

MINUTES

MEETING OF THE BOARD OF EXAMINERS

July 13, 2010

The Board of Examiners met on July 13, 2010, in the Annex on the second floor of the Capitol Building, 101 N. Carson St., Carson City, Nevada, at 10:00 a.m. Present were:

Members:

Governor Jim Gibbons
Attorney General Catherine Cortez Masto
Secretary of State Ross Miller
Clerk Andrew K. Clinger

Others Present:

Joe Palmer – Veterans Services
Mike Fischer – Department of Cultural Affairs
Nancy Bowman – Attorney General’s Office
Jason Holm – Department of Health and Human Services, Division of Welfare and Supportive Services
Dorrie Kingsley – Department of Health and Human Services, Division of Health Care Financing and Policy
Janice Prentice – Department of Health and Human Services, Division of Health Care Financing and Policy
Ben Bohm – Department of Information Technology
Tammy Moffitt – Department of Employment, Training and Rehabilitation, Rehabilitation Division
Howard Skolnick – Department of Corrections
Carol Sala – Department of Health and Human Services, Aging and Disability Services Division
Will Geddes – Attorney General’s Office
Michon Martin – Attorney General’s Office
Stephen Quinn – Attorney General’s Office
Rhonda Bavaro – Department of Motor Vehicles
Deb Cook – Department of Motor Vehicles
Bill Anderson – Department of Employment, Training and Rehabilitation
Dawn Rosenberg – Department of Corrections
Jeff Mohenkamp – Department of Corrections
Karon Daly – Department of Public Safety
Joy Grimmer – Department of Business and Industry
Lori Chatwood – Treasurer’s Office
Mark Mathers – Treasurer’s Office
Kin Perondi – Department of Administration, Purchasing Division
Keith Willis – Department of Administration, Motor Pool
Kelly Karch – Department of Employment, Training and Rehabilitation
Tamara Nash – Department of Employment, Training and Rehabilitation
Brenda Ford – Department of Employment, Training and Rehabilitation
Katie Armstrong – Attorney General’s Office

Jim Spencer – Attorney General’s Office
Kristen Geddes – Attorney General’s Office
Heather Elliott – Peace Officer Standards and Training
Miles Celio – Office of the Military
Loreta Smith – Department of Public Safety, Division of Emergency Management
Jim Groth – State Office of Energy
Tom Wilczek – State Office of Energy
Robert Newiss – State Office of Energy
Laura Smolyansky – Department of Information Technology
Joy Miller – Department of Business and Industry, Insurance Division
Mike Lynch – Department of Business and Industry, Insurance Division

Press:

Geoff Dornan – Nevada Appeal
Sean Whaley – Nevada News Bureau
Cy Ryan – Las Vegas Sun
Sandy Chereb – Associated Press

***1. APPROVAL OF THE JUNE 8, 2010 BOARD OF EXAMINERS' MEETING MINUTES**

Clerk's Recommendation: I recommend approval.

Motion By: _____ **Seconded By:** _____ **Vote:** _____

Comments:

Governor: Good morning everyone, the Board of Examiners for the State of Nevada will come to order at the specified time, July 13, 2010 at 10:00 a.m. Mr. Clerk note for the record the presence of all Board members. We have a rather robust agenda this morning; we will begin with item number 1 which is the approval of the June 8, 2010 Board of Examiners' minutes, Mr. Clerk any comments?

Clerk: No Governor.

Governor: Okay, any comments or questions from any member of the Board with regard to the minutes of June 8, 2010?

Secretary of State: Move for approval.

Attorney General: Second.

Governor: It has been moved for approval by the Secretary of State, seconded by the Attorney General. Any comments or questions with regard to the motion? Hearing none, all those in favor please signify by saying aye. Let the record reflect that agenda item 1 passed.

***2. APPROVAL OF THE JUNE 23, 2010 SPECIAL BOARD OF EXAMINERS' MEETING MINUTES**

Clerk's Recommendation: I recommend approval.

Motion By: _____ **Seconded By:** _____ **Vote:** _____

Comments:

Governor: We move to agenda item 2, approval of the June 23, Special Board of Examiners' meeting minutes. Any comments or questions?

Secretary of State: Move for approval.

Attorney General: Second.

Governor: Moved by the Secretary of State, seconded by the Attorney General. Any comments or questions with regard to the motion? Hearing none, all those in favor signify by saying aye. Let the record reflect agenda item 2 has passed.

