

Governor Brian Sandoval
Chairman

James R. Wells, CPA
Clerk of the Board



Attorney General Adam Paul Laxalt
Member

Secretary of State Barbara K. Cegavske
Member

STATE OF NEVADA BOARD OF EXAMINERS

209 E. Musser Street, Room 200 / Carson City, NV 89701-4298
Phone: (775) 684-0222 / Fax: (775) 684-0260
<http://budget.nv.gov/Meetings>

PUBLIC MEETING NOTICE AND AGENDA

Date and Time: April 10, 2018, 10:00 AM

Location: Old Assembly Chambers of the Capitol Building
101 N. Carson Street
Carson City, Nevada 89701

Video Conference Location: Grant Sawyer Building
555 E. Washington Avenue, Ste. 5100
Las Vegas, Nevada 89101

MEMBERS PRESENT:

Governor Brian Sandoval
Attorney General Adam Paul Laxalt – Present in Las Vegas
Secretary of State Barbara Cegavske – Present in Las Vegas
James Wells, Clerk

OTHERS PRESENT:

Kasey KC, Administrator, Division of Forestry
Roger Rahming, Deputy Superintendent, Department of Education
Christy McGill, Department of Office Safety and Respectful Learning
Steve Fisher, Administrator, Department of Welfare and Supportive Services
Nova Murray, Deputy Division Administrator,
Department of Welfare and Supportive Services
Julie Butler, Deputy Administrator, Department of Public Safety, General Services
Patrick Cates, Director, Department of Administration
Chris Chimits, Interim Administrator, State Public Works

MINUTES

1. Call to Order / Roll Call

Governor: I will call the Board of Examiners Meeting to order. Mr. Attorney General, I understand you are participating telephonically; can you hear us loud and clear?

Attorney General: Yes, Governor, thank you. I will be there in person in about 15-minutes as well.

2. Public Comment (No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically included on an agenda as an action item)

Governor: Agenda item number 2 is Public Comment. Is there any member of the public present in Carson City that would like to provide public comment to the Board? I hear and see none. Is there anyone present in Las Vegas that would like to provide public comment to the Board?

Speaker: No, Governor.

3. Approval of the March 13, 2018 Minutes (For possible action)

Governor: All right, we will move to agenda item number 3, approval of the March 13, 2018 minutes. Have the Members had an opportunity to review the minutes and are there any changes?

Secretary of State: No changes, Governor. Move for approval.

Governor: Thank you Madam Secretary. The Secretary of State has moved to approve the March 13, 2018 minutes. Is there a second?

Attorney General: I second.

Governor: Attorney General has seconded the motion. Any questions or discussion on the motion? I hear none. That motion passes 3-0.

4. Request to Purchase State Vehicles (For possible action)

Pursuant to NRS 334.010, no automobile may be purchased by any department, office, bureau, officer or employee of the state without prior written consent of the State Board of Examiners.

AGENCY NAME	# OF VEHICLES	NOT EXCEED: TO
Department of Administration, Enterprise Information Technology Services	2	\$68,451
Department Of Public Safety – Division of Emergency Management	1	\$26,815
Total	3	\$95,266

Governor: We will move to agenda item number 4, Request to Purchase State Vehicles. Good morning, Mr. Wells.

Clerk: Good morning Governor and Members of the Board. There are two requests for three vehicles in this agenda item this morning.

The first request is from the Department of Administration, Enterprise IT Services Division to purchase two new vehicles for use in performing remote mountaintop microwave maintenance and repairs.

The second request is from the Department of Public Safety, Division of Emergency Management to purchase one replacement vehicle that has met the age and/or mileage requirements in State Administrative Manual.

Both of these requests were included in the agency’s legislatively approved budgets. There are representatives available to answer any questions that the Members may have.

Governor: Thank you Mr. Wells. I have no questions. Board Members, any questions on agenda item number 4?

Secretary of State: No questions, Governor.

Governor: Is there a motion to approve?

Secretary of State: Motion to approve.

Governor: Secretary of State has moved to approve the request to purchase state vehicles as represented in agenda item number 4

Attorney General: I second.

Governor: Seconded by the Attorney General. Any questions or discussion on the motion? I hear none. That motion passes 3-0.

5. Authorization to Contract With a Current and/or Former State Employee (For possible action)

- A. Department of Transportation** – Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with a former employee, Mike Pendergraft. CA Group, Inc. is proposing to engage Mr. Pendergraft to fill an Inspector Level III position in the augmentation of NDOT Construction Crew 905 in District II for the I-80 and US-395 projects. This will be a full-time contracted position working forty hours per week from April 2018 to October 2019.
- B. Department of Transportation** – Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with a former employee, Greg Price. CA Group, Inc. is proposing to engage Mr. Price to fill an Inspector Level IV position in the augmentation of NDOT Construction Crew 905 in District II for the I-80 and US-395 projects. This will be a full-time contracted position working forty hours per week from April 2018 to October 2019.
- C. Department of Transportation** – Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with a former employee, Steve Smith. CA Group, Inc. is proposing to engage Mr. Smith to fill an Inspector Level IV position in the augmentation of NDOT Construction Crew 905 in District II for the I-80 and US-395 projects. This will be a full-time contracted position working forty hours per week from April 2018 to October 2019.

Governor: We will move to agenda item number 5, Authorization to Contract with a Current and/or Former State Employee. Mr. Wells.

Clerk: Thank you Governor. Item 5 includes three requests from the Department of Transportation to contract with current and/or former employees pursuant to NRS 333.705 Subsection 1. The three requests will allow a contracted vendor, the CA Group, Inc. to use former employees on projects awarded to that vendor.

