before we get started, the Assembly has requested to introduce two bill draft requests (BDRs).

ASSEMBLYMAN MANENDO:

We have two BDRs from the Assembly Committee on Transportation we would like to get out of the way before we start this joint meeting with the Senate. The first is BDR 58-1116.

BILL DRAFT REQUEST 58-1116: Revises provisions governing the exemption of nonprofit carriers of elderly persons or persons with disabilities from the requirement to obtain a certificate of public convenience and necessity. (Later introduced as [Assembly Bill 296](#).)

Senate Committee on Energy, Infrastructure and Transportation
Assembly Committee on Transportation
March 10, 2009
Page 3

ASSEMBLYMAN CARPENTER MOVED TO INTRODUCE BDR 58-1116.

ASSEMBLYMAN CHRISTENSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

ASSEMBLYMAN MANENDO:
We need to introduce BDR 43-718.

BILL DRAFT REQUEST 43-718 Revises provisions relating to automobile collision repair. (Later introduced as [Assembly Bill 297](#).)

ASSEMBLYMAN HOGAN MOVED TO INTRODUCE BDR 43-718.

ASSEMBLYMAN CLABORN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR SCHNEIDER:
The State is in a crisis. Thousands have lost their jobs. Many in construction are unemployed. Some trades have 30-percent unemployment in Nevada. The American Recovery and Reinvestment Act of 2009 (ARRA) provides \$200 million available funds to Nevada for shovel-ready transportation projects. We are required to identify these projects by the beginning of April and be ready to have jobs manned in 120 days. This is an opportunity to put Nevadans back to work. We have a responsibility to create as many jobs as possible and benefit as many Nevadans as possible. It is our responsibility to ensure the funds are dispersed fairly to benefit all of Nevada, taking into consideration demographics and geographic density. We will work together across party lines to ensure all Nevadans benefit. Accountability is essential as we move quickly to put Nevadans back to work. The joint leadership of the Senate and Assembly is calling for a bipartisan-oversight committee for the ARRA funds.

Senate Committee on Energy, Infrastructure and Transportation
Assembly Committee on Transportation
March 10, 2009
Page 4

SUSAN MARTINOVICH (Director, Nevada Department of Transportation):

We think the ARRA is an opportunity for Nevada. Nevada's share of the \$27.5 billion provided nationally is \$201 million ([Exhibit C](#)). It was allocated through suballocations and the Nevada Department of Transportation (NDOT) receives \$140 million. Clark County receives \$39 million and Washoe County receives \$9 million. In areas of less than 200,000 people, federal allocation is \$6 million. The intent of the bill is to give immediate impact to the economy and put people back to work.

The suballocation to NDOT requires 50 percent of the money to be obligated in 120 days. We anticipate the bill to mean 120 days from the time the money is allocated to the states. We also heard the 120 days began when the bill was signed into law. We think we could get projects out in less than 120 days. We need to get \$70 million out within 120 days. States that do not use the money in that time frame will lose it. Money lost to those states will be redistributed to other states that have met the time frames. The amount available could be \$8 billion. We are working to receive some of that money. Once the projects have been designated and the Federal Highway Administration (FHWA) has approved the certification for the National Environmental Policy Act (NEPA) and the right-of-way is secured, the money will be encumbered. Monies have been identified for approximately \$1.5 billion nationally for discretionary grants and rural transit money. Nevada is allocated \$6 million including money for rural transit. There is \$8 billion nationally for high-speed rail corridors and money for general aviation. The NDOT is not directly responsible for those other funds, but we are working with the proponents making sure the parts are in place to maximize the dollars. The act provides funding for specific criteria, like projects already set for completion by February 2012, not those just getting started, and area projects located in economically distressed areas. The NDOT has to justify to the FHWA that our projects meet this criteria. Many of Nevada's counties, including Washoe and Clark, are considered economically distressed because of the double-digit unemployment numbers. Fifty percent of the funds must be obligated within 120 days. The projects do not have to be 50 percent complete within 120 days. Once the projects have gone through initial vetting, they are eligible to be funded if they meet the eligibility under the federal surface-transportation process. The project scope must make a structural improvement to the pavement with mill and overlay and no chip and seals or pavement-flush seals. The project must be environmentally cleared under NEPA.