***3. REQUEST TO WRITE OFF BAD DEBT**

NRS 353C.220 allows agencies, with approval of the Board of Examiners, to write off bad debts deemed uncollectible.

A. Public Employee Benefits Program - \$1,192.16

Public Employees' Benefits Program (PEBP) is requesting authority to write off debt that totals \$1,192.16. The reported debt is specifically related to participant health insurance premiums. Two accounts represent participants that have filed for bankruptcy; two accounts represent collection fees deducted from amounts collected by the Controller's Office; and one account represents debt incurred prior to June 2006, past PEBP's four year statute of limitations for collections pursuant to NRS 353C.140.

Clerk's Recommendation: I recommend approval.

Motion By:

Seconded By:

Vote:

Comments:

Governor: Agenda item number 3 a request to write off bad debt. NRS 353C.220 allows agencies, with approval of the Board to write off bad debts, Mr. Clerk.

Clerk: Thank you Governor. Item 3A as you stated, is a request to write off bad debt from the Public Employee Benefits Program in the amount of \$1,192.16. This debt specifically relates to participant health insurance premiums. Two accounts represent participants that have filed for bankruptcy; two accounts represent collection fees deducted from amounts collected by the Controller's Office; and one account represents debt incurred prior to June 2006, which is past the Public Employee Benefits Program's four year statute of limitations for collections.

Governor: Any comments or questions?

Attorney General: Move to approve.

Secretary of State: Second.

Governor: Moved by the Attorney General, seconded by the Secretary of State. Any comments or questions with regard to the motion? Hearing none, all those in favor signify by saying aye. Let the record reflect that agenda item number 3 has passed.

***4. STATE VEHICLE PURCHASE**

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.

A. Department of Business and Industry – Dairy Commission – \$23,318.00

The Dairy Commission is requesting to purchase one vehicle for a total amount of \$23,318.00. The replacement vehicles requested will be used for dairy plant and dairy farm inspections, license audits, store inspections, etc.

Clerk's Recommendation: I recommend approval.

Motion By:

Seconded By:

Vote:

Comments:

Governor: We move to agenda item number 4, state vehicle purchase, Mr. Clerk.

Clerk: Thank you Governor. This item is required pursuant to NRS 334.010, which requires the Board of Examiners to approve automobile purchases by state agencies. The first item is the Dairy Commission, requesting a new replacement vehicle in the amount of \$23,318.00. The second item is for the Peace Officer Standards and Training, requesting the approval of a new vehicle in the amount of \$3,200.00, also a replacement vehicle.

Governor: Mr. Clerk, does this also apply to transfers?

Clerk: This does not apply to transfers, Governor, but we will see later on the agenda we are requesting a change to the State Administrative Manual that will require Budget Division approval on transfer of vehicles.

Governor: Any other comments or questions with regard to agenda item number 4?

Secretary of State: Move for approval.

Attorney General: Second the motion.

Governor: Moved by the Secretary of State, seconded by the Attorney General. Any comments or questions with regard to the motion? Hearing none, all those in favor signify by saying aye. Let the record reflect agenda item number 4 has passed.

B. Peace Officer Standards and Training - \$3,200.00

POST is requesting approval to purchase a used vehicle in FY2011. This vehicle will be used for training purposes and will be purchased from the Highway Patrol through State Purchasing for \$3,200. The vehicle being replaced has a number of problems, and repairs are no longer cost effective. The agency is not budgeted for this expense but has identified savings in Category 05, Equipment to fund this purchase.

Clerk's Recommendation: I recommend approval.

Motion By:

Seconded By:

Vote:

Comments:

***5. SALARY ADJUSTMENTS**

A. Distribution of Salary Adjustments to Departments, Commissions and Agencies, pursuant to Chapter 391, Senate Bill 433, Sections 6, 7, 8 of the 2009 Legislative Session.