The first request is for an inspector level 3 position to augment construction crews in District 2. This employee retired in March of 2017. The second and third requests are for inspector level 4 positions to augment construction crews in District 2. The second employee retired in January 2017 and the third in December of 2016.

These former employees did not have any influence or authority over the contracts with the vendor. There are representatives from the Department of Transportation to answer any additional questions.

Governor: All right, thank you Mr. Wells. My review is that these are pretty straightforward. Board Members, any questions with regard to agenda item number 5?

Secretary of State: I have none Governor, I will move for approval.

Governor: The Secretary of State has moved to approve the authorization to contract with current and/or former state employee as presented in agenda item number 5. Is there a second?

Attorney General: I second.

Governor: Attorney General has seconded the motion. Any questions or discussion? I hear none. That motion passes 3-0.

6. Request for a Recommendation of Approval to the Interim Finance Committee for an Allocation Amount from the Contingency Account
(For possible action)

Department of Conservation and Natural Resources – Division of Forestry

Pursuant to NRS 353.268, the Division requests an allocation of \$1,006,213 from the Interim Finance Committee (IFC) Contingency Account to cover the cost of actual and projected emergency response expenses arising from operations directly involving the protection of life and property under NRS Chapter 472.

Governor: We will move on to agenda item number 6, Request for a Recommendation of Approval to the IFC for an Allocation Amount from the Contingency Account from the Department of Conversation and Natural Resources, Division of Forestry, Mr. Wells.

Clerk: Thank you Governor. Item 6 is a request for a positive recommendation to the Interim Finance Committee pursuant to NRS 353.268 for an allocation from the General Fund Contingency Account. The Contingency Account has an approximate balance of \$15.5 million to cover the unanticipated costs for the remainder of the 2017-2019 biennium.

The request in the amount of \$1,006,213 from the Division of Forestry of the Department of Conservation and Natural Resources is the third part of funding firefighting activities for the Fiscal Year 2018. In October, work programs were processed to carry back \$2.5 million in Fiscal Year 2019 appropriations, as well as use \$1.5 million in Wildland Fire Protection Program reserves to cover projected expenses through the end of December.

In December, an allocation of \$1.95 million from the Statutory Contingency Account was approved by the Board of Examiners to cover projected expenses through the end of the Fiscal Year. However, those amounts have been insufficient to cover the firefighting costs incurred through June due to the unusually active Fiscal Year 2018 fire season.

This request is intended to cover the currently projected expenditures through early June. If approved by IFC tomorrow, would bring the total amount added to the Fiscal Year 2018 fire suppression budget account to a little over \$7 million.

There are representatives from the Division of Forestry to answer any additional questions.

Governor: Thank you Mr. Wells. Ms. KC, how are you today?

Kasey KC: Fine, thank you.

Governor: Good. I understand that you need this, the Department needs all of this. I suppose what I was going to ask was, where are we in the process of seeking reimbursements because there may be some bigger amounts coming on, on the heels of this.

Kasey KC: Yes, we are working through all of our reimbursements. We had a lot of Fire Management Assistance Grant (F-MAGS) this year. We usually, traditionally, run one to two in a slower fire season. This year we had about eight or nine of them. Many have been submitted and are working through an adjudication process. Some are still in the process of being submitted. There is back-up attached to all of it on where we are with getting billings out. We are about a year behind in getting some of the fire bills out, which is pretty typical of these large fire seasons.

Governor: One of those is the fire in Washoe Valley, correct?

Kasey KC: Yes.

Governor: That one is probably the biggest number of them all. When do you expect that review process to be completed and a reimbursement coming?

Kasey KC: We were hoping to have that one in right now. We are finalizing a bill with the Forest Service right now on their portion of that cost. We do not have a final bill submitted from them yet. Once we have that final bill, it has been preliminarily submitted to the Federal Emergency Management Agency for the F-MAG approval. Once we get that final bill in, it will be in final submittal. We are hoping it will come in this Fiscal Year, but likely not before June.

Governor: Some of the costs associated with the amounts have to do with out-of-state fires where we have sent crews. Is that a Federal process or do we wait for the States to reimburse us, for example, California?

Kasey KC: For California, it's a state-to-state. So we submit a bill and we wait for California to reimburse us. They are fast usually in the turnaround, though they did have a pretty devastating October and December so they are a little bit slower right now. California is working off the Governor's Agreement which is State-to-State, others are working through the Federal process. So, if we send folks to say Florida or Georgia, those

go through the regular process. Not the F-MAG process though, just the regular dispatch agreements.

Governor: We know better than anybody that when we need help we appreciate it when others come here to help us out with our fires. I just want to make sure that we are getting reimbursed as soon as we can so that we do not creep too far into this contingency account because we have some other agencies that are making requests of this account as well. Although it seems like a lot of money that we have in there, it really is not.

Kasey KC: Yes, and we have also made some efficiencies in sending staff out this year. Traditionally, we would help California on a Governor-to-Governor and we will always send staff if needed if we have staff available. For other states, we are only sending staff that needs that qualification, so we have turned down assignments to go to other states if the staff does not actually need the training in an attempt to try to cut back on some of that as well.

Governor: Okay. Thank you. Was there anything that you wanted to present that I have not asked about?

Kasey KC: Not unless you just wanted an update of what we have seen so far but we are going to have our Fire Briefing soon.

Governor: So, in regards to the Fire Briefing I just want to make sure that you have the personnel, the equipment and everything ready to go in the event that we do have another horrible fire season. Are you well equipped and ready to go?

