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Transportation and Telecommunications Committee
March 09, 2015

[LB609 LB626]

The Committee on Transportation and Telecommunications met at 1:30 p.m. on Monday, February 9, 2015, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB609 and LB626. Senators present: Jim Smith, Chairperson; Lydia Brasch, Vice Chairperson; Al Davis; Curt Friesen; Tommy Garrett; Beau McCoy; John Murante; and Les Seiler. Senators absent: None.

SENATOR SMITH: Good afternoon and welcome to the Transportation and Telecommunications Committee hearing. I am Jim Smith from Papillion, I'm Chair of the committee. And I would like to introduce you to some of my colleagues that are either here with us or will be joining us here shortly. You'll see them coming and going as we progress through the hearings. They have other bills in other hearing rooms that they will have to attend. But to the far left will be Senator Tommy Garrett from Bellevue. Seated next to Senator Garrett will be Senator Les Seiler, he's just joining us now, from Hastings. Senator Beau McCoy. To the far right is Senator Curt Friesen. Senator Al Davis will be seated next to Senator Friesen. Senator Murante is with us today from Gretna. And the Vice-Chair of the committee is Senator Lydia Brasch from Bancroft. And Senator Brasch will be taking over the hearing here shortly as I introduce the first bill today. Committee staff, to my immediate right is Mike Hybl, Mike is the counsel to the committee. And on my left is Paul Henderson. Paul is committee clerk. With us today we have two pages, J.T. Beck from Centreville, Virginia. J.T. is a senior at UNL. And Kelli Bowlin from Cody, Nebraska, and Kelli is a junior at UNL. We will be hearing the bills in the order posted on the outside of the room today. Those wishing to testify on a bill should come to the front of the room and be ready to testify in order to keep the hearing moving. If you are testifying, please complete the sign-in sheet so it's ready to hand to one of the pages as you approach the testifier table. Also, for the record, at the beginning of your testimony please state and spell your name. We ask that you keep your testimony concise and try not to repeat any subject material that has been discussed or provided prior to your testimony. We do have quite a few people attending the hearing today so we are going to use the light system for five minutes. You'll see the green light on the table and it will be on for four minutes and then it will turn to amber. At that time you have one minute to wrap up your testimony. And then when the light turns red, if you have not concluded your testimony, we'd ask that you try to conclude at that point. If you do not wish to testify but do want to voice your support or opposition to a bill you can indicate so on the sheet that's provided on the table as you came into the room. This will be part of the official record of the hearing. If you do not choose to testify you may submit comments in writing and have them read into the official record. Please silence your cell phones. We are an electronics equipped committee and information is provided electronically as well as in paper form to the committee members. Therefore, you will see the committee members referencing their electronic devices. Please be assured that your presence here today and your

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testimony are important to us and is critical to the operation of our state government. And with that, I'm going to turn the committee over to Senator Brasch.

SENATOR BRASCH: Thank you, Chairman Smith. You are recognized to open LB609.
[LB609]

SENATOR SMITH: Thank you, Senator Brasch, and good afternoon. And good afternoon, members of the Transportation and Telecommunications Committee. For the record, I am Jim Smith, J-i-m S-m-i-t-h, and I represent the 14th Legislative District in Sarpy County. I'm here today to introduce LB609. LB609 would allow for the adoption of the Bridge Repair Act. I don't believe there is a committee member in this room that doesn't realize the poor state many of our rural bridges are in and the lack of resources local counties have to fix these bridges. The previous Legislature's Transportation and Telecommunications Committee did an in-depth study of our rural bridges which included tours across the state to see the crumbling infrastructure for ourselves. A report titled "The Alarming Condition of Nebraska's Rural Bridges" was released and that report pointed out Nebraska has the seventh highest rate of structurally deficient rural bridges in the country. We have over 15,000 bridges 20 feet or longer across our state. Roughly 3,500 are the state's responsibilities with 8 percent that are either functionally obsolete or structurally deficient. But the state bridges fare much better than those that are the responsibility of local systems. Our counties and our cities, the functionality, obsolete, or structurally deficient nature rank more than 28 percent. Many of the bridges have fallen victim to soil degradation and others were constructed so long ago they no longer accommodate the width and weight of today's farm equipment. This poses a huge problem for our agriculture industry which, as you know, is one of the state's biggest industries--the state's largest industry. It also poses a potential danger to our citizens and school children who cross these bridges daily. It also poses a huge problem for our cities and our counties. Estimates to bring bridges up to the standard are in the millions if not billions of dollars. Levy limits and the unpopularity of property taxes make it impossible to raise the funds necessary to repair and maintain this vital component of our state infrastructure. To help address the funding aspect of our infrastructure needs I introduced LB610 and that bill was heard last Friday in Revenue Committee. That bill would increase the fixed rate of our gas tax that goes to cities and counties through the Highway Allocation Fund. During last week's hearing on LB610 in front of the Revenue Committee we heard concern that generating more money would not guarantee those funds would go where it's really needed, that is the stewardship component of this. That is part of the purpose of LB609, to ensure we are good stewards of taxpayer dollars. The bill would provide a mechanism for a funding source to flow directly to problem bridges. LB609 would establish an 11-member Bridge Repair Commission that would work with a program manager to evaluate and organize bridge projects into packages. It's envisioned by the bill that multiple counties would submit to the commission a prioritized list of bridges in need of repair or replacement. The commission would package the bridges into single projects and let the projects out to bid for a design-build contract. The idea is, lumping

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multiple bridge projects together to be completed by one entity would expedite repair and stretch funds further. As drafted, the bill would establish the Nebraska Bridge Infrastructure Bank Fund to assist in funding these projects. Potential funding sources for these projects are being considered in other bills as well; perhaps LB610 or Senator Campbell's bill that we will hear later today. Just as a side note, I understand--and I believe Mr. Dix who will follow me at some point in the testimony--is aware of a Pennsylvania pilot study in which it was identified that there were savings of nearly 20 percent for grouping projects in this way for a design-build. During last week's hearing on LB610 several county officials testified to the dire situation they are in with respect to keeping up with their deteriorating bridges. I anticipate we will be hearing much of the same testimony today about the needs of our counties. But I also understand those same officials have concerns with this bill as it is drafted and I do as well. As was mentioned by more than one testifier, the counties have been good stewards of taxpayer dollars and know the needs of their county infrastructure better than anyone else does. I understand there is opposition to this bill on it taking away some local control and also potentially diverting jobs from smaller, local engineering firms. It is also my understanding there may be an amendment offered to address some of these issues. So let me be clear. I understand the concerns that have been raised. I've had conversations with many of these county officials. I truly understand that we want to keep the local dollars under local control. It works best that way. And we also want to make certain that we do not take away business from our small businesses. Our small businesses are as vital a part of the local communities as the farmers themselves. So how do we do this in such a responsible way that we can drive costs down on individual projects without taking away the local control? Because of these concerns I have, I have no particular interest in seeing this bill advance this year. I've had those concerns with those that were coming in testimony in support and in opposition of this bill behind me. I do believe, though, that the stewardship discussion is critical. I do believe that during the interim we do have to continue this discussion and find out how we can better direct the dollars to where the needs are occurring. And I do believe that LB609 is a backdrop to those discussions and could be the bill in which we bring something more appropriate in the next session. But I do want us to hear those that want to testify in support of this concept and I do, also, want us to hear from those that want to testify in opposition. I truly respect both viewpoints. So I welcome feedback, both positive and negative. LB609 is a work in progress and I applaud those who have come to the table and have offered ideas on how to address our state's bridge problem. And it is a real problem and it is one we need to address sooner rather than later. I encourage my fellow committee members to listen carefully to the testimony and to be thinking of how we, as policymakers, can ensure our commerce continues to move to market and that our citizens arrive at their destination safely. Thank you, Senator Brasch. [LB609]

SENATOR BRASCH: Thank you, Chairman Smith. Are there any questions from the committee? Seeing there are none, we will now hear from our first proponent. Please come forward, say and spell your name. [LB609]

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CHRIS HAWKINS: Senator Smith, members of the committee, my name is Chris Hawkins, C-h-r-i-s H-a-w-k-i-n-s. I am the chief operating officer of Hawkins Construction Company and I'm here today representing the Associated General Contractors, Nebraska Chapter. Thank you for allowing me the opportunity to testify in support of LB609. I want to start by addressing Senator Smith's concerns with the bill and the concerns that have been raised, particularly the concept that this would take away some levels of county control and the concern that this takes away business opportunities for smaller, local engineers and contractors. I understand that concern, but I think the important thing to note is that: Number one, this is a new program that would address bridges and structures that otherwise would never be touched. This is not a replacement of the current program the counties utilize. Under the concept of the bill, the counties would submit their desired bridges to be constructed to the commission, so bridges currently in their program that they have in design or wish to build on their own, separate from the act's purpose, they still can do that and still would do that. Secondly, there's concern about the actual methodology of design-build. Design-build is a change from the way we do things currently. I think the amendment that Senator Smith referenced would allow the commission to use an option. Either the traditional design-bid-build method or hard bid, that's how we do things today in Nebraska. All our public infrastructure is built on a hard bid, competitive basis. So in such a scenario, a county or public authority would do a programming stage, would hire an engineer or designer to design the project, and then solicit separate bids from separate construction companies. Under the design-build approach the same firm would both design and construct the same project. And I want to speak to the merits both for efficiency purposes and pragmatically how that could work, why it would work. But first off, note that that is a change and thus the amendment would offer the opportunity for the commission to do either. But the reason that that's in there is because the design-build method can drive efficiencies. This is not a made up method. As Senator Smith alluded to, Pennsylvania is currently doing an accelerated system very similar to this. And, in fact, this program was modeled after the Safe and Sound Bridge Repair Improvement Program which was pioneered by our neighbor, the state of Missouri. And in that program a combination of state-owned and county-owned bridges, 802, were combined into a single design-build package. And they were constructed in a three-and-a-half-year period, cost effectively and very time effectively. Other states that have done similar programs either completed or currently under operation include Colorado, Oregon, Pennsylvania, North Carolina, and a few others. So this is the model that that was based on. I want to talk briefly about the concept, why you would bundle projects into a larger package and why you would consider the design-build method for these and where that came from. And it's the things that you would think of. But most importantly, it is to drive efficiency, both cost effectiveness and in terms of time. Our citizens demand a more efficient government. It's very difficult to find the opportunities to actually do so. This is one of those opportunities. And I say so from contractor experience. So, the main point is where this drives efficiency. Number one, overhead is amortized over a series of projects. So when we use our traditional method it costs a certain amount of money to design, to advertise, to bid, and to manage a contract for a single project. By doing a number of projects or a number of

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bridges in one contract, it spreads that overhead and as a percentage cost of the jobs, will lower it. Number two, call it the Walmart effect, but there is buying in bulk, a purchasing power economy of scale that is very real. We see that time and time again. Third, contractors can better plan their work. So if we know we're going to build 100 bridges as opposed to one, we can allocate our resources better, causing a lower cost. Lastly and most importantly, it accomplishes speed. When contractors and engineers are on the same page on the front end, the process of permitting, design, construction are done concurrently as opposed to subsequently, which does lower the time and that is, of course, the biggest cost which is the user benefit. And that was the motivation behind this bill, understanding the concerns which can be addressed via amendment which we're working on. The basic goals can be accomplished and will be accomplished through this bill. So in conclusion, Associated General Contractors and Hawkins Construction support LB609 as a pragmatic and wise approach to the county bridge problem. [LB609]

SENATOR BRASCH: Very good. Perfect timing, Mr. Hawkins. Are there any questions from the committee? Seeing there are none, thank you again. [LB609]

CHRIS HAWKINS: Thank you. [LB609]

SENATOR BRASCH: Will the next testifier please come forward, proponents. Welcome, Mr. Dix. [LB609]

LARRY DIX: Good afternoon, Senator Brasch, members of the Transportation and Telecommunications Committee. My name is Larry Dix. I'm executive director of Nebraska Association of County Officials, testifying in support of LB609. And that's spelled L-a-r-r-y D-i-x. I certainly want to thank Senator Smith for introducing LB609 to get folks talking and thinking about county bridges. I think it's important for ideas to be brought forward in an attempt to keep bridge repair and replacement at the forefront of legislative discussions. It is a problem that's not going to go away any time soon. Last week at the hearing on LB610, a bill that would increase the gas tax, it was evident that Senator Smith has an interest in making sure that we explore options for counties in trying to find a way to help work on the issue of the deterioration of county bridges. Last fall Senator Dubas and the Transportation and Telecommunications Committee took a road trip to our counties to get a firsthand look at the problem that we have in regard to county bridges. As part of the interim study, an issue was brought up by county officials, came forth an idea called LB609. LB609 is a new concept, a new approach, a new idea. As you can see, all the language in the bill, it's all new language. This concept is that we look for a way to economically and expeditiously explore options to build and repair bridges. A few of the things that Senator Smith alluded to: We have heard from county officials that are in opposition to the bill and I certainly understand that. A few of those things that we heard is, there's no need for a new layer of bureaucracy in oversight in that we can work through these

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scenarios. There's also a fear that smaller bridge contractors, as was mentioned, would not receive a fair share of the work on the bridges if design-build was the only method. And design-build is a one size fits all, but there are very few bridges that we would be able to replace under this concept. Another concern will be that you'll hear today, I'm sure, is there will be a loss of local control if a commission rates and selects bridges for replacement. Things in the bill...NACO was certainly pleased to see that the majority of the Bridge Repair Commission were local county officials. I know that the road superintendents would like to play a little larger role in the makeup of that commission as it is structured now. I also want to clarify a couple of things that I heard. Some people would say, well, we don't want all the counties to have to go through this process to build bridges. And I think from the very original copy of the bill, it was clear that the counties can...they do not have to opt into this. Counties could continue down the path that they're currently going down. This idea is not unique to Nebraska. There was something alluded to Pennsylvania. Pennsylvania piloted a project in 2013 to replace selected bridges in a design-build manner. The Pennsylvania project came at it from a slightly different approach. It selected three counties to participate in a design-build pilot. It didn't create any changes in existing law, it just selected these three counties. The project was overseen by their Department of Transportation and they paid for those bridges to see if there was a savings to determine if the design-build concept would work. The bridges selected had relatively similar characteristics, the same span, the same width. The end result of this was that in counties going forward there was always a match. And so the counties had to put up so much money, the state put up so much money. The amount in Pennsylvania, the amount of the match that was saved by design-build came right off the share that the counties had to match. And in Pennsylvania, fortunately they've got a pretty nice system where the counties only had to match 20 percent. And what they found is that in most instances the counties received a free bridge because they saved the 20 percent. I'm not assuming that what works in Pennsylvania is going to necessarily work in Nebraska, but I think it's something that we need to look at. At the end of the day, we need to find a way to replace and refurbish bridges. In the hearing on LB610 on Friday we had counties report that they had not replaced bridges in over two years. While this may not be the perfect solution for all bridges, let's be honest, we've got an uphill battle without adequate funding dedicated to our bridges and infrastructure. If we don't receive the adequate funding none of this really matters. If we obtain the funding we have to be prepared to spend it in the most effective and efficient means possible. I appreciate Senator Smith taking an alternative look that may save money and move us forward in our desire to have safe bridges for our agricultural economic development and safety of our taxpayers. Thank you and I'll answer any questions that you may have. [LB609]

