

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>

MINUTES

Date and Time: March 13, 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:

Michelle Morgando, Administrator, Hearing and Appeals Division
Rebecca Salazar, Programs Officer 3, Victims of Crime Program
Dennis Gallagher, Counsel to Department of Transportation
Robert Nellis, Assistant Director, Department of Transportation
JD Decker, Administrator, Department of Industrial Relations
Dan Douglas, Chief, Tax and License, Gaming Control Board
Chris Chimits, Interim Administrator, State Public Works
David Frommer, Executive Director of Planning and Construction,
University of Nevada, Las Vegas (UNLV)
Patrick Cates, Director, Department of Administration
Jeff Haag, Administrator, Department of Administration, Purchasing Division
Dena Schmidt, Administrator, Aging and Disability Services Division
Rique Robb, Deputy Administrator, Aging and Disability Services Division

John Borrowman, Deputy Director, Department of Corrections
James Dzurenda, Director, Department of Corrections
Caleb Cage, Chief, Division of Emergency Management
Marta Jensen, Administrator, Department of Health Care, Financing & Policy
Kirsten Coulombe, Social Services Chief, Department of Health Care, Financing & Policy
Richard Perry, Administrator, Division of Minerals
Eric Johnson, Administrator, Department of Conservation and Natural Resources, Parks Division

1. Call to Order / Roll Call

Governor: Good morning ladies and gentlemen. I will call the Board of Examiners Meeting to order. Can you hear us loud and clear in Las Vegas?

Secretary of State: Yes, we can, Governor.

Governor: Thank you Madam Secretary. All members are present.

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: We will move to agenda item number 2, 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?

Secretary of State: No, Governor. There is nobody here that wants to speak this morning.

Governor: All right, thank you Madam Secretary.

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

Governor: Agenda item number 3 is the approval of the February 13, 2018 minutes. Have the Members had an opportunity to review the minutes and are there any changes?

Attorney General: Move for approval, Governor.

Governor: The Attorney General has moved for approval. Is there a second?

Secretary of State: I second it Governor.

Governor: Secretary of State has seconded the motion. That motion passes 3-0.

4. Department of Administration's Victims of Crime Fund Fiscal Year 2018 2nd Quarter Report and Recommendations for Fiscal Year 2018 3rd Quarter Anticipated Expenses (For discussion and possible action)

Pursuant to NRS 217.260, the Board of Examiners estimates available revenue and anticipated claim costs each quarter. If revenues are insufficient to pay anticipated claims, the statute directs a proportional decrease in claim payments.

The 2nd quarter Fiscal Year 2018 Victims of Crime Program report states all approved claims were resolved totaling \$3,153,831.95 with \$1,820,863.69 paid out of the Victims of Crime Program account and \$1,332,968.26 resolved through vendor fee adjustments and cost containment policies.

The program anticipates future reserves at \$4.3 million to help defray crime victims' medical costs.

Based on these projections, the Victims of Crime Program recommends paying Priority One, Two and Three claims at 100% of the approved amount for the 3rd quarter of fiscal year 2018.

Governor: We will move to agenda item number 4, Department of Administration's Victims of Crime Fund Fiscal Year 2018 Second Quarter Report and Recommendations for Fiscal Year 2018 Third Quarter anticipated expenses. Mr. Wells, good morning.

Clerk: Good morning Governor and Members of the Board. Pursuant to NRS 217.260, the Board of Examiners is required to estimate the available revenue and anticipated claims cost for the State of Nevada's Victims of Crime Program. This item includes a report on the claims paid for the second quarter of fiscal year 2018 and the recommendation to pay the Priority 1, 2 and 3 claims at 100% for the third quarter of fiscal year 2018.

When this report was submitted, the program anticipated having a reserve at the end of the third quarter of FY 2018 of approximately \$5.3 million, after covering all of their expenses and a 45-day operating reserve. This is a decrease of approximately \$2.5 million from the projected reserve at the end of the second quarter and \$6.4 million down from the projected reserve of \$11.7 million at the end of the first quarter. This decrease is primarily due to the number of claims filed subsequent to the Route 91 Harvest Music Festival Mass Casualty Event on October 1st.

Without additional funding and at the projected claims payment rate, the fund would have a very low balance at the end of the fourth quarter. Agency Representatives are expected to obtain additional federal funding to offset the expenses that were associated with the October 1st event. Given the additional federal funding for that event, the \$5.3 million appears to be reasonable for the program. However, if that additional grant funding is not received or not received timely, the Board would have to consider reducing the percentage of the approved amount of paid for claims in future quarters.

My understanding is that the Representatives from Victims of Crime are going to provide some updated projections for the third quarter that will actually result in an increase in the project reserve at the end of this quarter. They should be available in Las Vegas.

Governor: Good morning. I would like to hear from you. Do you have a formal presentation that you wanted to make, Ms. Salazar?

Rebecca Salazar: Yes, thank you. For the record, Rebecca Salazar, Program Manager for Victims of Crime.

Michelle Morgando: Michelle Morgando, Acting Coordinator.

Rebecca Salazar: We do have some updated numbers that we obtained yesterday. As of yesterday, the total amount paid for the second quarter is \$1.455 million. Using that number, we still have three weeks left in this quarter, we projected payments for the third quarter at \$1,798,000, which is far less than what is in the report.

Obviously, this was something that the program has never dealt with. So, at an abundance of caution, we probably set the projections a little high. Rather than come in and having underestimated, I think that we are probably at a status right now where the claim payments are leveling out for the Route 91 and we are getting a much better idea for the claim payments that will be going forward. Particularly the claims that are catastrophic, at this point.

Our filing deadline is October 1, 2018. We are still working on our media and social media outreach to try and obtain as many victim applications as we can. I think we have just shy of 5,000 right now.

Governor: Five-thousand claims, you said you have?

Rebecca Salazar: As of yesterday, we have 4,415 applications. We are almost six months out from the event and I think going forward we have a better picture of what we have paid, what our trends are looking like and going forward our estimates will be much more realistic, versus this high estimate that we had in the report. We just have a better idea now of what we are dealing with going forward.

Governor: But your estimates were very conservative. So in other words, there is more money in the fund than you thought there was going to be.

Rebecca Salazar: Not necessarily that there is more money but just that we are spending less than we thought. When this started we did not know what to expect and what kind of bills would be coming in. And now, with the history, we are able to see what kind of payments we are making and what we can expect going forward.

Governor: And this whole conversation considers the fact that you have not received any federal reimbursement that Mr. Wells alluded to?

Rebecca Salazar: Yes, that is correct.

Governor: Have you received any communications regarding the timeliness of that reimbursement?

Rebecca Salazar: No specifics. It is all still in the draft stages. We are hoping there will be some sort of response within the next few months but we do not have anything concrete at this point.

Governor: I am not familiar with that process. Is it an 'if' or a 'when'? In other words, is it we are going to get that reimbursement but we just do not know when?

Rebecca Salazar: That is my understanding, yes.

Governor: Would it be a dollar for dollar reimbursement?

Rebecca Salazar: That is our hope. That is what our application request is for but it will depend on the decision-makers that will decide what we receive. I can tell you that in other events of this nature it has been a dollar for dollar reimbursement.

Governor: I want to reimburse the victims dollar for dollar. On the other hand though, assuming we do not get those federal funds, I do not want to deplete the fund to a point where those that apply late do not get full reimbursement. So, do we need to start considering limiting or not providing full reimbursements in the event that we do not get the federal reimbursement?

Rebecca Salazar: I do not believe at this point that we need to do that because we have about \$8 million in reserve. That is sufficient according to our history. That may be something we want to consider at future quarters but at this point we do not believe that that is necessary.

Governor: Okay. Thank you, Ms. Salazar those are all my questions. Do the other Board Members have questions?

Attorney General: Yes Governor, thank you. My main question is we have seen categories 1, 2 and 3 at 100% for at least a year from my recollection. Is this something that we are separating from the October 1st shooting for the rest of the state and all our claims? Are we still very confident that this fund can support categories 1, 2 and 3 at 100%?

Rebecca Salazar: We are. Since I have been in Victims of Crime, which is eight years now, we have been at 100%.

Attorney General: For all three categories?

Rebecca Salazar: Yes.

Attorney General: Okay.

Rebecca Salazar: The last time that I remember going short is maybe 2008. So it has been quite a while. We have been comfortable with what we have in reserve.

Attorney General: Great, thank you.

Governor: Any questions Madam Secretary?

Secretary of State: No Governor. I am very supportive and thank you ladies very much for all your comments.

Governor: Thank you. That was my recollection, I appreciate your confirming that Ms. Salazar. I am comfortable that we have an adequate amount in reserve to be able to continue to do that. I suppose since we do meet monthly you will be able to update us on the status of any federal reimbursement.

Rebecca Salazar: Yes of course.

Governor: All right. Is there a motion to approve the recommendations of the Victims of Crime Fund for Fiscal Year 2018 third quarter as presented in agenda item number 4?

Secretary of State: Moved.

Governor: Okay. The Secretary of State has moved to approve the recommendations of the Victims of Crime Fund for Fiscal Year 2018 third quarter, as presented in agenda item number 4.

Attorney General: I second.

Governor: Attorney General has seconded the motion. That motion passes 3-0.

5. Review and Consideration of a Victims of Crime Appeal

(For discussion and possible action)

Department of Administration – Victims of Crime Program

Pursuant to NRS 217.117, Section 3, the Board shall consider an appeal on the record from an Appeals Officer's decision on an application for compensation and either renders a decision within 15 days of the Board meeting or give notice to the applicant that a hearing will be held at the next meeting. The Board may affirm, modify or reverse the decision of the Appeals Officer.

Governor: We will move to agenda item number 5, Review and Consideration of a Victims of Crime Appeal. Mr. Wells.

Clerk: Thank you Governor. NRS 217 regulates the compensation for certain victims of criminal acts. Victims apply to the program and the determination is made as to whether or not the victim is entitled to compensation from the Program. The victim whose claims are denied can appeal to a Hearings Officer to have their claims reconsidered and either the victim or the Clerk of the Board of Examiners can appeal that Decision of the Hearings Officer to an Appeals Officer. Both the Hearings Officer and Appeals Officer processes are under the jurisdiction of the Department of Administration.

Upon the Appeals Officer Decision, NRS 217.117(3) allows that either the applicant or the Clerk of the Board of Examiners to appeal the Decision made the Appeals Officer to the Board of Examiners. The Board of Examiners can either render a Decision in the case or hold a Hearing on this matter.