Kasey KC: In 2018, we have had 29 human-caused fires to date. A little earlier start than last year. Most of our early starts were human caused as you know as well as last year. We are at about 1,700 acres burnt to date. We had a miracle in March; unfortunately, that just creates more grass under an already overstocked grass field out there. We will talk more about predictive services and what they are looking at but last year, we did not hit above average conditions until June from Predictive Services. This year we are looking at hitting it next month, for much of this year and up into Northern parts of the State. Then it expands up through Elko as we move into mid-June.

The big difference between last year and this year was some of our higher elevations had a very large snowpack that kept some of our timbered areas out of that extreme fire danger. This year they are not out unfortunately. The snowpack was not sufficient enough and likely will not stick around enough. Looking into May, a lot of the areas along the Sierra front that were green last year, below average, are actually above average. That is the unfortunate part this year.

Governor: Last year I was really excited about those remote cameras that can spot the starts much sooner so that you can deploy the resources there. Do we have as many or have more been installed?

Kasey KC: The University is currently working to install more of those cameras so we will have more than we had last year from the Bureau of Land Management standpoint and from the State standpoint. They are using existing repeater sites. A lot of those fires were detected early by those cameras last year. That was really beneficial to us. That network has expanded into California and some surrounding states.

Governor: That is great news. Technology can be good or bad but this is a situation where it is very good. So thank you for that. Board Members, any other questions with regard to agenda item number 6?

Secretary of State: The only other thing that I would ask is, being in Carson and seeing the sheep that come in and eat a lot of the weeds in the area, do we do any of that with the Forestry? I just wanted to make sure that some of that is incorporated into what we are doing.

Kasey KC: Thank you. Yes, we do some of that. We contract with local sheep growers working with the counties. We do some of that along the Carson Front and anywhere we can. Nevada was also pretty proactive in having a range group that got together after the sage grouse plan was initiated and was awarded, a couple of these experimental stewardship programs that will look at grazing opportunities beyond currently permitted grazing allotment sizes. So that, in these years where we have large grass growth, they can actually move their cattle differently and I think we got three or four of those experimental ranches up in Northeastern Elko County.

Secretary of State: Great, that is a wonderful update and thank you for that. Thank you Governor. That was my only comment.

Governor: Thank you Madam Secretary. Mr. Attorney General, do you have any questions?

Attorney General: No Governor, I will move to approve the recommendation.

Governor: Okay, the Attorney General has moved to approve the recommendation for \$1,006,213 from the Interim Finance Committee Contingency Account to cover the costs of actual and projected emergency response expenses arising from operations directly involving the protection of life and property under NRS Chapter 472.

Secretary of State: I will second that Governor.

Governor: The Secretary of State has seconded the motion. Are there any questions or discussion? I am hearing none. That motion passes 3-0. Thank you, Ms. KC.

7. Requests for Designations of Bad Debts (For possible action)

A. Nevada Gaming Control Board \$5,131.25

Pursuant to NRS 463.123(2), the Nevada Gaming Control Board requests the approval to remove \$5,131.25 in delinquent debt from the Nevada Gaming Commission's records.

Governor: Agenda item number 7, Requests for Designations of Bad Debts. Mr. Wells.

Clerk: Thank you Governor. Item 7 is a continuation of a March agenda item regarding a request from the Nevada Gaming Control Board to designate \$5,131.25 as bad debt for the purpose of removing the three debts from the State's books.

The Gaming Control Board provided information requested by the Board of Examiners regarding whether or not the entities had active business licenses or had been paid by the State as a vendor. According to the Gaming Control Board, the two entities in this item have not received any payments from State agencies and both are listed in default status with expired business licenses on the Secretary of State's website.

The other agenda item that was included last month with the Division of Industrial Relations, we are still working with them to get the similar information on them, to bring them back to a future meeting.

There should be representatives from the Gaming Control Board for any questions that there are on this particular item.

Governor: Thank you, Mr. Wells. I do not have any questions. I want to thank the Gaming Control Board for doing that due diligence. Just for purposes of the record and clarity. Board Members, any questions with regard to agenda item number 7?

Secretary of State: Governor, thank you and thank you Mr. Wells for the report. I want to thank Nevada Gaming Control Board for bringing this back to us after our last discussion at the last meeting. So, thank you and I know we will get a report, as Mr. Wells had stated, on the others.

Governor: Okay. Is there a motion to approve the request for designation of bad debt?

Secretary of State: I will move for passage of 7A.

Governor: The Secretary of State has moved to approve agenda item 7A, is there a second?

Attorney General: I second.

Governor: Attorney General has seconded the motion. Any questions or discussion? I am hearing none. That motion passes 3-0.

8. Approval of Proposed Leases (For possible action)

Governor: We will move on to agenda item number 8, Approval of Proposed Leases. Mr. Wells.

Clerk: There are six leases in agenda item 8 for approval by the Board this morning and no additional information has been requested by any of the Board Members.

Governor: I have no questions. Is there a motion to approve?

Secretary of State: Move for approval of the proposed leases in number 8.

Governor: The Secretary of State has moved to approve the proposed leases presented in agenda item number 8, is there a second?

Attorney General: I second.

Governor: Attorney General has seconded the motion. Any questions or discussion? I am hearing none. That motion passes 3-0.

9. Approval of Proposed Contracts (For possible action)

Governor: We will move on to agenda item number 9, Approval of Proposed Contracts. Mr. Wells.

Clerk: Thank you Governor. There are 33 contracts in agenda item number 9 for approval by the Board this morning. Contract number 2 has been withdrawn by the Agency. Contract numbers 11 and 13 are contingent upon approval of work programs at tomorrow's IFC Meeting. Members requested additional information on the following contracts:

Number 13 between the Department of Education and the Abbi Agency. Hearing numbers 16 and 17 together between the Department of Health and Human Services, Welfare and Supportive Services Division and Protech Solutions, Inc. and SLI Global Solutions, LLC and contract number 21 between the Department of Public Safety, Records, Communications and Compliance Division and MTG Management Consultants.