The 2009 Legislative Session made appropriations from the General Fund and the Highway Fund to the Board of Examiners to meet certain salary deficiencies for fiscal year 2010 and 2011 that might be created between the appropriated money of the respective departments, commissions, and agencies and the actual cost of the personnel of those departments, commissions, and agencies that are necessary to pay for salaries. Under this legislation, the following amounts from the General Fund and/or Highway Fund are recommended:

BA#	BUDGET ACCOUNT NAME	GENERAL FUND ADJUSTMENT	HWY FUND ADJUSTMENT
1036	Attorney General's Office – Crime Prevention	\$4,744	
1340	Department of Administration – Budget and Planning Division	\$20,000	
2892	Department of Cultural Affairs – Administration	\$5,824	
2943	Nevada State Museum – Las Vegas	\$2,059	
2979	Nevada Arts Council	\$14,170	
3235	Department of Health and Human Services – Health Division – Emergency Medical Services	\$9,619	
4216	Nevada State Railroad Museums	\$16,894	
4550	Department of Agriculture – Division of Veterinary Medical Services	\$3,665	
4717	Department of Motor Vehicles – Motor Carrier		\$10,000
4980	Department of Agriculture – Nevada Junior Livestock Show Board	\$175	
	Total	\$77,150	\$10,000

Clerk's Recommendation: I recommend approval.

Motion By:

Seconded By:

Vote:

Comments:

Governor: We will move to agenda item number 5, Salary Adjustments. 5A is the distribution of Salary Adjustments to Departments, Commissions and Agencies, pursuant to Chapter 391, Mr. Clerk.

Clerk: Thank you Governor. This is a request to distribute salary adjustment funds appropriated to the Board of Examiners' for the difference between what was recommended in the Executive Budget, 6% reductions versus a legislatively approved reduction of 4.6%, a difference of 1.4% allocated to the Board of Examiners' for distribution to agencies as they needed it. What is before the Board today is a overall request \$77,150.00 allocated from those funds that were appropriated by the Legislature.

Governor: Are these adjustments for last year?

Clerk: These are for fiscal year 2010, so yes these are for last year. We may see on the next agenda in August that there may be some additional ones that come to the August Board and again they will be for fiscal year 2010.

Governor: Any other comments or questions?

Secretary of State: Move for approval.

Attorney General: Second.

Governor: Moved by the Secretary of State, seconded by the Attorney General. Any comments or questions with regard to the motion? Hearing none, all those in favor signify by saying aye. Let the record reflect agenda item number 5, salary adjustments has passed the Board.

***6. FURLOUGH ADJUSTMENTS**

A. Distribution of Furlough Exemption Funds to Departments, Commissions and Agencies, pursuant to Chapter 391, Senate Bill 433, Sections 7 and 8 of the 2009 Legislative Session.

The 2009 Legislative Session made appropriations from the General Fund and the Highway Fund to the Board of Examiners to meet certain salary deficiencies for fiscal year 2010 and 2011 that might be created between the appropriated money of the respective departments, commissions, and agencies and the actual cost of the personnel of those departments, commissions, and agencies that are necessary to pay for unpaid furlough leave for critical positions. Under this legislation, the following amounts from the General Fund and/or Highway Fund are recommended:

BA#	BUDGET ACCOUNT NAME	GENERAL FUND ADJUSTMENT	HWY FUND ADJUSTMENT
3706	Prison Medical Care	\$39,995	

3716	Warm Springs Correction Center	\$145,474	
3717	Northern Nevada Correctional Center	\$457,286	
3722	Stewart Conservation Camp	\$3,406	
3724	Northern Nevada Restitution Center	\$9,635	
3725	Three Lakes Valley Conservation Camp	\$26,803	
3738	Southern Desert Correctional Center	\$398,117	
3748	Jean Conservation Camp	\$3,837	
3759	Lovelock Correctional Center	\$385,087	
3761	Florence McClure Women's Correctional Center	\$111,393	
	Total	\$1,581,033	

Clerk's Recommendation: I recommend approval.

Motion By:

Seconded By:

Vote:

Comments:

Governor: We move to agenda item number 6, furlough adjustments. 6A is the distribution of Furlough Exemption Funds to Departments, Commissions and Agencies, pursuant to Chapter 391, Mr. Clerk.

Clerk: Thank you Governor. This is the allocation of funds that were appropriated with Senate Bill 433 for exceptions that were approved by the Board. This is for last fiscal year. All of the accounts being requested today are for the Department of Corrections. As you look through the back-up you will see that there will be some additional requests coming forward. There is a sheet in your packet that describes what the Board approved the exceptions for the Department of Corrections at the time the exceptions were approved was estimated to cost 3.8 million, because of vacancies and other things, the Department has indicated they think they only need 2.5 million. What we put on the Board agenda today is almost 1.6 million which will bring the balance of that request to the next Board of Examiners meeting. The request before the Board today is simply the allocation of funds to cover exceptions previously approved by the Board.

Governor: Just for my clarification, why the difference between 3.8 and 2.5?