The item for consideration today is a review of the record of an Appeals Officer Decision of an Appeal by the Applicant, Anna Darbinian, on behalf of the Estate of Babkin Darbinian. Ms. Darbinian was notified of the meeting today and while she does have a desire to provide public comment on the issue, and believes that a full hearing is warranted, she was unable to attend today's meeting, either in person or telephonically. Within 15 days of today's Hearing, the Board shall render its Decision in the case. The Board may affirm, modify or reverse the Decision of the Appeals Officer, or it can decide to hold a Hearing on the matter within 30 days, in which case it would reconsider the evidence provided by both the applicant and the Victims of Crime Program.

Ms. Salazar and Ms. Morgando are available to answer any questions Board Members may have.

Governor: Thank you Mr. Wells. Just for the purposes of the record, the Appellant was provided Notice of the Hearing and advised your office or advised the program that she would be unable to participate at the meeting or telephonically?

Clerk: That is correct. We did reach out to her and provided her the opportunity to appear and we also offered the opportunity for her to call in. She does not reside in Nevada and is currently out-of-state.

Governor: Okay, thank you Mr. Wells. So Mr. Salazar, the Appellant sought to increase the cap from the \$35,000 and have this matter declared a catastrophic event is that right?

Rebecca Salazar: That is correct.

Governor: And the answer to that was yes?

Rebecca Salazar: Yes.

Governor: Let me back up for the purposes of the record. This was a horrible event. It resulted in a fatality. The Appellant and the family were reimbursed 100% for all expenses associated with the crime that was committed, the medical bills, the funeral bills and any behavioral health bills correct?

Rebecca Salazar: The family was reimbursed not at 100% but 100% of our approved reimbursement amount. For instance the funeral, our limit on funeral cost is \$5,000. They were reimbursed \$5,000. Their cost for funeral exceeded \$5,000 and the same for counseling. We did reimburse 100% of every medical bill that they submitted.

Governor: Is there any outstanding bills associated with the event that have not been paid?

Rebecca Salazar: None that we have. During the Appeal Hearing, Ms. Darbinian said that she had unreimbursed medical and she has been invited to submit those bills but she has not.

Governor: What is she seeking compensation for in the Appeal?

Rebecca Salazar: What she seeks compensation for is a full reimbursement of the funeral costs which total just under \$20,000 and a full reimbursement of her grief counseling. Our counseling is paid pursuant to a fee schedule and this is how we paid it. She still has additional funds available for counseling. She seeks reimbursement of what she paid, versus our reimbursement schedule.

Governor: So, let me break that down. On the funeral expenses, that \$5,000 is a policy cap correct?

Rebecca Salazar: Yes.

Governor: On the behavioral health, the medical provider has been paid everything that it is entitled to correct?

Rebecca Salazar: Correct.

Governor: Those are all the questions that I have. Madam Secretary or Mr. Attorney General, do you have any questions?

Secretary of State: I do not have any.

Attorney General: I do not either Governor.

Governor: As I said, these are difficult because this was a horrible crime and I feel very badly for the Appellant and what she has gone through. At least from the record that I have reviewed, as well as the testimony today given by Ms. Salazar, it is my opinion that the Victims of Crime Program has provided all the benefits to which the Appellant is entitled to; having said that, I would support a motion to affirm the Decision of the Appeals Officer.

Secretary of State: I will make that motion.

Governor: The Secretary of State has moved to affirm the Decision of the Appeals Officer presented in agenda item number 5. Is there a second?

Attorney General: I second Governor.

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

6. 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 – Fleet Services	3	\$62,280	
Department of Conservation and Natural Resources – Division of Environmental Protection – Bureau of Mining Regulation and Reclamation	1	\$32,929	
Department of Public Safety – State Fire Marshal Office	1	\$40,819	
Total	5	\$136,028	

Governor: We will move on to agenda item number 6, Request to Purchase State Vehicles, Mr. Wells.

Clerk: Thank you Governor. There are three requests for five vehicles in this agenda item this morning. The first request is from the Department of Administration, Fleet Services Division to purchase one replacement vehicle for the Gaming Control Board, which was stolen. Two replacement vehicles for the Division of Child and Family Services that were totaled in accidents, using insurance proceeds and Agency reserves. This vehicle purchase is subject to the approval of a work program at the April IFC Meeting.

The second request is from the Department of Conversation and Natural Resources, Division of Environmental Protection to purchase one replacement vehicle for the Bureau of Mining, Regulation and Reclamation that has met the age and/or mileage requirements in the State Administrative Manual. This vehicle was included in the Agency's legislatively approved budget.

Finally, the third request is from the Department of Public Safety, State Fire Marshal's Office to purchase one replacement vehicle for which the lease will expire this month. This vehicle will be purchased using a 50/50 split between emergency response commission

and hazardous waste management funds. This vehicle also is subject to approval of a work program at the April IFC Meeting.

There are representatives available to answer any questions Board Members may have.

Governor: Thank you Mr. Wells. I have no questions. Board Members, any questions with regards to agenda item number 6?

Attorney General: Move to approve.

Governor: Attorney General has moved to approve the Request to Purchase State Vehicles in agenda item number 6. Is there a second?

Secretary of State: I will second that, Governor.

Governor: Secretary of State has seconded the motion. Any questions or discussion? I hear and see none. That motion passes 3-0.

7. Request to Pay a Cash Settlement (For possible action)

Pursuant to Article 5, Section 21 of the Nevada Constitution, the State Board of Examiners may approve, settle or deny any claim or action against the State, any of its agencies or any of its present or former officers, employees, immune contractors or State Legislators.

Department of Transportation (NDOT) – Administration - \$1,372,625

The Department requests settlement approval in the total amount of \$1,372,625 to fully resolve an eminent domain action to acquire approximately three and one half acres of real property owned by Tomahawk LLC, for an interchange project along I-15 at Starr Avenue in Las Vegas. NDOT previously deposited \$1,957,372 with the Court for a right of occupancy and now requests an additional \$1,372,625 to resolve the Action. Approval of the additional amount would bring the total to \$3,330,000.

Governor: We will move on to agenda item number 7 which is a Request to Pay a Cash Settlement, Mr. Wells.

Clerk: Thank you Governor. Item 7 includes a request for approval of a cash settlement from the Department of Transportation, relating to the I-15 Star Management Interchange Project. The request in the amount of \$1,372,625 will fully resolve an eminent domain action to acquire approximately 3.5 acres of real property. Approval of the additional amount would bring the total settlement to \$3.33 million. Mr. Nellis and Mr. Gallagher, from the Department of Transportation are available to answer any questions.

Governor: Good morning Mr. Gallagher.

Dennis Gallagher: Good morning. For the record Dennis Gallagher with the Office of the Attorney General Counsel for the Department of Transportation. With me is Robert Nellis, the Assistant Director for the Department.

As Mr. Wells indicated the Department is requesting additional sum of money to settle both an eminent domain matter regarding the Star Interchange as well as acquiring two remaining acres from this particular parcel. The total acquisition will be about 3.5 acres. The financial terms are very favorable to the state. Acquisition of the additional two acres will provide the Department a staging area for the project which will save potentially lease cost for the contractor.

In addition, when the project is completed, the Department could offer that property for sale as surplus. Given its vicinity to the I-15/Star Interchange, it could be a valuable piece of property. The property owner is in support of this settlement and it will bring complete closure to the litigation and provide the Department the excess real property.

I do not know if you have any particular questions or any of the other Members do but at the end of the day, this is a very fair settlement for both the property owners as well as the taxpayers of the State of Nevada. I would like to commend Joe Vadala for his tenacity and perseverance in the negotiations that ultimately brings this matter before this Board today.

Governor: Thank you Mr. Gallagher. We have done this enough times where you have anticipated my questions. Finally, you do believe that the requested settlement is in the best interest of the State?

Dennis Gallagher: That is correct sir.

Governor: With my experience on the Transportation Board, I always prefer things to end up this way in terms of the property owner being happy and the State being happy. As you said, we have to do it to take care of the property owner whose property we are taking but at the same time we have to be a good shepherd of the public's money. I guess the one other question I have is, would the exposure have been much in excess of what is being presented here today?

Dennis Gallagher: That is correct. At one time, the property owner was insistent and is a very experienced real estate broker in Clark County, said the property was worth \$7 million. In addition to that, statutorily, if we go to Court, the State is responsible not only for its own costs but also the costs incurred by the land owner. So, there is another \$100,000 right there in this case.

Governor: That is the other point that you made. We are paying the total of \$3.3 million but we are going to get some of that money back later on if we choose to sell that property.

Dennis Gallagher: That is correct.

Governor: All right, I have no further questions. Board Members, any questions with regard to agenda item number 7?

Secretary of State: I do not.

Attorney General: Good work.

Governor: No further questions, the Chair will accept a motion to approve the request to pay a cash settlement in the sum of \$1,372,625, as presented in agenda item number 7.

Secretary of State: So moved Governor.

Governor: Secretary of State has moved for approval, is there a second?

Attorney General: I second.

Governor: Attorney General has seconded the motion. Any questions or discussion on the motion? I hear and see none. That motion passes 3-0. Thank you, gentlemen.

Dennis Gallagher: Thank you.

8. Request to Designate Positions in State Government as Critical Labor Shortages (For possible action)

A. Department of Health and Human Services – Aging and Disability Services Division

Pursuant to NRS 286.523, the Administrator of the Aging and Disability Services Division (ADSD) of the Department of Health and Human Services requests the Board of Examiners designate the Physical Therapist – Pediatric classification as a "critical labor shortage" and grant a Public Employees' Retirement System exception for a contract with qualifying retired employee Robbin Hickman. This designation is requested through June 30, 2018 for approximately 30 hours per week and will fulfill ADSD Physical Therapist – Pediatric needs at Nevada Early Intervention Services locations.

B. Department of Corrections

Pursuant to NRS 286.523, the Director of the Department of Corrections requests the Board of Examiners designate the "Rural" Correctional Officer position as a "critical labor shortage" and grant a Public Employees' Retirement System exception to allow for the reemployment of qualifying retired employees to fill "Rural" Correctional Officer position. The critical labor shortage designation under this request will cover the following rural areas: Ely, Pioche, Wells, Humboldt, Jean, Carlin, Tonopah and Lovelock.

Governor: We will move to agenda item number 8. Request to Designate Positions in State Government as Critical Labor Shortages. Mr. Wells.

Clerk: Thank you Governor. Pursuant to NRS 286.523, it's the policy of the State to ensure that reemployment of retired public employees is limited to positions of extreme need. An Employer who desires to employ a retired public employee, to fill a position for which a critical labor shortage designation has been made, must make that determination of reemployment based on the appropriate and necessary delivery of services to the public in an open meeting.