The project must be certified for right-of-way ownership and in public domain. The State's allocation for priority projects selected has gone through an established process. The projects are on the interstate or the national highway system. These are roads carrying the majority of traffic in Nevada. The Governor needs to certify by March 17, 2009 that NDOT will proceed with the state-funded program levels it had received prior to the ARRA money being available. We are not going to supplement current projects with ARRA money.

There is another certification letter due April 3, 2009, indicating the funds will be used to create jobs and promote economic health. We do not have an issue with these requirements. We have worked with our metropolitan planning organizations (MPOs)—southern Nevada and northern Nevada—the Nevada Association of Counties and the Nevada League of Cities to develop the project lists we have provided to you as an attachment ([Exhibit D](#)). They are projects that have been before our board of directors. We view this as an opportunity to obtain the largest number of contractors working to create jobs and reduce unemployment statewide. The project list was developed on the above-mentioned parameters. The financial distribution of all the highway funds is that Clark County will receive 54 percent of the money, Washoe County will receive 14 percent and the rest of the state will receive 32 percent. The Regional Transportation Commission (RTC) of Southern Nevada will be meeting on March 12, 2009. The Washoe County RTC is meeting this week to finalize their priorities. We will present feedback from the RTC meetings and legislative meetings to our transportation board Thursday of this week. We planned to advertise our first project on March 19, 2009. The 120-day clock is ticking, and we want to get these projects in position to receive more money. The bill contains large reporting requirements. We are waiting for guidance. We have been told that both general and subcontractors have to provide numbers of existing employees, numbers of new hires and hours and wages on all employees, done on a monthly basis. We plan to display what we are doing on the federal ARRA and NDOT websites. The ARRA includes money for disadvantaged business enterprises and Disadvantaged Business Enterprises (DBE) bonding. We are waiting for parameters on this item.

The following is a preliminary list of projects ready to begin within the obligated 120 days [Exhibit D](#). Priorities listed may change slightly. The yellow box indicates \$209.4 million which is more than the \$201 million because we have good bids and want to make sure we have enough available projects to spend

Senate Committee on Energy, Infrastructure and Transportation
Assembly Committee on Transportation
March 10, 2009
Page 6

all the money. There are viable projects available to fill in gaps on projects we are not able to proceed with, for whatever reason. The money is for all modes of transportation. The final group of projects listed is our fiscal-year obligation limitations. We have to balance not only the ARRA money, but our regular allocations we provide yearly. The federal allocations are very compartmentalized and we need to make sure we have projects ready to go in those individual categories. This is to provide you information on our normal federal allocations for fiscal year 2009.

SENATOR CEGAVSKE:
Does the State have \$201 million currently?

MS. MARTINOVICH:
Yes.

SENATOR CEGAVSKE:
Is the estimated cost what we think it is going to cost or is that the amount we have available?

MS. MARTINOVICH:
That is what we think the project is going to cost.

SENATOR CEGAVSKE:
Are you just adding everything on the totals?

MS. MARTINOVICH:
That is just the running totals.

SENATOR CEGAVSKE:
What happens if we do not get all of the ARRA money? What happens if we start a project and it costs more? Who is going to pay? How long will the workers be employed? Does the project stop until there is more money? Will you know whether you will be able to finish a project? Do you have an estimate other than the \$201 million? Is there any other anticipated cost for us getting the ARRA package?

MS. MARTINOVICH:

We have already received all the appropriated money through the paperwork. It is waiting for us to draw out. The estimates here are conservative. The projects are "clean projects." We do not expect any issues. If they do run over, they will be funded with ARRA money. The projects were going to be done anyway as part of our normal process. We are not going to cancel them. No project will be canceled in the middle of it. Most projects are a one- to two-year project time frame. The northern projects need to be shut down in the winter and start again in the summer, lasting a one- to two-year employment. Our intent is to keep the regular federal allocation coming.

ASSEMBLYMAN MANENDO:

Does it mean you are going to widen either Las Vegas Boulevard or Sandhill Road? Are you going to pick one or the other?

MS. MARTINOVICH:

Those are projects Clark County had prioritized on their list. They will be working with the RTC to finalize those projects on Thursday. They are still making the determination on which projects would fit their priorities.