Clerk: Governor, it is just because at the time the 3.8 projection was put together, it was just that a projection. They have had additional vacancies, they have done a great job at lowering overtime over the last year, so with those factors they have been able to reduce the amount of the request.

Governor: So without those positions they have been able to save?

Clerk: That is correct.

Governor: Any other comments or questions?

Secretary of State: Move for approval.

Attorney General: Second.

Governor: It has been moved by the Secretary of State, seconded by the Attorney General. Any comments or questions with regard to the motion? Hearing none, all those in favor signify by saying aye. Let the record reflect agenda item 6 has passed unanimously.

***7. TORT CLAIM**

Approval of tort claim pursuant to NRS 41.037

- A. Lorraine Memory-Wilkin – TC14427
Amount of Claim – \$130,000.00**

Discussion: The following report of investigation and subsequent recommendation from Nancy Bowman, Claims Manager for the Attorney General, has been approved by James Spencer, Chief of Staff. Ms. Bowman's report dated June 9, 2010 states:

The claimant alleges sexual harassment by her supervisor; that she was disciplined for the same actions her supervisor was committing, and that her termination was the subject of retaliation because she was instrumental in reporting inadequate medical treatment of inmates at ESP.

Recommendation: The report recommended that the claim be paid in the amount of \$130,000.00.

Motion By: _____ **Seconded By:** _____ **Vote:** _____

Comments:

Governor: We move to agenda item 7 which are the tort claims, pursuant to NRS 41.037, Mr. Clerk.

Clerk: Thank you Governor. Item 7A requests an allocation from the Tort Claims Fund in the amount of \$130,000.00. The claimant alleges sexual harassment and in retaliation she was terminated. The Attorney General's Office has recommended that this be settled in the amount of \$130,000.00.

Governor: Do you want to do both of these together?

Clerk: It's up to you, Governor.

Governor: Unless there is a request to vote separately on each of these? Okay, let's move on to 7B.

Clerk: Thank you Governor. Item 7B is a class action lawsuit brought by the American Civil Liberties Union (ACLU) on behalf of the inmates at Ely State Prison. The lawsuit alleges a systematic failure in the delivery of medical care at Ely State Prison and seeks injunctive relief from the courts. The State has brought the systematic delivery of medical care at Ely State Prison within the national standards and the ACLU has offered to settle the case. The Attorney General's team of Deputy's recommended a settlement in the amount of \$325,000.00.

Governor: Any comments or questions with regard to either 7A or 7B?

Secretary of State: Move for approval.

Governor: Moved by the Secretary of State for approval.

Attorney General: Second.

Governor: Seconded by the Attorney General. Any comments or questions with regard to the motion? Hearing none, all those in favor signify by saying aye. Let the record reflect that both 7A and 7B have passed unanimously.

**B. Riker v. Gibbons et al – TC14373
Amount of Claim – \$325,000.00**

Discussion: The following report of investigation and subsequent recommendation from Nancy Bowman, Claims Manager for the Attorney General, has been approved by James Spencer, Chief of Staff. Ms. Bowman's report dated June 9, 2010 states:

This class action lawsuit brought by the American Civil Liberties Union (ACLU) on behalf of all inmates at Ely State Prison. The lawsuit alleges a systematic failure in the delivery of medical care at ESP and seeks injunctive relief from the federal court plus attorney's fees and costs.

The State has brought the systematic delivery of medical care at ESP within the national standards and the ACLU has offered to settle the case.

Recommendation: The report recommended that the claim be paid in the amount of \$325,000.00.

Motion By:	Seconded By:	Vote:
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Comments:		

***8. STATE ADMINISTRATIVE MANUAL REVISIONS**

The State Administrative Manual (SAM) is being submitted to the Board of Examiners' for approval of revisions in the following Chapters: **Workers Compensation – Chapter 0524,**

Transfer of State Vehicles – Chapter 1307, Purchase of State Vehicles – Chapter 1308, Approvals – Chapter 1511.

Clerk's Recommendation: I recommend approval.

Motion By:

Seconded By:

Vote:

Comments:

Governor: We will move now to agenda item number 8 which is the State Administrative Manual revisions, Mr. Clerk.

