

Governor Brian Sandoval
Chairman

Paul Nicks
Clerk of the Board



Attorney General Adam Paul Laxalt
Member

Secretary of State Barbara K. Cegavske
Member

STATE OF NEVADA BOARD OF EXAMINERS

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<http://budget.nv.gov/Meetings>

MINUTES

Date and Time: October 9, 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
Paul Nicks, Clerk of the Board

OTHERS PRESENT:

Lisa Zastrow, Member of the Public
Michelle Morgando, Senior Appeals Officer, Department of Administration,
Victims of Crime Program
Rebecca Salazar, Program Manager, Department of Administration,
Victims of Crime Program
Kasey KC, Administrator, Division of Forestry
Amy Davey, Division Administrator, Department of Public Safety,
Office of Traffic Safety
Victoria Huan, Grants and Projects Analyst 2, Department of Public Safety,
Office of Traffic Safety
Rodolfo Malfabon, Director, Department of Transportation
Dennis Gallagher, Chief Deputy Attorney, Attorney General's Office
Ward Patrick, Administrator, Department of Administration, State Public Works
Eric Johnson, Administrator, Department of Conservation and Natural Resources,
Nevada State Parks Division

1. Call to Order / Roll Call

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

Secretary of State: Yes, we can Governor. Good morning.

Governor: Good morning, thank you. 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'll move on to agenda item number 2, Public Comment. Is there any member of the public present in Carson City that would like to make public comment to the Board? I hear and see no one. Is there anyone present in Las Vegas that would like to provide public comment?

Secretary of State: Yes, Governor. We have somebody that would like to testify.

Lisa Zastrow: *[Written public comment attached]*

Governor: I'll ask you to start to wrap up because we typically only allow three minutes of public comment. So, if you would please windup and then if you would also leave a copy of your statement and the exhibits that you've referenced so that we have those for the record.

Lisa Zastrow: I appreciate the extended time. I had others to finish but my last statement was, respectfully, thank you for your attention.

Governor: Thank you very much.

Secretary of State: We have no one else here, Governor.

Governor: No further public comment from Las Vegas.

Secretary of State: Thank you, I'll keep the records.

Governor: Thank you, if we could make sure that that's made a part of the record for this meeting.

3. Approval of the September 11, 2018 Minutes (For possible action)

Governor: We'll move to agenda item number 3, which is Approval of the September 11, 2018 Meeting minutes. Secretary Cegavske, you were excused for that meeting.

Secretary of State: That's correct.

Governor: Attorney General Laxalt, have you had the opportunity to review the minutes and do you have any changes?

Attorney General: I move to approve, Governor.

Governor: Attorney General has moved to approve the minutes of September 11, 2018. I second the motion. All in favor please say aye. That motion passes 2-0 and with your permission Madam Secretary, may I have you marked as abstaining from the vote?

Secretary of State: Yes, thank you, Governor.

Governor: Thank you.

4. Request to Adopt, Rescind and Amend Rules – Department of Administration – Victims of Crime Program (For possible action)

NRS 217.130 empowers the Director of the Department of Administration, with the approval of the Board, to adopt, rescind and amend rules prescribing the procedures to be followed in the filing of applications and proceedings regarding compensation for certain victims of criminal acts.

Governor: Next agenda item is number 4, Request to Adopt, Rescind and Amend Rules, Department of Administration, Victims of Crime Program. Mr. Nicks, good morning.

Clerk: Good morning Governor and Members of the Board. Item 4 is a request from the Department of Administration, Victims of Crime Program for approval of their policies pursuant to NRS 217.130. There are some formatting inconsistencies that will be addressed prior to the final document being posted. Representatives from the Department are here to answer any questions Board Members may have.

Governor: Could I ask a representative to just briefly make a record of the changes, please?

Michelle Morgando: Good morning Governor, Madam Secretary, Mr. Attorney General. Michelle Morgando, Coordinator for the Victims of Crime Program. In a letter dated September 10th, to Mr. Nicks, we highlighted the changes. Would you like for me to read from that?

Governor: I know some of them are just, as you said, grammar and perfunctory changes but if you would just talk about some of the more substantive ones, briefly, so that we have a verbal record within the minutes.

Michelle Morgando: One that is important after October 1st event, clarifying what occurs after a claim closes and subrogation because obviously, there are going to be quite a few lawsuits filed as a result of that, and we have, according to our Legislative Counsel Bureau (LCB) audit, as well, implemented much stricter subrogation policies, even after closure, so that we can track it.

Governor: Just a quick question on that point, with regard to the subrogation, you would only subrogate in a lawsuit, you wouldn't subrogate against a victim who received compensation from another independent source, would you?

Michelle Morgando: Referring to the GoFundMe, Vegas Strong types of accounts. No, we've been on the record, we will not subrogate against those.

Governor: Okay, thank you.

Michelle Morgando: That's probably the biggest highlight, I think.

Governor: How about this first one? Do you have any comment with removing references to residency requirements for non-citizens, pursuant to Assembly Bill 122?

Michelle Morgando: Yes, it was required we do that because we can no longer deny benefits based upon the absence of citizenship.

Governor: So, that will allow for non-citizens to be eligible to receive Victims of Crime funds, if they're the victim of a crime.

Michelle Morgando: That is correct.

Governor: While you're there, and you know, we've all mourned again – given the anniversary of October 1, we had put out a release to make the victims aware that the Victim of Crime funds were available. My understanding is that there was a very good response to that, is that accurate?