SENATOR BRASCH: Very good. Thank you, Mr. Dix. Are there any questions from the committee? [LB609]

LARRY DIX: Thank you. [LB609]

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SENATOR BRASCH: Seeing there are none, next proponent please come forward. [LB609]

JESSICA KOLTERMAN: Senator Brasch, members of the committee, for the record, my name is Jessica Kolterman, J-e-s-s-i-c-a K-o-l-t-e-r-m-a-n. I come before you today as the director of state governmental relations for Nebraska Farm Bureau. I want to thank Senator Smith for bringing forward this legislation. We do support what Senator Smith is trying to do and we appreciate that he is willing to take the time to work out some of the concerns that have been brought by others who have an interest in this legislation. We really like the idea of packaging things and counties agreeing to work collaboratively in some kind of effort to keep the cost down. That's something that our members generally like to see, is the collaboration. I know that there's a lot of details in here that brings up some issues that we might want to look at. A couple of things we would recommend specifically if you do go with this idea or something along the lines of having another group to evaluate these bridges and help package them together. In Section 3, subsection (1), on page 3, it mentions three at-large members. One of the concerns that we'd like to bring forward is just that if you do have at-large members, making sure that those at-large members are geographically represented throughout the state. I don't know if you want to take one from each Congressional district or something along those lines. But something that would adequately address the different geography of our state and the different issues that are brought up in different parts of our state. We also have heard some concerns about--I believe Senator Smith mentioned this--about the money maybe not being used statewide. You know, as we look at different programs that are put together through the state there's always that concern that the rural areas will be underrepresented. And so we might mention that if you were to want to address that, you can include a provision that would state that perhaps 50 percent of the money or 75 percent of the money would need to be used in counties with a population of less than 100,000. I believe that that may be looked at broadening this so it's more statewide. We aren't going to get into the details of this. We're not going to dissect all of the things that are brought up. But we do appreciate what Senator Smith is trying to do. I think, at the end of the day, our organization's interest is making sure we have adequate infrastructure to move our products to market. And we understand and recognize that there's a great concern with that and that those concerns need to be addressed. We have the problem with bridge infrastructure and we know that that's something that needs to be fixed. And so if we can be part of the efforts to move things forward we are happy to be there. [LB609]

SENATOR BRASCH: Very good. Thank you, Ms. Kolterman. Are there any questions from the committee? Seeing there are none, thank you. [LB609]

JESSICA KOLTERMAN: Thank you. [LB609]

SENATOR BRASCH: Will the next proponent please come forward? [LB609]

JESSICA SMITH: (Exhibit 1) Hi. Members of the Transportation and Telecommunications Committee, my name is Jessica Smith, J-e-s-s-i-c-a S-m-i-t-h--it's fairly easy to do--and I am testifying today on behalf of the Platte Institute for Economic Research. Thank you for this opportunity to speak in favor of LB609. The Nebraska Bridge Repair Act would create a commission to establish and operate the Nebraska Bridge Infrastructure Bank Fund. This entity would be allowed to enter into a design-build contract for completion of project packages related to Nebraska bridges. According to a 2014 report released by TRIP, a national nonprofit transportation group based in Washington, D.C., 19 percent of Nebraska's 15,500 bridges are structurally deficient, the seventh highest rate in the nation. A structurally deficient bridge is one that is in relatively poor condition or has insufficient load carrying capacity for modern design loadings. Further, this committee's own report determined that 3,279 out of the 11,763 city and county bridges are either structurally deficient or functionally obsolete. In Lancaster County alone, 80 percent are considered in critical condition. Quite simply, Nebraska's transportation infrastructure is crumbling. The longer we ignore the problem the more expensive it becomes, increasing the likelihood of property tax increases. As the committee is well aware, Nebraska's share of the Federal Highway Trust Fund is rapidly depleting. According to analysis by the Associated Press, the state saw a 5.2 percent decline in federal transportation funding from 2008 to 2013. Almost 2 percent higher drop than the national average. Nebraska's rural bridges can no longer rely on the federal government for a bail out and must consider other options to bridge the funding gap. Unless there is a statewide source of revenue, local counties will be on the hook to pay. Obsolete and deficient bridges also pose a threat to Nebraska's \$20 billion agriculture economy. Our farmers and ranchers need a mechanism to get their products off the field and into market. If we want to maintain agriculture's enormous economic footprint then we must ensure that these businesses have the proper tools to operate. As mentioned before, LB609 is very similar to some successful programs in other states. Some folks mentioned Pennsylvania but I wanted to expand on Missouri's Safe and Sound Bridge Repairment Program that used a similar competitive design-build system to repair or replace 802 bridge projects. Five hundred fifty-four of those were under a single contract. The program was completed 18 months ahead of schedule. And the average closure in Missouri was just 42 days, which is about half the time of a normal bridge replacement project. Nebraska should look to these other states' bridge programs, such as Pennsylvania, Missouri, Colorado, Oregon, and North Carolina as evidence that bundling with a design-build approach can deliver dramatic results in a very short time. And as the committee stated in its report, county roads and bridges are the backbone of our state's economy and quality of life. Bundling these projects is faster, it's more efficient, and it saves taxpayer dollars. LB609 is an innovative approach to preserve our rural infrastructure, which is essential if we want to grow our state. Thank you for the opportunity to testify today and I'd be happy to answer any questions. [LB609]

SENATOR BRASCH: Thank you, Ms. Smith. Are there any questions from the committee? Seeing there are none, would the next proponent please come forward. Welcome. [LB609]

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RICHARD REISER: Good afternoon, Senator Brasch and members of the committee. My name is Richard Reiser, R-i-c-h-a-r-d R-e-i-s-e-r, lobbyist for the Nebraska Trucking Association. The Nebraska Trucking Association favors strong support for the infrastructure in Nebraska, both at the state and the county level and also at the city level. Initially looking at LB609 the first reaction kind of is, gee, do we need another commission? But after reflecting on that for a while you kind of come to the realization that no matter what source of funding we come up with for these bridges to help the counties, there isn't going to be enough money to do it all in one year. There's going to have to be some mechanism for prioritizing the projects, or maybe triage would be a better choice of words, but there's going to have to be some way to allocate that money. This seems like a reasonable approach. And you take that with Senator Smith's interest in working over the session on this bill to work out any problems with it, it looks like a reasonable course for us and we support the bill. Thank you. [LB609]

SENATOR BRASCH: Very good. Thank you, Mr. Reiser. Are there any questions from the committee? Seeing none, next proponent. [LB609]

RICHARD REISER: Thank you. [LB609]

SENATOR BRASCH: Welcome. [LB609]

RON SEDLACEK: Thank you, Senator Brasch and members of the Transportation Committee. For the record, my name is Ron Sedlacek, and that's R-o-n S-e-d-l-a-c-e-k, I'm here on behalf of the Nebraska Chamber of Commerce and Industry. We'd like to be on record in support of the concepts of the legislation before you today. Actually, Mr. Reiser gave exactly, as another association, our thoughts that our council has looked at the legislation, reviewed it, recommended it to the board of directors. And they felt that this was a good potential mechanism in which to prioritize these projects of repair, replacing, improving our rural infrastructure particularly, getting products to market. And without being too redundant I'll close with that and entertain any questions. [LB609]

SENATOR BRASCH: Thank you, Mr. Sedlacek. Are there any questions from the committee? Seeing there are none. Next proponent please come forward. Any other proponents? If not, will the next opponent please come forward? Welcome. Please say and spell your name. [LB609]

PAM DINGMAN: (Exhibits 2, 3) Pam Dingman, P-a-m D-i-n-g-m-a-n. Today I am opposing this bill. I am one of three elected officials in the state of Nebraska with the elected title of "engineer." Prior to being Lancaster County Engineer I was involved in private practice as a consultant. That private consulting experience along with the experience I have gained my last 15 months in office has provided me with the foundation for which I oppose this bill. In

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Lancaster County there are 297 bridges of which 80 or nearly 27 percent are older than 50 years, which is considered to be the useful life of a bridge. Lancaster County has not built a bridge in two years. The bridge shown on the handouts I gave you today or one of the bridges shown has been in Lancaster County's One and Six Year Road plan since 1998. This bridge was built in 1933. The photo shows water on top of the road which was from the Mother's Day storm of 2014. This bridge is overtopped by water several times a year. In fact, it is overtopped with such regularity that my department puts barricades at this location in advance of a major rainfall forecast. There is no doubt that we need more money to build bridges. What we do not need is bigger government and additional systems and bureaucracies. This bill creates two additional levels of bureaucracy. One in which the creation of an additional commission and the other is the hiring of a program manager. Putting these bridges in larger packages would not increase efficiency or save money on cost. Our smaller local contractors and engineers have low overhead because they are small and local. Bigger is not always better or cheaper. Should this construction go to the larger firms for a long period of time, it is possible that these smaller firms may not exist in the future. In addition, keeping this money local is a benefit to our local economies. At the county level my peers and I know what bridges need to be replaced and repaired. We are sadly familiar with bridges that are problems to us. In Lancaster County we have 12 problem bridges. We inspect them after every rainfall or every few months. This is more than is required by the rules. We know where the problems are, we just need funding in order to start fixing them. Last week I received a letter from the Department of Roads, which I passed out a copy to you. This lists the amounts of money that I would receive from the Highway Street and Highway Bridge Buyback Program. As you can see from the copy of this letter that I've given you today, this is not enough money to build a bridge. In fact, I would have to save this money for at least ten years in order to build one bridge, the bridge at First and Raymond Road. I would like to suggest that the state use the same equation as used in the federal buyback program and simply add funds to this program. My bridge engineer tells me that roads do not exist without bridges. This is engineering humor, I'm afraid. However, I will tell you that they are of equal importance and that we do not want to forget them in this equation. Lastly, I would caution against using a program manager. As we can see from the program manager use in the Omaha metropolitan area on CSO and the program manager used for several local school projects, that we sometimes end up doubling engineering fees. And in several instances in Omaha you can follow the program manager and see that the manager charged as much to review an engineering report as the engineer charged to make it. I am for efficient government. And I thank you for looking at this bridge problem, but I think we need to look at it in a different way. Thank you. [LB609]

SENATOR BRASCH: Very good and thank you. Thank you, Ms. Dingman. Are there any questions? Yes, there are. Senator Murante. [LB609]

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SENATOR MURANTE: Thank you, Senator Brasch. And thank you, Ms. Dingman, for coming down. Two questions for you. First of all, there has been testimony that bundling these projects together reduces costs. Do you agree with that assessment? [LB609]

PAM DINGMAN: I do not agree with that assessment. [LB609]

SENATOR MURANTE: And why? [LB609]

PAM DINGMAN: The reason I don't agree with that assessment is...and you might have noticed in some of the earlier testimony they testified that they could design a bridge that could be used in multiple locations. Well, when we look at bridges we look at many, many things. We look at the size and the shape of the channel. We look at the size of the drainage area. And we individually calculate what needs to be made. And an example of this is, actually, we have prepared bridges in our office right now that are designed and ready to go, should they only be funded. So oftentimes a one size fits all for a bridge may be that you are underbuilding or overbuilding in certain locations. And so my concern would be that we need to build the bridges and the types and sizes of structures that we need, depending on that location. [LB609]

SENATOR MURANTE: So there were a number of instances where other states have been brought in as examples where costs were reduced. So if that is the case, then how did the other states experience these cost reductions or why did they experience the cost reductions? [LB609]

PAM DINGMAN: Well, I think, Senator, the devil is always in the details. I have heard a lot of conflicting research on whether these programs were successful or not. And I will look to some of my peers as they step up to testify to the details of that. [LB609]

SENATOR MURANTE: Fair enough. My second question for you would be along the lines of devil's in the details. We talked about prioritizing. So how would you suggest we go about prioritizing which bridges go first? [LB609]

PAM DINGMAN: What I would suggest is, if you look at the Department of Roads' letter that I handed out, the Department of Roads several years ago made an equation. And what they did was they--I'm going to oversimplify, if I can. I'm going to try not to get into the integral calculus for you today, Senator--they added up all the bridges that were deficient and then each county was assigned a fraction, kind of a proration for their deficient bridges. So, for example, what you're seeing from me is that this last year we got \$86,000 to bridges based on the number of bridges we have that are rated deficient with the state. The county to the north of me, I believe, probably got about double that amount and there might be a representative here to testify about

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that. So what I'm saying is that we know on the county level which problem bridges we have. And if it is funded by the equation that the state already uses for the Highway and Bridge Buyback Program, just funded with additional dollars, we can go ahead and focus those dollars to our priorities. [LB609]

SENATOR MURANTE: Okay, so...but if you're looking for state dollars...but it sounds like what you're asserting is that the county should be the ones to determine what the priorities are. Is that the long and short of it? [LB609]

PAM DINGMAN: I would definitely assert that as a county we would like to address our own priorities, yes. [LB609]

SENATOR MURANTE: But you want our money. [LB609]

PAM DINGMAN: That's correct. [LB609]

SENATOR MURANTE: Okay. Thank you. [LB609]

SENATOR BRASCH: Any other questions? Senator Davis. [LB609]

SENATOR DAVIS: Thank you, Senator Brasch. Ms. Dingman, I just have a couple of questions and I'm trying to make sure I heard you correctly. So the \$86,000 that you referenced here, you said that's about 10 percent of the need for the bridge at Raymond Road? [LB609]

PAM DINGMAN: What it is...so, the bridge at First and Raymond Road, which has been on our One And Six Plan since 1998, is an interesting example of our saga with bridges. There's been a lot of changes in the environmental regulations and protocol which we need to follow in order to build one of these bridges. In 1998, we estimated that this bridge would cost about \$750,000 to build and we've been putting money into a sinking fund for it. Currently, we estimate it would cost somewhere around \$1.2 million to build. Of course, you know, materials and other things have gone up. So what we do when we receive our \$86,000 is, we put it aside in a sinking fund to save it. This will be the third year that we've gotten this money and so the fund is growing. But it will take a while to get to the point at which we could build a bridge solely with this money. [LB609]