Clerk: Thank you Governor. There are several different chapters that we are requesting approval to amend today. The first is the Chapter 0524 dealing with the Workers Compensation. We are simply asking that the language included in the State Administrative Manual requires that an employee from the agency be present at all hearings, that, that language should be struck; And that the requirement that agencies are expected to initiate hearings, that that language also be struck. This is language that has been in here since we had the system of the Workers Compensation established. The next change is in Chapter 1307, this is a change that I spoke about earlier on the transfer of state vehicles. We are adding language to the State Administrative Manual that requires the budget analysts in the Budget Division approve the transfer of vehicles between budget accounts. The reason for this is because the transfer of vehicles also comes with operating and maintenance costs that could have a potential impact on that budget account in the future, so we would like to see those transfers before they are in effect. And finally under 1308, we are requesting some changes relating to the vehicles, purchase of state vehicles chapter, clarifying that in definition of vehicle, also clarifying the requirement of NRS 354.01 which is the Statutory requirement of who can purchase the vehicles, clarifying in there the requirements for alternative fuel vehicles, and also vehicles who have emergency lights, directing agencies to NRS 484A.480 which implies which vehicle qualifies for emergency lights, and then finally the classification vehicles that they have to achieve the smart way or the smart way as it meets designation so this is just some clean up language there. The last chapter we are changing is 1511 simply adding a statement, and this is a purchasing chapter, adding a statement that agencies need to refer to chapter 1300 when they are purchasing vehicles.

Governor: Any comments or questions with regard to agenda item 8, manual revisions?

Attorney General: Move for approval.

Secretary of State: Second.

Governor: Move for approval by the Attorney General and seconded by the Secretary of State. Any comments or questions with regard to the motion? Hearing none, all those in favor signify by saying aye. Let the record reflect agenda item 8 has passed unanimously.

***9. SENIOR CITIZENS' PROPERTY TAX ASSISTANCE**

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

The Aging and Disability Services Division requests blanket approval to make payments from the Senior Citizen Property Tax Assistance budget account up to the Legislatively Approved budget authority beginning July 1, 2010.

Clerk's Recommendation: I recommend approval.

Motion By: _____ **Seconded By:** _____ **Vote:** _____

Comments:

Governor: Move to agenda item 9, Senior Citizen's Property Tax Assistance. 9A Department of Health and Human Services, Aging and Disability Services Division, Mr. Clerk.

Clerk: Thank you Governor. This request is pursuant to NRS 457A.595 which requires the Board of Examiners to approve the Senior Citizen's Property Tax Assistance claims before the projection is pursued by the Controller's Office. This is again an item requiring law that we've discovered has previously been followed. What the Aging and Disability Services is asking for is approval to make these payments up to the legislatively approved amount.

Governor: Comments or questions with regard to the agenda item?

Attorney General: Move for approval.

Secretary of State: Second.

Governor: Moved by the Attorney General, seconded by the Secretary of State. Any comments or questions with regard to the motion? Hearing none, all those in favor signify by saying aye. Let the record reflect agenda item 9 has passed unanimously.

***10. PROVIDER AGREEMENT**

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

The Division requests approval of a program provider agreement that will be used for enlisting contracted providers of services to children with autism and will be more cost effective than having Kelly Services, Inc. or Manpower provide payroll services for providers on a temporary basis. The proposed program provider agreement has been reviewed and approved by the Deputy Attorney General that serves ADSD.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State **Seconded By:** Attorney General **Vote:** 3-0

Comments:

Governor: We move to 10, provider agreement. 10A is the Department of Health and Human Services, Aging and Disability Services Division, Mr. Clerk.

Clerk: Thank you. The Aging and Disability Services Division is asking for approval of provider agreements. These are for contract services to children with autism. If the Board approves these provider agreements the agency will then be able to use these provider agreements without having to come back to the Board.

Governor: Comments or questions with regard to agenda item 10?

Secretary of State: Move for approval.

Attorney General: Second.

Governor: Moved by the Secretary of State, seconded by the Attorney General. Any comments or questions with regard to the motion? Hearing none, all those in favor signify by saying aye. Let the record reflect agenda item 10 has passed.

***11. LEASES**

Three statewide leases were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By:	Seconded By:	Vote:
Comments:		

Governor: We move to agenda item 11, leases, I believe there are three leases, Mr. Clerk.

Clerk: Thank you Governor. There are three leases on the agenda. I believe one is a reduction, due to a renegotiation....

Governor: Any questions or comments with regard to any of the leases before us?

Secretary of State: Move for approval.

Attorney General: Second.

Governor: Moved by the Secretary of State, seconded by the Attorney General. Any comments or questions with regard to the motion? Hearing none, all those in favor signify by saying aye. Let the record reflect agenda item 11 passed unanimously.