Rebecca Salazar: Yes, Governor. This is Rebecca Salazar, Program Manager. We had almost 1,100 applications received over that last weekend. In total, we have close to 6,500 received. That number may change because we have not input all the applications yet, so, that's a changing number but that's where we are now. We had a very good response to that.

Governor: I'm happy about that and Ms. Salazar, a follow-up question, did anybody call after that deadline that we had to reject?

Rebecca Salazar: Our statute allows for acceptance of applications beyond one year for good cause. So, we are still receiving inquiries and we will address them on a case-by-case basis.

Governor: So far, the ones that you've received, have they been approved? Have you made a determination on those?

Rebecca Salazar: We have not, only because they're not in the system yet. We're maintaining a list and as we get them into our system, we'll address each one.

Governor: Thank you and I'm sure you'll give serious consideration to all of those that apply, even if they do apply after the one year.

Rebecca Salazar: Yes, of course, we will.

Governor: Okay, thank you. Board Members, any questions with regard to agenda item number 4?

Secretary of State: We have none, thank you, Governor and thank you, ladies.

Governor: Thank you. If there are no further questions, the Chair will accept a motion to adopt, rescind, and amend the rules for the Department of Administration, Victims of Crime Program as presented in agenda item number 4.

Secretary of State: So moved that we adopt and rescind the items that are in number 4, and amend, I'm sorry, I forgot the amendment.

Attorney General: I second.

Governor: Secretary has moved to approve the request to adopt, rescind and amend the rules for the Victims of Crime Program as presented in agenda item number 4. The Attorney General has seconded the motion. Any questions or discussion on the motion? I hear none. All in favor say aye. That motion passes 3-0.

Ms. Salazar and Ms. Morgando, I want to personally thank you for all of your hard work and taking care of not only the victims of October 1 but everyone else. It's a very meaningful program. I had the opportunity to speak with someone, a family member related to someone who was murdered, and you were very helpful to them. They were very thankful. I truly appreciate your work, and its hard work, and its emotional work thank you very much.

Rebecca Salazar: Thank you.

Michelle Morgando: Thank you, Governor.

5. 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 TO EXCEED:
Department of Business and Industry – Division of Industrial Relations – Occupational Safety and Health Administration	1	\$41,505
Department of Business and Industry – Division of Industrial Relations – Safety Consultation and Training – Contingent on IFC Work Program #44613 approval	7	\$159,705
Department of Public Safety – State Fire Marshal’s Office - Contingent on IFC Work Program #44588 approval	1	\$36,203
Total	9	\$237,413

Governor: We’ll move to agenda item number 5 which is Request to Purchase State Vehicles. Mr. Nicks.

Clerk: There are three requests for nine vehicles in this agenda item. The agenda shows the Fire Marshal’s vehicle purchase contingent on a Work Program, which is incorrect. The work programs are for both Business and Industry’s purchases. The work programs will be addressed with the specific requests.

The first request is from the Department of Business and Industry, Division of Industrial Relations, Occupational Safety and Health Administration to purchase a new vehicle using grant funds. The request is contingent upon Work Program C44613.

The second request is from the Department of Business and Industry, Division of Industrial Relations, Safety Consultation and Training to purchase seven replacement vehicles using grant funds. The vehicles being replaced have met the age requirements in the State Administrative Manual (SAM). The request is contingent upon Work Program C44588.

The third request is from the Department of Public Safety, State Fire Marshal’s Office to purchase one replacement vehicle. The vehicle being replaced has met the mileage and age requirements in the SAM and was included in the agency’s legislatively approved budget.

Representatives from the departments are available to answer any questions the Board may have.

Governor: Thank you Mr. Nicks. What was the change? You said there was a change.

Clerk: The two changes we had were: the addition of Work Program C44613 to the first request from the Department of Business and Industry; and the replacement of the previous work program (C44613) with Work Program C44588 to the second request.

Governor: Thank you. The amounts stayed the same?

Clerk: Correct.

Governor: I have no questions on this agenda item. Board Members, any questions on agenda item number 5?

Attorney General: I move to approve.

Governor: Attorney General has moved to approve the request to purchase State vehicles as presented in agenda item number 5 and as amended by Mr. Nicks. Is there a second?

Secretary of State: I'll second, Governor.

Governor: Seconded by the Secretary of State. Any questions or discussion on the motion? I hear none. All in favor, say aye. That motion passes 3-0.

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

A. Department of Health and Human Services – Division of Health Care Financing and Policy

Pursuant to NRS 333.705, subsection 1, the Division requests authority to contract with a former employee, Marta Jensen, to provide administrative duties until a new Administrator is hired. Relates to Contract Agenda Item #15, Contact Number 20995.

B. Department of Transportation (3)

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with a former employee, Brad Durski. HDR Engineering, Inc. has hired Mr. Durski and plans to utilize him to fill an engineering position to use his expertise in performing a constructability review of the bidding documents, specifically a check of the structural elements on the Centennial Bowl project (US-95 NW Phase 3) Agreement.

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with a former employee, Matthew Goodson. HDR Engineering, Inc. plans to utilize Mr. Goodson as an office manager in the Full Administration of District II Betterment projects.

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with a former Nevada Highway Patrol employee, Dennis Osborn. Kimley – Horn & Associates, Inc. is proposing to engage Mr. Osborn's expertise in the Nevada Strategic Highway Safety Plan's Impaired Driving Task Force by assisting with developing and implementing effective strategies and action steps towards Nevada's goal of Zero Fatalities.

C. Governor's Finance Office

Pursuant to NRS 333.705, subsection 1, the Governor's Finance Office, Budget Division requests to contract with former employee, James R. Wells to assist with the preparation of the Governor's Executive Budget, as needed, during the 2019 legislative session.