Governor: Thank you. Are there representatives from the Department of Education for Contract number 13? I asked for this contract to be pulled only because it may have gone by without having the emphasis on how important this is, particularly with regard to school safety. If you could talk a little bit about what this contract is and what it does but also, expanding on what is going on with SafeVoice.

Roger Rahming: Roger Rahming, Deputy Superintendent and to my right is Christy McGill. She will definitely articulate and answer any questions you would like.

Christy McGill: Christy McGill with the Office of Safe and Respectful Learning Environment. SafeVoice has been implemented in half of the State so far. There has been pressure to implement this program quicker than we had first thought. We are getting prepared to do that and making sure that schools have everything they need.

This project is kind of a three-legged stool. We did not want to set up just a tip line and have those tips go to just law enforcement. We wanted to make sure that the schools were empowered to act upon those tips if it did not rise to the level of law enforcement intervention. We wanted to make sure to work closely with behavioral health entities and the Division of Public and Behavioral Health and our schools to make sure we deescalate kids that have risen but not all the way into law enforcement, instead of letting them be out there and take our chances.

This program is very systematic. There is the front-end on the tips. We are partnering with the Department of Public Safety and we are blessed to have them as partners. There has also been the response end of things which includes the behavioral health, and the school piece that really looks at, what does the child need to stay safe; what does the school need; what do teachers—you know, teachers are under a lot of stress lately. We want to make sure that they too have the resources they need to deal with behavior issues or feel safe themselves.

Governor: Thank you for that. I really think it is important that we are moving the resources to you to accelerate this program and to be able to add more people to be able to do what you have done. I have appointed via Executive Order a School Safety Committee that is going to be examining these things. What is important for me amongst many things though is the conversation has been about hardening schools but I also believe we need to soften the schools. Softening by ensuring that there are more of these behavioral health resources for some of these students so it does not escalate to the point where the Department of Public Safety or law enforcement may not have to get involved.

So, obviously, we are coming to the end of the school year, will some of these additional resources be implemented by the end of the school year?

Christy McGill: Yes, that is our plan. We also are really excited about your task force because a team approach is really what is needed. So you know, law enforcement right alongside with behavioral health, right alongside the schools, right alongside the State to really look at this as a complex issue, we are really excited about the team approach.

Governor: Well, thank you Ms. McGill. We are going to need your testimony in front of that Committee coming up here. All right, those are all the questions I have on this contract. Madam Secretary, Mr. Attorney General, do you have any questions?

Secretary of State: I have none Governor.

Attorney General: I have none.

Governor: Thank you very much. We will move to contracts 16 and 17.

Steve Fisher: Good morning Governor and Members of the Board, for the record, Steve Fisher, I am the Administrator for the Division of Welfare and Supportive Services. With me this morning is Nova Murray, Deputy Administrator over Field Operations Support. She has responsibility for the Child Support Enforcement Program.

It has been a long time coming, about five years ago, we went before the Legislature in 2013 and we were approved for funding to go forward with a feasibility study. So for the last five years, we have been planning and preparing for this moment. We are very prepared and we are very excited to move forward with this project.

What I would like to do is turn it over to Nova, just so she can have an opportunity to provide some high-level information about the program and the project and then we will answer any questions you might have. So, with that, Nova.

Nova Murray: Nova Murray for the record. I would say that our Child Support Program has about 94,000 cases. We serve over 100,000 children and in State Fiscal Year 2017, we collected \$218 million. It is a state partnership with the counties. We have nine participating counties that work with us. Eight years ago, we were 52nd nationally. 2016, we were at 25th and this year we are proud to say we just reached 13th in the Nation. We are really excited about the program.

The goal of the project is to increase child support collections, productivity and customer service for Nevada's children. Also, decrease operation and maintenance costs which leads to less employee training time. It is a difficult system to maneuver. Lack of automation obviously results in processes that staff have to do and it keeps them from actually making case management decisions because they are worried about the system.

The current Legacy System is greater than 30 years old. It still has green screen technology and people have to tab through. It is really difficult to use. It has an obsolete code base and poor data structure which is why we are asking for this contract.

Governor: Thank you. I was not aware how far we have come. So, congratulations. I know that you and your team are really working hard, particularly with outdated technology. That really speaks to what you have accomplished. With this new system, do you think it will be even better and will you be able to collect even more money on behalf of those parents?

Nova Murray: We do believe it will be better. The processes are so outdated that even your interfaces are difficult. We will be able to gain new interface information. The system will do a lot of the processes when it knows the first one is done, instead of a human coming in and saying, now move to the second piece. It moves on and the system will automatically push it through the process. It will only stop when a decision is needed by an employee, on what to do next. It should let them do a lot of case management without

a lot of system slowdowns with the system. We have a special tickler system to tell us when to touch something and you have to rely on somebody remembering to tell the tickler, the system will be created to push all of that stuff through automated.

Governor: My last question is, when do you anticipate implementation?

Steve Fisher: Governor, for the record, Steve Fisher. This is a five and a half year project with implementation in four years from May with a year and a half of operations. The vendor will still be here for a year and a half after implementation just making sure that the operations of this system are maintained for a year and a half.

Governor: Thank you. Questions from other Board Members?

Secretary of State: I have none, Governor.

Attorney General: I just have one question. Could you tell me what goes into that ranking? You said we have climbed to 13, is that total dollars collected or percentage that we have been able to track down?