***12. CONTRACTS**

Ninety-nine independent contracts were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State	Seconded By: Attorney General	Vote: 3-0
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Comments:

Governor: We move to agenda item 12 contracts, Mr. Clerk, ninety-nine in front of us.

Clerk: Thank you Governor. Ninety-nine contracts before the Board's consideration this morning, I have no changes to those ninety-nine contracts.

Governor: Comments or questions with regard to this?

Attorney General: Governor, I have a question and a request. I ask that agenda item number 1 on contracts be pulled. I would like to be given the opportunity to review this contract further I feel that this is a duplication of a project that is being done by the PUCN.

Governor: Okay, Mr. Clerk does that removal require a motion from the Board?

Clerk: If the Board just wants to consider items 2-99, or 98 now.

Secretary of State: Is there a reason that an RFP was not done or does it need one?

Clerk: I believe the reason an RFP was not done is because the engineering services fall under the category of professional services which do not require an RFP or coming off the grid. Architects, Attorneys, Engineers, Accountants, or other professional services that do not require an RFP.

Governor: We are going to remove agenda item 1 from our consideration. So it will be contracts 2-99. Any other comments or questions with regard to any of the other remaining contracts?

Secretary of State: Move for approval of contracts 2-99.

Attorney General: Second.

Governor: It has been moved for approval of contracts 2-99 by the Secretary of State, seconded by the Attorney General. Any comments or questions with regard to the motion? Hearing none, all those in favor signify by saying aye. Let the record reflect that contracts 2-99 have passed.

***13. MASTER SERVICE AGREEMENTS**

One master service agreement was submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State Seconded By: Attorney General Vote: 3-0

Comments:

Governor: Move on now to agenda item 13 which are the master service agreements, Mr. Clerk.

Clerk: Thank you Governor. We have one master service agreement on the agenda this morning for the Board's consideration. This is a contract request by Quest Diagnostics, Inc. to provide for laboratory tests for client stays at several Mental Health facilities.

Governor: Any comments or questions?

Secretary of State: Move for approval.

Attorney General: Second.

Governor: Moved by the Secretary of State for approval, seconded by the Attorney General. Any comments or questions with regard to the motion? Hearing none, all those in favor signify by saying aye. Let the record reflect agenda item 13 passes unanimously.

14. INFORMATION ITEM

A. 2010 3rd Quarter Overtime Report

Governor: We move to the informational item now. We will turn to the 2010 3rd quarter overtime report, Mr. Clerk.

Clerk: Thank you Governor. We have the 3rd quarter overtime report before the Board today. The report is presented in a new format. The format was changed based on an Executive Order, Governor, that you issued to me and the other state agencies regarding the reporting of overtimes. We worked with the Department of Personnel to revamp our reporting on this and this is the first of the new reports, so if I may, indulge the Board a little bit here and just walk through what the columns on the report represent. You can see that the overtime is basically split into two reports, one for overtime and comp time and the other for holiday pay. The reason we did that is the state agencies that operate 24 hours a day 7 days a week facilities cannot avoid holiday pay, so we separated that out and reported that separately. On the overtime comp report what you will see here is in the summary report is presented by a ranking of departments with the highest overtimes to those with the least amount of overtimes. The first column in the report is department name, the second column represents what we are referring to as base pay. Base pay just represents the normal pay that an employee within a department receives, so this would be the normal forty hour per week pay that all employees within a department will receive. So base pay in this example would be for the period of January through March, this represents the 3rd quarter. The next column is base pay year to date so it represents from July through the end of March, the year to date base pay earnings. And then the next column is the overtime and improved comp times, so this amount of comp or overtime paid within the quarter, so again this would be the January through the March period. The next column is the overtime and comp on a year to date basis. Then the next two sections compare that overtime to the previous quarter and then compare that overtime to the previous fiscal year to date. So comparing the July through March fiscal year 2010 to the July through March fiscal year 2009. The second to last column is overtime and comp as a share of base pay. This is simply taking the amount of overtime and comp and dividing it by the base pay to come up with a percentage that represents the relative overtime within each departments and some agencies much larger than others, were given the same wage to compare all agencies equally based on their different sizes. So you can see that the different rankings where the departments land on base pay. I think that the take away from