ASSEMBLYWOMAN SPIEGEL:

Will the first group on the list be advertised to begin in March through May? When will these projects be done?

MS. MARTINOVICH:

Yes, some of those on the list above will be ready to go in the next several months. The big ones on the interstate are a couple of months behind and will go out in a June/July to September/October time frame. We have to have them all out by February 2010. Our intent is to get them out before that time frame.

ASSEMBLYMAN CARPENTER:

Would we be eligible for the FHWA funds for Indian reservations and forest highways shown in the handout ([Exhibit E](#))?

MS. MARTINOVICH:

We have not received the guidance on it. There might be a chance for us to receive these funds because of the expansiveness of forest highway properties and Indian reservations in Nevada.

Senate Committee on Energy, Infrastructure and Transportation
Assembly Committee on Transportation
March 10, 2009
Page 8

CHAIR ATKINSON:

How did NDOT come up with the estimated cost on the right-hand column, [Exhibit D](#), and how accurate are they?

MS. MARTINOVICH:

Every item is accounted for in our plans. We bid items for everything: oil, asphalt, concrete, rebar, the amount of soil and flagger hours. We measure striping by foot and color of striping. Every item with a set of plans has a unit price attached to it. The prices are based on historical information according to the location of the project. Urban areas cost less per unit, whereas rural areas depend on the availability. We look at bids we have gotten in the past. There is a contingency fund included in the cost in case of unknown information. Our bids lately have been very good. Bids have been coming in 5-plus percent less than our estimate and we have been able to put out more projects. We anticipate the initial bids to be lower than our estimate. I am confident in the estimates.

CHAIR ATKINSON:

Will you explain what the projects are after the dotted line on [Exhibit D](#)? Are they wish projects?

MS. MARTINOVICH:

They are wish projects. They are projects ready to go if we do not spend all of the appropriated money. We wanted more projects than money to make sure we spent all the money.

CHAIR ATKINSON:

How flexible is the NDOT with the projects listed below the dotted line? Is there a chance one of the projects below the line could replace a project listed above the line?

MS. MARTINOVICH:

We are very flexible. We have everything ready to go for every option.

CHAIR ATKINSON:

How soon will we be able to put the 9.4 percent, or 30,000, construction workers to work?

Senate Committee on Energy, Infrastructure and Transportation
Assembly Committee on Transportation
March 10, 2009
Page 9

MS. MARTINOVICH:

We are ready on March 19, 2009, for the first project. The rest will be ready in 60 days. It takes two months for bidding and contracts to be signed. People will start working on the projects the end of May.

ASSEMBLYWOMAN SPIEGEL:

How long will it take to get Clark County workers back to work?

MS. MARTINOVICH:

They should be working by summer.

ASSEMBLYMAN CARPENTER:

Is the U.S. Highway 93 safety crossing the deer crossing north of Wells?

MS. MARTINOVICH:

I am not sure. We have had trouble with animals being hit there.

ASSEMBLYMAN CARPENTER:

We lose thousands of deer every year in that area.

KENT L. COOPER (Nevada Department of Transportation):

The cost of the Meadowood Interchange project is greater than listed on [Exhibit D](#).

SENATOR CEGAVSKE:

Who pays the balance?

MR. COOPER:

The balance will come out of federal and local funds. The major projects on Interstate 15 in Clark County will be out the middle of August at the latest. We are accelerating the design to get the work out quickly in Clark County. The U.S. Highway 93 crossing is the wildlife crossing near Wells, and we are working with the Department of Wildlife to identify other locations. We had a meeting with representatives from the U.S. Forest Service, the Central Federal Lands Highway Division, the U.S. Department of Transportation and NDOT last week. We are asking for some of the \$60 million nationwide for forest highways for Nevada. The money for the Indian reservations goes through the Bureau of Indian Affairs.

Senate Committee on Energy, Infrastructure and Transportation
Assembly Committee on Transportation
March 10, 2009
Page 10

CHAIR SCHNEIDER:

Is the list, [Exhibit D](#), we have in front of us accurate? If we read something different in the newspaper, will that be incorrect?

MS. MARTINOVICH:

That is true. It is in red, "Preliminary for discussion purposes only – Date: March 3, 2009," and I have seen this list.