Nova Murray: There are actually five different factors. One of them is the cost of the program, how many dollars we bring in versus how many dollars we spend to get there, current collections, past due collections, paternity establishment and court orders on record. We are ranked against all of the other programs.

Attorney General: Great, thank you very much.

Governor: Well, thank you and good work. Keep up the good work, appreciate it. The next contract is number 21. My understanding is that the Attorney General had asked for that contract to be held out.

Attorney General: Yes, Governor.

Julie Butler: My name is Julie Butler. I am the Division Administrator for the Department of Public Safety, Records, Communications and Compliance Division. Happy to answer any questions you have and give you an overview or just, go right into the questions, whatever you want to do.

Attorney General: Thank you Ms. Butler, I would love an overview but I also wanted to ask you to make a record, since this is a sole source contract that is citing that information is gleaned from 2012, as to why this needs to remain sole source. Would you make a record of why that data is important that you do in fact keep this particular vendor in place?

Julie Butler: Certainly. The purpose of this contract is to update a study that this vendor conducted on the Division's behalf in 2012 to help us modernize our very complex and ancient IT systems. As we were implementing, we have been trying to implement the changes to the Nevada Criminal Justice Information System for several years now and things have kind of stalled out for a variety of reasons but we have reached the point at

which both Enterprise IT Services, who provides our Department's IT Services and our Division feel that it is really time to bring in the experts again who have an expertise and particular niche in public safety law enforcement procurements to assist us.

MTG performed this study for us in 2012. To answer your question, the reason that we wanted to sole source this is it really would not make sense for a new vendor to update another vendor's work. MTG has already put in the time and resources and conducted the interviews with our staff and with staff from several years ago from IT that are still there. They do understand the complexity of our system. To bring in anybody else at this point, we would basically have to be starting over, whereas MTG can pick-up where we left off and also, they assist many other states with procurements of similar technology. They really have a finger on the pulse of what is going on in the criminal justice community and can assist us going forward.

Attorney General: So, it is a continuation of what is stalled out is what you are representing?

Julie Butler: Julie Butler, for the record. Yes, Attorney General, that is correct.

Attorney General: Okay, thank you. That is all I had Governor.

Governor: Thank you. Thank you, Ms. Butler.

Julie Butler: All right, thank you.

Governor: All right, that is all I have in terms of contracts that were requested to be held out. Board Members, any other questions? If there are none, the Chair will accept a motion to approve the contracts in agenda item number 9 with the exception of contract number 2.

Attorney General: I move to approve.

Secretary of State: I will second that.

Governor: The Attorney General has moved to approve Contracts 1 and 3-33, the Secretary of State has seconded the motion. That motion passes 3-0.

10. [Approval of Proposed Work Plan](#) (For possible action)

Governor: We will move to agenda item number 10, Approval of Proposed Work Plan. Mr. Wells.

Clerk: Thank you Governor. There is one work plan on a previously approved master service agreement for approval by the Board this morning. No additional information has been requested by any of the members.

Governor: I have no questions. Board Members, any questions on agenda item number 10?

Secretary of State: If I could Governor and I apologize, Mr. Wells, for not asking to have it pulled but I am just curious if anybody's there that could tell us about the \$182,000 that they are asking for in this program, how long that is for and what kind of work they are going to be doing just in that time and then, do they come back for an additional amount and if they have a plan? I just wanted to see what the projection was based on what happened with the last vendor.

Clerk: We did not ask anyone from Department of Motor Vehicles (DMV) to be here, so I will try to answer the questions and we can have Director Albertson's staff reach out to you. This is a contract to kind of get them back on track after the contract termination with the previous vendor. So, this is an analysis of potential opportunities, both to do a transfer from another state jurisdiction as well as to look at what it would take to bring in a new vendor similar to the way we procured the last vendor. So they are doing an analysis of kind of those two options with the intent that it is completed in a relatively short period of time so that they can determine which way they are going to move forward on the system modernization project.

Secretary of State: So, what you are telling me Mr. Wells is that we will not have a vendor in place until after June if we get one?

Clerk: That is correct. This is not the contract with the vendor or with the company that will actually do the modernization. This is basically to reevaluate options for doing the modernization project.

Secretary of State: Okay. And, I do have issues with the length of time because we have already lost over a year. We have a lot to do with the relationship with our office and the DMV on election matters that are contained in this. I would like to have some type of a meeting with DMV on this. Thank you and again, I apologize, Mr. Wells, for not bringing this to the attention sooner so we could have had somebody here.

Attorney General: Mr. Wells, do you anticipate that they are going to spend \$182,000 in two months?

Clerk: I do not remember exactly what the scope of work is and how the payments are made for this particular project. I do know that Gartner has done some work already to help us out with an analysis of the project. This is kind of a continuation of that work to kind of prep them for the next phase of getting a new system for DMV.

Attorney General: Thank you.

Governor: Any further questions or comments on agenda item number 10? If there are none, the Chair will accept a motion to approve the proposed work plan presented in agenda item number 10.

Attorney General: I will move to approve.

Governor: Attorney General has moved for approval, is there a second?

Secretary of State: I will second.

Governor: Seconded by the Secretary of State. Any questions or discussion on the motion? I am hearing none. That motion passes 3-0.

11. Approval of Proposed Master Service Agreements (For possible action)

Governor: We will move on to agenda item number 11 which is the approval of proposed master service agreements, Mr. Wells?

Clerk: Thank you Governor. There are four master service agreements in agenda item 11 for approval by the Board this morning. No additional information has been requested by any of the members.

Governor: Any questions Board Members? If there are none, the Chair will accept a motion for approval.

Attorney General: Move to approve.