Governor: We'll move to agenda item number 6 which is Authorization to Contract with a Current and/or Former State Employee. Mr. Nicks.

Clerk: Item 6 includes five requests to contract with current and/or former employees pursuant to NRS 333.705, subsection 1.

The first request is from the Department of Health and Human Services, Division of Health Care, Financing and Policy to contract with a former employee to provide administrative duties until a new administrator is hired. Once a new administrator is hired, the employee will provide consulting services on a part-time basis. The employee will retire in October 2018. This request is related to proposed contract item 15.

The second, third and fourth requests are from the Department of Transportation to allow contracted vendors to use former employees on projects awarded to the vendor. The second request is for an engineer to perform constructability review of the bidding documents for the Centennial Bowl project. The employee will retire in October 2018. The third request is for an office manager in the Full Administration of District 2 Betterment projects. The employee retired in August 2018. The fourth request is for a team member on the Nevada Strategic Highway Safety Plan's Impaired Driving Task Force. The employee retired from the Nevada Highway Patrol in July of 2017. The former employees did not have any influence or authority over the contracts with the vendors.

The fifth request is from the Governor's Finance Office to contract with a former State employee who retired in July of 2018 to assist with the preparation of the Governor's Executive Budget and special projects. The contractor will work approximately 20 hours per week from October through early January and on an as-needed basis through June 2019.

Representatives from the Departments are available to answer any questions the Board Members may have.

Governor: Thank you, Mr. Nicks. These are all very straightforward and actually, pretty important, all of them, with regard to the ongoing operation of State government. Board Members, any questions with regard to agenda item number 6?

Attorney General: Move to approve agenda item number 6.

Governor: Thank you, Mr. Attorney General. The Attorney General has moved to approve the authorizations to contract with a current and/or former State employee as presented in agenda item A, B and C. Is there a second?

Secretary of State: I'll second it, Governor, thank you.

Governor: Thank you, Madam Secretary. The Secretary has seconded the motion. Any questions or discussion? There are none. All in favor, say aye. That motion passes 3-0.

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

A. Department of Conservation and Natural Resources – Division of Forestry

Pursuant to NRS 353.268, the Division requests an allocation of \$3,000,000 from the Interim Finance Committee General Fund Contingency Account to fund emergency response activities.

B. Department of Public Safety – Office of Traffic Safety

Pursuant to NRS 353.268, the Division requests an allocation of \$72,639 from the Interim Finance Committee Highway Fund Contingency Account to cover the cost of hiring a Program Officer II in support of the initial implementation of reporting requirements for interlocking devices set forth in Senate Bill 259 of the 2017 Legislative Session establishing the Nevada Ignition Interlock Program.

Governor: Agenda item number 7, Request for Recommendation of Approval to the IFC for an Allocation Amount from the Contingency Account. Mr. Nicks.

Clerk: Item 7 has two requests for a positive recommendation to the Interim Finance Committee pursuant to NRS 353.268 for one allocation from the General Fund Contingency Account and one from the Highway Fund Contingency Account. The General Fund Contingency Account has an approximate balance of \$12.4 million and the Highway Fund Contingency has an approximate balance of \$1.7 million to cover unanticipated costs for the remainder of the 2017-19 biennium. If these items are approved the remaining balances of the account are \$9.4 million and \$1.6 million respectively.

The first request is for the General Fund contingency account. The request is from the Department of Conservation and Natural Resources, Division of Forestry in the amount of \$3 million to fund emergency response activities. This initial request will allow the Division to operate through December 2018, at which time, an additional request will be made to enable them to operate until a supplemental appropriation can be requested. The Agency has revised their estimated need and will address the new request.

The second request is for the Highway Contingency Account. The request is from the Department of Public Safety, Office of Traffic Safety in the amount of \$72,639 to fund a Program Officer 2 who will be hired to support the initial implementation of reporting requirements for interlocking devices set forth in Senate Bill 259 of the 2017 Legislative Session. The Agency has revised their estimated need and will address the new request.

Governor: Thank you. We will take agenda item 7-A, first. Ms. KC, obviously, I have no questions regarding the need for all of this; but perhaps, a little background on why it costs so much. Essentially, I'll just call it a wicked fire season that we've had and the largest fire in Nevada history, in my understanding. Please proceed.

Kasey KC: Thank you, good morning Governor, Members of the Committee. First, I would like to just start with thanking your Finance Office staff and the Legislative Council Bureau staff for helping us the last two years to find creative solutions to this issue. We have been before you, it's almost like Groundhog's Day, numerous times in the past year requesting funds to cover the fire season. Last year was the third worst on the record. We did pay back all of the money we had asked for last year, just to put that on the record. I don't know that we'll have the funds that we bring in to do that this year but hopefully we will.

Just as we had talked, last year was the third highest on record. The Forest Service just sent out a new paper on shared stewardship and how we're going to get through these challenges, both from a natural resource management, and a cost of firefighting standpoint. What's interesting is, 2017, from nationwide, was one of our most devastating on record. Not only from firefighters and public that were killed during these fire sieges, but also acres lost. We were at 10 million acres nationwide last year in 2017, 1.3 million of which were in the State of Nevada. I think that that's notable.

This year, thus far in our fire season, we are at 607 fires, a little over 1.1 million acres. Just as we had talked in your Governor's Fire Briefing, the graph we showed, and I know as firefighters we're continually telling you that every year is going to be the worst year, but science shows that it's always worst in the years following, and we're following that exactly and as we had anticipated.