The Board of Examiners has the authority to designate positions in State Government for which there are critical labor shortage. In determining whether to designate a position as a critical labor shortage, the Board is to consider and make findings on the efforts made to fill the position through other means, the turnover rate for the position, the number of openings and the number of qualified candidates, the length of time the position has been vacant, any special circumstances, education or experience requirement for the positions and the history of success of recruitment efforts.

There are two requests for designation of critical labor shortage in this agenda item that will need to be considered separately. Should the Board approve the designations, it can delegate to the Clerk the Notice of the Designation to PERS and I will work with the two Departments to ensure that those are submitted timely.

The first request is from the Department of Health and Human Services, Aging and Disability Services Division, to designate the physical therapist pediatric classification as a critical labor shortage and grant a PERS exception for a contract with Robin Hickman. This designation is requested through June 30th of this year.

The second request is from the Department of Corrections. The Department of Corrections requested, and the Board approved the designation of the Correctional Officer Classifications as critical labor shortage positions for rural areas in March of 2016. This item includes a report from the Department on the use and effectiveness of the critical labor shortage designation and a request to continue the designation of Correctional Officer Classifications as critical labor shortage positions in rural areas, which would allow the Department to continue to reemploy retired public employees, who require little or no training to perform important correctional officer duties.

Ms. Schmidt and her staff are here to present the first time and Mr. Borrowman and his staff are here to present the second.

Governor: Good morning. Please proceed.

Dena Schmidt: Good morning. Dena Schmidt for the record. Administrator for Aging and Disability Services. With me today is Rique Robb, my Deputy Administrator over Children's Services.

We are requesting to designate the pediatric physical therapist position as a critical labor shortage. We have had difficulty recruiting a qualified pediatric physical therapist for quite some time. Especially in the rural areas we have had a vacancy in this position since 2011.

Governor: My only question is, why would you only do it through June 30, 2018?

Dena Schmidt: That request was just to align with the provider agreement changes to contracts.

Governor: All right. I have no problem with this. I guess we have this individual who is retired and will bring her back to continue services?

Rique Robb: Good morning, Rique Robb, Deputy Administrator for Aging and Disability Services. Currently, she is able to work up to a certain amount of hours but we are not able to hit the 30 hours to be able to meet the needs of those children. So, she is currently working but we need the critical shortage hours.

Governor: So, the kids are getting served if we do this?

Rique Robb: Correct. It will continue their services, versus if we were not able to get the critical shortage, it would stop those services to the children.

Governor: Thank you very much. Board Members, any questions with regard to agenda item 8A?

Secretary of State: I will support this. Just hopeful that we can work with the different entities to make sure we do not have to continue to keep doing this. Although I know she is very qualified.

Governor: Thank you Madam Secretary. We will move to agenda item 8B, Department of Corrections. Good morning.

John Borrowman: Good morning. Thank you so much for your time. My name is John Borrowman, Deputy Director for Support Services for the Department of Corrections. Down South we do have Director Dzurenda available for testimony.

This is primarily regarding the vacancies that we have in our rural areas. As we know through session, we reached a high of approximately 180 correction officer vacant positions. Through the approved budget, we did have an increase in officer salary through our diligent pursuit of filling those vacancies, we are now under 100. We have made substantial progress cutting those vacancies almost in half.

The request in front of you today is to recognize that some of our most difficult areas to recruit are in the rural areas. Today we have 79 vacancies in the locations that are identified in the request. You can see that this represents a substantial challenge in our recruitment effort. The urban areas are very successful. The rural areas, we have a substantial challenge.

In particular, we have some very remote camps that are sensitive when they only have 13 full time equivalent positions in particular assigned to the entire camp. When you have five vacancies or eight vacancies or two vacancies and you have turnover on top of those vacancies, it creates a substantial challenge. What we have found is that through this critical labor designation, we have been able to hire retired employees. We have a history of some joining our employment and then leaving for various reasons. Currently we do have eight employed based on the designation that was given to us approximately two years ago. We are asking to continue this program to use available resources out in those areas. Thank you.

Governor: Thank you Mr. Borrowman. So a favorable vote today would allow you to maintain those eight that you have hired? Do you have any other individuals that are ready, willing and able to take on some of these vacancies?

John Borrowman: Thank you. John Borrowman, I appreciate the question. We did have people that were not former correctional officer employees but were still quite qualified to do the job. Specifically, we had people retire from municipal law enforcement out in the rural areas that were interested. They approached us a couple of months ago. Given that it was not something we explicitly put on the record two years ago, this particular request is a little more transparent and I appreciate being able to put it on the record audibly. That is, it is not just retired correctional officers that we are interested in hiring. Anybody who is interested in coming to work for the Department of Corrections we are willing to accept their application and if they are fit and appropriate we will provide the training to do so. That includes if there are some retired municipal law enforcement officers out in the rural areas, we would welcome those to help us out with this.

Governor: Thank you Mr. Borrowman. Any questions from the other Board Members?

Attorney General: Governor, I support this request but our Office had a little bit of a concern with the language that we specifically mention a Rural Correction Officer, which is not technically a thing. So I would suggest that we strike the word 'rural' but we can make a motion to condition this action item on use of rural facilities. It is a little bit of a technical clean up but if you guys are open to it I would recommend that.

Governor: I am fine with it. I think it is okay because rural is in quotes but if you want to make that the form of the motion I am fine with it. I see you, Director Dzurenda, is there anything that you wanted to add?

Director Dzurenda: No sir.

Governor: Okay. So, if there are no further questions or comments, Mr. Attorney General, if you want to form a motion consistent with what you just stated, please proceed.

Attorney General: I move to strike the word 'rural' and condition this motion on the listed designated rural areas in this action item.

Governor: That would be Ely, Pioche, Wells, Jean, Carlin, Humboldt, Tonopah and Lovelock.

Attorney General: Yes sir.

Governor: All right. You have heard the motion, is there a second, Madam Secretary?

Secretary of State: Yes Governor, I second the motion.

Governor: Secretary of State has seconded the motion, any questions or discussion on the motion? I hear and see none. That motion passes 3-0 on Department of Corrections.

Governor: We do need to approve agenda item 8A. Is there a motion to approve the Department of Health and Human Services, Aging and Disabilities Services Division Request?

Secretary of State: I move to approve 8A, Governor.

Governor: Thank you Madam Secretary, is there a second?

Attorney General: I second.

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

9. Approval of Payment to the Secretary of the U.S. Treasury Pursuant to the Cash Management Improvement Act

(For possible action)

The State Controller requests approval of payment to the U.S. Treasury, in an amount not to exceed \$68,354 from the interest earnings of the State General Fund for interest incurred from drawing federal funds prior to their disbursement. This is the highest possible payable liability for 2017. The U.S. Treasury is reviewing the report and should have a final liability figure by March 15th. Payment to the U.S. Treasury is required by March 30th.

Governor: We will move to agenda item number 9, Approval of Payment to the Secretary of the United States Treasury pursuant to the Cash Management Improvement Act. Mr. Wells.

Clerk: Thank you Governor. Item 9 is a request from the State Controller, pursuant to Section 80 of Assembly Bill 518 from the 2017 Legislative Session, which authorizes a payment not to exceed \$68,354 to the United States Treasury for interest owed under the Cash Management Improvement Act or CMIA. The CMIA ensures efficiency and equity between the time that federal funds are drawn and expended with the State incurring an interest liability if it draws funds too early and the federal government incurring a liability to the State if the State uses its funds for federal program purposes.

The amount shown is the highest possible state liability for fiscal year 2017. The US Treasury is currently reviewing the reports submitted by the State Controller and should provide a final determination by March 15th. If the calculations by the State Controller are accepted by the US Treasury, the federal government will owe the State \$133,790.

Last March the Board approved a payment not to exceed \$21,526 for fiscal year 2016. The final amount was a payment from the federal government to the State in the amount of \$2,401.

There are representatives available from the State Controller's Office to answer any questions the Board Members may have.

Governor: Thank you Mr. Wells, I have no questions. I wanted to make sure and you did, clarify it for the record, it is not that we owe the federal government \$68,354; in fact, they are going to owe us the maximum liability just in case.

Clerk: That is correct. This represents the absolute maximum liability should all of the calculations from the Controller's Office be denied.

Governor: Thank you Mr. Wells. Board Members, any further questions with regard to agenda item number 9?

Secretary of State: No Governor.

Governor: Is there a motion to approve payment to the Secretary of the United States Treasury pursuant to the Cash Management Improvement Act in the sum of \$68,354?

Secretary of State: Move for approval.

Governor: Secretary of State has moved for approval. Is there a second?

Attorney General: Second.

Governor: Seconded by the Attorney General. Are there any questions or discussion on the motion? I hear and see none. That motion passes 3-0.

10. Request for Recommendation of Approval to the Interim Finance Committee for a Grant from the Disaster Relief Account

(For possible action)

City of Caliente - \$23,084.01

Pursuant to NRS 353.2755, the Division of Emergency Management and the Department of Taxation recommend approval of grant funds in the amount of \$23,084.01 from the Disaster Relief Account to reimburse the City of Caliente for costs associated with flash flood events that occurred in July 2015.

Governor: We will move to agenda item number 10, Request for Recommendation of Approval to the IFC Committee for a grant from the Disaster Relief Account in the sum of \$23,084.01 by the City of Caliente. Mr. Wells.

Clerk: Thank you Governor. Pursuant to NRS 353.2755, local governments can request a grant or a loan through the Division of Emergency Management, from the Disaster Relief Account if because of the disaster the local government is unable to pay for expenses from available funds. Applicants must submit their intention to apply not later than 60 days after the governing body of a local government, determines an event constitutes a disaster. Within 18 months of that determination, unless the Administrator of the Division of Emergency Management grants an extension, the local government must submit their final request to the Division of Emergency Management and the Department of Taxation, including whether the request is for a loan or a grant and the final amount of the request. The Division of Emergency Management and the Department of Taxation are required to review the requests and submit reports to the Board of Examiners, who will make a recommendation to the Interim Finance Committee on the proposed amount and the determination of whether a grant or loan should be provided to the local government.

This request from the City of Caliente, relating to expenses incurred during a flash flood event during July 2015, is for a grant from the disaster relief account. The City provided financial records and supporting documentation showing labor, equipment and supply costs incurred in the amount of \$46,168.02.