SENATOR DAVIS: So essentially what you're saying is you put the money away but the cost is going up at the same rate that you're putting the money away so you're really chasing after that. Would that be correct? [LB609]

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PAM DINGMAN: We're chasing after it to some extent, that's correct. [LB609]

SENATOR DAVIS: So, to me, testimony that's come before is pretty compelling that this would make a great deal of sense. And I'd like to know why you don't buy into that argument. [LB609]

PAM DINGMAN: The reason that I don't buy into the argument is because, for example, with this bridge, with the bridge at First and Raymond Road. We have the bridge. It is...the design is nearly complete on it. We just received back our Conditional Letter of a Map Revision from FEMA. So we're ready to build this bridge that needs to be built very badly. So should additional money come along, we can go ahead and just put the bridge out to contract and build it. Whereas, if we need to look at a different program, now we're looking more at a one size fits all. And I think we need to keep in mind when we look at these bridges, when we do our smaller county bridges we don't get the larger construction companies bidding on them. It's the smaller companies that come and build these bridges for us. And they are actually very efficient, locally owned, and have very low overhead. [LB609]

SENATOR DAVIS: Well, I understand that argument. But if your costs are going up more quickly than your ability to save revenue you're never going to get there. If you could knock the cost down 20 percent, it looks like it'd be worthwhile. And I guess I would ask this question: Wouldn't it make sense for whoever the commission puts in place to go to the counties and say, by the way, do you have any plans prepared for these bridges that need fixing? [LB609]

PAM DINGMAN: Well, Senator, to some extent that's what we do every year when we get the money from the state is, we look at what bridges need to be fixed. So what I'm asserting is we should use the programs that we already have in place to continue to build these bridges. [LB609]

SENATOR DAVIS: Thank you, Ms. Dingman. [LB609]

SENATOR BRASCH: Yes, Senator Friesen. [LB609]

SENATOR FRIESEN: Thank you, Senator Brasch. Is your county up against the lid limit? [LB609]

PAM DINGMAN: We are very close, but we're not quite up against the limit. [LB609]

SENATOR FRIESEN: How long have you been at that level? [LB609]

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PAM DINGMAN: Senator, I do not have the answer to that question but I can get it for you. [LB609]

SENATOR FRIESEN: Okay. Thank you. [LB609]

SENATOR BRASCH: Senator Murante. [LB609]

SENATOR MURANTE: Thank you. I have one more follow-up question relative to how the counties spend the money. So Mr. Dix and various county officials have come to the Government, Military and Veterans Affairs Committee. And we have a whole series of unfunded mandate issues where we are trying to take burdens that the state has placed on counties. And tomorrow we're going to be voting on taking some of them off their backs because, as a county official, I think you would probably agree that there have been...there's been too much done over too extended a period of time to push mandates onto the counties from the state level. So your statement almost seems to be using the reverse...it has a reverse problem. And my concern is, when we're giving state dollars, which means Sarpy County citizens are paying sales and income tax into a pot and we're giving it to Lancaster County. And when you say Lancaster County gets to make the decision, then the taxpayers that I represent don't have a voice. We don't have any recourse. There's no checks and balances. There's no elected officials that they can go to the ballot box and vote out. So what mechanism would my constituents from Sarpy County have if they say, we've given our state sales and income tax dollars to you, Senator Murante, to help deal with the issues important to us. You gave it to Lancaster County and they're prioritizing things that in their view were inappropriate. So what am I supposed to tell them? [LB609]

PAM DINGMAN: Thank you for that question, Senator. So I don't know what percentage of this pot Sarpy County gets. I don't know. I would assume that my peer, Engineer Wilson, received a similar letter on March 2 as I did. I don't know what his dollar amounts say. So every county engineer or county supervisor received a letter like the one I shared with you. They all had different amounts based on what the state has already determined of our infrastructure is poor. So if you had a higher number of bridges on that list that were rated inferior, you got additional dollars to repair your bridges. So what I'm saying in the equation--and maybe I've oversimplified and I know I have more peers in the audience who want to talk so I don't want to utilize all the time--maybe I've oversimplified. But what I'm saying is, there's already an equation that gives priority to the distribution of the money. [LB609]

SENATOR MURANTE: Okay. I'll ask more, okay, thank you. [LB609]

SENATOR BRASCH: Senator Seiler. [LB609]

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SENATOR SEILER: Don't worry, ma'am, we're not even close to 10:30 yet. I'd like to clarify your exhibit. You say you have 297 bridges and culverts over 20 feet and 80 over 50 years old. Does that mean you have 377 bridges and culverts or you have 217? [LB609]

PAM DINGMAN: I have 297 bridges and culverts. The culverts over 20 is the mark at which, as engineers, we define it as a bridge. Of those 297, 80 are past their useful life. [LB609]

SENATOR SEILER: Okay. So your total bridges are 298. [LB609]

PAM DINGMAN: So 217, correct. [LB609]

SENATOR SEILER: Okay. How long have you been the county engineer? [LB609]

PAM DINGMAN: I was appointed county engineer on December 14 of 2013 and then I ran for election. [LB609]

SENATOR SEILER: Okay. What I'm curious about is how many bridges have you decommissioned and closed the road? [LB609]

PAM DINGMAN: We did temporarily close the road at the Pioneer Bridge that is on your handout. Other than that we have so far been able to keep all of our bridges open. It is only a matter of time before I close them. The bridge that is shown there on West Pioneers is actually rated to three tons and three tons is your average car or your nonloaded pickup. [LB609]

SENATOR SEILER: Okay. Do you know about your predecessor? Have they closed...in Lancaster County closed a lot of roads? [LB609]

PAM DINGMAN: I know that through the years we have temporarily closed bridges while we were waiting for a solution to fix them. But as far as permanently closing, I do believe we did permanently close a couple of structures, but it was more in regard to environmental issues where we closed the section line road also. [LB609]

SENATOR SEILER: Okay, thank you very much. [LB609]

SENATOR BRASCH: Senator Davis. [LB609]

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SENATOR DAVIS: Thank you. So, Ms. Dingman, you do have the ability to bond, right, as a county for these bridges? [LB609]

PAM DINGMAN: Senator, I'm not aware that we do have the ability to bond for bridges with as close as we are to our lid. But that is a question that I could look into and get back to you with an answer on it. I apologize. [LB609]

SENATOR DAVIS: I'd appreciate it. How does it work in terms of funding? I mean, I'm just asking this for my own sake. [LB609]

PAM DINGMAN: Sure. [LB609]

SENATOR DAVIS: How are your departments funded? [LB609]

PAM DINGMAN: So, what happens is, I put together a list of my budget needs. And we have annual budget hearings at Lancaster County. The county typically gives me somewhere around \$20 million, depending on the year. And I use that \$20 million to maintain our roads and our bridges. I have 109 employees. Since taking office I have eliminated nine positions so I am looking at efficiency in all levels. In addition to that, I have employees in 16 buildings around the county. That's the most efficient way to run it because we keep like a motor grader and a dump truck. So that the gentleman who is driving the motor grader or the maintainer on these gravel roads, the building his motor grader is located in is in the radius that he drives around. So we have 16 of those buildings. It gets to be a lot to maintain. [LB609]

SENATOR DAVIS: And what responsibility do you have for bridges within the city limits of Lincoln? [LB609]

PAM DINGMAN: I have no responsibility for bridges within the city limits. And, in fact, if the city engineer, Roger Figard, was here he would tell you that I very judiciously, as the city annexes those bridges that are in areas he's annexed are delivered to him, the data on them is delivered to him that day. [LB609]

SENATOR DAVIS: So what we need to do is get them to annex Raymond Road and First Street then. [LB609]

PAM DINGMAN: It's a little far outside the county. I'd be happy if he annexed a bridge that I have that's at about Highway 77 and Old Cheney though. [LB609]

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SENATOR DAVIS: So of the 297 bridges that Senator Seiler asked about, those are all outside any incorporated village or community? [LB609]

PAM DINGMAN: That is correct. [LB609]

SENATOR DAVIS: Okay. Thank you. [LB609]

SENATOR BRASCH: Are there any other questions from the committee? Seeing there are none, would the next opponent please come forward? Are there any opponents? Welcome. Please say and spell your name. [LB609]

MATT BAUMAN: My name is Matt Bauman, M-a-t-t B-a-u-m-a-n. I'm a Gage County supervisor from Gage County. And as it stands, I am opposed to LB609. I am thankful that Senator Smith spoke to some of the conditions in the bill that gave me an opportunity to go back and look at that. I appreciate very much that bridges are hard to construct. There's a lot of money that needs to be sent down to the county levels and we're always trying to be efficient with the dollars that we use. I can't speak to the technical aspects of a design-build. I'm not a construction engineer, I'm a healthcare provider by my normal job and this is something else I do, like most county supervisors. But what I can say is, I appreciate the altruistic nature of the construction companies and their desire to help out the counties. But let's face it, there's money to be made here. It is taxpayer money. We are responsible for that. I appreciate Larry Dix's position on this. He serves NACO very well and I appreciate where he's coming from. My concern though is about local control. That's been said before and I don't want to beat that over the head too much, but very much practical where I will go and pick up a taxpayer and we'll go drive to a bridge they have some concerns about. As we go through our road and bridge department, the One and Six Plan through our road and bridge as we prepare that. I know a lot of those bridges intimately. Again, I'm not a construction engineer but I've put on my hip boots and we've gone underneath there with a farmer or somebody that needs to have those replaced or they want that put on our One and Six Plan. It is hard to budget for those, but we do a very good job in Gage County. We're very proactive. Pardon my theatrics, though, as you know we have a One and Six Year Plan. And we had, I believe, 33 projects and of those 33 projects, 13 of those were small timber bridges that we were able to replace. My concern is that since a lot of the specifics about what the criteria are going to be for the bridges aren't necessarily spelled out yet. We don't know if we will have that same efficiency to be able to complete those at a county level. There's a lot of things that we just don't know yet. As I read through this, the size of the commission and the makeup of the commission concerns me a little bit because of the 93 counties we have and the sheer number of supervisors who, like myself--and commissioners--are responsible to the taxpayers. And they'd probably just as well go pick people up and go look at the bridge or look at a culvert and we're out there looking at our infrastructure. Will they understand what our needs

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are locally? If we put together a project and we think that these are our top five, what's that system going to be to get those back to us? We don't know yet. Again, I appreciate the bill, but as it stands now I just don't think that it's going to benefit the counties. And I think it will create a lot of controversy. There's a lot of unknowns. If you look at who's for this and who's against this, there's probably a lot of other elected officials behind me who have a lot more questions as well. The spirit of the bill, I believe, is good in intent. And I think we need to look at that. I think we're having a hard time maintaining the infrastructure that our forefathers put in place. We recognize that every day and we see that there's a real importance to continue to do that. The other thing I would say outside of the county supervisors, I've served on a local school board as well. I currently am a first responder for Beatrice Rural Fire Department. And as we cross these bridges, too, with our heavy equipment and our school buses, there are a definite need to have these bridges looked at. I just think that a lot of these things could be handled quicker, more efficiently, and with a little bit more local flavor if those dollars came back to us and we were able to administer those. We recognize there needs to be oversight. We recognize that we all need to be accountable to the taxpayers because it is money coming from somebody. Governments get their revenue from one source, that's taxpayers. And I think we all recognize that. So, again, I'm opposed to LB609 as it stands now, but the spirit of the bill I believe is extremely warranted. Thank you. [LB609]

SENATOR BRASCH: Very good. Thank you, Mr. Bauman. Are there any questions from the committee? [LB609]

MATT BAUMAN: Thank you. [LB609]

SENATOR BRASCH: Seeing there are none, next opponent. Welcome, Senator Connealy. [LB609]

MATT CONNEALY: Thank you. Senator Brasch and members of the committee, I am Matt Connealy, M-a-t-t C-o-n-n-e-a-l-y, and I'll be brief. You've heard a lot of it already. I'm currently serving on the Burt County Board of Supervisors and I'm representing them here today. I want to thank Senator Smith for his efforts in securing more resources for our bridges and I think it's a laudable goal that we do that. I think we're on the right direction but I don't know whether this is the exact right place to do it. So with some mixed feelings I'm opposing LB609. We believe that the current system really has only one deficit and it's lack of resources. We know our local conditions and we, on the local level in our counties, know the local needs. I think that we're both best equipped to do it. I'd ask that you increase the counties' resources to make it happen and we'll get the job done. A couple of points that my board wanted to make sure that I touched on was that the increase in administration, as you've heard, the operation of another layer of government; stipends that would be given under the bill to unsuccessful bidders or applicants for

this process; and then, once again, the one size fits all. I do want to thank you all for looking at this and addressing, which is really a huge problem for our state. But I think it's a problem we can fix. We just need more resources to do it. Thank you. [LB609]

SENATOR BRASCH: Very good. Thank you, Senator Connealy. Are there any questions for the senator? Seeing there are none, next opponent. Welcome. Please say and spell your name. [LB609]

RICHARD JOHNSON: My name is Richard Johnson, R-i-c-h-a-r-d J-o-h-n-s-o-n. Senator Brasch and members of the committee, I'd like to thank you for taking the time to hold this hearing and discuss this very important issue. I think we also need to thank Senator Smith for getting the ball in front of us and getting it to being discussed. I'm in opposition of the bill. I own a small engineering firm in Norfolk and I have for 28 years. I have been the Madison County Highway Superintendent for 27 years, so I've seen a few things over the years. I went to one of the interim hearings last year. And from discussions and reading the reports and everything it became fairly clear that the main themes were we need money to repair our bridges; we don't want any more bureaucracy; and we think the Department of Roads does a good job on the highways but we know better what we can do with our county bridges. Just as an example of the bureaucracy that I threw in there...well, first of all, the...as I'm sure you're all aware, the Federal Funds Purchase Act came into being because of so much frustration on the county level with the bureaucracy of trying to get federal aid projects done. Madison County right now has four ER projects that have been ongoing since the Elkhorn River flooded in 2010. I think there's probably been more money spent on environmental and engineering than it would have cost to actually do the projects, which is quite frustrating and I hope goes a little ways towards explaining the problems that we have and the positions that I'm taking. And I've got two of the projects involve roads. I've got commissioners getting calls about the status of those roads at this time and all I can tell them is, we can't move forward or we'll endanger the federal funding. Madison County, I think, has a very good record for building its own projects. We build several bridges a year, some of them over 20 feet, some under 20, essentially based on need. This year on our One and Six Year Plan if we have enough money, I think we've got seven smaller bridges that we'll do. Three or four of those are greater than 20 and the rest are less than 20, but the road is just as important going over those that are less than 20. We also have been heavily involved in a little project called Northeast Industrial Highway, which is a four and a half mile construction on new alignment, a new county road, if you will. We got tired of waiting for federal aid. We just were getting so much pressure from the local constituents to get it done that we just decided we'll scrap the federal aid and Madison County, Stanton County, city of Norfolk, the Railroad Transportation Safety District, and the industries got together and figured out how to finance it and how to get it built. We went completely with local funds. Construction started in about 2011 and we're hoping to open the road the end of July. The total cost was about \$12 million. So we believe that we do have experience in funding the bigger projects and can do it. By the way, of

