

**MINUTES OF THE  
SENATE COMMITTEE ON TRANSPORTATION**

**Seventy-Eighth Session  
February 10, 2015**

The Senate Committee on Transportation was called to order by Chair Scott Hammond at 8:30 a.m. on Tuesday, February 10, 2015, in Room 2135 of the Legislative Building, Carson City, 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 Scott Hammond, Chair  
Senator Don Gustavson, Vice Chair  
Senator Patricia Farley  
Senator Mark A. Manendo  
Senator Moises (Mo) Denis

**STAFF MEMBERS PRESENT:**

Megan Comlossy, Policy Analyst  
Darcy Johnson, Counsel  
Tammy Lubich, Committee Secretary

**OTHERS PRESENT:**

Sondra Rosenberg, PTP, Assistant Director of Planning, Nevada Department of Transportation  
Rudy Malfabon, P.E., Director, Nevada Department of Transportation  
Neoma Jardon, City Council, City of Reno; Chair, Regional Transportation Commission of Washoe County  
Lee G. Gibson, AICP, Director, Regional Transportation Commission of Washoe County  
Larry Brown, Vice Chair, Board of Commissioners, Clark County; Chair, Regional Transportation Commission of Southern Nevada  
Tina Quigley, General Manager, Regional Transportation Commission of Southern Nevada

**Chair Hammond:**

We will begin the hearing with [Senate Bill \(S.B.\) 23](#).

**SENATE BILL 23**: Revises provisions governing the required submission of certain reports by the Department of Transportation. (BDR 35-376)

**Sondra Rosenberg, PTP (Assistant Director of Planning, Nevada Department of Transportation):**

Senate Bill 23 would better align the State with federal reporting requirements for planned transportation projects within Nevada. The Nevada Department of Transportation (NDOT) is requesting that the State's 3-year work program be changed to match the 4-year federal program. *Nevada Revised Statute* (NRS) 408.203, subsection 1, references a requirement for a 10-year revenue expenditures report, while the NDOT has a 12-year preservation report. We are asking the language be changed to 10 years to better align these reports. In addition, NRS 408.203 references the 3-year highways report be submitted on October 1. There is a 3-year program which is reported on July 15. The NDOT wants to align the requirements to make it a 4-year program, reporting on October 1. This will remove inconsistencies within NRS 408.203 and align the State requirements with the federal requirements. These proposed changes will reduce duplication of effort and allow for a more transparent planning process and distribution of information concerning upcoming projects. The NDOT is proposing one more amendment ([Exhibit C](#)). In S.B. 23, section 2, subsection 2, after the words "to be," strike "printed and a copy mailed" and insert "provided." The NDOT is working on a more transparent process where everything is available online through a searchable database. There will still be printed copies available on request, but NDOT will not be locked into printing hard copies and mailing them.

**Chair Hammond:**

To summarize, NDOT wants the dates changed from 12 years to 10 years and to report on October 1 instead of July 15. In reporting on works in progress, NDOT would like the wording changed from 3 years to 4 years. The proposed amendment is just changing from "printed and copy mailed" to "provided."

**Senator Denis:**

What is the reason for going from a 12-year to a 10-year plan on the surface report?

**Ms. Rosenberg:**

That is to align NDOT with the standard planning horizons of 10 years, 20 years, and so on. It is a lot simpler to do a 10-year horizon.

**Chair Hammond:**

There are no further questions, the hearing on S.B. 23 is closed.

**Rudy Malfabon, P.E. (Director, Nevada Department of Transportation):**

The NDOT is responsible for 5,400 miles of highway and 1,154 bridges which make up the State highway system. This system carries about half of the total vehicle miles traveled in Nevada. We operate under the Highway Fund, which is constitutionally protected and dedicated exclusively for the construction, maintenance and repair of public highways.

The NDOT is spread around the State; you can see the multiple locations on slide D4 of the slide presentation ([Exhibit D](#)). There are minor and major maintenance facilities. The NDOT has three districts with the major facilities being in Elko, District 3; Reno/Sparks Area, District 2; and Las Vegas, District 1. The major maintenance stations are in Tonopah, Winnemucca and Ely.