This year, notably, a difference in the types of fires we're seeing, 324 of the 607, 53%, were human-caused, the acreage is about 57% on human-caused. At this point last year, we had surpassed that number in lightning-caused. The Martin Fire was the largest fire in recorded history in the State of Nevada. We had two fires relatively close to each other, the Martin and the South Sugarloaf, where we had runs of almost 90,000 acres in one day, which is fire behavior like we've never seen before. Unfortunately, I think this may be our new norm with what's happening in our ecosystems and the fuel loads that we have out there.

Something also to point out is the rising cost of fighting fires. There are many more aircraft in our arsenals now because they are very effective in those first hours of the initial attack. They can dump much more on a fire than our firefighters on the ground, though both are necessary to win that battle. Also, last year in 2017, as these are the figures we have readily available, there were over 12,000 homes destroyed nationwide, which, in up to 2001, there were less than 900 nationwide. It shows that we're moving further and further into these wildland-urban interfaces and it's going to take a lot more for us to suppress these fires because more value is at risk.

As you've seen for us this year, unfortunately, a lot of the fires burned in critical sage-grouse habitat, I believe a little over one million acres. Last year, nearly one million acres of sage-grouse habitat burned. Some of that will have natural recovery, it's in a highly resilient landscape where it will come back on its own. Most areas will have issues and will need to be helped in our rehabilitation efforts as we move forward as the threat of cheatgrass will be very prominent.

Hopefully, that has answered questions or I'm happy to answer.

Governor: First and foremost, thank you, to you and the men and women who work with you in fighting these fires, that, as you've said, are some of the most extreme conditions that you could ever imagine and they're trying to protect life and homes and keep things safe and protect the landscape, as you mentioned.

You mentioned the ecosystem and the ecosystem has lent itself to more of these larger, intense fires. Is that because of the onset of invasive species, invasive weeds?

Kasey KC: It is partially due to that, yes. There is far more cheatgrass in the northern portion of the state and brome grass in the south than we've ever seen before. It's also due to years, 150 years, of fire exclusion in these ecosystems that have allowed them to become much denser than they ever were historically. If you look at the stumps of the Comstock in our State parks, up in Tahoe, you would see our trees were much more sparsely populated. They weren't as dense as they are today. There are a lot of contributing factors, as well as the number of homes in those inter-spaces.

Governor: When you say, 'fire exclusion,' I've not heard you use that term before, does that mean the fires that you set to prevent fires later are prohibited?

Kasey KC: That and fire exclusion, it went to full suppression. Historically there was a lot of fire used, started as prescribed fires. Then there were also natural starts that were allowed to burn into some areas, as they were intended to burn. The historical fire regimes were much larger because they were a lot lower intensity cleaning up the forest floors. As you know now, we're not able to do that without a lot of work ahead of time because we have to get those stocking levels down in order to be able to safely prescribe fire or use a natural start to do what we intend to do on the landscape.

Governor: Last for me, obviously the sage-grouse is a big concern. Now we've lost close to a million acres of habitat, what is the plan to revegetate?

Kasey KC: We look at every fire individually. As a group, there's usually a Burned Area Rehab Effort (BARE) team called in, a multi-agency, local government, state, federal, looking at what areas will come back on their own, so we don't put forth a lot of effort, as each has small pockets of money and resources to put toward this. We're looking at the areas where we'll have the most success. Considering each fire individually, we're looking at resilience, what will come back on its own, what it's going to take for us, what type of seeding will be most receptive and duration and the long-term plans. Of every fire, the large ones have BARE teams and the small ones are just governments working together to try and get those things done. This is a big focus of ours this year and has been every year because it's how you win the war of eventually getting these invasive species not coming in by getting in our native or adapted species, that are better at progression, into these areas before the cheatgrass comes in.

Governor: Just back to the business of this agenda item, and perhaps Mr. Nicks has said and I just missed it, what was the exact amount that you are seeking?

Kasey KC: We are seeking \$3.8 million today and that is the money needed to process outstanding vendor and local jurisdiction payments, not including payments that we have to our federal cooperators and partners as we are pushing those out a little bit further. These are bills we know of that need to be paid as of today. As you know, some of these smaller vendors don't have the money to float this, neither do our local jurisdictions. Those are our priority, as they have been in the past and then we're pushing the other payments forward. There will be more requested as we go forward but what we're asking for now is what we know we have as far as payments, as of today.

Governor: Is any of that reimbursable down the line from the federal government?

Kasey KC: Yes, some portion of it could be.

We have not been successful in getting grants this year from the Fire Management Assistance Grant Program. We have filed an appeal for one and we'll see if that happens. Some may be reimbursable through cost-share. The lion's share of the acres burned are federal acres. When we adjudicate, unfortunately, many of the starts were on state and private land and that puts us as the ones paying the bills up front. All will be adjudicated in the cost-share at the end.

Governor: Finally, this money is exclusively for Nevada fires, it's not for any of our resources when we went and helped in other states?

Kasey KC: It's for Nevada fires. The resources that we sent to California were our resources. Category one authority can override and we've already paid our employees and that's the bulk of the expense when we send our people to California. This is for vendors on fires in the State of Nevada.

Governor: Thank you very much. Board Members, any further questions with regard to agenda item 7-A?

Attorney General: No Governor, thank you.

Governor: Madam Secretary, any questions for you?

Secretary of State: No, Governor, thank you. I just want to thank the Forestry Division for all their hard work and echo your comments to them and thank them for everything they've been doing.