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that \$12 million, approximately \$4.9 million was new bridges. The rest of it you pretty much heard. We want the local control; we don't really want the commission. The design-build has some concerns for me. The biggest one being that I don't see anybody that's truly representing the county. You've got the design-builder and this commission, but the county is out here. And, frankly, folks, when the smoke clears it's going to be a county bridge. What I would recommend is that you distribute the money along the lines of the Federal Funds Purchase Act, giving the county complete autonomy over the expenditure of funds; have them report annually how the funds were expended; and be subject to some type of audit, if you so desire. With that, I will close and entertain any questions you may have. Thank you. [LB609]

SENATOR BRASCH: Thank you, Mr. Johnson. Are there questions from the committee? Seeing there are none, thank you. [LB609]

RICHARD JOHNSON: Thank you. [LB609]

SENATOR BRASCH: Any other opponents? How many plan to testify as an opponent, could I see a show of hands? Very good. Do be prepared to move forward as each one is done. Thank you. And welcome. Spell your name, please. [LB609]

JERRY WEATHERHOLT: My name is Jerry Weatherholt, J-e-r-r-y W-e-a-t-h-e-r-h-o-l-t. I'm going to be very short because Dick expressed the same thing that I feel. I happen to have been a Stanton County Commissioner for ten years. We've worked hard within our budget to keep our bridges up and we've definitely got a problem with some of them. The biggest thing is, I serve on the NACO board and we voted to be in favor of this bill. And at that time I expressed one point and that was, I worried about local control. And that's one of my main concerns is, local control. Also the local contractors. The small contractors who have been doing a good job for us and whenever we have a bridge project we never have a problem with not having enough contractors. So that's about all I have to say. And I appreciate the senators addressing this problem because it is a problem. And I hope we can work it out to the best conclusion as we can. Thank you. [LB609]

SENATOR BRASCH: Very good. Thank you for testifying. Wait one minute. Is there any questions from the committee? Okay, seeing there are none. Welcome, Mr. Japp. Please say and spell your name. [LB609]

SCOTT JAPP: Good afternoon, Senators. My name is Scott, S-c-o-t-t, last name, Japp, J-a-p-p. I'm in opposition of this bill. As a project manager for construction companies, this bill really guts the small and medium contractor and engineering firm. It also doesn't address a lot of the problems that we have. This isn't a revenue bill and, as we've heard, revenue is their problem, not

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projects. For an example, as a small and medium contractor I have no problems competing with the Hawkins Constructions and the Peter Kiewits on a construction project. But if you bundle all these projects together, that eliminates our ability most of the time in construction projects that are bundled. For an example, if I have one bridge and I have three months to do it, I can do it as a small and medium contractor. But if I have ten bridges to do and three months to do it, my firm is not large enough and you eliminate a lot of competition. Therefore, you'll have less people bidding on projects. You're also going to invite out-of-state companies to come in and build on these projects because they have the ability for design-construction teams. Therefore, your money will be leaving the state. Another concern I have is on the allocation of funds. I know we've been told it's voluntary, you can be in and you can be out. But how does funds get sorted for the people that want to do it this way and people that don't? Where's the mechanism of being fair? Are some of them that aren't going to pay to play in this game going to be deprived? We don't know. Also, we don't need to bundle projects and have a new commission to come up with it. All the counties already have interlocal agreements. They could all work together and we wouldn't have to have another layer of bureaucracy. So if you have any questions, I will entertain questions at this time. [LB609]

SENATOR BRASCH: Thank you, Mr. Japp. Are there any questions from the committee? Seeing there are none, next opponent. [LB609]

CASEY SHERLOCK: Members of the Committee, thank you for allowing me to be here. My name is Casey Sherlock, C-a-s-e-y S-h-e-r-l-o-c-k, I am the elected county surveyor of Hall County. Because of Hall County's size I'm also the elected county highway superintendent of Hall County. I've been elected in Hall County for almost ten years; October 3 will be my tenth anniversary. I represent the Nebraska Association of County Highway Superintendents, Surveyors, and Engineers on the NACO board of directors. I was elected to that position by my peers. I've served on that board for four years. I want to thank Senator Smith for bringing the bill forward so that we can have this discussion and toss this ball back and forth and bounce ideas off each other and try to get all of the issues out in the open. There's parts of LB609 I'm in favor of and there's parts I'm not in favor of. And most of the things that you've heard talked about today would have been things I would have mentioned or talked about. So I don't really need to discuss those again. But at the basis of this entire discussion is funding. Nowhere has anybody said that a county cannot deliver projects. If counties have the money, counties can deliver projects. I can tell you that. But one of the issues I have run into in Hall County are the terms "lid limit" and "spending limit." Lid limit is the county's ability to levy enough property tax and the spending limit is a county's ability to spend a certain amount of money. One concern I would have is if a certain amount of funds were injected directly into my budget at Hall County, would I even have the spending authority to spend that money? That's one issue that we probably need to check into because I think that there are several counties in this state that are up against both lids, the levy lid and the spending lid. Other issues I've run into at Hall County: Typically when a county board

works through their budgets, if there's state aid, if there's unfunded mandates--and a lot of those things have been talked about--ultimately, a county board has to balance their budget at the end of the day. And what I have experienced over ten years is, when it comes to the end of the day and there's \$500,000 to be cut from the county budget, it comes from roads because that's the easiest place to take it. And it's not the county board's fault, they're in a box and they're trying to work with what they have. And we need help on the funding side but we also need to be able to spend it and build bridges. I guess one other thing I wanted to talk about as far as efficiencies in design-build, that's primarily I guess the part that I'm mostly against. Sure, you can package things together in bulk purchasing. But when we build bridges in Hall County we design it locally; it's bid locally; local Nebraska contractors bid on it; local Nebraska material suppliers bid on it. For the most part, I am one of several counties in this state that does operate and run a county bridge crew. We do build our own bridges. We have our own style of bridges that we had engineered that we build. We know how they work, we know how they go together, we know how to maintain them, we know how to repair them, we know how to replace features that go bad. And if we put this design-build, one package fits all kind of thing, we might end up with something in Hall County we've never seen before. We could end up with an interstate bridge over a creek. So those are things that concern me without having any kind of that local control over what style and type of bridge is built. And as far as purchasing in bulk, I'm afraid that some of these materials in these large mass quantities may not be able to be supplied by our Nebraska companies and suppliers. So those are things I guess that I'm questioning in my mind. And I guess that's probably all I have to say. [LB609]

SENATOR BRASCH: Thank you, Mr. Sherlock. I see we have a question from the committee. Senator Seiler. [LB609]

SENATOR SEILER: Good. I'm glad somebody showed up from my district. [LB609]

CASEY SHERLOCK: I'm in your district by a half mile and a half mile from Senator Friesen. [LB609]

SENATOR SEILER: I know you are. Here's the question I had. Under the criteria listed here...now, again, everybody knows this can change, but I want to bring it out. It says that the bridge condition...well, everybody can look at a bridge and see, the professionals can. Safety impacts: Everybody can approve or understood safety impacts. But here's the two that bothered me the most: economic impacts and traffic counts. You may need a bridge, but you're going to compete against Dodge County from Fremont that have traffic going over to Omaha every day. How do you compete under this criteria? [LB609]

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CASEY SHERLOCK: That's exactly right. Under that criteria...you're establishing a criteria statewide. And you're not only talking about Hall County to Sarpy County, Lancaster County, you're talking about Sioux County, Box Butte County where I'm...my hometown. But traffic counts in Hall County and economic impacts in Hall County are going to be different in every county. I might have a bridge that today has 50 cars a day on it. But the reason it has 50 cars a day on it is because it's a narrow truss bridge and it's weight restricted and you can't use it to go directly to the elevator. If we replace that bridge, then that's where your economic impact comes in because then that farmer that drives six, eight, ten miles around to go to the elevator can go maybe two miles around and that improves his efficiency in his business. [LB609]

SENATOR SEILER: But in competing with the larger counties, it's going to be difficult for the small counties. [LB609]

CASEY SHERLOCK: It is, it's going to be difficult because 50 cars a day in Sioux County is probably a lot. And 500 cars a day in Hall County is toward the "a lot" side of our county roads. [LB609]

SENATOR SEILER: Thank you very much. [LB609]

CASEY SHERLOCK: You're welcome. [LB609]

SENATOR BRASCH: Senator Davis. [LB609]

SENATOR DAVIS: Thank you. A couple of questions. You talked about your local style of bridge building. So how are you able to keep up with the latest trends and ideas? [LB609]

CASEY SHERLOCK: All of our bridges are...the bridge design standard is all set out and handed down to us by the federal government and the state government. And we hire an engineer that will design that bridge based upon those requirements. And now sometimes those details in--and I'm not an engineer so I can't describe exactly--but sometimes those design changes come in the form of piling sizes and amount of rebar or cable that's in a concrete slab. Those things, we contract out those materials to be built, especially the concrete slabs. We did see a change in not necessarily the design of our bridge but the minor details of that bridge. We went from, instead of having 10-inch H-piling in the abutments and the bents--that's the individual piers--we had to go to 12-inch piling. And then they might add some rebars to the contract slabs, which in the end it's still the same style of bridge that we can build and maintain. [LB609]

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SENATOR DAVIS: And so that decision to make those larger, that was a federal decision or that was a county decision? [LB609]

CASEY SHERLOCK: It came down from the new bridge standard, HL93 I think is what it is, the number. It's the federal design standard. It was HS20. [LB609]

SENATOR DAVIS: So how much flexibility do you have in terms of what you do? [LB609]

CASEY SHERLOCK: As far as? [LB609]

SENATOR DAVIS: As far as the design and engineering? [LB609]

CASEY SHERLOCK: Well, we look at every structure differently. And that's one thing in the design-build process, it's not a cookie-cutter design. A box culvert in Hall County might not work as a box culvert in Dawes County. A bridge that we build in Hall County maybe doesn't work in Buffalo County. So what we do is we look at each project individually and decide, how can we replace this structure the cheapest possible way that we can? First we look at, can we replace this with corrugated metal pipe culverts, because that's ultimately the cheapest we can do? And sometimes, as Pam Dingman referred to when she was answering a question about culverts to Senator Seiler, if the series of culverts is longer than 20 feet, then federal standards considers that a bridge even though it's culverts. So we may replace a bridge-sized structure with culvert-sized bridge structure. Then if that's not going to work, we look at a concrete box-type structure and whether we can replace that. I've even been researching into replacing concrete boxes as a precast, that you can get them built in precast sections, where with our crane, our bridge crew, our men, our materials, we can do that project, put those box sections in there one at a time and save us as much money as possible. And if that doesn't work, then we have to look at cast-in-place concrete boxes. And then after that, it's bridges. So ultimately at the end, once we get to a certain sized structure, a bridge is the only thing that we can put in there. [LB609]

SENATOR DAVIS: So if you had interlocal agreements, say with Buffalo County and some of your neighbors, and your engineering group could get together once a year, you theoretically could say, we've got four bridges here that we'd like to bid out. [LB609]

CASEY SHERLOCK: Yes. [LB609]

SENATOR DAVIS: So you could really do this on your own without a state commission in place. [LB609]

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CASEY SHERLOCK: Yes, we could. And we do that. My neighbors are Buffalo County to the west, Adams County to the south--and I know Adams County is here--but every time we have...and we've only been doing this on our county lines. But when we have a county-line structure, we'll do an interlocal agreement. We'll split the cost. But there's nothing that says we can't do an interlocal agreement for...you know, if I put together a priority list of we have this many bridges about this size, that we could work together and do an interlocal agreement. There's nothing that says we couldn't do that. [LB609]

SENATOR DAVIS: Thank you. [LB609]

CASEY SHERLOCK: You're welcome. [LB609]

SENATOR BRASCH: Any other questions? Yes, Senator Friesen. [LB609]

SENATOR FRIESEN: Thank you, Senator Brasch. When it comes to bonding, have you guys ever done any bonding projects on bridges? [LB609]

CASEY SHERLOCK: No, we have not. I know that there is a county that did and I don't know if she's here or not. There is a county that I know of that did just recently do bonding for bridges. We all have a problem, but they decided to try to see what they could do. Bonded are currently building--I don't know the exact number--but a large quantity of bridges. So our question is, what happens to that county? Now they went in debt to replace all these bridges. And now, all of a sudden, here we have a funding mechanism that's going to completely circumvent them. They went ahead and did that and now they're not going to be able to...they're going to have to pay off their bonds through property tax. But it is a possibility. But I don't...when this issue has come up with my planning commission...obviously in Grand Island we've talked about this but I don't believe in borrowing money to build infrastructure because the day you finish building it, it begins aging. And I know that there's been towns that have bonded to do overlays in town that were still paying on the original bond for the overlay when it came time to reoverlay those same streets. So I don't necessarily think that's a feasible choice. [LB609]

SENATOR FRIESEN: Are there any federal or state regulations that are in place that increase your cost and don't allow you the flexibility that that could be looked at in order to make some of these replacements cheaper? [LB609]

CASEY SHERLOCK: I think some of the larger expense comes from the environmental regulations. Those tend to be more cost prohibitive. [LB609]

SENATOR FRIESEN: On the federal level? [LB609]

CASEY SHERLOCK: Federal level type things. And then the bridge design...when it comes to bridge design, I'm a layperson. I know how they go together and how the theory is, but what I don't understand is when they change the design loading factor, why a bridge that was designed and built in 2005 no longer meets the standard of 2015. I understand things are growing and getting bigger but it just seemed like quite a jump in a short amount of time that increased our engineering costs. The design factor is what caused the engineering cost increase. [LB609]

SENATOR FRIESEN: Are there any bridges out there that are considered structurally deficient just because of the new engineering factors or are they grandfathered in, in the way they were built? [LB609]

CASEY SHERLOCK: No. I believe all of them that are structurally deficient are so structurally deficient that they're not even close to even what previous design factors were. [LB609]

SENATOR FRIESEN: Okay. Thank you. [LB609]

SENATOR BRASCH: Senator Davis. [LB609]