this summary page, if you look at page two of that summary page, you will see at the bottom on the grand total that year to date overtime has actually been reduced by 33.7% compared to fiscal year 09'. So through the first 3 quarters we've reduced overtime almost 9 million dollars. For the quarter, 3rd quarter compared to 2nd quarter we've again reduced 33.2% in the quarter or 2 million dollars compared to the 2nd quarter. The pages behind those first two pages are the details for each of the different departments, down to the budget account level presented with the same information across the across the columns, the only difference I would point out is on the ranking there, on the detailed reports, those rankings are relevant to each individual account so 191 that happens to be the bottom, that's relative to all other accounts whereas the summary is relative to the other departments. The holiday premium pay is the other report that is presented. It is presented in the same fashion. The only difference here is it represents holiday premium pay instead of comp and overtime. Presented in the same format, and if you look at the grand totals on page two of that summary report you will see that holiday pay has been reduced compared to last year at 1.7% for a savings of \$100,839.00. And again there are detailed reports behind that for each of the departments.

Governor: Comments or questions from any member of the Board at this time?

15. BOARD MEMBERS' COMMENTS/PUBLIC COMMENT

Governor: Since that is an informational item only we will move on to agenda item 15 which are Board comments. Any member of the Board wishing to make a comment at this time? Hearing none, any member of the public wishing to speak to the Board of Examiners at this time?

Jim Groth: Thank you Governor. Seeing as the only potential, Jim Groth for the record, Director of the Office of Energy, State of Nevada, I thought I'd come forward during public comments. I didn't happen to have the opportunity on agenda item 1, section 12, agenda item 1 for extreme generation study. I only wanted to bring forth in public comment, the nature behind the need for this distribute generation study and how it came about. At about the fifteenth of May these were State Energy program ARRA related funds, stimulus funds, were these monies come from federal monies to conduct this study. What happened was one of the school districts, out of the seventeen school districts in the State of Nevada rejected there opportunity to receive, Mineral County, rejected the opportunity to receive those school funds, so they came back into our SAP ARRA bucket so to speak of, the State. So we are continually pressed by the IFC to make sure those funds are expendable. At the same time about, just after mid May time frame, I was contacted by the Department of Energy, DC Office, and Golden Field Office, our representatives there, promoting a distributed generation study in the State of Nevada. It was at that time that we starting writing scopes of work and developed for a distribution generation study. And easily defined as the infrastructure of load capable for rooftop solar, solar projects like at the National Guard facility, those types of projects not grid any type projects, that's not what were talking about here. And everything having to do with the solar generations and the renewable generations re-laid program that they conduct at the utility. We are trying to basically have the technical science study conducted with these funds, so that, that study will be completed between literally now July 15, to October 30, ready to prepare the bill draft documentation information for the session, for the upcoming session. If anymore time is expendable, two major jeopardy points stand in the way. If we do not expend these monies before the 30th of September, we will forfeit those monies and they will go back to the

Department of Energy. We have just gotten another nasty note, from energy state energy director memo from the Department of Energy this morning on the subject. So these monies will go back. So that was a \$236,000.00 contract, we have \$441,000.00 to which we are still expending out of \$200,000.00 in other State Energy projects and programs, but that was the means the monies came back to us quickly we needed to contract with an engineer using the hospice of code, statute code 333.150 for services for an NGA contractor that did not take the time to go out for an RFP, chose a worldwide reputable contractor to come into the State of Nevada...within the State of Nevada, to come in and serve the utility company and the State of Nevada previously and use that contractor for the services. If we wait even another month, it will probably push and if there is any jeopardy we one stand the chance of losing that money back to BOE or we will not complete the distribute generation study. The study is critical, absolutely critical, to allowing us to understand and know how much capacity we have, on particularly our Sierra Pacific grid and our NV power grid, doing business as NV Energy in Reno, Carson City, Las Vegas, metropolitan area. Quietly truly understanding we have been releasing about 4 or 8 megawatts at a timely release in solar rebate programs, this would let us know whether or not, is there 100 megawatts of capacity in the statewide or is there 250 megawatts of capacity for this distribute generation on this infrastructure grid. If we pass this timeframe and don't start this study now, it won't be completed by October 30. It will not make the timeframes to get the science and technical data out. NV Energy is also proposing a study and they may conduct their own study and have told that their study will take somewhere close to a year. We are proposing to do a considerable expedited study to be done so that we have the data ready to take us into the session. The Nevada Energy strike force which I facilitate has four major teams on it. It is fully supported by the forty members on that team to move forward. And we considered it the number one most critical out of all in transmission energy efficiency and regulatory innovation. Of regulatory innovation considered this study to be the most critical point for the legislature to be able to have the data that they would need so that then solar generation program, and rebate programs, potential programs, will know how to operate because we know what the infrastructure will be able to take and the infrastructure will be able to hold. So wanted to make public comment and ask for your reconsideration of removing this from the agenda this time, even to push it out for another BOE, month or date. Because like I said, there's the possibility of losing these funds and the critical nature of getting the data in front of legislators. Everybody from both sides of the aisle politically have supported this study. I have worked closely with the IFC subcommittee and Mike Snyder and Marilyn Kirkpatrick, Debbie Smith, Senator Conklin on the issue, and understand what this study is like and so this is the need for the expedite and the expedience of the study.