Slide D5 of [Exhibit D](#) show where NDOT's obligations are. Capacity Projects are existing bridges, new bridges, new widening interchanges and added lanes on freeways. In fiscal year (FY) 2014, the Capacity Projects were located in Clark County. Preservations Projects are overlay projects, which tend to be in the rural areas. Other Projects are safety, intelligent transportation systems and other general projects which do not fall under Preservation or Capacity Projects. Slide D6 of [Exhibit D](#) gives a better example of where the funds are being spent on a 5-year basis. In FY 2010–2014, 45 percent of funds were spent in Clark County, 15 percent in Washoe County and 40 percent in the nonurban areas.

The NDOT, the Department of Motor Vehicles (DMV) and the Department of Public Safety receive funds from the State Highway Fund. The Fund is healthy now, and that is due to the efforts made by the NDOT in federalizing projects. When projects are federalized, there is quick reimbursement from the Federal Highway Administration putting funds back into the State Highway Fund. This keeps the money working towards other projects.

There is a minimum balance required in the Highway Fund, which is equivalent to 1.5 months of capital payments and 1 month of noncapital expenditures. The reason to keep this fund at this minimum is to cover any projects should there be a cut in federal funds. The projected ending Highway Fund balance is \$166.5 million for FY 2016 and \$118.7 million for FY 2017.

The NDOT is primarily funded by the Fuel Tax. On slide D8 of [Exhibit D](#) is the Gasoline Tax. The tax is collected for federal, State and local county mandatory and county optional. The table on [Exhibit D](#), slide D8 shows the history of the tax rate per gallon with no change since 1995. At the federal level, the federal gas tax is being reconsidered since the gas prices are low. The Special Fuel Tax is primarily for diesel fuel. There are alternate fuel gases such as propane (liquefied petroleum gas) and methane (compressed natural gas).

There is a lot of interest on the impact of surface transportation revenues with Tesla announcing the selection of Nevada for their Gigafactory. There is interest in the impact of electric and hybrid vehicles on fuel tax revenue. The red line on the chart on slide D10 of [Exhibit D](#) shows that the revenue has been fairly flat. The blue line shows the vehicle miles per gallon increased due to fuel efficiency standards the federal government established. Less fuel tax is being paid as vehicles become more efficient. In the case of electric- or battery-powered vehicles, there is no fuel tax being paid. A vehicle-mile-traveled study is being conducted to look at a distance-based fee. This is a long-term study, and the hope is it will be adopted nationally. The NDOT is following the distance-based fee studies in Oregon and California. The California Transportation Commission will be reporting to the California legislature in 2 years on how the distance-based fee will be implemented.

The NDOT operates under the Federal-Aid Highway Program. At the federal level, there is the federal Highway Trust Fund. The states' departments of transportation receive their funding typically from the Federal Highway Administration, the Federal Transit Administration and some of the federal safety administrations. The funds are apportioned into various major programs. The major programs are: national highway performance, surface transportation, congestion mitigation and air quality, and highway safety improvement. When NDOT spends the money on eligible projects, a request is sent to the Federal Highway Administration to reimburse the State. With all the federally managed land in Nevada, the State has a low match requirement of 5 percent.

Funding levels are authorized in a 5- to 6-year surface transportation bill. This year, Congress will be looking at the next multiyear bill. The current bill expires at the end of May 2015. Once the money is authorized, the State is not subject to a federal shutdown because the funds are committed to the NDOT. The amount of funds actually obligated in any year is established during the annual

appropriations process. This process controls the rate at which the funds may be used.

When states do not obligate all their federal funds in a given year, they are left to other states to redistribute to projects they have ready. Slide D13 of [Exhibit D](#) shows the funds the NDOT has received due to other states which have not expended or obligated their funds to federal projects.