Governor: Attorney General has moved to approve the Master Service Agreements presented in agenda item number 11, is there a second?

Secretary of State: I will second it, Governor.

Governor: Thank you Madam Secretary. The Secretary of State has seconded the motion. Any questions or discussion on the motion? I am hearing none. That motion passes 3-0.

12. Information Item – Clerk of the Board Contracts

Pursuant to NRS 333.700, the Clerk of the Board may approve all contract transactions for amounts less than \$50,000. Per direction from the August 13, 2013 meeting of the Board of Examiners, the Board wished to receive an informational item listing all approvals applicable to the new threshold (\$10,000 - \$49,999). Attached is a list of all applicable approvals for contracts and amendments approved from January 25, 2018 through March 20, 2018.

Governor: We will move on to agenda item 12 which is an Information Item for Various Contracts that are less than \$50,000. Mr. Wells, I understand that Contract #9 has to do with the status of the Grant Sawyer Building. Please proceed.

Clerk: Thank you Governor. There were 30 contracts under the \$50,000 threshold that were approved by the Clerk between February 21, 2018 and March 20, 2018. And you are correct, while this item is informational only there has been a request for additional information on Contract number 9 between the Department of Administration Public Works Division and Natural Link Mold Lab, Inc. which is related to the Grant Sawyer Office Building Testing.

Governor: Good morning.

Patrick Cates: Good morning Governor, Members of the Board. For the record, I'm Patrick Cates, Director of the Department of Administration. On my right is Ana Andrews, she is the Administrator for Risk Management Division. On my left is Chris Chimits, the Interim Administrator for the Public Works Division. This is the Executive Team that has been working on issues around Grant Sawyer Building and the office environment for several months now. Behind us is a lot of dedicated state employees and contractors have been working really hard to try to improve conditions in Grant Sawyer.

We were before you at the last Board of Examiners Meeting and we gave you an overview of some of the issues we have been facing in the building. What we want to do is give you an update on the investigation that was done on the building to try to determine if there was a mold problem in the building. We had done some previous test with an industrial hygienist that had done some air sampling that had not found any elevated mold levels. We also did some experiments with some deep cleaning of some offices of a select set of offices and we just were not anything that might explain some of the building-related symptoms that some of the occupants have had. Just so everybody is clear, to date we have 10 Worker's Compensation Claims from people in the Grant Sawyer Building related to this issue.

We turned to Dr. Craner who is a medical doctor and public health expert. He is distinguished in the field of occupational and environmental medicine. He also has a history with this building and did an evaluation of the building back in the 1990s when we were facing similar problems.

We received his report late last week and met with him to understand the report and we are currently drafting a response and a plan based on his findings. We will be releasing that this week to the building residents so everybody knows what it says. I will summarize for you his investigation and what he found.

Dr. Craner's investigation started with a hypothesis that the most likely explanation for the reported illnesses from the building occupants would be indoor mold contamination. His hypothesis was that the mechanism for that contamination is leaking water valves from the Heating Ventilation Air Conditioning system (HVAC) that are dripping down on to the ceiling tiles and being distributed and that creates a mold which is being distributed through the building. That was his hypothesis and that is what he was trying to determine in his investigation.

They took 20 samples throughout the building from carpet and the plenum side of the ceiling tiles which is where the air circulates in the HVAC system. They subjected those 20 samples to two types of testing. One was a culture method where they put it in a petri dish and apply water and see if anything grows. The other is a more sensitive analysis, a DNA analysis just to see if there any trace amounts of Deoxyribonucleic Acid (DNA). If mold grows, then you have active mold, but you can find trace amounts with DNA analysis.

Overall he indicated that there are a very low total mold and mold concentrations in the building from those samples. It is reflective of generally clean conditions in the building. The pattern of mold types in the samples was consistent with the outdoor Las Vegas environment. So in general, low levels of mold consistent with what you would find in the Las Vegas environment.

However, there were two exceptional findings. He found a very low concentration of *Stachybotrys Chartarum*.

In the samples, they found in 10% of the cultures, they found this type of mold and in 60% based on DNA analysis. This type of mold is consistent with very wet building materials. It has a presence, and he noted, usually in the air and at much higher concentration but its presence is highly associated with building-related symptoms. He also found *Aspergillus niger*, low concentrations in all the samples. That also is associated with water damaged material in the building.

So, these were atypical findings, not what you would expect in a building that did not have any issues, but again, at very low levels. It does support the hypothesis of water damaged tiles from the plenum and the leaking HVAC valves to support his hypothesis. He was careful to point out that this supports the hypothesis, but it does not prove that the Grant Sawyer is mold contaminated and is the cause of the building-related symptoms reported by building occupants. He said that the levels are very low and that there is uncertainty in the science regarding causation between symptoms and mold. We know we have low-level types of mold indicative of water damage. It seems to support his hypothesis.

The doctor's recommendations to address this issue is to complete the replacement of the HVAC valves to stop the source of the water leaks. That is ongoing as part of the overall Capital Improvement Plan (CIP) to upgrade the HVAC system. That work is anticipated to be completed by May 4th. I think most of the floors are already done.

Then after that is done, after the source has been eliminated, to remediate the disseminated mold concentrated settled dust; basically, the carpets and large porous surfaces. He is recommending a wet cleaning, an extraction of the carpets and large porous materials. Then he's recommending, after a period of time, after several months that we retest and evaluate and see if that has taken care of the issue.

That is the summary of his report. I was going to turn it over to Chris Chimits and have him explain a little bit about specifically, what we plan to do to address those recommendations.

Governor: Before we go to Mr. Chimits, Board Members, do you have any questions of Mr. Cates?