SENATOR DAVIS: Do you have any idea how many--or as a percentage--of your bridges...or how many bridges, I guess, do you have? [LB609]

CASEY SHERLOCK: I have 185 bridges. [LB609]

SENATOR DAVIS: And how many of those are deficient? [LB609]

CASEY SHERLOCK: I believe I looked at my list the other day. Somewhere around 15 percent, I want to say, somewhere in there. [LB609]

SENATOR DAVIS: So 25 to 28, somewhere in there in that vicinity? [LB609]

CASEY SHERLOCK: Yeah, and I...when I started in 2005, my first front page article of The Grand Island Independent was me kneeling under a wood bridge in Hall County where the piling was rotted in two. And the title of the article was "Bad Bridges." And this has been my priority for the past ten years, to replace as many bridges as I possibly can because we have the availability of a bridge crew. And last year we replaced 15 smaller bridges that were around that

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20 foot and under with our own crews and with our own resources. But I think I've decreased that...I think I've replaced somewhere around 50 bridges in the ten years I've been at Hall County. [LB609]

SENATOR DAVIS: So with farm equipment getting bigger and we've got grain carts and all those things that go along, does that complicate the problem of overloading on bridges? [LB609]

CASEY SHERLOCK: It absolutely does. The only thing that really kind of saves us on some of these deficient bridges are the truss bridges that have the high bannisters, then they can't get that farm equipment across. So that helps keep that bridge from exploding, so to speak. [LB609]

SENATOR DAVIS: We always hear about trucks. And a truck will do like 5,000 cars because of the weight because of the damage or 10,000, whatever it is. [LB609]

CASEY SHERLOCK: Yes. [LB609]

SENATOR DAVIS: What about farm equipment on those bridges? [LB609]

CASEY SHERLOCK: It would have to be some sort of a similar ratio. [LB609]

SENATOR DAVIS: Has that ever been studied that you know? [LB609]

CASEY SHERLOCK: I believe that there was a study done. I want to say two or three years ago, we had a mile of asphalt road in Hall County that was destroyed by manure haulers. I don't know, some of you local might have remembered that article. But they felt that because they were using a flotation type tire on the back of their trucks that that would distribute the weight enough that it shouldn't impact it. But what you're still talking about is so many ton within a small square foot area. And ag equipment would be the same way, especially those grain carts. When you're putting a thousand bushel on two tires on a grain cart and going down a road that's...and I'm not 100 percent positive, but I'm almost sure that we've had bridges that have been damaged by grain carts when, mysteriously, the guy that finds it is the suspect, so to speak, takes the grain cart home and goes back there with his pickup and calls me. So I know that there's damage occurred because of that. [LB609]

SENATOR DAVIS: One last question, then. We've seen farms get bigger and people move out of the country. Do you end up closing certain bridges because they're not needed anymore or are we still trying to keep up bridges that don't have a lot of use? [LB609]

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CASEY SHERLOCK: I have recently in the past year removed a bridge that had not been used as much. And it seemed to be, because it being structurally deficient and functionally obsolete, the bridge inspection program was constantly after us about doing something different with that bridge, replacing it or signing it a certain way. So I finally just...it was a minimum-maintenance road. I removed the bridge and just put in a low water crossing because ag equipment can get across that just fine. But in our county, because we're over 60,000 people in Hall County, we have as many people moving out of town as we do moving in town. And it doesn't seem like our rural population is declining any. We're almost getting more of the rural resident type people in Hall County than farm people moving to town. [LB609]

SENATOR DAVIS: So is your zoning board able to keep up with that? And do they visit with you about the obligations that those (inaudible) take place? [LB609]

CASEY SHERLOCK: Yes, we do. [LB609]

SENATOR DAVIS: Thank you. [LB609]

SENATOR BRASCH: Any other questions from the committee? Mr. Sherlock, I do have one question. When Senator Davis was asking about equipment, the effect, is the age of the bridge and also any of the erosion problems following a storm, the banks...when I was on the interim study last summer we had noticed that some of the bridges would need to be longer bridges because of the embankments. Is that...how does that affect your county? Or is that a small percentage? What's the largest? [LB609]

CASEY SHERLOCK: We do have several bridges that...you probably heard the word "scour" in your study, that they consider scour critical. The lighter, easier moved soils, they tend to have bridges that are scour critical. When you have...in the old days, they tended to build bridges to what either fit the material they had in the yard or what was available to them or to the size of the banks of the river. And as rivers change and move and maybe they get wider, those bridges end up being pinch points. And a lot of counties years ago tried to save as much as they could and build a structure that would satisfy the needs of the time. But in hindsight they were also pinching down a river, causing higher velocities of water in that tight area and more erosion. So, yes, our bridge sizes are getting larger. And some of that is also driven by environmental reasons and the impacts to the vegetation within the riverbank itself. I know getting our permits approved through Corps of Engineers has been more difficult because of that. And we've had to lengthen bridges because of that. [LB609]

SENATOR BRASCH: Very good. I have no other questions. Thank you, Mr. Sherlock. [LB609]

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CASEY SHERLOCK: Thank you. [LB609]

SENATOR BRASCH: Any others opposing? Please move forward. If you do plan on testifying, try to move closer if you can. Welcome and please say and spell your name. [LB609]

STEVE RIEHLE: Thank you. My name is Steve Riehle, R-i-e-h-l-e, first name Steve, S-t-e-v-e. I thought it was appropriate that I follow Casey Sherlock--my boss, the county surveyor--as I'm the Hall County Engineer. We work together on all these bridge projects. And when he has a question regarding design, as he had mentioned earlier, he comes in and asks me. And so I do have some comments in regard to that. I'd like to start out by thanking Senator Smith and members of the Transportation and Telecommunications Committee. I appreciate your interest and your desire to take care of our county bridges. It's very important to me as a county engineer and it's something that, shortly after I started my career with the Department of Roads, really gathered an interest for me. I was amazed with a few things when I started with the Department of Roads, but the first one that hit me is the dollars that they spend on roads. You know, \$1 million for a mile of interstate back in those days and now it's \$2 million. It was amazing how much money you can spend taking care of a road or replacing a bridge. I started out with my career at the Department of Roads and I've worked at a number of different places, so it's not made me necessarily a jack of all trades and definitely not a master of all of them, but I've done a number of things: I've worked at the Department of Roads and built federal bridges on the county road system, so I understand the Federal-Aid Standard for a county road bridge; I've also built Department of Roads bridges whether it's on the interstate or on a state highway; I've been a heavy-highway contractor bidding projects, whether it's design-build or design-bid-build projects; I've been a consultant designing county bridges or municipal infrastructure projects; I've been a city engineer at the city of Grand Island; and a county engineer at the county. My biggest push at the county is our bridges, although we do have roads we have to take care of. I appreciate the committee's understanding of the impact of a bridge on the economy of a county. I experienced that when I was a youngster growing up on my uncle Ralph's farm in Sherman County. Uncle Ralph had the boys there working for him and they farmed in a number of locations. And many times when we would try to go to the farm and they'd say, oh, Rademacher's (phonetic) property that they routed from, we can't get there from here because you've got to go around because of the county bridge. And I even remember one year we got a road washed out in Sherman County and we couldn't get there. So I've seen that and I've experienced that. I've driven the ag equipment that they talk about. One of the questions somebody mentioned was how does the ag equipment affect a bridge compared to paving? I haven't seen anything on bridges but I have seen it on paving. Iowa had something they put together when they talked about some of their county roads that were concrete. And they used concrete for a reason, because it experiences catastrophic failure almost because it cracks and it doesn't have the ability to heal back up. But they had mentioned some of their county roads in Iowa that might have six-inch concrete paving and they said if you had a loaded grain cart go

across that, it could fracture or crack that concrete in as little as 10 trips with that grain cart. I think it's going to be a little different on a bridge, but it is going to impact a bridge. We talked a little bit about design with Casey and about how the standards impact counties. The Department of Roads is being approached by counties across the state of Nebraska to look at their design standards. The Board of Public Roads Classification Standards adopted standards for bridge for design that said we have to use the HL93 that Casey mentioned or its LRFD. The LRFD design method, the biggest difference between the old design method is it takes a higher count of the repeated stresses on a bridge. And if we've got a county bridge with 50 vehicles per day across that bridge, 10 of them might be trucks. It takes a long time before we get repeated stress fractures on that bridge compared to like an interstate bridge that has the interstate truck loadings. So we're working with the Department of Roads to try to reduce the impact and try to lower the price of our county bridges. One of them is through the design standard regarding the load rated or HL93 design. Ms. Dingman mentioned to you about the efficiencies of scale and the devil is in the detail. I've got just a little bit of detail I'd like to share with you that I came across when I first started at the county. The bridges I experienced when I was at the Department of Roads and the federal-aid bridges, it's a concrete slab bridge. It's 14 inches thick. It's usually...sometimes it's got steel girders or concrete girders and it's got a concrete bridge rail and usually guardrail on all four approach corners. And there's a reason for that. It's on a state highway. You've got higher speeds usually, you've got more traffic, you've got more trucks so they call for higher standards. On a lot of our bridges we'll build a bridge with a concrete deck slab, precast deck slab and we'll put steel guardrail up for the bridge rail instead of concrete railing. Both of them save us money. And the first project I looked at shortly after I started with the county is, we were saving between a fourth and a third of the cost of building our bridges that way. We're not carrying interstate traffic, I don't think we need to build an interstate bridge and we were saving a fourth to a third by doing it with a deck slab. It's something that we maintain, it's something we're used to maintain, we can maintain with our equipment. And we don't have to bring a contractor in to take care of that bridge if we need to do some repair work so that we don't have to post it or so that we can take care of damage that happened to it. [LB609]

SENATOR BRASCH: Mr. Riehle, you've reached the red light there. [LB609]

STEVE RIEHLE: So close it up then? Thank you. [LB609]

SENATOR BRASCH: Yes. [LB609]

SENATOR GARRETT: I'll ask him to continue his thought there. [LB609]

SENATOR BRASCH: Okay. Senator Garrett would like to ask you to continue. [LB609]

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STEVE RIEHLE: Thank you, Senator Garrett. The last thing I'd like to mention is bundling and mention that bundling many times can be faster. And I think the bundling depends on the size of your project. Sometimes even bundling a number of small projects doesn't always help you realize the cheaper cost. I do thank Senator Smith and the committee for spending attention on country bridges. I think it's very important. And I look forward to working with Senator Smith and members of the committee towards improvements to make the bill something that I can support as the county engineer for Hall County. [LB609]

SENATOR BRASCH: Very good. Are there questions? Yes, Senator Davis. [LB609]

SENATOR DAVIS: Thank you, Senator Brasch. And thank you for coming, sir. So I'm just a little bit confused. Are you saying that the new state regulations are requiring you to build your state style bridge on a county road? [LB609]

STEVE RIEHLE: No. The state regulation...there's federal standards and engineering standards that require you to size the bridge for length to fit the channel. If you've got a channel that's degraded and the stream channel has dropped because of degrading and the improvements in the area are channel straightening, then you need a longer bridge to get over that deeper channel. And that's based on engineering and hydrology and it's not a state standard. But the state standard for a federal-aid bridge or the state standard for a bridge has a concrete railing. And I believe that on a county system a steel bridge rail is very appropriate and I think it's just as safe for a county bridge. It's not as safe for a truck. I don't think they have a rail that was designed to carry that. But I think there's economies of scale that we have that we institute on the county level that that standard works I think good for county government. And I would suggest we not use the Department of Roads' standard of a concrete bridge railing. [LB609]

SENATOR DAVIS: Okay. Thank you. [LB609]

SENATOR BRASCH: Any other questions from the committee? Seeing there are none, thank you again, sir. Next opponent. [LB609]

GIL WIGINGTON: Good afternoon. My name is Gil Wigington, G-i-l W-i-g-i-n-g-t-o-n, I'm a Colfax County Commissioner from District 2 in Colfax County. I'm opposed to LB609. I won't go into a lot of the redundant information that we've had about the additional bureaucracy. But a couple of things I will address that I've heard on the board and their questions. I think Senator Murante had asked the question, how does Sarpy County taxpayers justify what's going to happen from his district? I would contend that under this bill they wouldn't be able to anyway. These are county bridges that Sarpy County people are going to end up paying for even at that case. So from that aspect of it, they will not have any more say than what they currently have.

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And while it is the money that's allocated at the state, it's still all our taxpayer dollars. And I would also say that about three years ago I would say consolidation of jobs does work. I found that to be very inaccurate. As we were looking at the 911 consolidations, Colfax County specifically looked at trying to go with our essential region. We tried to maybe partner with Platte County. We also tried to partner with Dodge-Fremont in our 911 communication center. Every time we looked at that it ended up costing more and we ended up having to finally go about it our own way. And that's not to say we don't package bridge projects in our local county. But what we do do is take in consideration what those packages are and we try to find the time of the year that we know that some of the smaller contractors are hungry. You won't get that with some of these larger contractors. And my concern is, as we go down the road a ways, you may see some cost savings in the first couple of years of this. But as some of these smaller contractors are driven out of business, who's to stop these larger contractors from starting to charge exorbitant numbers that you can't control then. It simply won't happen. We in Colfax County have been very proactive in putting in new bridges and trying to get our deficient bridges brought up to standards. It comes down to its funding source. From our levy dollars this year, we are putting in \$900,000 for this next summer for three additional medium-sized bridges over and above our One and Six Year. So it comes down to choice somewhat in the county itself, too. But to say that all counties haven't been able to control their dollars and that we've got so many deficient bridges because of the fact these counties are not doing their job, quite honestly, our source is the funding problem. As I've propose, what I would contend is that we could use LB633 and the dollars that are being allocated in that proposal of \$20 million and try to funnel it into our current federal funds program in the bridge program. And to give you some example, Colfax County...and we got a revised letter here in the last few days of \$93,000 but in the MBP portion of Colfax County on our prior letter it was \$79,198. Well, the MBP portion only receives \$2 million or \$2.5 million federal dollars annually. So at that point, that's why those dollar amounts coming back to the counties is so low. Now, if you took that \$20 million that's proposed from LB633 and did a share cost in amongst with the county--an equal share cost--you could turn...that same money in Colfax County would end up being around \$1.5 million. All you've got to do is multiply it by ten if you're going to put \$20 million into it. So quite honestly, the funds are there and they're all the same funds. If we're all worried about whose it is, we got a big problem. But to give you an idea of what the \$79,000 accounts for, we've got an approximately \$6 million road budget in Colfax County. We're not a large county, but \$79,000 from the FFPP program is not that much. We've also got a program for the state aid program. But there again, annually, between the county trust and the state trust fund, \$79,000 goes into that. To be honest with you, a mid-sized bridge typically is going to be around \$300,000, so you're going to be waiting a while on that. So that's why we are chasing on them, some of them that are using some of the sinking funds. And I really don't have any other comments other than I am opposed. I would also like to say, from the source of this I've heard it said that it's the counties themselves or some of the county officials that have had input on this bill. I'll be honest, none of the county officials that I've talked to had any knowledge or discussion on this. I was one of them that