Governor: I don't want to jinx anything, Ms. KC but do you, and pardon the pun, are we out of the woods now, do you think?

Kasey KC: No, though I would like to think we are. We are going to release fire restrictions statewide fairly soon. The amount of moisture we had in the last week or so has not returned our fuel moistures to the level you'd want so we are still susceptible. Although, fires would probably be smaller, depending on conditions, because we're getting nighttime recovery of relative humidity. In the last two years, we've seen fires in November, December, January and February. It all depends upon the moisture to come because what we've had has not allowed us out of the woods quite yet.

Governor: So, you continue Public Service Announcements just to keep the public informed to be careful?

Kasey KC: Yes, and we're hitting that pretty hard this year. With the number of fires we've had that are human-caused, our agency is always looking to communicate and speak the same language, that we're all on board with the same message. We will continue to hit that hard next year.

Governor: Thank you very, very, much.

Secretary of State: Governor?

Governor: Yes.

Secretary of State: I'm sorry, I do have one question on 7-A. I believe, Ms. KC, you had indicated that \$3.8 million is what you needed but in our notes it says \$3 million.

Governor: Yes, as part of the motion, that's a good catch Madam Secretary, when, or if, you make a motion, or the Attorney General makes a motion if you could make an amended one, for the \$3.8 million, which is what the Agency needs and seeks.

Secretary of State: So moved for 7-A, that we would move it to \$3.8 million instead of the \$3 million that's in there for the Department of Conservation, Natural Resources, Division of Forestry.

Governor: Do you want to include 7-B in your motion as well, Madam Secretary?

Secretary of State: If that's alright. I thought you wanted to take them separately.

Governor: Just for the purpose of the record, Mr. Nicks just informed me that there is a revision to 7-B as well. Yes, Madam Secretary, if you would please proceed with a motion on agenda item 7-A.

Secretary of State: Just what I said, do you want me to repeat it?

Governor: No. The Secretary of State has moved to approve the request for a recommendation of approval to the IFC for an allocation amount from the Contingency Account for the Department of Conversation and Natural Resources, Division of Forestry in the sum of \$3.8 million. Is there a second?

Attorney General: I second.

Governor: Thank you, Mr. Attorney General. The Attorney General has seconded the motion. Any questions or discussion? There's none. All in favor say aye. That motion passes 3-0.

Governor: We'll move to agenda item 7-B. Mr. Nicks.

Clerk: The second request is for the Highway fund contingency account. The request is from the Department of Public Safety, Office of Traffic Safety in the amount of \$72,639 to fund a Program Officer 2 who will be hired to support the initial implementation of reporting requirements for interlocking devices set forth in Senate Bill 259 of the 2017 Legislative Session. The Agency has revised their estimated need and will address the new request.

Governor: Good morning.

Amy Davey: Good morning. I'm Administrator Amy Davey with the Nevada Office of Traffic Safety in the Department of Public Safety. We're bringing to you a request for contingency funds this morning to fund a position to meet the agency's new statutory requirements that came out of the 2017 Legislative Session related to the implementation of ignition interlock reporting and increased ignition interlock use.

We do have a revised request this morning. Based on an amended hire date, we request \$53,387. I did prepare some information for you but I'll leave it at your discretion if you would like more information about this request.

Governor: Is it anything you think is important to make as part of the record?

Amy Davey: I would like to if you don't mind. Thank you.

Governor: Thank you.

Amy Davey: Senate Bill (SB) 259 from the 2017 Legislative Session specified that reports of ignition interlock device violation would be provided by the Department of Public Safety (DPS) to courts to assist with determination of the period for which a driver who is convicted of driving under the influence (DUI) must use the ignition interlock device. Currently, courts send DUI conviction information to the Department of Motor Vehicles (DMV) to provide them with the terms for which an ignition interlock device is required. The DPS does not receive arrest, conviction or driver's license information and we must establish a new process by which to collect violation reports and distribute them to the courts.

Additionally, new requirements were assigned to the Committee on Testing for Intoxication to adopt regulations related to installation, removal, inspection, calibration, maintenance and operation of devices. The implementation date of the new ignition interlock requirements occurred on October 1, 2018. The Office of Traffic Safety has been working with courts, DMV, ignition interlock providers and law enforcement for several months to provide education and training on ignition interlocks, as well as researching other state's program models and recommendations for program administration. We also received technical assistance from the Traffic Injury Research Foundation.

The DPS originally estimated staffing requirements during the Legislative Session of up to seven positions. Now, with several months of research, we feel that a program officer position will allow us to meet our statutory requirements while continuing work is done on this legislation to determine which state agency will have overall program authority.

Governor: Just to be clear, you only need one position to run this program?

Amy Davey: We looked very closely at what the DPS requirements for administrative oversight of violation reporting. We're working with the Department of Motor Vehicles and with courts right now to talk about one of the assessment recommendations that came out of the Traffic Injury Research Foundation evaluation of this statute is that the State established clear program authority for this program. That is not currently contained in statute. DPS does have some reporting requirements, however, overall program authority is not clear for many elements of the program, which is why we're in conversations with the courts and with the Department of Motor Vehicles because they really are the conduits for information to pass back and forth.

As you know, ignition interlock is typically administered through the driver's licensing process or through the court sentencing process. Having the DPS involved in violation reporting is a little out of our scope right now, so, we're focusing only on what the DPS is required to do, which is violation reporting.

Governor: Have you received any violations in the past eight days?

Amy Davey: This is our Impaired Driving Program Manager, Victoria Hauan.