Project NEON is the widening of Interstate 15 (I-15) in Las Vegas. This is a \$500-million project, and the Boulder City Bypass on Interstate 11 is \$85 million to \$105 million. The graph on slide D15 of [Exhibit D](#) shows that Project NEON is one of the highest crash and daily traffic locations in the State. In northern Nevada, there is the \$70 million to \$75 million USA Parkway project and the \$40 million to \$45 million Carson City Bypass. The Carson City bypass project will get the truck traffic off Fairview Drive and Carson Street.

The NDOT is committed to improving pedestrian safety and will be taking an active position on reaching out to local agencies to identify what projects we can deliver to improve safety. On Monday, February 2, the State Transportation Board approved \$10 million in projects for northern and southern Nevada with the locations shown on slide D16 of [Exhibit D](#).

**Chair Hammond:**

Can you explain the outsourcing for safety devices?

**Mr. Malfabon:**

When there is no in-house expertise available, NDOT outsources maintenance of traffic safety devices. The NDOT enters into agreements with local agencies, city or county, to maintain those devices.

**Senator Denis:**

How will NDOT make up the difference of fuel tax revenue for the more efficient cars that are traveling on the roadways?

**Mr. Malfabon:**

The NDOT is looking at a distance-based fee without putting a "black box" in vehicles. In the two most populous counties in Nevada, Clark and Washoe, smog checks are required. This would capture the majority of vehicles when they have an annual check. Another hurdle for NDOT is that people do not want

to pay the equivalent fuel tax all at once. In talks with DMV, their concern is the cost to administer a program of collection. The current system is very efficient in collection of fuel tax revenue at the pump. Oregon and California are looking at different options. Instrumentation in the vehicles or working with vendors to collect the mileage information are two options.

Oregon is more advanced, and NDOT would like to work with the Oregon Department of Transportation as it implements its pilot program on fuel revenue collection. California is also looking at implementing a similar program. California has started the process, as NDOT has, of surveying residents to determine their concerns and what they will accept.

**Senator Denis:**

In the Oregon model, are they addressing the issue of not charging all at one time?

**Mr. Malfabon:**

Yes, during the transition it will be up to the driver to either pay traditionally at the pump or pay with the new application. During this Session, we are expecting to hear more from Oregon and will report what the pilot program study is showing to the Committee.

**Senator Manendo:**

There are many roads in southern Nevada controlled by the NDOT that probably should not be and vice versa. Can you give a brief update on how the transferring of roads is going?

**Mr. Malfabon:**

In 2013, A.B. No 18 of the 77th Session was passed enabling NDOT to adopt road and highway relinquishment regulations and present them to the Legislature. The regulations were negotiated with the Nevada Association of Counties. The NDOT is also negotiating with the cities and counties on transfers of roads that make sense for NDOT to take over.

**Senator Denis:**

How many bridges do we have in the State?

**Mr. Malfabon:**

There are 1,154 bridges in Nevada as indicated on slide D2 of [Exhibit D](#).

**Senator Denis:**

How many of the 1,154 bridges are old?

**Mr. Malfabon:**

The bridges in Nevada are not really old. There are some older bridges. In the late 1960s, the bridges were designed for a 50-year service life. New bridges are designed for a 75-year service life.

Two terms define an aging bridge. One is "structurally deficient," meaning it will not fall down, but it does have some corrosion problems or distress to the concrete. Then, there are bridges that are "functionally obsolete." Being functionally obsolete is the more common issue for bridges in Nevada. These bridges were built under the old design standard that has 12-foot lanes and 2-foot shoulders. In the cases where the dimensions of the bridge are not up to date, they are good, just not the best they could be. The NDOT has a program that addresses those two categories of bridges using federal funds and, occasionally, State funds.

**Senator Denis:**

Are there any Nevada bridges that are in critical condition?

**Mr. Malfabon:**

In Las Vegas, there is one on Paradise Road. This is a box culvert and under federal standards is considered a bridge. This bridge has some integrity problems, and we are working on replacing it. Some bridges in rural Nevada have to be addressed. These bridges are low-volume, and we prefer to put the money in the urban centers initially and then address the rural bridges.

