

**MINUTES OF THE
SENATE COMMITTEE ON TRANSPORTATION**

**Seventy-ninth Session
February 21, 2017**

The Senate Committee on Transportation was called to order by Chair Mark A. Manendo at 8:34 a.m. on Tuesday, February 21, 2017, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 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.

COMMITTEE MEMBERS PRESENT:

Senator Mark A. Manendo, Chair
Senator Kelvin Atkinson, Vice Chair
Senator Don Gustavson
Senator Scott Hammond
Senator Patricia Farley

GUEST LEGISLATORS PRESENT:

Senator Joseph P. Hardy, Senatorial District No. 12

STAFF MEMBERS PRESENT:

Michelle Van Geel, Policy Analyst
Darcy Johnson, Counsel
Tammy Lubich, Committee Secretary

OTHERS PRESENT:

Pam Robinson, Policy Director, Office of the Governor
Terri L. Albertson, Director, Department of Motor Vehicles
Peter Barton, Administrator, Division of Museums and History, Department of Tourism and Cultural Affairs
Robert Mergell, Deputy Administrator, Division of State Parks, Department of Conservation and Natural Resources
Robert Ostrovsky, Vice Chair, Board of Museums and History; Chair, Commission for Cultural Centers and Historic Preservation

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Matt Gotta, Regional Sales Manager, Nevada Cement Company; California
Nevada Cement Association

Charles Stuart, Executive Director, Southwest Concrete Pavement Association

Thomas Tietz, Executive Director, California Nevada Cement Association

Reid G. Kaiser, P.E., Assistant Director Operations, Nevada Department of
Transportation

CHAIR MANENDO:

We will begin the hearing with Senate Bill (S.B.) 141.

SENATE BILL 141: Revises provisions relating to special license plates for
veterans with a qualifying service-connected disability. (BDR 43-636)

SENATOR JOSEPH P. HARDY (Senatorial District No. 12):

The Committee members should have a copy of the proposed amendment to
S.B. 141 ([Exhibit C](#)). I would like to give dual credit to Senator Gustavson
whose name is on the bill.

There veterans who are 100 percent disabled and eligible for a disability license
plate with the wheelchair on the plate. Then there are veterans who are
100 percent disabled but not under only one service-connected disability who
are not eligible for the wheelchair license plate. Senate Bill 141 proposes to
allow veterans who are disabled on more than one service-connected disability
that adds up to a 100 percent rating to qualify for the wheelchair license plate.
The significance of the wheelchair license plate is it qualifies the veteran for free
parking in more public places. This does not necessarily include parking at all
federal and private locations. In addition, if a veteran's license plate has the
wheelchair on it, the veteran does not need a placard.

Senate Bill 141 is the same as the mock-up and comes from the suggestion of
veterans that the 100 percent disability qualification be limited to only
service-related disabilities.

The bill also addresses Pearl Harbor survivors, veterans with Purple Hearts,
Congressional Medals of Honor, Silver Stars and Bronze Stars. If the license
plate is because of a 100 percent qualifying disability, then the license plate has
more symbols.

CHAIR MANENDO:

There is a letter of support from Caleb Harris ([Exhibit D](#)), and it will be put into the record. The hearing is closed on S.B. 141 and we will open the hearing on S.B. 37.

SENATE BILL 37: Makes various changes relating to the issuance and renewal of license plates which commemorate the 150th anniversary of Nevada's admission into the Union. (BDR 43-232)

PAM ROBINSON (Policy Director, Office of the Governor):
I am pleased to be here in support of S.B. 37.

Senate Bill 37 is a measure to make changes to the renewal of the Sesquicentennial license plate.

Assembly Bill No. 24 of the 77th Session was passed and signed into law providing for the creation and issuance of a special license plate. The plate was designed by the Nevada Sesquicentennial Planning Committee in coordination with the Department of Motor Vehicles (DMV), commemorating the 150th anniversary of Nevada's admission into Statehood.