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testified last fall to no additional bureaucracy. I'm not sure where this came out of other than from some lobbyists that felt that this was a good move. To be honest with you, the county officials need to be involved in this discussion more. [LB609]

SENATOR BRASCH: Very good. Thank you. Any questions from the committee? I do have one question for you. [LB609]

GIL WINGINGTON: Sure. [LB609]

SENATOR BRASCH: Are you an engineer? [LB609]

GIL WINGINGTON: No, I am not. I'm a realtor though. [LB609]

SENATOR BRASCH: Okay. I'm curious. Lancaster County has an engineer. Do you contract an engineer? [LB609]

GIL WINGINGTON: Yes, we do. [LB609]

SENATOR BRASCH: Do several counties contract an engineer? [LB609]

GIL WINGINGTON: Yes, they do. [LB609]

SENATOR BRASCH: Is it typically the same engineering firm or... [LB609]

GIL WINGINGTON: It can be. I think some...as you move out into different regions there's going to be different companies that probably work with those counties in different areas. We find that in Colfax County that it's cheaper to have that contract that is many years old and keeps us financially in a better situation. Now if you're renewing your contracts recently, we might see it a little differently and it'd be cheaper to be an in-house engineer. [LB609]

SENATOR BRASCH: Are you aware if your engineer works with any of the surrounding counties? [LB609]

GIL WINGINGTON: Yes, he does. [LB609]

SENATOR BRASCH: He does. So that's probably also a savings to have. [LB609]

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GIL WIGINGTON: Correct. And I'll say from the bundling aspect of things, even when we do pavement overlays or something like that, obviously, we want to see if our local counties around us are going to have some kind of pavement station set up because then it's going to become cheaper. We don't have to haul it, say, from Lincoln or from any other geographical location. So there are times that it works. But when you start to bundle it on a statewide process over only 11 people, I start to become very concerned about where...the criteria in Colfax County is going to be so much differently looked at compared to when you look at it at the 100,000 feet level of the state. [LB609]

SENATOR BRASCH: And does Colfax County have an in-house bridge builder? [LB609]

GIL WIGINGTON: Bridge crew? Yes, we've got a bridge crew. We try to do more of the box culverts because they do save us money. And then we run a lot of the sheet pile and everything else for some of our medium sizes. [LB609]

SENATOR BRASCH: And are they employees? [LB609]

GIL WIGINGTON: Yes, they're full-time county employees. [LB609]

SENATOR BRASCH: And when they're not building bridges, they're working... [LB609]

GIL WIGINGTON: Maintenance on bridges, signs. We have a total of 13 people in our roads department and we keep them very busy year round. [LB609]

SENATOR BRASCH: Very good. I have no other questions unless the committee does. Thank you, Mr...is it Wigington? [LB609]

GIL WIGINGTON: Yes. [LB609]

SENATOR BRASCH: Very good. Thank you. [LB609]

GIL WIGINGTON: Thank you very much. [LB609]

SENATOR BRASCH: Next opponent please come forward. Welcome. And say and spell your name, please. [LB609]

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PAT GUBBELS: Thank you. My name is Pat Gubbels, P-a-t G-u-b-b-e-l-s. I'm president of Theisen Construction, I'm one of these small bridge contractors. And I won't make the comment that I can compete with the gentleman from Hawkins because I'm sure I can't. But there is a niche where I fit, like 200 footers on down. I've built bridges for 30 years. I'm also a bridge inspector so I've seen many of these bridges throughout the state and I also inspect railroad bridges. I work with probably a large amount of the counties that are here. I've built bridges from each corner of the state in my 30 years. They're, like I said, anywhere from 200 on down to 30 footers. I have had the experience of working with many fine consultants in the state and these are the people that counties hire so all our bridges are built to specification. And we usually can build a triple-span 90 footer in probably 28 to 29 days complete. That's really all I have to say. I won't take any more of your time. Thank you. Any questions? [LB609]

SENATOR BRASCH: Are there any questions from the committee? Seeing there are none, thank you very much. [LB609]

PAT GUBBELS: Thank you. [LB609]

SENATOR BRASCH: And next opponent, please come forward and say and spell your name. [LB609]

STEVE MOFFITT: I'd like to thank the committee for allowing me the opportunity to testify. My name is Steve Moffitt, S-t-e-v-e M-o-f-f-i-t-t, I am a licensed professional engineer and a member of the American Council of Engineering Companies of Nebraska board of directors and I'm here to testify in opposition to LB609. ACEC Nebraska represents engineering firms located throughout the state of Nebraska and over 2,500 engineering professionals. As partners in delivering a safe and efficient transportation system in Nebraska we see firsthand the impacts associated with the lack of investment in our streets and highways. And we applaud the initiative being brought forward by Senator Smith to provide additional funding for surface transportation. County bridges are critical to the citizens of our state and there are too many bridges that need attention, some very critically. And though we are testifying in opposition today, we are very supportive of the senator's underlying concept of the bill's intent. However, we can't support the bill in its current form. We'd like to work with the senator and all interested parties to create a bill that will identify, prioritize, fund, and construct the much needed bridges for our state. Changes can be made to make LB609 a much more effective and efficient bill and we look forward to being a part of that process. We've been in contact with AGC and look forward to working with our colleagues on an amendment to this bill. We encourage the committee not to advance the bill to the floor and encourage interested parties to work together to fine-tune this concept. And that's all I've got to say and with that I'll answer any questions you may have. [LB609]

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SENATOR BRASCH: Thank you, Mr. Moffitt. Are there any questions from the committee? Seeing there are none, thank you. And next opponent, please. Welcome, Mr. Ross. Please say and spell your name. [LB609]

JOHN ROSS: John Ross, J-o-h-n R-o-s-s. Senator Brasch and committee members, thank you for letting me be here today to oppose this bill as it is written. I think it needs to be amended. I think we all need to work together to amend this bill and come up with something that will work. I would really like to thank Senator Smith for coming to Cuming County during the LR528 bridge study and realizing that we have a problem out here and that basically it is we need funding. Most of the points that I was going to go over have been brought up so I won't bring them up. But I do have one question. Does the state of Nebraska bundle for having bridges built on our state highways and interstates? [LB609]

SENATOR BRASCH: Mr. Ross, we appreciate your asking that question, but testifiers do not ask the committee questions. [LB609]

JOHN ROSS: Okay. That's a question I guess I have on my mind. And I'll restate it that way, as a question in my mind. [LB609]

SENATOR BRASCH: That is your question and that's your statement, so. [LB609]

JOHN ROSS: Does the state use this same type of proposal they have in this amendment to work on our interstates and our state highways? [LB609]

SENATOR BRASCH: Very good. [LB609]

JOHN ROSS: And I will close in saying I'm opposed to this bill as it is proposed. If it would be amended, I may change my position. [LB609]

SENATOR BRASCH: Very good. Appreciate your testimony. Are there any questions from the committee? Seeing there are none, we appreciate your coming forward today. [LB609]

JOHN ROSS: Thank you. [LB609]

SENATOR BRASCH: Next opponent. Anyone else in opposition? [LB609]

MARK MAINELLI: Mark Mainelli, M-a-r-k M-a-i-n-e-l-l-i. Like Ricky Bobby says, if you're not first you're last. I'm not going to go through everything you've already heard today but there's been several questions that have risen that I'd like to give you an opportunity to get an answer to. Mainelli Wagner is a civil engineering firm and we do a lot of work across the state of Nebraska, South Dakota, Iowa, Kansas, Missouri. And a lot of the people that have testified are people that we either work for or have worked for. One of the questions that was asked was, do you have an engineer in the county? And many counties will use multiple engineers. They like to keep us honest, they like to keep an eye on our costs, they like to keep the work flowing around. So I'm assuming that part of the question was a leading question and I'll stand corrected on the bundling standpoint. A lot of counties have been starting to bundle their projects. The smaller projects, the small bridge program that a lot of counties have instituted, the culverts, the headwalls, they're bundling four, five, ten of those either by materials if they put them in themselves or they'll contract them out in winner take all. Same thing with the box culverts. The box culvert is a concrete frame structure and to attract more contractors a lot of the counties are starting to bundle those together. And as we speak, there are several counties that are looking at bundling together. County attorneys are looking at it to see if there's any legal issues as far as bidding them winner take all under one package. And as of yet we haven't gotten an answer. So there's a lot of that going on. Colfax County Commissioner was up here. They're actually bundling three large bridges this year with the money that they set aside last year because they had some money savings in their budget. And there will be three fairly large bridges that will be bundled winner take all. Wayne County did some bonding a few years ago and they bundled several projects. They had one bundle of four large projects, 150, 140 footers. And then they bundled three projects together as winner take all and they're currently under construction and that was with bonded funds. Other counties that have done bonds and bundling is Otoe County, they've actually done two bonds for infrastructure. Wayne County I mentioned. York County did a large bonding several years ago and I believe Webster County did bonding and had quite a few box culverts under construction. So they're using the tools that are available. Of course, you've got to pay the piper once the project is over. And what happens is, is you start making the payments. You may accelerate your program, but then your program dies. And that's exactly what's happened in Missouri. They spent their money, now they've got...they're paying the debt service. And that's the problem. One of the things I'd like to point out, you've heard a lot today about the Federal Funds Purchase Program. In May of 2011 the Nebraska Department of Roads presented to the highway superintendents how the program would work. And in their presentation they concluded by saying, how would this program help my agency? Regular payments, so constant revenue source; local control; LPA managed funds; more ways to apply the money; develop projects locally is easier and quicker; less expensive, especially on small projects; no NDOR--Nebraska Department of Roads--or FHW oversight of NEPA documents in contracting; and minimal state oversight. And I see I'm getting close, so. This was the sell that the state agencies made to start distributing that money. And there's one paradigm that I even missed. I've been around since the mid-80s. The federal-aid system was a good program. A lot of bridges got replaced. The

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counties would apply to the Department of Roads. Department of Roads would handle those projects either in-house--that's where I started design--or they'd go out to consultants and they'd go build these through the Department of Roads. The problem that happened was, if a county board thought there was even a little opportunity that they thought they could get somebody else to pay for that bridge, they wouldn't do it themselves. So they put in project after project after project. And when the federal-aid system started to stymie, we just started to trip on ourselves because of new regulations. Because of Federal Highway or whatever reason you want, they did the federal-aid buyback. My fear was, is everything would come to a grinding halt and just the opposite happened. Counties sat down and they said, we need to plan. Which ones can be closed? And, yes, there's county roads being closed. What are the important farm to market? What are the emergency routes? We have an 11-point program that we go into counties with to help them prioritize those bridges based on ADT. Can somebody get out emergencywise? What's the ag value in that area? What's the width of the bridges? And post it. So county boards are looking at those and then they're starting to knock those off those bridge lists. So just the opposite happened what I thought would happen is, is they're taking responsibility. If we provide them with an upper opportunity to that...if they'd just wait another year, dang it, this is going to be there, this is going to be detrimental. You give them the funds and hold them accountable. Now, the senator had a question. Last... [LB609]

SENATOR BRASCH: Mr. Mainelli, your eye has been on that red light. [LB609]

MARK MAINELLI: I'm sorry. [LB609]

SENATOR BRASCH: Question from the committee? Very good. [LB609]

SENATOR SEILER: I'd like to hear the rest of his testimony. [LB609]

SENATOR BRASCH: That's what we need. Thank you. [LB609]

MARK MAINELLI: Thank you. And I'll be very brief. One of the questions was, is how does one county justify to its constituents if the money is going elsewhere? Well, I'll tell you how I'd do it is, when the money goes to a county have a cost share. And if you want a dollar of this state funds, you cost share that dollar. You have local input at that point. You don't want to cost share, you don't want to levy for the money, don't participate. If you want a dollar, then you've got to give 50 cents, 25. Your highway allocation is a match that already goes to the counties. If you put that match in there and they don't want to raise their mill levy to make the match, they're out. That takes care of the, how do we know it's getting used? And then restrict the fund to those uses like the federal funds buyback did. It's simple. And then review it in a year or two and say, you guys aren't building bridges, you're not moving. Then we go to somewhere else. [LB609]

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SENATOR BRASCH: Very good. Any other questions from the committee? [LB609]

MARK MAINELLI: You can ask me about the HS20 and state bridge design standards if you want a better explanation of that. [LB609]

SENATOR DAVIS: I've got one. [LB609]

SENATOR BRASCH: Okay, a question from Senator Davis. [LB609]

SENATOR DAVIS: Probably not a question for you, but I'm just going to lay it out there. We do have county inheritance tax funding that comes into most counties. Is that ever used for road projects? [LB609]

MARK MAINELLI: Yes, it is. Otoe County, I'll use it as an example, they have two very large projects that we're working on right now and that money will come out of inheritance tax. So those funds are utilized. They like to keep--and I'm speaking for county boards--but they like to keep a little buffer for emergencies, snow disasters, flood disasters, because we have to put that money out first. But when it gets to a certain point, they'll build infrastructure. [LB609]

SENATOR DAVIS: So it's being used responsibly and not just to lower property taxes? [LB609]

MARK MAINELLI: Absolutely. It's being diverted. [LB609]

SENATOR DAVIS: Thank you. [LB609]

SENATOR BRASCH: Any other questions from the committee? Seeing there are none, thank you, Mr. Mainelli. [LB609]

MARK MAINELLI: Thank you. [LB609]

SENATOR BRASCH: And are there any other opponents? Please come forward. There are empty seats up here if you would like to come forward. Anyone else? I see one on the end here or in the front row. And we can proceed. Welcome. [LB609]

HARVEY KEIM: Thank you for the opportunity to address the committee. I'm Harvey Keim, H-a-r-v-e-y K-e-i-m, I'm the Highway Superintendents' president this year. I'm also a highway superintendent for York County. I've talked to a lot of the highway superintendents from one end

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of the state to the other. All of them are opposed to this bill the way it is written. We are all in favor of getting more money. We need to get the money to the bridges to the roads. That's where we need it. We don't need it into other people's pockets. We need to get it down here where we can use it. We can take care of our bridges. That's all, we just need the funding. That's really all I had. [LB609]

SENATOR BRASCH: Very good. We didn't even need a light on that, so. Wait one moment. Yes, Senator Davis. [LB609]