Governor: Mr. Groth the question was whether or not this is a duplication of a study that is already currently being conducted by the Department of Energy.

Jim Groth: There is not currently a study underway by the Department of Energy. The PUCN set forth a hearing motion to end and take public comments up through June 30, which they did. Took all public comments on potential stakeholders out there to decide what kind of study should be undertaken. Should it be a study undertaken by the utility, with the utility driving and being the primary stakeholder of deciding at the end of their study through their contracted contractor how much energy the infrastructure can take or should be a more representative study of the State of Nevada citizens objective on the third party type study outside the utility, and that was the nature of the PUCN docket set forth. The docket was 10-0048, that docket was set up so that we would be able to understand that. Commissioner Rebecca Wagner had a hearing set for

that, as agenda item number one on that hearing yesterday 12 July, and she pushed forward that docket and we did not get a date, I said will this be days or weeks when I asked in e-mail fashion and we got an answer back that this could be weeks away to make a decision, whatever the PUC. So whatever the PUC's outcome on one decision is not a debucative, in other words our stance is there does not need to be a debucative study. We have the money and funding here and an excellent contractor to move forward and conduct this study and get the science and data we need by the October 30 timeframe to get out. Anymore time expendable we feel will be an issue. So it's not that there is another study underway, they are investigating from the PUCN's perspective from stakeholders' what type of study should be conducted a DG study and ARRA issues with that from the Nevada State Office of Energy standpoint is just simply that time is of the essence. And if it does not make it through the 2011 session then it's a 2013 issue put off and in the amount of legislation that we have in writing on the ability to stake whether Nevada can take 100 megawatts in BG I am just bringing hypothetical numbers, whether Nevada could take 100 megawatts of EG or 250 megawatts is absolutely critical. I mean the economy game changer in Nevada at an additional 150 megawatts is about 100, close to a billion to a billion and a half dollars of economic driver and that's the ospise behind this whole situation is that we put contractors to work we can distribute generation systems where the utility can finance yet through it's current solar generations program or other finance programs that come our way.

Governor: So your statement is that if this Board does not consider contract number 1 which is the HDR contract, that there is a possibility that money will be rescinded or reverted back to the Department of Energy because it will be not be able to move forward with the study.

Jim Groth: Governor, high likelihood of that yes.

Governor: I guess the question is for the Attorney General of whether or not she continues to believe that having this off the agenda at this time is necessary.

Attorney General: Yes. And let me just follow up with a couple of comments. I don't think you will loose the money if you haven't finished the study you just have to encumber the money prior to the date the federal government has set. So putting this off isn't going to make a difference. What I have heard though is that your timeline is conditioned on the legislative agenda. Again, I don't think that putting this off one month is going hinder that. However, I am willing to put this on a special meeting

Governor: Well if necessary if you do find that there is a time required that prevents either the contractor doing the information and doing the work in a timely fashion that you be sure to discuss this with the Attorney General.

Jim Groth: Thank you Governor. I appreciate that consideration and what the Attorney General and you Governor, thank you.

Governor: Alright, any other comments or questions from the public at this time?

***16. ADJOURNMENT**

Motion By:

Seconded By:

Vote:

Comments:

Governor: Hearing none, we will move to agenda item 16, adjournment.

Attorney General: Move to adjourn.

Secretary of State: Second.

Governor: Moved by the Attorney General, seconded by the Secretary of State. Those is favor signify by saying aye. We are adjourned.

Respectfully submitted,

ANDREW K. CLINGER, CLERK

APPROVED:

GOVERNOR JIM GIBBONS, CHAIRMAN

ATTORNEY GENERAL CATHERINE CORTEZ MASTO

SECRETARY OF STATE ROSS MILLER