The Governor created the Nevada Sesquicentennial Commission, which was the successor to the Planning Committee and appointed members who were charged with the responsibility of planning and executing a yearlong, Statewide celebration in recognition of Nevada's 150th birthday. The celebration kicked off on Nevada Day 2013 and culminated on October 31, 2014, Nevada's 150th anniversary of Statehood.

During the Sesquicentennial year, over 500 public events were hosted throughout the State. The Commission hosted some of the events, but many local governments, Native American tribes, community organizations, schools, churches and others hosted events. One unique event was setting an official world record for the most people singing the State song at the same time. The result was a rich, inclusive, educational year that reignited State pride and embraced the celebration motto of Battle Born–Nevada Proud.

The purpose of the special plate was to provide resources necessary to fund the Commission and the yearlong celebration, including the restoration and replacement of 122 historical markers, education relating to Nevada's history,

tours of historical sites and a number of different projects that related to the State's preservation and the protection of its heritage.

The plate sold from July 31, 2013 to October 31, 2016 and legislation specified that renewal fees would not be collected after October 2016.

Senate Bill 37 does not reinstate the sale of the specialty plates but removes the prohibition on charging the \$20 renewal fee for the Sesquicentennial license plate. The Division of State Parks and the Division of Museums and History will divide the funds collected.

In keeping with the original intent, the proceeds will be used for educational initiatives relating to Nevada's history; projects to preserve, promote and protect our heritage; improvements or restorations to historic buildings and structures; and other educational opportunities.

This license plate has been one of the most popular plates in Nevada history. In three years, the DMV sold close to 25,000, showing a huge demonstration of State pride. Providing for this renewal fee would continue the popular goals of the Sesquicentennial year and would give resource and museum managers extra tools to provide the rich outdoor experiences and educational opportunities for many of our State's treasures.

CHAIR MANENDO:
How much will be collected annually?

Ms. ROBINSON:
We are expecting approximately \$400,000 annually, which would be \$200,000 for each entity.

TERRI L. ALBERTSON (Director, Nevada Department of Motor Vehicles):
As of November 6, 2016, the DMV had 24,754 Sesquicentennial plates actively registered. At this point, the projection is \$445,580 in one year which would be equally distributed between museums and parks. The Department of Motor Vehicles is projecting a 10 percent reduction each year thereafter.

SENATOR GUSTAVSON:
This is a great idea for the public to voluntarily contribute to the State's funding for projects.

PETER BARTON (Administrator, Division of Museums and History, Department of Tourism and Cultural Affairs):

The Division of Museums and History has a long and close tie with the Sesquicentennial effort. In March 2012, we organized and convened the first meeting of the Governor's Statewide Planning Committee at the Las Vegas State Museum. Throughout 2012 and 2013, we continued to provide staff and research support for the planning of the yearlong celebration of Statehood that encompassed over 500 events across the Silver State.

In 2014, as the Sesquicentennial was celebrated, every one of the seven State museums hosted special exhibits and programs and many published articles on various facets of Nevada history. The exhibits were from the blockbuster and acclaimed exhibit documenting the 1843 to 1844 expedition of John C. Fremont displayed at the State Museum in Carson City to festivals celebrating our railroad heritage. The Sesquicentennial accomplished important goals set forth in the first meeting in 2012 creating the name Battle Born and Nevada Proud. The Sesquicentennial brought new and renewed interest and appreciation of the significance and relevance of Nevada's history and heritage.

Through curriculum and materials developed through the Sesquicentennial effort, understanding reinvigorated the history of the first people who dwelled in Nevada for centuries and for those who came after who built Nevada through hard work and deep sacrifice.

The Division of Museums and History determines the effectiveness of programs through performance measures that benchmark the number of people participating in programs. What cannot be measured or captured is the look of wonder on a young child's face when a piece of quartz, glistening with embedded Nevada silver is seen for the first time, or hearing the mournful whistle from a 150-year-old steam locomotive at the railroad museum, restored to look and operate as it did while traversing the shores of Lake Tahoe in the 1880s.