Victoria Hauan: Good morning. The driver or the person who has ignition interlock would take their car into the service center at the end of the month where all of the data is uploaded to the manufacturer's server, so that information won't come in until the end of the month.

Governor: I know I signed this bill, but if you would refresh my memory – if somebody gets a DUI as of October 1 of this year, it applies to them, but does it apply to those that were convicted prior to October 1?

Victoria Hauan: That question has come up multiple times from some of the judges that I'm in communication with and it's subject to interpretation, as far as, I think, DMV's Nevada Revised Statute (NRS) says that any time a license is suspended for driving under the influence, that they may be able to install part of the device and Senate Bill 259 allowed someone to voluntarily install the device as a condition to get their license reinstated, so I anticipate there could be demand and requests to do that to benefit the driver in that instead of driving on a suspended license, they can drive legally.

Governor: We're all ready to go as those start to come in?

Amy Davey: We're developing our process as we go. It's a manual process right now and we will automate the process when we have a good understanding of how information will flow as we work with our partners. We really want an understanding of what the courts need, what the DMV needs, where that information is so, it's a manual process, to begin with but we're working our way through it in close contact with vendors, courts and the DMV.

Governor: Yes, well, I think it goes without saying, this was a really good bill.

Amy Davey: Yes.

Governor: I'm hopeful that we'll be ready as those come in and that they can get installed because I think it's going to make it safer for people on the roads.

Victoria Hauan: I just wanted to add that the manufacturers also have an online web portal, so anyone that really needs that information, we'll have access to it, such as courts, Parole and Probation and DMV. We're working to get those approval processes in place as well so that the people that need the information will get the information.

Governor: Okay, thank you. Board Members, any other questions with regard to agenda item 7-B?

Secretary of State: We have none, Governor, thank you.

Governor: Thank you for the information, that was very helpful. If there are no further questions, the Chair will accept a motion to approve the request for a recommendation of approval to the IFC for an allocation amount from the Contingency Account to the Department of Public Safety, Office of Traffic Safety in the amount of \$53,387.

Secretary of State: So moved.

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

Attorney General: I second.

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

8. Request to Pay a Cash Settlement – Department of Transportation

– Administration - \$75,000 (For possible action)

Pursuant to Article 5, Section 21 of the Nevada Constitution, the Department requests settlement approval to fully resolve an inverse condemnation action currently on appeal to the Nevada Supreme Court.

Governor: Agenda item number 8, Request to Pay a Cash Settlement, Nevada Department of Transportation.

Clerk: Item 8 includes a request for approval of a cash settlement from the Department of Transportation relating to the I-15 Interchange at Cactus Avenue in Las Vegas. The request in the amount of \$75,000 will fully resolve an inverse condemnation action currently on appeal at the Nevada Supreme Court. Representatives from the Department of Transportation are available to answer any questions the Board may have.

Governor: Good morning, Director Malfabon.

Rudy Malfabon: Good morning Governor, Rudy Malfabon, Director of Nevada Department of Transportation. In this particular case, we acquired a property at Cactus Interchange that included some improvements, a billboard. We felt that we fully compensated the landowner but they filed an inverse condemnation case requesting \$1 million. That went to District Court. We won on a summary motion to dismiss that case, which the landowner wants to appeal. We felt that a proposed settlement of \$75,000 addresses any concerns with a possibility of putting the case back to District Court for reconsideration and then having any other issues overturning the previous decision of the Court. So, we felt that it was a good settlement in the public's interest and Dennis Gallagher, our Chief Deputy Attorney General is able to answer any legal questions about it.

Governor: Thank you, Director Malfabon and good morning Mr. Gallagher. I'm familiar with having sat yesterday on the Board of Transportation. In any event, I would just assume that this is out of prudence because as Director Malfabon said, there's the risk of reversal and remand back to the District Court and associated with that would be the litigation risk of further exposure as well as costs and fees. That this settlement amount would be far below that and mitigate and eliminate actually any risk.

Dennis Gallagher: Dennis Gallagher, Counsel for the Department. To summarize Governor, you are correct. This will minimize any risk, it will eliminate risk for any additional cost – potential litigation expenses, time and attorney's fees. We believe it's in the best interest of the Department, therefore, the best interest of the State, for your approval of this settlement amount.

Governor: Thank you, Mr. Gallagher, that's a dismissal with prejudice?

Dennis Gallagher: Correct, Governor.

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

Attorney General: Move to approve agenda item number 8.

Governor: Attorney General has moved to approve the request to pay a cash settlement by the Nevada Department of Transportation in the sum of \$75,000 as presented in agenda item number 8. Is there a second?

Secretary of State: I'll second it, Governor.

Governor: Thank you, Madam Secretary. The Secretary of State has seconded the motion. Any questions or discussion? There are none. All in favor, please say aye. That motion passes 3-0. Thank you and good result, very well done.

9. Approval of Proposed Leases *(For possible action)*

Governor: Agenda item number 9, Approval of Proposed Leases. Mr. Nicks.

Clerk: There are eight leases on agenda item 9 for approval by the Board this morning. No additional information has been requested by any of the Members.

Governor: Thank you, Mr. Nicks. I have no questions. Board Members, any questions with regard to agenda item number 9?

Attorney General: Move to approve agenda item number 9.

Governor: Attorney General has moved to approve the leases presented in agenda item number 9. Is there a second?

Secretary of State: I'll second it, thank you, Governor.

Governor: The Secretary of State has seconded the motion. Any questions or discussion? There are none. All in favor, please say aye. That motion passes 3-0.