Pursuant to NRS 353.2745, the City is eligible for a grant of not more than 50% of the expenses incurred for the repair and replacement of roads and facilities damaged by the disaster. Therefore, the City may request not more than \$23,084.01 from the Disaster Relief Account. The Division of Emergency Management provided a letter determining that the event did constitute a local disaster and the Department of Taxation provided a letter documenting the financial condition of the City and the impact of these costs on its ability to provide services to residents.

Pursuant to Subsection 6 of NRS 353.2755, the Board of Examiners shall consider the request and the reports from the Division of Emergency Management and Department of Taxation and may require additional information as deemed necessary to make any recommendations.

Pursuant to Subsection 7, after considering the information, the action for the Board this morning is to make a recommendation to the Interim Finance Committee on whether or not a grant or a loan to the City of Caliente is appropriate and if deemed appropriate by the Board, the amount of the grant or loan and if it is a loan, any repayment terms. If it is not deemed appropriate to pay money from the Disaster Relief Account, a reason for that determination.

There are representatives available from the Division of Emergency Management to answer any additional questions.

Governor: Chief Cage, good morning.

Caleb Cage: Good morning Governor and Members of the Board. I just wanted to say that from the Division of Emergency Management's standpoint Governor, the City of Caliente has been extremely proactive and active in this process and great to work with. We support this request and think that it is a justifiable request from the City. Happy to answer any questions you may have Governor, or Members.

Governor: The only question I have is, this happened way back in 2015. Is this typical for how long the process takes?

Caleb Cage: Thank you Governor. Caleb Cage for the record. Yes. The jurisdictions have 18 months to file an application after the first 30 days following. So this is typical. This is the second one I have been involved in and both happened in consecutive weeks in July since I started.

Governor: Thank you. Any questions from other Board Members?

Secretary of State: I have none.

Governor: If there are no further questions, the Chair will accept a motion to approve the request for recommendation of approval to the IFC Committee for a grant from the disaster relief account, for the City of Caliente in the sum of \$23,084.01.

Attorney General: Move to approve.

Governor: Attorney General has moved to approve. Is there a second?

Secretary of State: I second it, Governor.

Governor: Secretary of State has seconded the motion. Any questions or discussion? I hear and see none. That motion passes 3-0. Thank you gentlemen.

11. Request for Approval to Pay a Stale Claim From the Stale Claims Account (For possible action)

A. Nevada Department of Transportation

The Department requests approval to pay \$85,846.71 from the Highway Fund, Stale Claims Account, for a Fiscal Year 2017 invoice from Clark County School District for providing a Bicycle and Pedestrian Safety Education Program for school age students, grades Kindergarten through 8th grade within Clark County.

B. Nevada Department of Transportation

The Department requests approval to pay \$81,331.41 from the Highway Fund, Stale Claims Account, for a Fiscal Year 2017 invoice from the Board of Regents University of Nevada, Reno for pavement design and material evaluations.

Governor: Agenda item number 11 which are requests for Approval to Pay a Stale Claim from the Stale Claims Account. Mr. Wells.

Clerk: Thank you Governor. Item 11 includes two requests from the Department of Transportation to pay late invoices pursuant to NRS 353.097. The first request is to pay the Clark County School District \$85,846.71 for the bicycle and Pedestrian Safety Education Program for the period of October 1, 2016 through April 30, 2017. The invoice from the school district was received by the Department in December, which was after the cutoff for processing fiscal year 2017 transactions.

The second request is to pay the University of Nevada, Reno, \$81,331.41 for pavement design and material evaluation for the period of April 1, 2017 through June 30, 2017. The invoice was received by the Department in September which was also after the cutoff date for fiscal year 2017 transactions.

The funds in these programs did not balance forward but the Department did revert sufficient funds to cover their costs and the claims would be paid from the Highway Funds Stale Claims Account.

There are representatives from the Department of Transportation if there are any additional questions.

Governor: Thank you Mr. Wells. I have no questions. Board Members, any questions on agenda item number 11?

Secretary of State: None, Governor.

Governor: Thank you. Is there a motion to approve the Stale Claims as presented in agenda item number 11?

Attorney General: Move to approve.

Governor: Attorney General has moved to approve. Is there a second?

Secretary of State: I will second it Governor.

Governor: Seconded by the Secretary of State. Any questions or discussion? I hear and see none. That motion passes 3-0.

12. 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 that debt in the amount of \$5,131.25 be designated as bad debt based on the Board's determination that the debt is impossible or impractical to collect.

B. Department of Business and Industry – Division of Industrial Relations – Advisory Council \$761,721.01

Pursuant to NRS 232.605, the Advisory Council to the Division of Industrial Relations requests that debt in the amount of \$761,721.01 be designated as bad debt based on the Division's determination that the debt is impossible or impractical to collect. The Division submits the following comprehensive list of debts for which it seeks bad debt designations:

- Mechanical Section Fees/Fines - \$1,990.00
- Occupational Safety and Health Administration Fines/Penalties -\$53,911.91
- Uninsured Employer Claim Account - \$373,885.12
- Workers' Compensation Administrative Fines and Premium Penalties - \$331,933.98

Governor: We will move to agenda item number 12, Requests for Designations of Bad Debts. Mr. Wells.

Clerk: Thank you Governor. Most state agencies turn their uncollectible debts over to the State Controller who has the authority to request the Board of Examiners write off bad debt that has become impossible or impractical to collect. Bad debt under the purview of the State Controller cannot be removed from the State's books, unless the Board of Examiners designates the bad debt as uncollectible.

Prior to the passage and approval of Assembly Bill 14 from the 2015 Legislative Session, the Division of Industrial Relations (DIR), Advisory Council and the Nevada Gaming Commission, by the affirmative vote of a majority of their respective members could remove from the records the name of a debtor and the amount of the tax penalty or interest owed by a debtor if after a period of three years for DIR or five years for the Gaming Commission, they remained impossible or impractical to collect.

Assembly Bill 14 from the 2015 Legislative session amended the respective statutes and requires the DIR Advisory Council and the Gaming Commission to report the debt determined to be impossible or impractical to collect to the Board of Examiners for designation as bad debt. Upon such designation, the Clerk of the Board of Examiners shall notify the State Controller to remove the debt from the State's book.

This item includes two requests to designate debts as bad debts under those provisions. The first request from the Nevada Gaming Control Board is to request \$5,131.25 as bad debt for the purpose of removing three debts from the State's book. The second request is from the Department of Business and Industry's Division of Industrial Relations, which would designate \$761,721.01 as bad debts for the purpose of removing them from the State's books.

As a point of reference, from last year the Agency's requests were \$8,956 for the Gaming Control Board and \$860,028 for the Division of Industrial Relations.

There are representatives available to answer any questions that Members may have.

Governor: Thank you Mr. Wells. Just for the purpose of the record, I would love to have some testimony as to what the extent of the efforts are to collect these. There are some that it said were referred to the Controller's Office, others that just simply say 'collection attempts unsuccessful'. Is there anyone present who can answer those? I'm referring to the Department of Business and Industry.

JD Decker: Good morning Governor and Members of Board. JD Decker, Administrator for the Division of Industrial Relations. We have varying collection efforts based on the various types of fines or penalties that we are attempting to collect. Some of them are uninsured employers which claims are paid from the uninsured employer's account to injured workers. Then there are collection attempts made by the Division to recover from the uninsured employer which is generally going to be unsuccessful because they were uninsured in the first place. Others are fines and penalties through the Occupational Safety and Health Administration program or the Employer Compliance Unit. Those are turned over to the Controller's Office and we are not privy to their collection efforts until we are notified by them that their efforts were unsuccessful.

Governor: Okay, thank you. Any other questions from Board Members?

Secretary of State: Yes, Governor. The question that I have is if any of these are still doing business in Nevada?

JD Decker: JD Decker for the record. We did a search in the last 24 hours and we found that there were 18 businesses that were active on the Secretary of State's website and there were actually two vendors that were active in DAWN as State Vendors; although we know that one of those vendors has gone bankrupt in the past few years.

Secretary of State: Wow. All right. Well, I guess we have got some looking at our files. I think if they owe this debt and we are writing it off, we need to look at the justification for them still doing business.

Governor: Madam Secretary, I agree. I suppose my question would be, is there any jeopardy in continuing this agenda item until we have the answers to those questions? If they are indeed ongoing concerns, then there is no reason why they should not be making some good faith effort to be paying these fines.

JD Decker: Governor, from the Division's standpoint, there would be no jeopardy in continuing the agenda item. The debt remains out there. Although the Division does not necessarily have the resources to attempt to collect, we would be happy to take the time to update the Secretary of State's website as far as our experience goes.

Governor: Perhaps we can hear from the Controller's Office with regard to the collection efforts on the ongoing concerns.

JD Decker: I was not quite prepared to testify on this but I will give it a go as far as that goes, if these debts are turned over to our office, we will be checking ongoing concerns to see if the vendors are still doing business within the State and be taking appropriate action accordingly with that. Gaming Control and the Division of Industrial Relations have a little bit different agreement based on Assembly Bill 14. So they bring their debts here directly, as opposed to larger write off that we bring from our Office to the Board as well.

Governor: I understand that. So, is 30 days enough? I saw even a Barnes and Noble on there. So how much time do you need to go through this list to see if some of them are collectible?

JD Decker: Governor I think 30 days would be sufficient.

Governor: Thank you. So, Board Members if there is no objection, I suppose I would take a motion to approve the designation of bad debt for the Nevada Gaming Control Board but I would like to continue Item 12B.

Secretary of State: Governor, I have the same questions for the Nevada Gaming Commission. I was just told that one of the companies here has closed their doors but I just want to know if we are accepting this as bad debt, are they still doing business in Nevada.

Dan Douglas: My name is Dan Douglas; I am the Chief of the Tax and License Division of the Nevada Gaming Control Board, for the record. I am not aware of these locations doing business in Nevada. I know they are not gaming licensees and they are not currently operating but I am not aware of them operating elsewhere. I can check into that if you would like.

Attorney General: Why don't we make a motion to continue them both?

Secretary of State: Okay. That works. Is that okay with you Governor?

Governor: Yes please.

Secretary of State: Okay. Then we will make a motion to continue A and B on Item 12 to the next meeting.

Governor: Thank you Madam Secretary. So, the Secretary of State has moved to continued agenda item number 12 to the next regularly scheduled meeting of the Board of Examiners.

Attorney General: I second.

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

13. Approval of Proposed Leases (For possible action)

Governor: We will move to agenda item 13, Leases, Mr. Wells.

Clerk: Thank you Governor. There are three leases in agenda item 13 for approval by the Board this morning. No additional information was requested by any of the Members.

Governor: I have no questions Board Members, any questions with regard to agenda item number 13?