The popularity of the Nevada Sesquicentennial license plate demonstrates the belief of preserving, sharing and celebrating the heritage of the Silver State. The individuals bearing this plate on their vehicles have made a visible and financial commitment of support for these goals. Reinstating the registration renewal fee,

and providing the proceeds to museums and state parks, will help perpetuate and build interest in Nevada's heritage for the future.

If this legislation were to become law, the estimate of \$450,000 in the first year would be split by the Division of Museums and History with the Division of State Parks. Through attrition of people who no longer renew the plate's registration, approximately 10 percent of the proceeds are expected to diminish.

For the Division of Museums and History, the funds would go to support critically needed projects directly supporting the uses of the proceeds as described in section 3 of the bill. These are projects that are not presently funded through the Division's revenue sources.

The Division of Museums and History places a high priority on ensuring programs are accessible to all audiences. Senate Bill 37 would enable significant advances in serving audiences with visual and hearing impairments, physical and cognitive challenges, and disabilities as identified in the 1990 Americans with Disabilities Act (ADA) and its 2008 Amendment. This legislation would also support the preservation and management of museum collections and historic structures.

The Nevada State Railroad Museum has the last surviving railcar that traveled from Sacramento to Promontory Summit, Utah in May 1869 when the Nation joined east to west by rail. Proceeds from this program would go toward partially restoring the car to be used as a central element in different Sesquicentennial exhibits in 2019 and the 150th anniversary commemoration of the completion of the Transcontinental Railroad.

Due to the uncertain nature of revenue that will be generated, funds will not be used to support personnel. The funds will be focused on fulfilling the mission and vision through the enhancement of programs within the provisions of this legislation. The vision of our Division states that we are, "the most trusted stewards and engaging storytellers of Nevada's heritage." This legislation would advance the ability to meet this vision.

SENATOR GUSTAVSON:

The Nevada State Railroad Museum sustained considerable damage during the recent flooding. How much of the repairs are covered or not covered by insurance?

MR. BARTON:

Unfortunately, the museum suffered a storm-water runoff from the January flood that affected the property but no harm came to the historic fabric. There was considerable property damage, washouts of the track structure, tons of mud and silt that is still being cleaned up. With the ongoing efforts and support from the Governor's Office, the State Public Works and the Risk Management Division, we hope to reopen the core part of the facility in the near future. It will be several months before the entire property can be restored. Fortunately, this was the only museum impacted.

SENATOR GUSTAVSON:

The State and railroad museums operate mainly by volunteers, is this correct?

MR. BARTON:

Yes, that is correct. Without the volunteers, the programs would not be available in the museums. System wide, there are approximately 450 volunteers who contribute almost 50,000 hours a year. There is an independent group in Washington, D.C. called Independent Sector that annually looks at the value of volunteer service state by state. Nevada is approximately \$20 per hour. There is over \$1 million worth of labor provided by volunteers. Volunteers are the flexible workforce that enables the museums to run trains and special programs.

ROBERT MERGELL (Deputy Administrator, Division of State Parks, Department of Conservation and Natural Resources):

I will read from my written testimony in support of S.B. 37, ([Exhibit E](#)).

ROBERT OSTROVSKY (Vice Chair, Board of Museums and History; Chair, Commission for Cultural Centers and Historic Preservation):

The Board of Museums and History reports through the Department of Museums and History, and the Commission for Cultural Centers and History Preservation is part of the Department of Conservation and Natural Resources.

Questions were raised concerning the funds being spent appropriately. The Board of Museums and History has a very active membership. It meets on a regular basis and reviews all funding requests from the agency. I can assure you there are many unmet needs in our communities, whether it is historic centers or rolling stock for our railroad museums. The funds will be well spent on both collections and preservations with some of the funding being used on the ADA. The State has added funds to assist but we have a long way to go. Museums

nationwide face issues of meeting compliance with the ADA so that all adults and children with disabilities can be served. I urge you to pass S.B. 37.

CHAIR MANENDO:

The hearing on S.B. 37 is closed. We will proceed with the presentation on cement.