CHAIR SCHNEIDER:

Since it is preliminary, should we assume there will be another list?

MS. MARTINOVICH:

When the transportation board adopts our list on Thursday, it will be final.

CHAIR ATKINSON:

This is how things run amok. We had a list last week that was not accurate, now we have a list in red for discussion purposes only. We are here to discuss a list that means nothing. What if the transportation board does not accept this list? We do not have the opportunity to have the input we are supposed to have. Why can we not get a concrete list from you? I am concerned we would have to get together again if the numbers change. I am not happy that this is just a discussion list.

MS. MARTINOVICH:

I put the wording on there to give the Legislature an opportunity to discuss it. It is not set in stone. The intent is this list. The recommendation for board action is to adopt this list. I intend to take any comments from the Legislature to bring before our transportation board for inclusion on this list. If there are any changes, I would make recommendations to the Governor that we return to the Legislature.

CHAIR SCHNEIDER:

When will you be able to advise Chair Atkinson if there are any changes?

MS. MARTINOVICH:

I would do it Thursday night.

JACOB SNOW (General Manager, Regional Transportation Commission of Southern Nevada):

In addition to the \$200 million apportioned for Nevada, \$49.4 million has been apportioned for mass transit as shown in my handout ([Exhibit F](#)). About \$40 million of this money is suballocated to us for roadway projects. In order to create as many jobs as possible and to complete as many projects as possible, we will apply that money to a series of roadway rehabilitation projects similar to NDOT's proposals. It will allow us to complete projects in every jurisdiction rather than a single project in one jurisdiction. It will increase local companies getting jobs and putting people who live here back to work. We anticipate receiving \$33 million in funding for transit projects from the Federal Transit Administration. We may receive money from the State's transit money. We work closely with NDOT and we have a couple of contracts with World Transit in Mesquite and Laughlin.

We have a map showing the distribution of the ARRA money for roadways and for transit ([Exhibit G](#)). There is a spreadsheet with the list of projects for southern Nevada titled "The American Recovery and Reinvestment Act of 2009" ([Exhibit H](#)). At the top of the spreadsheet there is an allocation for Clark County, Nevada, for \$16,351,574. We have chosen to deal with ARRA money the way we have divided RTC gas-tax money, shown at the right on the spreadsheet, amongst the entities by population and assessed valuation. The public works departments from each of those entities are listed according to their pavement-maintenance management programs and the needs they have for pavement rehabilitation and other projects. Under priority number 5, there is a Las Vegas Boulevard widening project from Sunset Road to Silverado Ranch Boulevard pending NEPA clearance. We need to get an environmental clearance from the FHWA before that project can go forward. The NEPA clearance is pending. This list is being presented to the RTC of Southern Nevada this Thursday morning at 9:15 a.m. They will approve both the Las Vegas Boulevard project, pending NEPA clearance, as well as the other projects listed. We believe all these projects under number 5 will be cleared under ARRA money. Other allocations are on the list with the various entities. They are broken down in some specificity. We wanted to make sure every entity had money for at least one project. That is why we are proposing \$1 million for Mesquite and \$1 million for Boulder City.

Senate Committee on Energy, Infrastructure and Transportation
Assembly Committee on Transportation
March 10, 2009
Page 12

At the very bottom of the spreadsheet is the mass-transit project reflected in red on the map. We are proposing to fund a portion of the Boulder Highway ACE Rapid Transit project, shown by the long line running from the middle of the page to the bottom right-hand portion of the map. There are a couple of park-and-ride lots at U.S. Highway 95 and Durango Road, and Durango Road and Westcliff Road. There is a major intermodal-transfer terminal in downtown Las Vegas getting ready for a groundbreaking May 26, 2009. Our time frame for beginning these projects is similar to NDOT's time frame. When these projects are approved on Thursday, they will be put out to bid right away. There is a requirement in the federal regulations that we advertise these bids for three weeks. We have been working for several months getting ready for the approval for the projects on this list. We believe we have equitably and expeditiously distributed this money. We will use this money as quickly as possible.

SENATOR CARLTON:

Is someone looking into all the improvements on the eastern side of the valley and making sure we are not walking into major gridlocks?