**Senator Denis:**

Are there any issues like the one on I-15 and Lake Mead Boulevard where the bridge fell through?

**Mr. Malfabon:**

There is an issue coming up on the Interstate 515 viaduct. The NDOT is hiring a consultant to do the testing on that structure. This viaduct was built in the 1980s and there are problems with the deck. On Project NEON, we will be replacing three or four bridges that are nearing the end of their 50-year service life.

**Chair Hammond:**

There is one term used that I want to clarify, functionally obsolete. That does not mean that the bridge is not usable. Does that mean it is still usable and safe?

**Mr. Malfabon:**

The Federal Highway Administration is looking at changing those terms because they are misleading. Especially structurally deficient, which makes people think the bridge is going to fall, when that is not the case.

**Neoma Jardon (City Council, City of Reno; Chair, Regional Transportation Commission of Washoe County):**

Ensuring the public safety is the driving force for the City of Reno and the Regional Transportation Commission of Washoe County (RTCWC). We are currently in the process of a major plan to assist seniors, veterans and the disabled with their ever-changing and complex transit needs.

**Lee G. Gibson, AICP (Director, Regional Transportation Commission of Washoe County):**

The guiding principles of the RTCWC are shown on slide E2 of my presentation ([Exhibit E](#)). Safety is the number one and central priority. The RTCWC mission is about delivering safety.

The RTCWC looks at sustainability from the environmental perspective, the social perspective and the financial perspective. As shown on slide E3 of [Exhibit E](#), Prioritizing Safety, the RTCWC looks at improving sidewalk and crosswalk infrastructure, adding bike lanes, upgrading traffic signals, employing complete street designs and community education and awareness. In 2013 and 2014, the RTCWC added 16.4 miles of bike lanes, 7.3 miles of new sidewalks, 1 mile of a multiuse path on Plumb Lane, 286 pedestrian ramps that comply with the Americans with Disabilities Act (ADA) requirements and 12 ADA-compliant bus stops. The Complete Streets philosophy is designed to make sure that all roads are safe, spacious and engineered for all modes of transportation to use. Besides engineering design, the RTCWC is focused on education and working with partners in the law enforcement and medical emergency response arenas. As shown on slide E5 of [Exhibit E](#), there is a reduction of crash rates for recently completed street projects. This evidence shows that the RTCWC is providing a much safer environment in which to operate vehicles, walk and bicycle.

Transportation is a key component of the planning process to help deliver a sustained and diversified economy. The University of Nevada, Reno (UNR) Gateway and RAPID Extension will enhance rapid transit, called "RAPID" service that exists today on Virginia Street all the way to UNR. In partnering with the City of Reno and the NDOT, RTCWC is putting in place a number of street improvements.

The RTCWC's 4th Street/Prater Way RAPID Transit project and the UNR Gateway and RAPID Extension projects are underway, and with the community partnerships that RTCWC has formed, there will be no surprises when it comes to the construction work.

As the public transit operator for Washoe County, RTCWC carries more than 25,000 people per day. There are financial concerns and financial stresses with the system, and the RTCWC has appointed a Blue Ribbon Committee to formulate recommendations for the Commission on how to enhance funding, operations, and the delivery of public transportation.

As a fixed-route operator, the RTCWC provides paratransit service under the guidance of the ADA. City Care is one of our successful public/private partnerships. City Care obtains discretionary grants from private foundations to provide rides for people who may not meet all of the criteria of the ADA, but still have a significant need for transportation in public transit.

With the growing senior population, we are always receiving requests for new transit services to outlying areas. The RTCWC is working to get our coordinated transportation plan adopted to begin spending some discretionary federal funds to help create a centralized call center. The centralized call center, with the use of volunteers and other providers of transportation, can offer services and help distribute those services to those who are in need.