MATT GOTTA (Regional Sales Manager, Nevada Cement Company, California Nevada Cement Association):

Life-Cycle Cost Analysis (LCCA) increases competition and allows for cost savings. Projects utilizing LCCA for pavement design are shown on slide 2 of our presentation ([Exhibit F](#)). The Boulder City Bypass, Interstate 580 and Greg Street in Reno are on slide 3, [Exhibit F](#).

The difference between cement and concrete is explained on slide 4, [Exhibit F](#). Cement is a product made of limestone, clay and iron ore and is ground into clinker. The clinker is run through ball mills with gypsum, which is used to give it a hydraulic value. Once the cement is created, water is added to create a paste. The paste binds the aggregate of sand and larger aggregate sizes of gravel.

Last year in the State of Nevada, the economic footprint shows cement consumption at approximately 1.2 million metric tons, which is equivalent to 4.8 million yards of concrete. With that impact, there are 5,707 jobs with a payroll of \$242 million, slide 5, [Exhibit F](#).

Nevada's 2015 cement consumption is not even close to the peak years of 2005 and 2006, slide 6, [Exhibit F](#). The Nevada Cement Company is the only cement company in Nevada. All other products come from northern and southern California. Unlike oil, cement products come from Nevada and California with the exception of import cements that are used when demand outweighs manufacturing capacity.

The roads are what matter. With over 5,300 miles of roads maintained by the Nevada Department of Transportation (NDOT) in the State and a \$285 million deficit for the next decade of road repairs, a sustainable long-term solution is needed. To gain on that number, the alternative design/alternative bid (ADAB) needs to be offered for pavement designs, putting concrete and asphalt on an

equal playing field to allow for better LCCA for the future of sustainability. The ADAB was introduced less than five years ago.

CHARLES STUART (Executive Director, Southwest Concrete Pavement Association):

I would like to focus your attention on doing the right thing for Nevada's roads and assure the public receives full value for their highway dollars. There has been a lot of discussion in the media and among the transportation leaders regarding the deterioration of roads and the lack of funding available to make repairs.

Focusing on providing competition among the different road-building industries will provide more opportunities for improvement to our roads. As previously pointed out, there is a large deficit annually on maintaining the roads. These problems are not unique to Nevada. Other states and the Federal Highway Administration (FHWA) are developing and implementing tools to determine the most sustainable and cost-effective project choices.

The Nevada Department of Transportation has made great strides in applying the tools of LCCA and alternative bidding for pavement type selection. The idea is to put industries into competition for the work. This results in lower costs to the State and allows for more work to be done. These tools allow the greatest opportunity to provide an economic benefit for Nevada through competition.

Life-Cycle Cost Analysis is a tool used to compare two or more different project options. In comparing two different pavement types, concrete and asphalt, the LCCA needs to look at all the costs of the pavements that are being compared including the life of the pavement. This means looking at the initial costs for construction, maintenance, repair and the user costs that are involved for that pavement. The FHWA has provided good guidance on LCCA. It is broadly stated to allow leeway for the states regarding implementation.

On slide 10, [Exhibit F](#), the highway design process shows it will bring more competition between pavement industries for the paving work. This shows the highest return on investment from taxpayer dollars by driving down costs. This competition also fosters innovation, which further increases value to the State.

The Nevada Department of Transportation has successfully used the ADAB on a few larger projects. Encouraging the expanded use of these tools has provided

significant savings for other states across the country. Early adopters of ADAB policies are highlighted on slide 13, [Exhibit F](#). Missouri, West Virginia and Louisiana saved millions of dollars by the implementation of ADAB. This is not just for large projects; it can be applied to smaller projects. There was a project recently in Colorado that cost approximately \$6 billion and \$800,000 was saved through the implementation of the ADAB process.

Boulder City Bypass Phase 1 is a perfect example of NDOT using these tools. Concrete won the bid. Unfortunately, on the Boulder City Bypass Phase 2, the ADAB bidding process was not implemented by the State and it was a missed opportunity. How many other opportunities are being missed by not taking ADAB to the next level?