Secretary of State: I have none Governor.

Attorney General: Move to approve.

Governor: Attorney General has moved to approve the leases presented in agenda item number 13. Is there a second?

Secretary of State: I second it, Governor.

Governor: Seconded by the Secretary of State. Any questions or discussion? I hear and see none. That motion passes 3-0.

14. Approval of Proposed Contracts (For possible action)

Governor: Agenda item number 14, Approval of Proposed Contracts, Mr. Wells.

Clerk: Thank you Governor. There are 42 contracts in agenda item 14 for approval by the Board this morning. Contracts 23 and 30 are contingent upon approval of work programs at the April IFC meeting. Members requested additional information on the following contracts: Number 1 between the Department of Administration, State Public Works Division and the Whiting Turner Contracting Company. Number 8 between the Department of Administration and State Public Works Division and Tate Schneider Kimsey Architects. Number 11 between the Department of Administration Purchasing Division and Periscope Holdings. Number 24 between the Department of Health and Human Services, Healthcare, Financing and Policy Division and Medical Transportation Management. Number 30 between the Division of Minerals and Clark County. Number 36 between the

Department of Conservation and Natural Resources, State Parks Division and Haley Sharp Design.

Governor: Thank you. Let us begin with contract number 1 which has to do with the UNLV medical school.

Chris Chimits: Good morning Mr. Governor and Members of the Board. My name is Chris Chimits, I am the Interim Administrator of the State Public Works Board. The contract before you today is with Whiting Turner, a construction company in Las Vegas. It's for the purposes of providing Construction Management At-Risk (CMAR) Services for the Medical Education Building at UNLV.

The services that they would be providing are constructability reviews, real-time construction cost estimating. They will be assisting the designers in terms of product availability, making sure that what's specified is available. They will be qualifying subcontractors and ultimately producing a guaranteed maximum price for the project. This contract does not obligate the State to a construction with them. It is a pre-construction agreement that is designed to augment the design services of the architect whose contract was approved at a previous BOE Meeting, I believe in January.

To date, we have received \$15 million of the \$25 million of donor's funds, which covers the AE agreement and this CMAR agreement and a portion of our management fees. That's what is in the agreement before you right now.

Governor: Thank you. You answered one of the questions I had as to where the money was coming from. So that comes from exclusively donor money and not State money?

Chris Chimits: Yes sir.

Governor: Are there representatives from UNLV present here in Las Vegas? Good morning. My question for you sir is, at the previous meeting, UNLV had requested that this contract be removed from the agenda. Are you in full support of this contract?

David Frommer: Good morning Governor Sandoval and Members of the Board. David Frommer, UNLV for the record. Yes, we are in support of the pre-construction contract and Whiting Turner as the selected vendor.

Governor: Thank you. That is all I have. Board Members, any other questions with regard to contract number 1?

Secretary of State: No Governor.

Attorney General: No thank you, Governor.

Governor: All right, thank you. We will move to contract number 8 which is Department of Administration, State Public Works and Tate, Schneider, Kimsey. Good morning.

Patrick Cates: Good morning Governor and Members of the Board. For the record, I am Patrick Cates, Director of the Department of Administration. To give you an overview of the purpose of this contract, we have been working on some advance planning to refurbish the Nevada State Library and Archives. We have some conceptual drawings here for you to see that they have produced so far.

What we are trying to do, the State Library and Archives was built in 1992. It has not had a major upgrade or refurbishment since that time. When it was built, the entire building was the State Library and Archives and only housed the staff of that Division. During the recession, when times were hard, a lot of the building was converted into office space for other state agencies. I think what that did was limit the amount of space that agencies had for training and meetings. Before the recession, a lot of agencies utilized the building for those types of activities.

We have undertaken this project, in part to refurbish the library itself and turn it into a 21 Century Library and make it focus on the workforce development of State employees.

Governor, you had me convene a Human Resources Working Group with other state agencies and this has been part of the conversation that we've had with them. We did bring in a space planner for the library to really look at the library, it's collections, the layout of the building. You know a 21st century library has a lot of collaborative work space, meeting space and they have a mission for workforce development. The State Library is a specialty library that is focused on State Government.

If I could just briefly mention that the project purpose, the goal of this project is to transform the existing building into a state-of-the-art facility, to restore the vitality of the State Library and Archives. To optimize the accessibility of Nevada's unique information resource and knowledge. To develop State employees' capability and effectiveness. To equip State employees with 21st century skills and abilities. To facilitate a 21st century workspace. To facilitate lean state government. And, to give Nevada a competitive edge in engaging employees and to recruit and retain excellence.

I have been in communication with folks at the Nevada System of Higher Education about developing some workforce stream from their facilities to the State. Also talked to them about developing certification programs for State employees to advance, that they may be able to provide.

The Department of Administration, I think virtually every one of our Divisions has some statutory requirements to provide training to State employees. It would be used for those purposes. It could host special events. We've talked about vendor fairs where we could bring in, particularly IT vendors to do demonstration projects. It's a really exciting project.

The Old Assembly Chamber, as you well know, was much underutilized before we did the project in here that made it possible for us to have this meeting today. What we have found is, if we build it, they will come. This room is being utilized every single week, sometimes multiple times a week and I see the State Library, right behind the Capital as a

real asset and could be part of, sort of a compound for State learning, development meetings, that sort of thing. That is the gist of what we are doing there.

This is advanced planning work, some conceptual drawings. This would go into a request for a CIP Project for the next session.

Governor: Thank you. I think it is an exciting project. I did not realize 1992 was so long ago. Time flies, doesn't it?

Patrick Cates: Twenty-six years.

Governor: In any event, I think it is really important that we have a state-of-the-art facility in that regard, to address the needs of the State workforce, and frankly the changes that are coming with technology. I am going to be very supportive of this. I am sure you anticipated this question but what is it that you anticipate for the entire project to cost?

Chris Chimits: Chris Chimits for the record. That answer will become available to us on April 9th.

Governor: Well, you have got to have a ballpark, come on.

Chris Chimits: I think a large portion of the construction will really be furniture, fixtures and equipment (FF&E). Much of the existing building is going to be utilized in its similar structural form. We will probably add a stairwell, a grand staircase, up to the second floor, to be making it more an integral part of the first floor. I would say, roughly \$300,000 to \$400,000 worth of construction and then the remainder would be FF&E but I would love to come back.

Governor: No, just curious. That is going to be the technology piece I would assume to ensure that we have the best technology in the facility.

Patrick Cates: If I could just add Governor, Patrick Cates for the record. The FF&E package, it will be technology and it is furniture and fixtures. There are glassed in meeting rooms that are kind of furniture systems. The other thing, as soon as all this work is done with TSK, I am going to hit the road and reach out to private companies, particularly technology companies and see if they will partnership in any respect to provision technology, maybe fund internships. Whatever I can get. I hope by the time it comes to the CIP request, we have got some private sector partners to help us.

Governor: I do not know if the Members in Las Vegas can see this other but I really like the looks of that collaborative space for people to meet with the skylights, sunroom.

Secretary of State: We like it too.

Governor: So, hopefully you will put a good coffee shop in there too right?

Patrick Cates: It does include a food service. Right now on the drawings, it is dubbed the Governor's Grill.

Governor: Ah! The food will be really good, right?

Patrick Cates: It should be, you bet.

Governor: I did not know that.

Secretary of State: Is the Governor cooking?

Governor: Of course, I need a job after this year, right? All right, thank you gentlemen. Any other questions?

Secretary of State: None here, thank you.

Governor: Thank you. Move to contract number 11 which is State Purchasing. Mr. Haag, good morning.

Jeff Haag: Good morning Governor and Members of the Board. The contract before you actually does two things. One, it extends a current contract that we entered into last year for an E-Procurement system for a five-year period, so through 2024 and the subscription fees that it cost to continue that over that five-year period. Then it also adds what we are referring to as Phase II. Which is an integration into the State's Advantage Financial System. That will allow us the full ability to check capability and automate the State's procurement process from end-to-end. The integration into Advantage is roughly \$600,000 of the contract cost that is before you. Obviously, for the integration of Phase II, there is a subscription fee to that as well or an additional \$325,000. For this five-year period, the total subscription cost goes up to \$625,000 annually and then the one-time implementation cost of \$624,000 for Phase II. With that, I am happy to answer any questions.

Governor: Thank you. How is the system working for you now?

Jeff Haag: Thank you Governor, for that question. The E-procurement system, Nevada ePro, as we are referring to it rolled out to vendors in December. It rolled out to State Purchasing in January. We are now running 100% of RFPs and bids that we handle through this application, it is working incredibly well. It is providing vast efficiencies. It is allowing our employees to spend time on more important consultative approaches with our agencies and it is beginning to provide us the analytics that we desperately need. Those analytics will become much more robust when we integrate into Advantage because that financial data is obviously key.

Governor: Thank you. Any other questions from Board Members?

Secretary of State: Yes, Governor.

Governor: Yeah, Madam Secretary.

Secretary of State: Thank you. I just was curious and tell me if I am right or wrong, but it looked like, according to my staff, it was about a 200% increase from the original cost.

Jeff Haag: I did not do the math on the increase, but it is a substantial increase. I think it is important to understand where those additional dollars are going. We are in the first initial contract that was approved, July of last year was \$1.7 million, I believe.

Secretary of State: \$1.7 million, correct.

Jeff Haag: So, that was for Phase I. So, what that included was the implementation of a new vendor self-service portal. It provided for the automation of our sourcing initiative, business intelligence and contract management. That was all paid for in that first phase in the \$1.7 million. What we are coming back for now is an additional \$4.2 million. That \$4.2 million pays for Phase II, which is the integration into Advantage - that was not contemplated in Phase I. It also allows us to pay for now the increased subscription that includes Phase I and Phase II. So, where in Phase I the subscription cost was \$300,000; that subscription cost has now gone up to \$625,000 with Phase II. So, that is where the additional monies are going over the five-year period.

Secretary of State: Well, my main question was, the 200% increase because that is approximately what it is but that we did not anticipate this in the very beginning, is what I am hearing from you. That you have the original cost of \$1.7 million and then, now you have gone in and I guess, looked at other resources or other things that you wanted to include and then this vendor upped it another \$325,000. Am I getting that correct? I am just concerned about us approving something that's over 200% increase from the original accounting of what you had indicated.

Governor: I suppose it begs the question, Mr. Haag, is it worth it?