The RTCWC received a grant in 2011 to buy four electric buses. These buses are now in operation and have been in operation since April 2014. It was anticipated that the buses would save \$200,000 a year in operating costs. However, with the decrease of oil and gas prices, that saving is now \$100,000 to \$150,000.

The RTCWC has a number of projects under construction today. The RTCWC received fuel tax indexing in 2009. This has been successfully deployed on

widening the freeway, building the first phase of the Southeast Connector, widening Moana Lane and funding our preservation program for the last several years. There are approximately 500 people in Washoe County who are employed daily in jobs created from our indexing program. Ninety-six cents of every dollar received in the program go to the private sector.

**Chair Hammond:**

You spoke about the projects being done here in the north, especially about bike lanes. How does the RTCWC compare to other western cities for public transit, bike lanes and pedestrian walkways? Do you have a sense of who to model the RTCWC after and who is doing it right?

**Mr. Gibson:**

The City of Reno received a Bronze Award from the League of American Bicyclists 3 or 4 years ago for its investment in bicycle facilities. With the Complete Streets program, we stack up pretty well nationally. From the public transit perspective, one of the comparable communities we like is Eugene, Oregon. Eugene is a university town with the economy centered on the university. The RTCWC area compares favorably to that particular community. When we look for cities to model after, the RTCWC tends to look to Salt Lake City, Utah.

**Larry Brown (Vice Chair, Board of Commissioners, Clark County; Chair, Regional Transportation Commission of Southern Nevada):**

The Regional Transportation Commission of Southern Nevada (RTCSN) oversees public transportation, traffic management, roadway design and construction and transportation planning. The RTCSN is one of the few agencies that does both the transit and the transportation planning. The National Transit Database recognized RTCSN as the most efficient transit provider in the country. The cost recovery on our transit system is more than 50 percent. The national average is a bit over 20 percent. On the transit side, we not only provide fixed routes but also paratransit service. This is a big challenge in our operational function. The average cost of service for a fixed route transit rider is \$1.20. On the paratransit side, the cost per rider goes up to more than \$35. The management system is everything technology and our industry is moving in that direction. Overall, the success of the RTCSN is attributed to collaboration with the member agencies. Working together has been the foundation of our success.

**Tina Quigley (General Manager, Regional Transportation Commission of Southern Nevada):**

The RTCSN has three different efforts at this time. The regional planning effort is called Southern Nevada Strong. Please refer to my slide presentation ([Exhibit F](#)). This effort has been going on for about 3 years. It was the result of a \$3.5 million grant that was received from the U.S. Department of Housing and Urban Development (HUD). Four years ago, HUD offered a competitive grant funding opportunity to cities across the United States whose regional plans were not being adhered to. For the past 3 years the Southern Nevada Regional Planning Coalition has been awarded one of those grants. This grant has been administered by employees of the City of Henderson. There has been an outreach to approximately 70,000 stakeholders in southern Nevada to solicit input as to what the regional development plan should look like. There are 13 agency partners who have signed on and promised to help administer this program. The baton will officially pass from the Southern Nevada Regional Planning Coalition to the RTCSN. This means that we will be the agency responsible for making sure that the projects are implemented. Some of the tasks are transit- and transportation-oriented, and some of them are education-based. There are air quality initiatives on which the RTCSN will work with the various air quality departments.

Another initiative is the Transportation Investment Business Plan. What this means, is that the RTCSN will work with every business that has an interest or responsibility for the experience that our visitors have when they come to Las Vegas. Rossi Ralenkotter, President and CEO of the Las Vegas Convention and Visitors Authority, called together stakeholders including the RTCSN and representatives from the monorail service, taxicab companies, airports, chambers of commerce, the cities, Clark County, the Taxicab Authority, shuttle bus operators, convention organizers and the National Rifle Association to discuss how to stay competitive as a global destination for securing conventions and international visitors. The focus needs to be on the visitors' experience not only at the convention or in the resort, but also in getting to and from the facilities. The RTCSN has been working on the transportation business plan. This is a business plan because there will be a financial component. When this plan is completed, there will be a consensus document and all entities will know how this transit system will be paid for. There will be some federal assistance requests, but private and public partnerships will be required as well.