Secretary of State: Thank you Governor. I do. Thank you very much for everything that you have done to work with our Office. I really appreciate it. You have been very proactive and we appreciate the time that you have taken to not only meet with our staff but to talk to us on a regular basis and then to keep us updated with emails.

I do not know why this was not put on the agenda for discussion. I know that number 9 was pulled so we could have the discussion, but I would appreciate it, Governor, if we could have it on the agenda again. I know I want to hear about the findings of today's issue that we had with the pipe leakage in one of the offices. I would like to know what happened with that. If we could get a response in our next meeting. I know that all these leaks are not the valves, just based on today as another evidence of that.

The one thing that I think upsets me the most is that we are looking at shampooing carpet that extremely old. I do have some questions about cleaning carpet that probably should be replaced. I would like to have that discussion or have somebody look into that. This is my fourth year here and I see a lot that goes on, not only in the office but in the hallways.

I did want to make sure Governor, that we thanked the whole team for all that they are doing in keeping us abreast and doing everything that they can to assist with the employee's issues and the building itself. Thank you, Governor.

Governor: Thank you Madam Secretary. Mr. Cates, do you have any comments or response?

Patrick Cates: Do you want to address the carpet?

Chris Chimits: Chris Chimits with the State Public Works Board. I will follow-up on where Mr. Cates left off. We do have a plan and it does involve steam cleaning the carpet. The sequence that Dr. Craner recommended and that we are going to implement is that we will come into each office space over a period of I believe of six or seven weekends in that building. We are going to do the work starting Friday evening around 4:00 pm and then finish by Sunday morning by 5:00 am so we won't be in there during occupied times.

We will provide boxes to the occupants where they can put in loose materials on top of their desks. Then, as Patrick eluded, we will be wet wiping the ceiling diffusers, supply and return air diffusers, all horizontal surfaces, working our way down to the carpet level. Then the next process would be to vacuum the carpets completely. Then, once that is complete we would steam clean. This does involve 200-degree water but we will go through an extraction process that is more extensive than normal to pull all of the water back out of the carpet. Then, we will be running dehumidifiers during that time of steam cleaning the carpet. Then running forced air dryers for a minimum of two hours in each space and then allowing approximately eight hours at the end of that before we allow people to reoccupy their space.

The goal here is to get the carpet completely cleaned. Get the room completely cleaned of any residual spores and then have it dried out. Then, as Patrick had mentioned, we will be inspecting this each weekend and then providing the air sampling report several months after the cleaning is completed.

What I would say though, because Dr. Craner's report came out, I was very relieved with the findings. I think some of the issues in that building are going to go away. I believe they will because we are fixing that building's ability to maintain temperature correctly. Not too hot, not too cold. We are fixing that building's ability to correct outside air mix. There were outside air dampers that had become damaged and we discovered this in the construction of the CIP project. All those things are going to be fixed by May 4th.

I think this whole idea of a sick building syndrome has something to do with just comfort and fresh air in the building. By May 4th, we will have those completed and then clean the carpet. Dr. Craner's report did recommend that we not clean anything until after our contractors were completed and the air balancing was done, the commissioning was done on the systems in the building, which are about 90% complete right now.

So we are getting ready so that as soon as the construction is done - I believe we will come to the May Board of Examiners meeting with the contract and then we are going to start cleaning that carpet.

Towards the Secretary's comment, I brought that up just yesterday, the idea of replacing carpet rather than just shampooing it. I think maybe in the quarters, we might look at that. There is carpet tile that we have available that could be used for that. We will certainly look at that and see how that can fit into this schedule. What we do want is by June to be done and have people that are happy to be working in that building. I believe with the actions that are being taken right now, we are going to be getting there.

Governor: Mr. Chimits, are you convinced that cleaning will do it? We have gone through all this work and spent a lot of money in replacing and repairing if you are leaving carpet that may have legacy remnants from what the problem was in the first place, why wouldn't we just replace it?

Patrick Cates: For the record, Patrick Cates. We discussed replacing the carpet and certainly, it is of an age where it should be considered to be replaced. Part of it was the immediate availability of budget to replace the carpet but we also had a conversation about, if you did not go in and clean the dust from the existing carpet and then you removed it, you could possibly contaminate the office environment more because it is dusty and you are pulling it up and kicking it up. We also had concerns because there have been so many issues with comfort in the building if we go through and replace all the carpet, then there is glue and there are other smells that come with new carpet. We were a little bit concerned about adding on other areas of discomfort for the employees in the short-term.

Governor: So, you are convinced that it is not just cleaning, it is sanitizing it? You said 200-degrees. So, I would assume that 200 degrees will kill if there is anything that resides on that carpet once and for all.

Chris Chimits: Chris Chimits for the record. We are relying on Dr. Craner and we are going to abide by his recommendations to the letter of the law. What he recommended is the water be at 200 degrees and so that is what we are going to do.

Just to address your previous comment, Governor, I think that the problem is the best solution is more holistic, that the cleaning and steam cleaning of the carpet is needed and necessary. Director Cates really hit the nail right on the head. In addition to that, to keep the building between 72-74 degrees, to have a correct mix out of the outdoor air and to be able to monitor it correctly is also part of the problem. I think people are going to be happier to be in that environment.

Governor: Thank you. Mr. Attorney General had a follow-up question.

Attorney General: Thank you Governor. Mr. Cates I have seen the initial findings from the Doctor and are you all able to vary from that? Do you plan on taking his recommendations and making them your recommendations? The reason why I ask is, we do not see any mention of replacing of the tiles and I am curious whether you guys are looking at that on your own as an additional solution?