THOMAS TIETZ (Executive Director, California Nevada Cement Association):
In other states, ADAB is being used and it sharpens the pencil for both industries. Whether concrete wins or loses, the State gets a better price for the product.

In preparing tours for some of the Senators in southern Nevada in November, a concern was raised from the concrete industry that an accommodation has been made specific to the asphalt industry for price escalation. The concrete industry feels they should also get an accommodation. Typically there is more variation in the price of asphalt than concrete. The State should not want to risk paying increased oil prices during a project using asphalt. Offering the opportunity to compete in projects, where concrete may not be considered traditionally, would be more competitive. A few examples explored in other places are maintenance yards, streets, concrete overlays and roller-compacted concrete applications.

Emphasis needs to be made in terms of material being locally sourced as well as creating long-term performance on projects. The state of California is now celebrating a 70-year landmark for the Interstate 10 freeway lasting 7 decades without any major repairs. Concrete is not just for urban freeways but also for other types of applications. State and local agencies should take advantage of its inherent benefits, such as lighter colors to keep surfaces cooler and pavements with greater stiffness may improve fuel efficiency. It is important to admire NDOT in its advancement in looking towards LCCA and ADAB on projects like Interstate 80 and the Boulder City Bypass. It is recognized the Regional Transportation Commissions (RTCs) are taking on a larger role moving

forward and encouraging the local entities to pursue more competition in pavement design.

CHAIR MANENDO:

Have you had communications with the RTCs and provided a presentation?

MR. TIETZ:

Yes.

SENATOR FARLEY:

When you say there are concessions being given to the asphalt industry, what specific concessions and how do we get around the preconceived ideas that asphalt is the best for roadways?

MR. TIETZ:

It is an assumption that asphalt is better. It has been the predominate choice in Nevada and other states. Historically, that decision has been based on cost. The dynamics have changed, particularly in the last ten years. There is also concern in regards to the escalator clause used on asphalt projects. The escalator clause is when an asphalt project goes above its price, the contractor is essentially assured that he will not lose money because the State takes on that risk.

SENATOR FARLEY:

What is the feedback you are getting from the RTCs?

MR. TIETZ:

In meeting with the RTCs, the Boulder City Bypass project was used as an example. The design build process was used on this project but they did not consider an alternative pavement bid. This was partly due to the interest in completing the project and turning the maintenance over to NDOT. This is one example where the concrete industry feels the long view approach was not taken to get the best value for the State. With discussions in northern Nevada, the focus has been on specific projects.

CHAIR MANENDO:

On one of your slides, you show \$285 million annually to catch up on the current backlog of highway maintenance. Where did you get the number?

MR. TIETZ:

The number came from the Transportation Research Board out of Washington, D.C.

REID G. KAISER, P.E. (Assistant Director Operations, Nevada Department of Transportation):

There were questions on the asphalt escalator that NDOT uses on our asphalt contracts. The Nevada Department of Transportation uses the asphalt escalator as a way to control risk on asphalt paving projects. The escalation clause is an escalation and de-escalation clause that is applied to paving projects and does not kick in until the asphalt has increased or decreased by 10 percent per ton. The de-escalation clause recently required contractors to reimburse NDOT over a million dollars in asphalt paving projects. Even though NDOT does control the risk, it goes both ways with the asphalt escalation clause.

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CHAIR MANENDO:

There being no further information before the Committee, we are adjourned at 9:23 a.m.

RESPECTFULLY SUBMITTED:

Tammy Lubich,
Committee Secretary

APPROVED BY:

Senator Mark A. Manendo, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	2		Attendance Roster
S. B. 141	C	8	Senator Joseph P. Hardy	Proposed Amendment 3033 to Senate Bill No. 141
S. B. 141	D	1	Caleb E. Harris	Letter in Support S. B. 141
S. B. 37	E	1	Robert Mergell, Division of State Parks	Written Testimony
	F	18	Matt Gotta, Nevada Cement Company; California Nevada Cement Association	Presentation