MR. SNOW:

Our utility coordination committee brings all capital improvement projects before all the utilities: NV Energy, Sprint, Southern Nevada Water Authority, Clark County Water Reclamation District and Clark County Regional Flood Control District. We have a Web-based geographic information system that minimizes a particular part of the community from being overwhelmed.

ASSEMBLYWOMAN SPIEGEL:

Will you clarify the projects in red, [Exhibit G](#)? Are they projects going on concurrently? Or are they on the wish list?

MR. SNOW:

The projects in red on the map are the projects identified in the spreadsheet, [Exhibit H](#), as backup projects identified by the entities.

ASSEMBLYWOMAN SPIEGEL:

Do the projects in red qualify for the ARRA money but at a lower priority?

Senate Committee on Energy, Infrastructure and Transportation
Assembly Committee on Transportation
March 10, 2009
Page 13

MR. SNOW:
That is correct.

ASSEMBLYWOMAN DONDERO LOOP:
Are we doing more of the bus routes and the park-and-ride sites?

MR. SNOW:
We are not doing more, because we do not have enough money. The projects in red have the designs completed, the environmental clearance is completed, the right-of-way is determined and they are waiting for the money. Congress is discussing another stimulus bill. We are working to get more projects ready to go.

CHAIR ATKINSON:
Will there be some bus-stop shelters?

MR. SNOW:
We are not using any ARRA money for bus-stop shelters. The bus stop rehabilitation shown on [Exhibit H](#) means the lane of traffic where buses stop frequently. There has been pavement deformation where the buses have stopped. Clark County Public Works is proposing to replace those areas with something more durable.

ASSEMBLYMAN MANENDO:
Are the first seven ready to go?

MR. SNOW:
All the projects on the list, except for number 5 for Clark County, are ready to go.

ASSEMBLYMAN KIHUEN:
How do you prioritize? Why are the first six in the west of Las Vegas ready to go before the ones on the east of Las Vegas?

MR. SNOW:
The priorities are determined by a pavement-maintenance management system. Each of the entities has their own pavement-maintenance management system.

They measure asphalt and do material testing to determine which have deteriorated the most.

DEREK W. MORSE (Interim Executive Director, Regional Transportation Commission of Washoe County):

Washoe County has been working with NDOT, the RTC of Southern Nevada and others to identify projects for ARRA funds as shown on my handout ([Exhibit I](#)). The money coming to Washoe County is equitable. The number-one priority for ARRA funds is the Meadowood Interchange Project. The Meadowood project is ready to go and will put 700 people to work over the next 2 years and will have economic-stimulus benefits to retail businesses. I would like all the ARRA money to go toward the Meadowood Interchange Project with the \$12 million already there.

ROBERT STANLEY HADFIELD (Nevada Association of Counties; Nevada League of Cities):

On behalf of the Nevada Association of Counties (NACO) and the Nevada League of Cities, I would like to thank Director Martinovich and the staff of NDOT for working hard with both NACO and the League to identify projects in the 15 rural counties that are not part of the metropolitan planning organizations (MPOs). The NDOT has been responsive and supportive of our local government needs to enable small rural projects to receive assistance under this additional funding. This is critical because our projects are smaller in nature than the larger urban projects. We believe we will have a dramatic impact putting people to work in our smaller communities. The larger firms will probably be tied up more on the urban and statewide projects. We are supportive of the funding the Ms. Martinovich has put forth for the rural projects. There are \$7 million there. We would like to increase the funding from \$3 million for all the other projects to \$6 million. We support the allocation to the MPOs of Clark and Washoe Counties and would not support any reduction in those fundings to target rural areas. We think NDOT has come up with a fair and reasonable way to allocate these funds.

CHAIR ATKINSON:

The NDOT said they can be flexible with the projects if something needs to be changed. I hope the dialogue can remain open to ensure obligations continue to be met.

Senate Committee on Energy, Infrastructure and Transportation
Assembly Committee on Transportation
March 10, 2009
Page 15

CHAIR SCHNEIDER:

There being no further business before the Committees, the meeting is adjourned at 5:15 p.m.

RESPECTFULLY SUBMITTED:

Sandra Hudgens,
Committee Secretary

APPROVED BY:

Senator Michael A. Schneider, Chair

DATE: _____

Assemblyman Kelvin Atkinson, Chair

DATE: _____