10. Approval of Proposed Contracts *(For possible action)*

Governor: We'll move to agenda item number 10, Approval of Proposed Contracts. Mr. Nicks.

Clerk: There are 32 contracts in agenda item 10 for approval by the Board this morning. Members have requested additional information on Contract number 7 between the Department of Administration, State Public Works and the Core Construction Services of Nevada, Inc.

Governor: Thank you, Mr. Nicks. I had asked agenda item number 7 to be held out only because it's great news with regard to the construction of a new engineering building at the University of Nevada, Reno (UNR). I just want to get some background on what's going on and what are the schedules going to be and when we think we're going to be finished.

Ward Patrick: Thank you, Governor. Ward Patrick, Administrator for the State Public Works Division. This is our project number 17-C06, UNR, Engineering Building. This contract is to extend some work on the project. We're looking to have the project completed in the summer of 2020. We started work on this project on July 16th and there's been some serious earthwork completed. That's going ahead of schedule. Thank you.

Governor: What is the total all-in cost for the building?

Ward Patrick: The total amount of the contract right now is \$80 million for our guaranteed maximum price. The overall project budget is approximately \$85 million.

Governor: It's an exciting construction project. Thank you.

Are there any questions from Board Members? There are none. If there are no further questions on the contracts presented in agenda item number 10, the Chair will accept a motion.

Attorney General: Move to approve.

Governor: The Attorney General has moved to approve the proposed contracts presented in agenda item number 10, is there a second?

Secretary of State: I'll second it.

Governor: Second by the Secretary of State. Any questions or discussion on the motion? I hear none. All in favor, please say aye. That motion passes 3-0.

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

Governor: We'll move on to agenda item 11, Approval of Proposed Master Service Agreements. Mr. Nicks.

Clerk: There are 19 master service agreements in agenda item 11 for approval by the Board this morning. Sixteen of these agreements replace existing provider agreements as explained at the June BOE meeting. No additional information has been requested by any of the Members.

Governor: Thank you Mr. Nicks. Are there any questions, Board Members?

Attorney General: No, Governor, thank you.

Governor: Is there a motion to approve?

Attorney General: I move to approve agenda item number 11.

Governor: The Attorney General has moved to approve the proposed master service agreements presented in agenda item number 11, is there a second?

Secretary of State: I'll second it Governor, thank you.

Governor: Thank you, Madam Secretary. The Secretary of State has seconded the motion. Any questions or discussion? I hear none. All in favor, please say aye. That motion passes 3-0.

12. Information Item – Clerk of the Board Contracts

Pursuant to NRS 333.700, the Clerk of the Board may approve all contract transactions for amounts less than \$50,000. Per direction from the August 13, 2013 meeting of the Board of Examiners, the Board wished to receive an informational item listing all approvals applicable to the new threshold (\$10,000 - \$49,999). Attached is a list of all applicable approvals for contracts and amendments approved from August 21, 2018 through September 17, 2018.

Governor: We'll move on to agenda item 12, which is an information item, the Clerk of the Board Contracts. Mr. Nicks.

Clerk: There were 31 contracts under the \$50,000 threshold approved by the Clerk between August 21, 2018 and September 17, 2018. This item is informational only. Members have requested additional information on information contract number 24 between the Department of Conservation and Natural Resources, State Parks and Far Western Anthropological Research Group, Inc.

Governor: Contract 24, good morning Mr. Johnson.

Eric Johnson: Eric Johnson, Administrator for Nevada Division of State Parks. In brief summary, this contract provides cultural survey services for Ice Age Fossil State Park. We've done some preliminary surveys to look at where our trail system is going to go and the building site location. This is a more formal process required by the fact that it's a federal undertaking. As you know, we try and take one general fund dollar and turn it into two, on the ground, using Land and Water Funds. So, that makes it a federal undertaking and subject to these requirements. So, this simply satisfies that. It's been quite frankly, some time since a real formal survey was done, going back to the 1960s.

Governor: What does a survey include, what do they do?

Eric Johnson: It's a site survey where archeologists or those trained with archeologists walk through the site, physically, and cover as much ground as they can to see if over time anything else has been exposed through erosion, wind, etcetera, just to get a real accurate picture of what's out there.

Governor: It's all over the place, the fossils are, as you know, and I'm sure you can expand on that.

Eric Johnson: Yes, Governor. As you're aware, you've been to the site, this 315-acre site is paleontologically rich. It's, littered isn't the right word, but there are fossils everywhere on this location. What we want to do is, we want to strategically place our trails and our building site locations so that we're not inappropriately or adversely affecting the locations of some of these artifacts, and then so we can move some, and display them, if they are where we need to create a trail or build.

Governor: You can name them better than I if you would go through the roster of the fossils that are there, it's pretty impressive.

Eric Johnson: Yes, Governor, there's a lot of invertebrate fossils, shells, but the ones that are interesting, at least to me personally, are the Camelops, which is a gigantic cameloid, are found on the site. Saber-tooth Tigers have been found in the area as well as the American Lion and the Giant Sloth. We have yet to find evidence of man's coexistence with these animals but we may be on the cusp of finding that. I don't want to divulge something that could be in a scientific journal pretty soon, but we've got some pretty exciting news coming up.

Governor: You just did. But no, I didn't even know that.

Eric Johnson: That's very new information, Governor.

Governor: That's exciting. This is a bit of an infomercial, but it is a wonderful new state park that is under development and is literally across the street from Shadow Ridge High School, so it's accessible. To the urban area, there's going to be a partnership with the University of Nevada, Las Vegas (UNLV) or there already is a partnership. The high school is going to be involved as well, but literally, a state park that is rich with those types of fossils in the backyard.