SENATOR DAVIS: Thank you, Mr. Keim. So we've heard a lot about this issue from you, from your organization and the people. Were you included at all in the discussion when this bill was being formulated? [LB609]

HARVEY KEIM: Never heard anything about it until I went to the legislative committee at NACO. That was the first time that I read it and learned anything of it. [LB609]

SENATOR DAVIS: Thank you, sir. [LB609]

SENATOR BRASCH: Any other questions from the committee? Seeing there are none, thank you again for your testimony. [LB609]

HARVEY KEIM: Thank you. [LB609]

SENATOR BRASCH: The next opponent. Any others coming forward following this? Okay, very good. Welcome. And please say and spell your name. [LB609]

RYAN MANNING: Hello. My name is Ryan Manning, R-y-a-n M-a-n-n-i-n-g, I'm representing Midwest Underground, we're a small bridge contractor. And I'm going to echo some of the previous discussion. I have concerns that it will eliminate competition and possibly kill a lot of the small contractors. The second thing it does, is it does create another layer of government and I don't think we need that. I haven't heard anybody mention this. There is a statute out there right now, a previous statute, that does allow design-build. If that's the direction we want to go in, the problem with it is at the very end of it, there's a paragraph that excludes all road and bridge projects. So I urge you to review this statute, it's 13-2109. If you want to go down the design-build path it does give the local government the authority to choose whether they want to do it or not. So it's already in place. All you have to do is remove the last paragraph. Thank you. [LB609]

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SENATOR BRASCH: Thank you, Mr. Manning. Any questions? [LB609]

SENATOR SEILER: Excuse me. Could you repeat that number again? [LB609]

RYAN MANNING: Statute 13-2901. [LB609]

SENATOR SEILER: Thank you. [LB609]

RYAN MANNING: And it's the Political Subdivisions Construction Alternatives Act. [LB609]

SENATOR BRASCH: Any other questions from the committee? Mr. Manning, I do have one before you go. [LB609]

RYAN MANNING: Okay. [LB609]

SENATOR BRASCH: Maybe it's a little advertising for you. Are you a Nebraska-based independent contractor? [LB609]

RYAN MANNING: Yes. [LB609]

SENATOR BRASCH: And do you work for just one county? Or are you in demand? Do you have a waiting list? Do you bundle? [LB609]

RYAN MANNING: No. We do, we work for several different counties. We're located in Otoe County in Syracuse. So we do a lot of work in the southeast corner, Otoe County, Pawnee County, Johnson County, and we've got a project in Colfax County. It's small bridges and that's what we do. That's part of what we do. [LB609]

SENATOR BRASCH: And are you able to keep up? Or do you have like two years' worth of work on the table at this point? I'm curious if counties are... [LB609]

RYAN MANNING: No, we don't have two years' worth of work on the table, probably six months. [LB609]

SENATOR BRASCH: Six months. [LB609]

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RYAN MANNING: Yeah. So I just continue to bid the projects as they are let. [LB609]

SENATOR BRASCH: Very good. I have no other questions. Thank you. Any other questions from the committee? I see none. Next opponent, please come forward. Are there any other opponents following this testimony? If so, please move forward. Welcome. Please say and spell your name. [LB609]

STEVEN LADE: (Exhibit 4) Thank you. I'm Steve Lade, S-t-e-v-e L-a-d-e, I'm an Otoe County Commissioner. To start with, I'd like to thank Roger (sic) Smith for bringing this bill up so we can work on it because as you're hearing, we have a lot of problems that we need to get solved to get these bridges fixed. Just give you an example: In Otoe County we have 319 bridges. And out of that 319 we have 54 that are in good to excellent condition, thank you to the 2000 (inaudible) FEMA in the state of Nebraska, took out many, many of our bridges in Otoe County. And then that leaves us 265 bridges which 18 are closed, 23 are on the fractured-critical, and 118 are in the scour critical. So that comes out to be that we have 83 percent of our bridges are going to need work. We are really having a lot of problems. And this started from the 2010 flood, that it damaged them but not enough to get them repaired. And now it's showing up after five years that we need all these repairs. So I would like to see that we could work with some of the departments on these roads and bridges because we're looking at refixing them now. But what's going to happen down the road if we get more flooding? It's going to start more erosion. I think we need to get somebody to work with the NRD and get some more ponds in because this helps on the construction of a bridge. It can reduce it because of the water being held. And we also need to get the Corps of Engineers involved when we do some of these bridges because the thing we're having now is so much erosion. We have to make them so much bigger and then we have to prevent for erosion. And what's done a lot of this is that the tubes are put in flat. And on the bottom end they just start washing out...erosion more. And our engineer does an excellent job for us and we do what we call ProPack and put them down and this helps stop it. But we need to get the money from those two other organizations or assistance from them so we can maintain all these bridges we've put in. And out of these 265 bridges, 106 of them are less than ten ton. And I'd have to say, I'm sitting here thinking, I can't think of any wooden bridge that's a two-lane bridge. And that's probably what most of these bridges are. And when we do repairs on the critical part or the scouring, we're putting back a one-lane bridge because we don't have the funding to put in a box culvert or something, which we like to do to prevent this. So we've got to find some way to get some funding for the counties. And I think Mark...Mr. Mainelli had a good idea with how to do some of the funding. But it can't be, to me, through property taxes because we're killing the property tax. And I think if people would have a gas tax, like you've been working on, that these funds get sent to the county. So just to sum that up, that's what I have to say. If you have any questions... [LB609]

SENATOR BRASCH: Very good, Mr. Lade. [LB609]

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STEVEN LADE: Thank you. [LB609]

SENATOR BRASCH: Are there any questions? Yes, Senator Davis. [LB609]

SENATOR DAVIS: So we had testimony earlier about state funding based I guess on critical needs. Is that the way it's done? [LB609]

STEVEN LADE: Right. [LB609]

SENATOR DAVIS: So it sounds to me like you have a fairly dire situation in your county. Therefore, do you get more funds? [LB609]

STEVEN LADE: We have not. I think the gas this year...well, used to have...as you know, used to have the old program where you'd get a bridge project or shovel-ready and you'd wait on a list and you got it. And that's how you got your main bridges. And we had several on there. But to fund it now, we just...I think our gas tax that we get that .25 percent is like \$180,000 and you might get one 12-foot box culvert for that. And that's something we like to put in, is the box culverts. In fact, one of the projects Mr. Mainelli was talking about, we're looking at three 16s, probably...possibly four 16s compared to the cost of 150-foot bridge for this particular one. That's the one of the bridges that the committee went and looked at in Otoe County after that happened out there. [LB609]

SENATOR DAVIS: And where is your property tax levy in Otoe County? [LB609]

STEVEN LADE: I've got it here, .308 is what we get for the roads department and general operation of the county. [LB609]

SENATOR DAVIS: And your overall levy? Are you at 50? [LB609]

STEVEN LADE: Excuse me, sir? [LB609]

SENATOR DAVIS: Are you at the levy limit, basically? I mean, this is... [LB609]

STEVEN LADE: No, we're not to it yet. We're trying to...in the last five years or six years I've been a commissioner we have not raised the mill levy. We dropped it twice and that's just because of the property valuations went up. So we're trying to keep it down as much as we can.

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But even raising it to the max--which I'm not positive with--is four something, I believe, but we'd never catch up with the bridges. And like I say, the property tax, people are just... [LB609]

SENATOR DAVIS: Oh, I get that. I just was curious. Thank you. [LB609]

STEVEN LADE: You're welcome. [LB609]

SENATOR BRASCH: Any other questions? Seeing none, thank you, Mr. Lade. [LB609]

STEVE LADE: Thank you for your time. [LB609]

SENATOR BRASCH: Any other opponents? Opponent. Okay, please come forward. Welcome, and please say and spell your name. [LB609]

DAWN MILLER: Dawn Miller, D-a-w-n M-i-l-l-e-r, I'm from Adams County Highway Department. I am the superintendent. And I would just like to state some facts. Back when the Department of Roads created the Responsible Charge program, we as highway superintendents in charge for our county system and the federal-aid program, we became well trained in planning and organizing and overseeing projects. And we have benefited from that. We are given a dollar amount to use, we are reviewed with our board of supervisors for discretionary funds to be able to put them toward the construction of both roads and bridges. Adams County has right at 195 state-sized bridges and another 200, 250 small bridges. We have an additional 150 miles of asphalt roads. We have used the bonding system for asphalt roads and new construction. So as far as, will we plan, will we utilize the funds sufficiently and effectively? Yes, we will. Any questions? [LB609]

SENATOR BRASCH: Any questions from the committee? Seeing there are none, thank you for your testimony today. And any other opponent? Seeing there are none, is there anyone here to testify in the neutral capacity? Please come forward. [LB609]

JOSH MOENNING: Just when you thought you were done. [LB609]

SENATOR BRASCH: Welcome, Mr. Moenning. And please say and spell your name. [LB609]

JOSH MOENNING: (Exhibit 5) Good afternoon, Senator Brasch, members of the committee. My name is Josh Moenning, I am executive director of the group, 4 Lanes 4 Nebraska. 4 Lanes 4 Nebraska is a trade association promoting the modernization of Nebraska's transportation

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infrastructure. Our board consists of business and industry leaders in northeast Nebraska along the Highway 275 corridor. I'd like to begin by thanking Senators Jim Smith and Kathy Campbell for sponsoring LB609 and LB626 and recognizing the critical need for additional transportation improvements and funding across our state. It is clear that our transportation needs, whether they are replacing or repairing aging bridges or improving and expanding inefficient roadways, outweigh our existing resources. While our group has not to date endorsed any specific policy approach to new construction and funding, we believe all reasonable options must be on the table as part of a larger discussion about how we create and maintain viable transportation systems that facilitate new growth across our state. To that end, 4 Lanes 4 Nebraska has a particular interest in reviving and completing our state's expressway system. An expressway system enacted in 1988 was Nebraska's last big picture roads plan. It was designed to connect major Nebraska communities to the interstate system with four-lane highways. The policy today is nearly 30 years old and is nearly five-sixths complete. Nearly 500 of the plan's original 600 miles have been finished. Of the 100 miles that remain, Highway 275 is about half of what's left undone. Our case is simple. It's time to finish the job. A bold, forward looking, and progressive plan at its time, the expressway system has brought great benefit to communities across our state where it's been finalized in rural and urban areas alike. Yet the work isn't complete and the resources necessary to bring 21st century infrastructure to all areas of our state do not exist within our current framework for roads funding. We want to partner with you to change this. 4 Lanes 4 Nebraska is a private sector driven organization eager to explore creative partnerships. We are currently commissioning an economic impact study of economic development, public safety, and quality of life benefits of completing the expressway system's last big project, Highway 275. This study will also explore alternative transportation funding strategies, outlining innovate examples from other states, including the use of public-private partnerships. We want to be creative, we want to be constructive, and we want to find solutions. In the weeks and months ahead we look forward to working with you to explore all strategies in terms of new transportation funding. Again, we believe all options should be on the table, including user fees, bonding, public-private partnerships, vehicle fees, and others. And the discussion guided by a long-term view of sustainable growth across our state. Growing Nebraska and bridging the gap between our urban and rural areas means embracing 21st century infrastructure. Let's finish the plan we started and chart a new course for the future for the benefit of generations of Nebraskans to come. Thank you. [LB609]

SENATOR BRASCH: Very good. Any questions from the committee? Seeing there are none, thank you, Mr. Moenning. Next neutral testifier. Are there any others that plan to testify neutral today? If so, please come forward. [LB609]

DAN THIELE: Senator Brasch, members of the committee, my name is Dan Thiele, D-a-n T-h-i-e-l-e, I'm the president of the Professional Engineers Coalition. We are comprised of the Nebraska Society of Professional Engineers, the American Society of Civil Engineers, the

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Professional Surveyors Association of Nebraska, the Structural Engineers Association of Nebraska, and an associate member of the American Society of Mechanical Engineers. We see a lot of good in this bill as well as some of the issues you've heard. We are testifying in a neutral capacity. We do support a process that would prioritize the replacement of county bridges across the state and provide funding consistent with that prioritization. We also support mechanisms to stretch these repair dollars further. Many of our members of the constituent organizations, however, do have some concerns. You've heard most of those today. Primary among those is the impact on smaller contracting firms and on smaller engineering firms that do a lot of bridge projects for the county engineers. At the end of the day, the bottom line problem is that we have insufficient funding. You're all working very hard to find greater funding and we applaud that. We would ask to be part of the continued dialogue on the secondary issues of the mechanisms on how we go about replacing these bridges. Thank you. [LB609]

SENATOR BRASCH: (Exhibits 6, 7, 8) Very good. Thank you, Mr. Thiele. Any questions from the committee? Seeing there are none, are there any other neutral testifiers? As Chairman Smith comes forward to close I would like to read into record there are letters of opposition from the Madison County Board of Commissioners, Clarence Tichota on behalf of the Cuming County Board of Supervisors, and the York County Board of Commissioners. Thank you, Chairman Smith. [LB609]

SENATOR SMITH: Thank you, Senator Brasch, and thank you, committee members. I do appreciate very much those that came and testified on this bill, those that came in support, those that came in in opposition, those that came in in neutral. I think they all provide a great perspective. And I really do appreciate the respectful opposition. I don't think I've ever been opposed with so many thank-yous before, but I am grateful. You know, the folks that came in opposition from our counties, they're leaders in their communities and they're the ones that know firsthand the conditions of those roads in our rural communities. And I think we have a common focus. Those that came in opposition and in support and in neutral, we have a common focus that we recognize that our infrastructure is critical to the economy of our state and the well-being of our families and our communities. And we do have that common focus. Now we may have a difference of opinion at times as to how we're going to fund it and the means by which we're going to maintain efficiencies in our spending. But we do have the common focus that something needs to be done. We need to have a bias towards action in the very near future, this year and next year. We have seen and heard about the conditions of our rural bridges. And it's critical and we need to address it and sooner rather than later. I do believe that spending efficiencies and prioritization mechanisms are important and we need to address those. But I do believe that this is a bill that needs to be carried over to have further discussion to have all input. It is going to be an approach that is going to require the private sector and the public sector to work together to find the...not only the funding, but also how we address the construction needs. I do appreciate everyone's input. And as I mentioned before, I am very interested in seeing that amendment. But

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I do plan to ask the committee to hold this over to have an interim discussion on it and to come back next year with something more substantial. And it may...I'm not going to rule out that it's not going to have some design-build component to it. I think there are some advantages in there. But we do have to realize how do we go about protecting our small businesses and maintaining local control. So with that, I will conclude my testimony and any remaining questions, happy to answer. [LB609]

SENATOR BRASCH: Any questions from the committee? Seeing there are none, thank you, Chairman Smith. And that will conclude the public hearing on LB609. Thank you very much. [LB609]