Jeff Haag: Thank you Governor, Jeff Haag, for the record. Absolutely, I think what Phase I only contemplated automating half of our process. Phase I did not anticipate an integration in the State's financial system. As everybody knows, we're contemplating a replacement of that financial system and the initial thought was that we would wait. As that project gets pushed out and as we have learned about the efficiencies that ePro could provide us, Phase II is absolutely worth it, if you will from the context of that Advantage integration will allow us to realize what our real spending is, to have those analytics. It will allow us to get our arms around better what we are all spending together and leverage that spend collectively at a quicker pace.

Governor: The Secretary has always been a fiscal hawk, which I appreciate. Will there be another big chunk that comes later down the road or is this pretty much what we're looking at?

Jeff Haag: Thank you Governor, for the question. Jeff Haag, for the record. So, with Phase II, should it be approved today, is the full end-to-end technology suite for Nevada ePro. We are contemplating a more robust contract management application that we may come back with at a later date. It would just allow us to manage the State's contracts, post-award, in a more thoughtful way. That is a pretty expensive endeavor there that we are still researching.

We may come back for some training support from Periscope. We are looking to roll this out hopefully in the fall to State Agencies. We will want to have as many resources on deck as possible to roll this out. We may come back for some training dollars at a later date, but we are trying real hard to be able to accomplish that in-house within the State Purchasing team.

Governor: Thank you very much. Any other questions on this contract?

Secretary of State: Governor, if I might, just the last one where it went up \$325,000 for the vendor costs, is that anticipated it will continue to climb or do you have a contract signed with them for a period of time because that's quite a steep increase?

Jeff Haag: Thank you Madam Secretary for the question. Jeff Haag, for the record. Yes, the new subscription fees, which represent the \$325,000 increase for Phase II functionality that you referenced is locked in for this five-year contract period. If I could, Madam Secretary, follow up after this meeting; I would love to give you a breakdown of what Phase II will realize for the State and what functionalities and features that we get in exchange for those additional monies that we'll be paying annually.

Secretary of State: I look forward to that. Scott Anderson is in the audience, you can talk to him and set it up. Thank you, Governor.

Jeff Haag: Sounds great.

Governor: Thank you Mr. Haag. Next is contract 24, Department of Health and Human Services and Medical Transportation Management.

Governor: Good morning.

Marta Jensen: So, the contract that we have before you today is for our non-emergency transportation vendor, MTM. They're currently under their current two-year contract and we're asking to extend this for an additional two-years. We have noticed an increase in utilization. At the time that they came on board, they're required by contract to do education on their company and the marketing for the service, which was successful, because we have seen an increase in the utilization.

We also saw an increase in the cost-per-ride. We're trying to be as creative as possible, especially in the rural areas, where transportation can hinder recipients getting to their medical providers, pharmacies, therapists and so forth.

With this contract, we are also asking for a rate increase, which seems odd since we use this as a budget efficiency in the 2017 Session, because it did decrease from the previous vendor. However, at this time, because of the utilization and the additional requirements that we've put on the contract, we have opted to see if we could extend this contract. We weighed the risk of going through a Request for Proposal (RFP) process, however, the original bid that came in from the vendor was \$2.85, per member, per month. All of the bids that came in the prior RFP were also higher than what we had selected with MTM.

We negotiated it down to the \$2.35 per member, per month with the incentive payment paid on a quarterly basis which is an additional \$0.10 per member, per month if the vendor meets all 12 of the performance requirements. They have to meet all 12 in each of those months to qualify for the bonus payment.

The first year, we expect that this is approximately about \$800,000 for the per member, per month increase. That would be FY 2019 with approximately \$195,000 should they get that bonus payment. Then in FY 2020, the total would be per member, per month plus the incentive would be about \$1 million and the same for the following year, 2021.

In FY 2019, we anticipate, if possible, using IGT, if there's funding available from that category, if not, we would have to include this in our supplemental request. For FY 2020 and FY 2021, we would build this into our budget. If State General Fund isn't available at that time, we would again, look at our IGT reserve to see if we could pay the difference. The numbers that I quoted to you are the State General Fund numbers. The contract itself is much higher because it includes the federal total.

Governor: What does a client look like who takes advantage of this service?

Marta Jensen: Anybody that qualifies for Medicaid that needs, whether it is transportation to go pick up prescriptions, to get to their doctor appointments, when they are discharged from the hospital, to get back home. It's the ride to and from, if needed. We also have the clientele that have dialysis appointments. We call those subscription rides. If they have three or more appointments, on a regular basis, they would have a subscription. It's already pre-scheduled, they would do the follow-up the day before to make sure that they're going to the appointment. Then we also have the as-you-need-it, make a call and we would schedule those rides.

The interesting thing is right now, we have approximately 120,000 scheduled rides per month, so it is being utilized quite a bit, which is impressive because it means people are getting the services that they need.

Governor: That is the thought that was crossing my mind was, what good is it to provide coverage if there is no access. Do you have any problems with people not showing up or not being available when the ride arrives?

Marta Jensen: I believe, I will defer to Kirsten Coulombe, she is the Chief of our Long-Term Services and Supports Unit who oversees this contract.

Kirsten Coulombe: Good morning, Kirsten Coulombe, for the record. We have that information that we can check if the providers do not show up. Either the recipient can call in and let us know that or let MTM know that. That has to be verified in order for the trips to be reimbursed ultimately. They have a trip call log and the recipients have to sign on the trip call log, if they actually receive the ride from their house to the destination and then back. That information has to be verified and there does have to be a percent for the service level agreement that the rides.

Governor: What is your longest ride?

Kirsten Coulombe: Kirsten Coulombe. It depends on whatever the individual's medical need is. We assess what their medical condition is in order to determine the appropriate mode of transportation. We do have some instances where the individuals will go to Utah and so sometimes that can be through a bus trip. We also can reimburse for commercial flights. It depends on the stability of their medical condition in order to have the transport.

Governor: Are most of these urban rides, versus rural to urban?

Kirsten Coulombe: We definitely have rides throughout the State, so I cannot speak to whether there is a great representation in the urbans. There are urban rides that we work with.

Marta Jensen: We are currently looking at the State as a whole, our adequacy of our network of transportation providers. We can have that information as far as for which areas in Nevada have contracted transportation providers. We are assessing that to make sure that there is not a gap or an unmet need in a particular area.

Governor, I would not make the assumption though that the majority of our rides would be in Clark County just because of the population that we serve there.

Governor: You have got the Network Transportation; so you have got Uber and Lyft, which I understand are going to start offering a health component for rides to and from health care visits. Have you done any type of comparison of the cost of doing that versus what we have here?

Marta Jensen: So, we have looked at it from a State perspective but it's my understanding that MTM, our vendor, is also looking at it. We have some concerns obviously, in our rural areas and we do pay for friend or family to drive them to their appointments. What we were thinking though is, if you could maybe then have that friend or family become an Uber or a Lyft driver, they could then help assist the community. We're still in that evaluation period. It's appropriate for it to run through MTM and not the State directly at this time.

Governor: Is it similar to Uber and Lyft, when you call one of these, can you see where they are and when they are going to arrive via an app?

Marta Jensen: I do not believe that technology is available with MTM at this time. They do have a call center and like I said, they try to make contact the day before a scheduled ride to make sure that everybody will be present.

Governor: MTM may not like me asking these questions but I am just curious because if it's more efficient I would like to see if they have that technology, but if it's more efficient and better to use some of these other alternatives, or the family members as you have discussed, it certainly is something I would like to explore.

Marta Jensen: Absolutely. We will get that information.

Governor: Thank you. All right, any other questions from Board Members on contract number 24?

Attorney General: May I ask for just a summary of this program as well, just to be sent directly to me?

Marta Jensen: Yes sir.

Attorney General: Thank you. No other questions here, Governor.

Governor: Okay, thanks. As I said, I think this is a great program. It's absolutely necessary given that we have a lot of clients and most of these clients don't have transportation. For their health needs, they have to be able to get to those appointments. I think it's a good thing, I just—given the variety of options that we have now, I just want to make sure that we're looking at all of them and not always doing what we've always done.

Marta Jensen: We agree and we are looking at those other options. We're looking for as much flexibility as possible to meet the recipient's needs.

Governor: Great, thank you. Next is contract number 30. Division of Minerals.

Richard Perry: Thank you, Governor and Members in Las Vegas. The contract before you is a collaborative effort between the State Division of Minerals and Clark County to do a hard closure on an abandoned orphaned mine which has become a hazard to the local community in southwest Las Vegas.

The Arden Mine began production of gypsum in 1909 and operated to 1931 on unpatented claims on federal grounds. The area was mined in a room and pillar fashion where areas of ore were horizontally mined out leaving behind unmined vertical pillars of rock to support the workings. There's miles of underground workings in this area of this gypsum mine.

The entirety of the mine workings were on BLM land until May 7, 2003 when several parcels of land were conveyed to Clark County. 41 of the 48 identified portals to the Arden Mine are located on Clark County property, where the remaining seven are on BLM land. The Division worked with the BLM several years ago to have those closed. The Arden Mine was added to the abandoned mine land database of the State in 1996 and the Division of Minerals has repaired or replaced fencing numerous times around these workings.

The City of Las Vegas and its suburbs have expanded significantly over the past few decades and have brought homes, schools and businesses to within walking distance of dangerous abandoned mine workings. In the numerous times that my staff and I have been down there, we generally find people inside the workings, recreating, doing various different things.

The Division and Clark County have collaborated over the past year to find a permanent solution to the dangers posed by the Arden Mine. The Division budgeted \$100,000 from mining claim fees, revenues, for this project in the current biennium. The Division's Abandoned Mine Land Program is funded by mining claim fees that are collected annually and are designated under Chapter 513 of Nevada Revised Statutes to address Abandoned Mine Land (AML) type remediation in the State. These are not taxpayer or general funds.

Previous attempts to secure portals at the Arden Mine involve the construction of metal t-posts and barbed wire fences across the front of each portal. Unfortunately, vandalism has created a problem down there as the community encroached on this and there are more people visiting these workings. As the County has developed a future path up there for recreation, they want to see these closed in time.

The Division of Minerals will manage the project, pending approval of this by the Board today. The Clark County Commission is partnering with us on this. They have designated \$150,000 for the project at their last meeting on February 20th. Construction work is planned to start in April for 25 days. The scope of work identifies the method of closure as backfilling with locally sourced material. The Division of Wildlife and Clark County Desert Conservation Programs will handle any wildlife related issues as there are some down there with the desert tortoise that have to be addressed.

The Division of Minerals Abandoned Mine Land contractor is experienced in this type of hard closure work as we do it regularly throughout the year and has worked on projects across the State.