Patrick Cates: For the record, Patrick Cates. Thank you for the question. We did have a discussion with the doctor about replacing the tiles. He did not recommend wholesale replacement of all the tiles, which is something we were considering for the reason that you could disturb mold in place and spores that have not sprouted that you could disturb and it might create rather than solve problems. He did recognize that damaged tile should be replaced and we are in progress with replacing all the damaged ceiling tiles in the building and it should be done by June.

Attorney General: Okay. My second part of you all writing your own report is, you know, we have real employees that absolutely have physical manifestations of whatever is going on in the building. So, as you write your own report, I hope you take that into account. Obviously, the Doctor's report is not necessarily digestible and I think it will be interpreted that there is not really much going on and with a few minor fixes everyone should be okay. And, I do not think that is the tone you guys want to send. At least that is what I recommend. Once we go through this process, I hope we are meeting with the individuals in my office as well as Secretary of State's office that absolutely are being affected by this. I mean, these are professionals and we trust that they are being open and honest that they are having problems. I have a part of my office that cannot work in this building right now. I just want you to be sensitive to not just one or two folks but many folks that are in fact being affected by something. Appreciate it.

Secretary of State: Governor, if I may. I did not feel like I really got my question about the carpet answered. I mean, I look outside the doors at this worn carpet at the door entrances, so that really does have me concerned. I do not know that I agree with you

having to steam clean something before you can remove it. I am very concerned with the years that that carpet has been in here and what it has accumulated over the years. I know in our reception area, some of the things that have happened in there and what gets cleaned up and how it gets cleaned. I would imagine that in the hallways it could be virtually stained. I would really like to know, Mr. Cates, the year that it was put in and if it has ever been replaced since this building has been here?

I do know that you had tiles to replace that carpet but they never had the money to replace it. All of the money that we are spending on the upkeep that should have been done, I believe consistently, was not being done, is now being done. We are spending an awful lot of money taking care of something that should have been regularly maintained. So, I am concerned, very concerned about the carpet. You are going to have to give me a little more than just that the Doctor said that 200 degrees is going to sterilize that carpet before it gets pulled up, to let me know that we want to spend — I do not even know how much it is going to cost. Are you doing all five floors, are you doing every piece of carpet there is in the whole building? I just wondered what the cost was to that and is it just less expensive to pull up the carpet and put in new.

Those are still the questions I have. If you want to wait for a meeting later, I am fine. I don't need to drag it on, but I am really concerned about what we're doing and how we are spending money. Thank you.

Patrick Cates: For the record, Patrick Cates. We'll have to get back to you on the year of the current carpet. I can say that what we were looking at is cleaning all the carpet on every floor and the estimates are from about \$70,000 – \$90,000.

Secretary of State: Thank you Governor.

Governor: All right, any other questions on this contract and the status of the Grant Sawyer Building? Ok, keep up the good work. I agree with the Attorney General and the Secretary of State. I mean, there are real people out there that are hardworking, good people that have families that are not feeling well. It is the State's responsibility to ensure they have the best working conditions possible. I know you are trying to achieve that goal. So, thank you very much.

13. Information Item – Reports

Pursuant to NRS Chapter 353, the Governor's Finance Office, Budget Division presents a reconciled fund balance report for the TORT Claim Fund, Statutory Contingency Account, State Claims Account, Emergency Account, Disaster Relief Account, IFC Unrestricted Contingency Funds and IFC Restricted Contingency Funds as of March 16, 2018.

TORT Claim Fund	\$ 6,119,883.36
Statutory Contingency Account	\$ 795,808.16
State Claims Account	\$ 960,465.44
Emergency Account	\$ 279,841.00
Disaster Relief Account	\$ 8,589,159.59
IFC Unrestricted Contingency Fund General Fund	\$15,542,201.23
IFC Unrestricted Contingency Highway Fund	\$ 1,676,832.35
IFC Restricted Contingency Fund General Fund	\$12,906,386.00
IFC Restricted Contingency Highway Fund	\$ 2,379,248.00

Governor: We will move to agenda item number 13, which is another Information Item with the Status of Accounts. Mr. Wells.

Clerk: Thank you Governor. Agenda item number 13 is an informational report on the available balance in the various contingency accounts that are managed either by the Board of Examiners or the Interim Finance Committee as of March 16, 2018. These accounts cover contingencies throughout the 2017-19 biennium.

I would say that with the exception of the potential need for money from the IFC Unrestricted General Fund Contingency Account, I think that the balances are sufficient to get us through the next biennium.

Governor: I suppose we will know a lot more after the Interim Finance Committee meeting tomorrow, correct Mr. Wells?

Clerk: Correct. We will know a lot more after tomorrow.

Governor: Board Members, any questions with regard to agenda item number 13?

Secretary of State: I have none Governor.

15. Public Comment (No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically included on an agenda as an action item)

Governor: All right. I think there is a typo on the agenda and just for the purposes of the record, it goes from 13 to 15. So I am moving to agenda item number 15, public comment. There is no 14 on the paper agenda. Is there any member of the public present that would like to provide public comment to the Board in Carson City? I hear and see none. Any public comment from Las Vegas?

Secretary of State: I see none, Governor.

Governor: All right, thank you Madam Secretary.

16. Adjournment (For possible action)

Governor: Is there a motion to adjourn?

Secretary of State: If I can, right before we adjourn I just make sure that the topic we talked about, the Grant Sawyer Building is an agenda item for future reference. I will move for an adjournment.

Governor: Secretary of State has moved to adjourn, is there a second?

Attorney General: I second.

Governor: Seconded by the Attorney General. That motion passes 3-0. This meeting is adjourned. Thank you ladies and gentlemen.