SENATOR SMITH: Okay. We're going to proceed with our next hearing, so I'm going to...if there's any side discussions, if you could move those outside the room. And I'd like to invite Senator Campbell to open on LB626. [LB626]

SENATOR CAMPBELL: Thank you. Chairman Smith and members of the Transportation and Telecommunications Committee. I am Kathy Campbell, K-a-t-h-y C-a-m-p-b-e-l-l, the senator from District 25. And I'm here to introduce LB626 to create the Nebraska Bridge Infrastructure Bank Fund. As you read this bill it appears to be incomplete, with lots of Xs noted before the fees and taxes listed in the bill. Well, it is, and it's meant to be that way. Let me provide some history so you can all just kind of relax because I thought the history would be helpful to tell you how I got to LB626. I spent the first four years in the Legislature as a member of this committee, with a background of serving 16 years on the Lancaster County board. And roads and bridges were a large part of our county budget and, obviously, constituent concerns. I might say I had the most phone calls on roads of any topic when I was on the county board. This experience led me to a philosophy that building roads for Nebraska's future requires not only long-term planning but I believe long-term financing. To that end, I looked for funding sources and a structure to complete the expressway system, particularly as it relates to the Lincoln South Beltway. This will tell you how long ago this was. Senator Tim Gay and I spent a summer researching and exploring options, essentially looking at all the fees and taxes that are outlined in LB626. The idea was to cobble together enough of the increase in these taxes and fees to build a fund of close to \$50 million or more and then bond that money. We introduced LB982 in 2010, the Build Nebraska Act, to set up a state infrastructure bank using, at that point, a segment of the federal funds that a lot of other states had used to set up such a bank. And we chose that rather than to increase the fees and taxes. Our plan was set aside following the introduction of LB84 in 2011, Senator Fischer's bill, which utilized a quarter cent of the sales tax to accomplish completion of the expressway system. I also introduced that year, LB504, which increased the gas tax by 10 cents as a contrast bill to LB84 in case we needed it as the 10 cents would generate about what we'd need over time for the same amount as LB84. Senator Fischer and the Transportation and Telecommunications Committee stayed with LB84 and never returned or needed LB504. In

2011, from the initial work of Gay and Campbell, I introduced LB327, fondly known among my staff as the Harry Honda bill. Now you say, why would it be known as that? Because I was driving a 1994 Honda and would still be driving that 1994 Honda but it was a two door and I couldn't fit a car seat for my grandson. What we do for our grandchildren, right? So that bill established a \$10 fee for a vehicle over 14 years and longer. The motor vehicle tax stops at 14 years and goes to zero. And my thought was that something should continue to be paid. In 2010, there were 726,000 vehicles over 14 years, which in one year would have generated \$7.26 million to go to the Highway Trust Fund which would have helped the state, cities, and counties. But the Transportation Committee decided to put its sole emphasis on LB84 and we never came back to that idea. I put the bill that is before you this year to illustrate what could be looked at to establish a fund for bridges. I do want you to know that's what it was meant to do. I don't intend to ask you to do anything with it, but it was meant to illustrate what could be done. And really, I certainly want you all to know that I support Senator Smith's bill as a strong plan for planning and financing bridge repair. But if you reach a point in which more funds need to be infused to the Highway Trust Fund or the Bridge Fund, please consider the list in LB626. The end of my story. And truly, I do not intend to do anything with the bill. And Senator Smith and I have had a chance to talk about it. A number of the fees and taxes, as Senator Gay and I did the research, have not been increased or looked at for years. And so I thought it was one mechanism that you might look at for your Bridge Fund. And that concludes my opening. Thank you, Senator. [LB626]

SENATOR SMITH: Thank you, Senator Campbell, for coming and introducing LB626 for us. Now I think the Xs are an ingenious way to get around that fiscal note. But no, I do appreciate your thoughts on this and your interest in making certain that our infrastructure is taken care of. Appreciate you bringing the bill forward. Do we have any questions from the committee? Seeing none, are you going to remain for closing? [LB626]

SENATOR CAMPBELL: Unfortunately, I cannot. We're getting ready to go into Executive Session for Banking and I promised Senator Scheer that I would come back. So I much appreciate your listening to my story. And I watch, with great fondness, what this committee does, having spent four years here. So thank you. [LB626]

SENATOR SMITH: Thank you for your background. [LB626]

SENATOR CAMPBELL: Thank you. [LB626]

SENATOR SMITH: We now move to proponents, those wishing to testify in support of LB626. Welcome. [LB626]

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STEVE MOFFITT: Thank you. I'd like to thank the committee and Senator Smith for allowing me to testify. My name is Steve Moffitt, S-t-e-v-e M-o-f-f-i-t-t, and I'm a licensed professional engineer and a member of the American Council of Engineering Companies of Nebraska board of directors. I'm here to testify in support of LB626. ACEC Nebraska represents engineering firms located throughout the state, over 2,500 engineering professionals. As partners in delivering safe and efficient transportation systems in Nebraska, we see firsthand the impact associated with the lack of investment in our streets and highways and applaud the initiative brought forward by Senator Campbell to provide additional funding for surface transportation. All vehicles impact the condition of the roads on which they drive, no matter what their age. Older vehicles are no lighter and create no less wear and tear on our streets, highways, and interstates. Miles driven determine wear and tear on roads, not the age of the vehicle. Yet currently, vehicles over 14 years old are exempt from motor vehicle taxes. We support Senator Campbell's bill to expand the motor vehicle tax to apply to vehicles in the age category of 14 and over with the proceeds to be credited to the Nebraska Bridge Infrastructure Bank Fund in support of repairing and replacing deficient county bridges throughout the state. Our transportation funding shortfall will not be solved by only one measure, but requires a comprehensive approach with innovative ideas to create a long-term, sustainable program for transportation funding. This bill is one of those approaches and we encourage the committee to send this bill to the floor. Thank you and I'll be happy to answer any questions you might have. [LB626]

SENATOR SMITH: Thank you, Mr. Moffitt. Do we have questions from the committee? Seeing none, thank you. [LB626]

STEVE MOFFITT: Thank you. [LB626]

SENATOR SMITH: Next proponent, supporter of LB626. Welcome. [LB626]

DAN THIELE: Chairman Smith and members of the committee, my name is Dan Thiele, D-a-n T-h-i-e-l-e. I represent the Professional Engineers Coalition, appearing today in support of LB626. Transportation infrastructure is significantly underfunded in Nebraska as well as many of our neighboring states. And we all need to develop new funding mechanisms for the 21st century. One of our critical needs is replacement of aging and deteriorating bridges on both primary and secondary routes, as we've heard over and over today. Nebraskans depend on these bridges and they're important to the economic vitality of the state. The Professional Engineers Coalition supports funding mechanisms, such as LB626, that would provide additional funding for our transportation infrastructure. Thank you. [LB626]

SENATOR SMITH: Thank you for the testimony. Do we have questions for Mr. Thiele? Seeing none, thank you. Welcome. [LB626]

KATIE WILSON: (Exhibits 1, 2, 3) Good afternoon, Senator Smith and members of the Transportation and Telecommunications Committee. The pages that have just been passed out, the first one is written testimony from our national office from Brian Deery, who brings a federal perspective in the funding for everything in Nebraska related to infrastructure. And I'm not going to go in on it because it's difficult to understand. The second thing is the current... [LB626]

SENATOR SMITH: Let me interrupt you for just a moment. State your name and spell it for us. [LB626]

KATIE WILSON: I'm sorry, I'm sorry. My name is Katie Wilson, K-a-t-i-e W-i-l-s-o-n. I represent the Nebraska Chapter of the Associated General Contractors of America and I represent those highway contractors who would definitely be interested in bidding and constructing all county bridges. Going back, number two is the current motor vehicle taxes and fees. And the third item is just I brought along a vehicle registration receipt just so if anybody has any questions you can kind of look as long as I talk. Anyway, I'm here today in support of LB626. On Friday I testified in front of the Revenue Committee in support of LB610, Senator Smith's gas tax user fee bill because it's the most responsible, viable solution to funding the increased needs of our roads and bridges. Highway users benefit from the improvements through user fees or taxes generated. Regardless of the mechanism put in place to deal with the county bridge problem, you do need it funded. The Build Nebraska Act went into effect July of 2013, which allocates nearly \$10 million to counties and cities annually over a 20-year period. While the act is doing good things, it's not enough to take care of the maintenance. Funding for Nebraska's roads is not adequate to meet the needs. According to the Department of Road's 2014 State Highway Needs Assessment Report, the total needs for the next 20 years are \$10.2 billion in today's dollars. And this is just for the state system. Counties and cities are falling even further behind. The revenues generated today won't get it done. For fiscal year 2014, the Department of Roads' revenues were \$421 million. At this rate, we will never meet the needs of the \$10.2 billion in 20 years. I commend Senator Campbell for submitting this bill. We need to help the counties fix their deteriorating roads and bridges. There are insufficient revenues being generated from the user fees to meet the transportation needs of the state, while construction costs are increasing. Repairing our deteriorating bridges does fall to the bottom of the needs list to complete. LB626 opens up all the sections on motor vehicle registration fees and taxes. In order to have funding for the Bridge Repair Act, there are numerous fees that could be addressed to assist with the problem. And here are three examples. The first one, cars age out of the motor vehicle tax when they reach 14 years of age or more. Those cars paid no tax. In 2011, there were over 726,000 vehicles in that category. If a fee of \$10 was charged on each of those vehicles. That's \$7.2 million which could be raised for the Bridge Repair Act. The second example is the vehicle registration fee has not been raised since 1969. If the registration would be raised \$5 annually, an additional \$14.6 million would be raised. If the registration on heavy vehicles were to be increased by a third of the fee, approximately \$6.6 million would be raised. These three

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fees could generate a total of \$28.4 million for the Bridge Repair Act. Based on the committee's rural bridge study which was addressed last fall, we need, at a minimum, \$50 million annually to fix the problem. These options would make substantial headway in addressing the problem. So regardless how the county bridges get designed and constructed, the funding needs to be put in place and LB626 gets that done. This concludes my testimony and I'll try to answer anything. [LB626]

SENATOR SMITH: Thank you, Ms. Wilson. Questions from the committee? In one of your last statements in your testimony there, you mentioned \$50 million. That is what's identified as being needed to accomplish what? [LB626]

KATIE WILSON: For the...out of the bridge study...out of here. [LB626]

SENATOR SMITH: Out of the bridge study. [LB626]

KATIE WILSON: And it was, like, \$50 million approximately on an annual basis over, you know, it was like \$1.2 billion or something. So that's where that came from. [LB609]

SENATOR SMITH: All right. Very good. Thank you. [LB609]

KATIE WILSON: Thank you. [LB609]

SENATOR SMITH: Next proponent of LB626. [LB609]

LARRY DIX: Senator Smith, members of the Transportation and Telecommunications, my name is Larry Dix, L-a-r-r-y D-i-x, I'm executive director of Nebraska Association of County Officials, appearing today in support of LB626. It was interesting, as Senator Campbell was giving us the history, I remember testifying in those days on those bills the same position that I'm testifying today on this bill. We support this concept. One of the things that in this bill...and for years we have talked about the oldest of vehicles, those that are 13 years and older. And I know that when we look at those and even when we talk to our friends in agriculture, there's a number of those vehicles that are on those farms that are 13 years and older. And I look at them that are going down the county roads that are going across the county bridges. And I'm not here to pick on agriculture by any means, but we're entering an era where cars simply are driven longer. We drive those for more and more years. And I currently have one of those vehicles that I pay no tax on. But that vehicle does the same amount of damage to the roads and bridges as a newer car. And so we think there's some logic in that when that car gets to that age. And that isn't a significant amount of taxes on there but it is something that there is a segment that isn't paying.

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Keep in mind, that motor vehicle tax isn't just counties. That is a tax and it's distributed among schools, cities, and counties. So a lot of times I know we think of when we're paying for our car registration that it's all going to cities and counties. But the tax component does go to the schools, in addition to cities and counties. So I think this bill as a shell bill, it's there, it's for good purpose. There are some things that we could take out of it that would help build the Bridge Infrastructure Bank. And it may take a combination of a number of bills to build that infrastructure bank so that we spread the cost amongst a number of folks within the state of Nebraska. So with that, I'll be happy to answer any questions anybody has. [LB626]

SENATOR SMITH: Thank you, Mr. Dix. Do we have questions? I see none. Thank you. Next proponent of LB626. Proponent. Seeing none, our opponents. Anyone wishing to testify in opposition to LB626? Seeing none, those wishing to testify in a neutral capacity to LB626. Welcome. [LB626]

GARY KRUMLAND: Senator Smith, members of the committee, my name is Gary Krumland, it's G-a-r-y K-r-u-m-l-a-n-d, representing the League of Nebraska Municipalities. We do support efforts to find additional resources to fund county bridges and roads, state highways, and city streets. And we've supported Senator Campbell's bills, we've support LB610, and we do support that. There's just two provisions in here that, depending on how you interpret them and how you fill in the Xs, might have a negative effect on something. So that's why we're neutral here. Just to point those out and as we go forward and look at this I just wanted to bring this forward just so we can consider that as we're going forward. The motor vehicle tax and the motor vehicle fee: The motor vehicle tax, as Mr. Dix mentioned, right now is distributed to cities, counties, and schools. The motor vehicle fee is distributed to counties and to cities. And those are fees and taxes that replaced the property tax on motor vehicles a few years ago. The bill provides that a certain percentage of those will go to the bridge fund. And depending on what other revenue comes into it, it may have the effect of actually decreasing the amount that may go to the cities for streets. And that would be the concern. It's just more of a factor of the fact that there's Xs and we don't know how it goes. But as we go forward, I guess that's the issue that we would just like to make the committee aware of. [LB626]

SENATOR SMITH: Thank you, Mr. Krumland. Questions from the committee? I see none. Thank you. The next person in the neutral capacity. Welcome. [LB626]

JOSH MOENNING: Thank you. Senator Smith, members of the committee, thank you for your time and patience this afternoon. My name is Josh Moenning, M-o-e-n-n-i-n-g, executive director of the group 4 Lanes 4 Nebraska. In the interest of time, I would ask that my previous testimony on LB609 stand as testimony on LB626, just reiterating our group's support for identifying new funding sources to complete our state's expressway system. Thank you. [LB626]

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SENATOR SMITH: Very good. Thank you for continuing that into the testimony. Any further questions from the committee? I see none. Thank you. Next person in the neutral capacity. I see none. And Senator Campbell waived closing. So that concludes our hearing on LB626 and our hearings for the day. Thank you. [LB626]