Governor: I called for this to be put on the record because it has been the subject of a lot of media attention, as well as an attractive nuisance and a public safety hazard. So, given the \$150,000 that we are putting in and the \$150,000 that Clark County is putting in, will that be sufficient to close it down once and for all?

Richard Perry: Thank you for the question Governor. We believe so. We have looked at it several times. Our AML contractor has been there three or four times over the past five years. We have done a fairly detailed scope of work. The methodology is relatively simple

with equipment, backfilling portals with at least 10 feet of material and recontouring the side of the hill. There's no environmental remediation issues with this. It's just primarily dirt work.

Governor: Thank you. Any other questions from Board Members?

Attorney General: No Governor, thank you.

Governor: Thank you very much. I believe our final contract is contract 36. Mr. Johnson, good morning.

Eric Johnson: My name is Eric Johnson, Administrator for Nevada State Parks. The contract before you is a consultant contract to help us tell the story at Ice Age Fossil State Park in southern Nevada. For those that do not know, the State has owned for many years 300 acres down in southern Nevada. It is in North Las Vegas at the very top end of Decatur. When you look at it, driving by, it looks like very typical Mohave Desert landscape, but when you go out on the property, you are almost literally tripping over fossils from the Pleistocene era.

We have gotten the conceptual design done on the building. We have figured out utilities. We have figured out which areas we need to avoid. Now the next step is, what part of the story do we tell and how do we best tell it. That is what this RFP produced, was a consultant that could bring that entire story together, pre-history to modern history and help us tell that in an informative way and showcase what this property is, that wasn't possible until we had the initiative last session.

Governor: For those of us that did not take that class in college, when was the Pleistocene era and would you go down a little bit of the roster of the fossils that are out there?

Eric Johnson: Absolutely Governor. Eric Johnson. It is about 10,000 years ago and the area looked much different than it does today. It was a wetland area. It was obviously populated by creatures that do not exist anymore, including the Columbian Mammoth. We have also found sloth fossils. We, meaning a collaborative group of many people. The only knuckle bone from a Dire Wolf found in Nevada, the only evidence that a Dire Wolf ever existed in Nevada — which in the Paleontological world is a big deal. That had to be explained to me, but it is a big deal having that Dire Wolves evidence in Nevada.

Governor: Thank you. While you are here, any updates on the East Walker Park?

Eric Johnson: Yes sir. The Elbow Area, which is a pretty renown blue-ribbon trout fishery now has restrooms, picnic tables, camp sites. There are fire rings down there. We've got the contract set for the first phase of the pitchfork campground, day-use area and group-area. Construction will begin on April 12th. We are working with a lot of different agencies to make sure that experience includes camping, hiking, rafting and I hope exceptional fishing on that end of the park.

I think we are moving quite rapidly on it. I'm pleased with the progress. It should be a good experience for all Nevadans.

Governor: When do we get to use it?

Eric Johnson: I was anticipating that question, Governor. Right now, to be realistic, we are hoping for Memorial weekend, but it may be more like July 4th weekend. We are in that area right now.

Governor: Sooner than I thought. That is great.

Eric Johnson: Good.

Governor: I am excited to see it. All right, Board Members any questions with regard to what I think is one of the best named State Parks, Ice Age Fossil Park?

Attorney General: No, Governor, thank you.

Secretary of State: None.

Governor: All right, thank you Mr. Johnson.

Eric Johnson: Thank you.

Governor: All right, Board Members, any further questions with regard to agenda item number 14, contracts 1-42?

Attorney General: Move to approve.

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

Secretary of State: Second.

Governor: Seconded by the Secretary of State. Any questions or discussion on the motion? I hear and see none. That motion passes 3-0. We will move on to agenda item number 15 which are the Master Service Agreements.

Attorney General: Governor?

Governor: Yes.

Attorney General: Sorry to interrupt. I have to leave and I wondered if you would be willing to take agenda item number 19 out of order. So that I could go after that.

19. Department of Administration – State Public Works Division

The Division is submitting a report to the Board of Examiners regarding the status of various maintenance projects currently under way at the Grant Sawyer State Office Building in Las Vegas.

Governor: All right, let us move to agenda item number 19. Mr. Wells.

Clerk: Thank you Governor. Item 19 is a report on the maintenance projects that are being worked on at the Grant Sawyer Building. This is a result of a request at the last Board of Examiners Meeting from the Secretary of State. The Department of Administration is going to be here to describe the work that is being done on that building.

Governor: Mr. Cates, good morning again.

Patrick Cates: Good morning Governor and Members of the Board. For the record Patrick Cates, Director of the Department of Administration. We have provided a report (Attachment A) on the Grant Sawyer Building and the maintenance work going on there. There have been concerns raised by personnel in the building about conditions in the building, thermal discomfort and concerns about air quality. The media in southern Nevada has picked up on that and they have run some stories where they have dubbed the building a “sick building”.

There is a history with the building. Approximately 20 years ago, there were problems at the building with mold that had to be abated as well as some tiles on the façade that were falling off. There is definitely a history there of problems, but that goes back a couple decades.

This last summer, we had a chiller failure at the building. That resulted in what our consultant terms ‘thermal discomfort’. Conditions were very unpleasant for several days in the building until an emergency chiller was put in place. We also have a CIP Project that is ongoing to upgrade the heating, ventilation and air conditioning (HVAC) system, which also has contributed to some of the conditions in the building.

I think concerns started to rise to my level, I do not have exact dates, but I believe it was October, early November time frame. That resulted in a series of meetings between myself and my staff and personnel in the building. Mostly this has been concentrated on the Secretary of State and Attorney General’s Office where most of the concerns had come from.

I personally went down there and sat in on some sessions to really understand people’s concerns. It was kind of all of the above of the things that I just mentioned where people’s

concerns were. We definitely noted some deficiencies in housekeeping and maintenance at the building.

We immediately tried to escalate actions that we were taking in the building. We had an Industrial Hygienist who was in the building, take some samples. We brought on board a second Industrial Hygienist and medical doctor who is doing a whole building assessment that we'll go into in a few minutes in some detail. We provided notices to those employees that had concerns of the C1 process, or workers comp claims.

Throughout this, we had some pretty significant staffing changes. Chris Chimits came on Board as the Interim Administrator in December. And, he really took the bull by the horns and tried to get a full assessment of what was going on in the building. We also brought on, a little more than a month ago, Ron Cothran as the Deputy Administrator for the Buildings and Grounds (B&G) division. Ron has very high standards and is very customer service oriented. We are very thankful to have both of them on this and I think we have made significant progress in working through the projects and addressing people's concerns.

We have diverted staffing resources from B&G, from the north, as well as some funding to focus on the building to address some of the deficiencies. For about the last month or so, we have been sending out weekly communications to all the agencies at the building to keep them apprised of the work that's being done.

With that, I would like to turn it over to Chris Chimits to go through the report and provide you updates.

Chris Chimits: Thank you very much Patrick. Chris Chimits, for the record. So, the presentation today is really to provide a complete assessment of the conditions and the work that is being done by the Department of Administration to improve the conditions at the Grant Sawyer Building and to address the concerns of the occupants.

I will elaborate on that a little bit by category. The first category is the HVAC Project. As Patrick eluded to, we have two major capital improvement programs going on right now at the Grant Sawyer Building. The first one is a replacement of the central plant equipment down there. The second one replaces the direct digital controls for the building. Both are currently about 65% complete and the work is progressing nicely. The chillers have been installed this week. All the major equipment is in and all that remains is the piping and the electrical work along with some of the direct digital controls and final commissioning.

During the process of construction, two key elements surfaced that I would like to focus on directly. When we opened bids on the central plant project, it came in significantly under budget, which we are grateful for because during construction, we found, they're called line sets, it is a series of three or four valves that service each variable air volume (AV) box. There's 270 of them in the building. As would be normally assumed, the leaks occur around valves, generally. These valves are there to control the water, temperature to each AV box.

We are in the process of replacing all 270 of those line sets. This is work that was added by change order, as we started getting into the construction of the project. That is germane to the issues that we faced because if there is mold present, it was created by water. The source of the problem is being removed right now. That also will be completed by May 5th.

The second interesting area that we discovered is that there are outdoor air dampers that are non-functional in that building. When we discovered that, that also is germane to the issues that the employees are putting forth about the air quality in the building. When we go to commission it, especially the portion that involves the direct digital control project, will fix all of those air dampers that provide outdoor air to the building. As you can imagine, this will help with getting the correct outdoor air mix into the building.

Between the two, the line sets being replaced and the outdoor air dampers being addressed, I think that's key to what we are seeing in terms of complaints from the occupants there. That is, in my mind, good news. I think by the middle of May, we're going to be in good shape down there as far as addressing much of the issues that have surfaced on that building.

There is more though. The ceilings, there is a lot of ceiling tile there that has evidence of staining on them from water leaks. I can tell you that all of the stained ceiling tiles have been replaced on the fourth and the fifth floors. This week we're moving down to the third floor. We anticipate that that work will be complete by June. The ceilings will have a new look to them which will also help in terms of just the perception. We are fixing the leaks and then we're fixing the tile. We are replacing the tile.

The next category that I want to talk about is mold. As Patrick mentioned in his opening comments, we brought in a Certified Industrial Hygienist to investigate back in December. We did the inspections, interviewed people, especially the occupants on the third and the fifth floor, as he mentioned. An indoor air quality test performed at that time didn't find elevated levels of mold spores. However, subsequently Risk Management Division contracted with a second Industrial Hygienist and a Medical Doctor that routinely conducts building wide indoor air quality investigation, as well as sampling.

We took 20 samples in various locations on January 8th under the direction of that Hygienist and the Doctor. The laboratory tests are due, or will be complete by around March 15th. Those will be provided directly to Dr. Craner who will assemble a final report that will be available on or around April 15th.

Once this report is complete, I want to make sure it is put on the record here that that report will be made available to all of the occupants in the Grant Sawyer Building.

Now, the good news is that the Doctor will, in his report, have a summary of findings. The better news is that he will compare symptoms of the occupants to the results of the samples. The best news is it will provide any necessary cleaning protocol for us to follow-up on. I can assure you that Buildings and Grounds and Public Works, will be following up

rigorously with whatever recommendation he provides, so that we can clean that building appropriately and following his recommendations carefully.

One thing I just would like to add is that the staff at Buildings and Grounds and Public Works has been trained to a certain protocol that if there are any other pipe leaks that do occur outside of those valves that have insulation on them; especially insulation with any dark colored stains on it, Buildings and Grounds will immediately notify Public Works' Project Manager who will inspect it, sample and then get it carefully abated.