When A.B. No. 413 of the 77th Session was enacted, it enabled Clark County to tie motor vehicle fuel tax to inflation for a 3-year period; it then came to the County where it was approved and became an ordinance. We began tying the motor vehicle fuel tax to inflation on January 1, 2014, and will continue to do so until December 31, 2016. Without tying motor vehicle fuel tax to inflation, we would only have had \$22.4 million available going forward to invest in new projects. This means we would have only been able to fund one interchange, one mile of roadway or one beltway segment without bridges per year. As a result of the passage of A.B. 413 of the 77th Session, the RTCSN was able to bond for \$700 million. This will create 199 transportation projects that will create more than 9,000 jobs. The map ([Exhibit G](#)) shows you the 199 projects that the RTCSN has been able to move forward as a result of tying motor vehicle fuel tax to inflation. Without the passage of A.B. 413 of the 77th Session, not a single project shown in [Exhibit G](#) would be completed. The RTCSN promised that if A.B. 413 of the 77th Session was passed, the work would be completed as soon as possible. The RTCSN has held true to that commitment, and 83 project contracts and 65 percent of all the work have been awarded. Another agreement made was for local and small businesses to be given opportunities for work. As a result, 60 percent of the work has gone to local small businesses and 40 percent to disadvantaged business enterprises, including women- and minority-owned businesses.

**Senator Farley:**

With the minority-owned businesses that you are using, are you verifying the businesses are using their employees to do the work?

**Ms. Quigley:**

Yes, that is being done.

Also, in FY 2015, when the pilot program expires, A.B. No. 413 of the 77th Session requires there be two ballot questions on the November 2016 ballots. The first question is just for Clark County voters asking if they want to continue indexing local fuel taxes to inflation. The second question will be statewide, asking if the voters want to allow an indexed-to-inflation State fuel tax in all counties. To avoid confusion, [Bill Draft Request \(BDR\) 32-667](#) proposes one ballot question be placed on the ballot of each county. If approved by an individual county, portions of the State fuel taxes collected would be transferred to the NDOT and allocated to projects located in the counties where the revenues were collected.

**BILL DRAFT REQUEST 32-667**: Revises provisions governing fuel taxes. (Later introduced as [Assembly Bill 191](#).)

Another BDR the RTCSN will be following is BDR 43-669. This BDR is for the preservation of the State Highway Fund. Over the past few years, more than \$250 million in designated highway funds have been diverted from the Highway Fund and used for other purposes. The RTCSN would like to see stronger language that ensures revenue is used for its intended purpose of highway infrastructure.

**BILL DRAFT REQUEST 43-669**: Provides for a program of matching grants to local governments for the maintenance and repair of public works. (Later introduced as [Senate Bill 149](#).)

**Senator Denis:**

Can you talk about the trail system that is in the Las Vegas Valley and who coordinates it?

**Ms. Quigley:**

The RTCSN is involved with the trail system, but is not the lead coordinator. As an implementer of Southern Nevada Strong, we will be playing a stronger role. The regional development plan is federally recognized, which makes us eligible and competitive for federal grants that relate to the trail system.

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**Chair Hammond:**

There are no further questions or public comments. This meeting is adjourned at 10:01 a.m.

RESPECTFULLY SUBMITTED:

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Tammy Lubich,  
Committee Secretary

APPROVED BY:

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Senator Scott Hammond, Chair

DATE: \_\_\_\_\_

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit</b>		<b>Witness or Agency</b>	<b>Description</b>
	A	1		Agenda
	B	4		Attendance Roster
S.B. 23	C	1	Sandra Rosenberg	Proposed Amendment
	D	17	Rudy Malfabon	Slide Presentation
	E	13	Lee G. Gibson	Slide Presentation
	F	14	Tina Quigley	Slide Presentation
	G		Tina Quigley	Fuel Revenue Indexing Map