Eric Johnson: Absolutely, Governor. It's unique to Nevada and it's unique to the world, quite frankly. There aren't a lot of these resources that aren't privately owned and that are as accessible as the place will be.

A quick update if you'd like. We're going to go out to bid on the utilities for the Visitor's Center this month. Followed shortly thereafter by the bid for the building construction which will be I think very impressive looking when it's done.

Governor: While I have you, Mr. Johnson, any update on East Walker, the new State Park in Lyon County?

Eric Johnson: Yes, Governor. We had a ribbon-cutting event, which you attended, it was, I thought a fantastic day, followed by the first public opening day, which was the Saturday, following. I was actually just directing traffic that day, but 700-800 people attended. The public reaction was tremendous. People were just excited to have a new opportunity, particularly a water-based opportunity in their backyard. So, it was just a very positive day. The public liked what they saw. They're looking forward to the continuation of the second campground loop, which is actually out to bid right now.

Governor: Another bit of an infomercial, but 13,000 acres of three former ranches, private ranches that were in private hands since the 1860s that now make available almost 30 miles of river for anglers, for kayakers, for what have you. It's just a beautiful, beautiful place where if you want to be alone, you can be alone and if you want to hike or, it's a free-range zoo with the antelope and turkeys and deer and it's just really an experience for those that love the outdoors. So, thank you for your hard work with regard to that.

Finally, Mr. Johnson, I did have a little bit of method in asking you to come forward. As you may or may not be aware that Mr. Johnson is retiring from State service. In a public forum, I wanted to personally thank you, on behalf of the people of the great State of Nevada, for your commitment and dedication and passion to our state park system and making it what an amazing, amazing resource it is. I've had the privilege of being able to work with you and see you in action and I just wanted to thank you for what you've done and wish you the best in whatever you choose to do.

Eric Johnson: Thank you, Governor. It's been a pleasure and an honor. I thank you for your support. You've made the last few years, years of growth for Nevada State Parks and I appreciate it.

Governor: I have something for you, Mr. Johnson.

Eric Johnson: I'm not sure if I should be nervous or not.

Governor: Well, this is a proclamation that proclaims October 16, 2018 a day in honor of Eric Johnson.

Eric Johnson: Thank you very much Governor.

Secretary of State: And, congratulations, Mr. Johnson.

Eric Johnson: Thank you, Madam Secretary, I appreciate it.

Attorney General: Congratulations.

Eric Johnson: Thank you Mr. Attorney General. I don't think I'd trade my career for anything.

Governor: So, Mr. Johnson, if I could present you with this proclamation and again, congratulations on a job well done. My sincere thanks and we really appreciate your service.

Eric Johnson: Thank you Governor. Appreciate it.

[applause]

Governor: Any other questions with regard to agenda item number 12?

13. Information Item – Reports

Department of Public Safety – Division of Emergency Management

Pursuant to NRS 353.2755, the Division hereby submits notice to the Board of Examiners of Mineral County's intent to request a recommendation by the Board of Examiners to the Interim Finance Committee for approval of grants and/or loans from the Disaster Relief Account to cover a portion of the expenses associated with repairs to public infrastructure necessitated due to flash flooding events that July 21 – 22, 2018.

Governor: So, we'll move on to agenda item 13, another information item for reports. Mr. Nicks.

Clerk: This item is a notification from the Division of Emergency Management of intent to request allocations from the Disaster Relief Account pursuant to NRS 353.2755. Pursuant to Statute, State agencies and local governments can request a grant or 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 an expense from available funds. Applicants must submit their intention to apply not later than 60 days after the Governor or the governing body of a local government determines an event constitutes a disaster.

The Division must then notify the Board of Examiners and the Fiscal Analysis Division of the Legislative Counsel Bureau of the intent within 18 months of the determination an event constitutes a disaster. The state agency or 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 a grant or loan.

This notification is just the first step in the process. The application will come to the Board for approval of a recommendation to the Interim Finance Committee at a later date. This notification is for the thunderstorm and subsequent flash-flooding in Mineral County on July 21st and 22nd, 2018.

Governor: Thank you, Mr. Nicks. Are there any questions, Board Members?

Attorney General: No Governor, thank you.

14. 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'll move on to agenda item number 14, which is Public Comment. I'll begin in Southern Nevada, is there any public comment from Southern Nevada?

Attorney General: None here, Governor.

Governor: Is there any public comment from Northern Nevada? The only thing I'll say is, we have recently had installed in this room the flags of each and every County. The point here is a reminder for all of us, as public servants, who we serve. We're really proud of this. The flags are in chronological order and then those counties that were approved at the same time, in alphabetical order, so that no one can claim one county was favored over the other. It's just really important. For me, it's a reminder that the people of our state are constantly with us and counting on us to do our jobs and to do it well on their behalf. I really want to thank everybody who was associated with installing the flags. I think they look fabulous. I just finished signing thank you letters to the Chairpersons of Counties in the State, who submitted a new flag, so that we could have a really nice quality exhibit here. I think that it finishes this room in just an amazing, amazing way.

15. Adjournment (For possible action)

Governor: Is there a motion to adjourn?

Attorney General: Move to adjourn.

Governor: Attorney General has made a motion to adjourn. Is there a second?

Secretary of State: I'll second it, Governor.

Governor: Thank you, Madam Secretary. She has seconded the motion. All in favor say aye. That motion passes 3-0. This meeting is adjourned. Thank you ladies and gentleman.