Once that work is complete, then Buildings and Grounds staff will be notified and they'll fix the leak and replace any insulation as needed. What I can say is that, we're going to make every effort to get that process done within a week of the time that it was first brought to our attention.

The next system is roofing repairs. The good news is that we found roof leaks and they are fixed. The better news is that, in mid-May, we're going to begin a construction project to completely replace the roof and the roof drains at the Grant Sawyer Building. This work will occur at night, not during the day and we'll have it complete by the middle to end of July.

There are pigeons that like the Grant Sawyer Building very much. What we have got going on there is that, as soon as the new roof is installed, there will be a net that's installed over the roof. Also, we are going to provide a hawk shaped drone that emits a noise similar to an actual hawk. I can say that our staff is fighting over who gets to operate the drone

In regards to those pigeons, we're starting this month with a live transport. It's actually a trap and transport and then release strategy. That will continue until we start the roof in May.

Odor issues, which is another topic. There were reports of sewer odors in some of the restroom areas in that building. We did a smoke test of all the sewer vent systems in the building. We did identify one seal that was replaced on the second floor, in a restroom there. Then again, on March 1st, just recently, we found a cracked plumbing vent that we fixed that day. That also contributes to the odors there.

While we were there and we got the vent fixed at the beginning of this month, we also had Southwest Gas out and they did a detection test through the building and determined that no gas leaks are present. That has been ruled out.

Housekeeping and maintenance are the next issues I wanted to talk about. As Patrick mentioned, we have reallocated our resources in the Las Vegas area with an emphasis on this building for now. What I would say is that, shortly after I got involved, I selected a team of leadership from B&G, up north, and asked them to spend a week down in Las Vegas, investigating our contracts that we have for contract labor, the conditions. I asked them to meet with all of the facility managers in every building that we manage down there. Ron Cothran, when he came on board, joined them and they went down during the week, the middle of February.

During that tour, it was interesting, we found many different toilets, sinks, urinals, soap dispensers that were inoperable and had been bagged or covered up. I'm glad to report that by the end of July, we'll have all those fixtures replaced. We have already started that work now and we found that when we pull off the fixtures, almost half of the pipes that serviced those fixtures had a reduced capacity. There's been restricted flow. So, we are running a snake, a camera and a snake through there, fixing all the pipes as we replace the fixtures.

I am really looking forward to July. I really feel like we are going to be in tall cotton by the middle of this summer in that building down there.

When we were touring the building, we found that approximately 40% of the light fixtures bulbs had not been replaced when they burned out. They have all been replaced.

In closing I would like to say that we really intend to provide a pleasant working environment for all the employees that work in that building. I think again, by June, depending on Dr. Craner's report, we'll have that building clean, the mechanical system will be operating. The outdoor air vents will be operational, the valves will be fixed and we are going to scrub that place just like the doctor recommends and I think that you'll see a different environment down there. Thank you.

Governor: Thank you Mr. Chimits. Questions from the Attorney General.

Attorney General: Yes Governor. Mr. Chimits, I appreciate how engaged you all have been. I hope you understand how problematic this is for my employees. I know the Secretary of State is going to say the same thing. This just needs absolute prioritization, specifically the mold.

I would request that we do everything we can to shorten the timeline of this particular mold audit that we are going through. For us, every week matters now. I have employees that are not working in this building and they are working from home. This has been going on for many, many months, as you all are well aware.

I know you have a lot of things to fix but the mold is still a huge priority that we have employees that absolutely are having health effects. We have to work to get that alleviated and I hope that, as a Department, will continue to try to build back the trust of our employees

We are trying to do everything we can as an office to make sure our employees are accommodated and they feel like they can work. That has been incredibly challenging over the last many weeks and months. So, thank you very much.

The Attorney General was excused from the meeting.

Secretary of State: This is Barbara Cegavske. Mr. Cates, I want to thank you and your staff for coming down and doing everything that you can to communicate with us and our staff and listening to the concerns, first of all. I greatly appreciate the meetings that we've had and that you've been able to listen to each one of them individually.

What I am most grateful is, I see Cy Ryan there, so I am hoping that the story comes out really good Cy, but it is the media and just a little bit on that issue is that I have been concerned as to their reports and what they have been reporting because they did not know everything. I am very, very grateful and that is one of the reasons why I wanted this to come to us today, so that we could talk about it in its full context.

It is unfortunate when we do have these buildings that belong to the State and they perhaps are not taken care of or maintained at their fullest capacity that they should be on a regular basis. This is an older building. I remember some of the first things that happened when this building was first opened, when I was in the legislature.

The reports, I know that one of the things I was hoping that the Attorney General would be here for this one, but I know that growing the molds to find out if there is mold takes time and I know we have got two different labs that are working on two different samplings and that we are looking at that. I appreciate the fact that you did two separate labs so we can see what the outcome is on each of them.

We do notice a difference of what you're doing there. We notice that you're there. We appreciate that. I won't go into the individual items that we've noticed change on but we are very grateful again, for the communication. We want to keep that door open, continuously with you, Mr. Cates and your staff. Again, we want to thank you for the report today. This was very important to get this out. I will share it with the employees in my office on the fifth floor and again, if you can just keep doing what you're doing, talking to us. I know that you're working with my deputies on the meetings and setting up. We'd really appreciate, when the report comes out, if we can do another meeting with the employees, just to talk to them about the report, explain it. See if there's any other questions they might have. Governor, thank you for allowing this on the agenda for today. I do appreciate everything that you have done.

Governor: Thank you Madam Secretary, well said. I think Buildings and Grounds understands the sense of urgency here and the health, safety and welfare of the State employees that are in the Grant Sawyer Building. It sounds to me that you are pushing the envelope as much as you possibly can to get things done, if you will continue to do that or if there is a way to expedite any of that, please do that as well.

Chris Chimits: If I could, thank you Governor. Chris Chimits for the record. I would like to say to Madam Secretary that if you could just let Diane know that I will be seeing her in a couple days, I will be visiting and also with the AG's staff down there. We will be following up to this report. I am anxious to hear any other information they might bring to the table and we will adjust accordingly. I want to assure you that we will chase this thing all the way to the end. Thank you.

Secretary of State: Thank you.

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

Governor: We will move back to agenda item number 15, which is the approval of proposed Master Service Agreements. I have no questions, Madam Secretary, any questions?

Secretary of State: No questions, Governor, I will move for approval.

Governor: Secretary of State has moved to approve the Master Service Agreements presented in agenda item number 15. I second the motion. That motion passes 2-0.

16. Approval of Proposed Work Plans (For possible action)

Governor: We will move on to agenda item 16, Approval of Proposed Work Plans, Mr. Wells.

Clerk: Thank you Governor. There is one work plan for approval by the Board this morning and there has been no additional request for information from any of the Members.

Governor: I have no questions, Madam Secretary?

Secretary of State: No questions, I will move for approval on the work plan summary for number 16.

Governor: I second the motion, any questions or discussion? I hear and see none. That motion passes 2-0.

17. 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 23, 2018 through February 20, 2018.

Governor: We will move on to agenda item 17 which is an information item. Clerk of the Board contracts, Mr. Wells.

Clerk: Thank you Governor. There were 40 contracts under the \$50,000 threshold that were approved by the Clerk between January 23rd and February 20th of 2018. This item is informational only and no additional information was requested from any of the Members.

Governor: Madam Secretary, any questions?

Secretary of State: No sir, thank you.

18. Information Item – Reports

A. Statewide Quarterly Overtime Report - Fiscal Year 2018 2nd Quarter

Pursuant to NRS 284.180, the Department of Administration, Division of Human Resource Management must prepare and submit quarterly to the Budget Division of the Office of Finance a report regarding all overtime worked by employees of the Executive Department during the quarter. The Budget Division shall transmit quarterly to the Board of Examiners the report and the analysis of the Budget Division regarding the report. The Budget Division submits the 2nd Quarter Overtime Report and analysis for Fiscal Year 2018.

B. Department of Conservation and Natural Resources – Division of State Lands – State Land Registrar

Pursuant to NRS 321.5954 and 1993 Nev. Stat. 1153, the State Land Registrar is required to provide the Board of Examiners quarterly reports regarding lands or interests in lands transferred, sold, exchanged, or leased under the Tahoe Basin Act program and the Lake Tahoe Mitigation Program. The Registrar submits the report on program activities for the 2nd quarter of Fiscal Year 2018.

Additional Information:

- 1989 Tahoe Basin Act
There were no transfers of lands or interest in lands during the quarter.
- Lake Tahoe Mitigation Program
The agency reports one land acquisition of 7.67 acres during the quarter at a cost of \$1,250,000 and paid from mitigation and restoration funds.

Governor: We will move to agenda item 18, which is another information item and report. Mr. Wells.

Clerk: Thank you Governor. There are two reports under agenda item number 18. The first report is the quarterly overtime report for the second quarter. I had staff actually do a written two-page summary to kind of go through what I usually will read, so I'm not going to read that. I will tell you that I did look at the third quarter for the two largest departments, the Department of Corrections and Department of Health and Human Services (DHHS) and we're approximately two-thirds of the way through the quarter and to date, the Department of Corrections has incurred about \$1.6 million in overtime and comp time and

DHHS is incurred about \$2.1 million for the third quarter to date. That's where we sit with that particular topic.

Governor: Mr. Wells, are you feeling better about Department of Corrections and that situation?

Clerk: Thank you Governor. Currently on that projected scale, you are talking about \$2.7 to \$3 million per quarter. They have been running between \$5 and \$6 million, so they definitely have had a reduction in overtime for this quarter.

Governor: Madam Secretary, any questions on the overtime?

Secretary of State: No, thank you Governor.

Governor: Do you want to move on to 18B, Mr. Wells.

Clerk: Yes, the second report is a report on lands or interest in lands transferred, sold or exchanged under the Tahoe Basin Act and the Lake Tahoe Mitigation Program. There were no activities under the Tahoe Basin Act but there was one acquisition under the Lake Tahoe Mitigation Program. That was an acquisition of about 7.67 acres at a cost of \$1.25 million. That was paid for from mitigation and restoration funds.

Governor: Madam Secretary, any questions on 18B?

Secretary of State: No, Governor.

20. 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: We just did number 19, so we will move to 20. Is there any public comment in Carson City? I hear and see none. Any public comment from Las Vegas?

Secretary of State: No, Governor, none here.

21. Adjournment (For possible action)

Governor: Agenda item number 21, is there a motion to adjourn?

Secretary of State: I move to adjourn. Thank you, Governor.

Governor: Second. That motion passes 2-0. This meeting is adjourned, thank you ladies and gentlemen.