

MINUTES

MEETING OF THE BOARD OF EXAMINERS

March 13, 2012

The Board of Examiners met on Tuesday March 13, 2012, in the Guinn Room on the second floor of the Capitol Building, 101 N. Carson St., Carson City, Nevada, at 10:00 a.m. Present were:

Members:

Governor Brian Sandoval
Attorney General Catherine Cortez Masto
Secretary of State Ross Miller
Clerk Jeff Mohlenkamp

Others Present:

Teri Preston, SPW Division-Leasing Services
Debbie Ohl, SPW Division-Leasing Services
Leanne Lima, SPW Division-Leasing Services
David Smith, Parole Board
Dawn Rosenberg, Department of Corrections
Christi Mackie, Health Division
Tracey Green MD, Health Division
Phil Weyrich, Health Division
Johnean Morrison, Highway Patrol
Tami DuFresne, Division of Welfare and Supportive Services
Brenda Ford, Department of Employment, Training and Rehabilitation
Jennifer Bauer, Department of Employment, Training and Rehabilitation
Brenda Berry, Health and Human Services Aging and Disability Services Division
Tina Gerber Winn, Health and Human Services Aging and Disability Services Division
Dena Schmidt, Health and Human Services Aging and Disability Services Division
Susan Martinovich, Department of Transportation Las Vegas
Rudy Malfabon, Department of Transportation Las Vegas
Claudia Vecchio, Department Of Tourism and Cultural Affairs
Norman Allen, Attorney General's Office
Steven Aldinger, Real Estate Division
Rick Gimlin, Department of Public Safety
Jeff Menscucci, Attorney General's Office
Clark Leslie, Attorney General's Office
Fawn Lewis, Attorney General's Office
Richard Bartholet, University Nevada Reno
Kimberlee Tarter, Purchasing
Cameron Vandenberg, Attorney General's Office
Susan Stewart, Attorney General's Office

Coleen Lawrence, Department of Health and Human Services,
Health Care, Financing and Policy
Erin Holland, Department of Health and Human Services
George McNeil, Department of Health and Human Services
Brody Leiser, Taxation
David Morrow, State Parks Division
Jeff Marrow, Department of Child and Family Services
Nancy Bowman, Attorney General's Office
Susan Hart, Controllers
Lee Ann Hollingsworth, Controllers
Lynn O'Mara, Department of Health and Human Services
Shawna DeRousse, Silver State Health Exchange
Stefani Hogan, Department of Health and Human Services
Gerry Yantis, Cap Gemini
Peggy Martin, Department of Health and Human Services, Health Care, Financing and Policy
John, Whaley, Department of Health and Human Services, Health Care, Financing and Policy
Emily Nunez, Office of Energy
Bruce Beamer, Enterprise Information Technology Services
Ryan Russell, Counsel for Elizabeth McCleary
Beth McCleary
Charles Duarte, Department of Health and Human Services, Health Care, Financing and Policy
Paul Frost, Department

1. PUBLIC COMMENTS

Comments:

Governor: Good morning. I'd like to call the Board of Examiners meeting to order. We will start with Item No. 1 on the Agenda, Public Comment. Is there any member of the public here in Carson City that would like to provide Public Comment? Hearing none, the room looks empty in Las Vegas, but I will ask anyway. Is there any member of the public in Las Vegas that would like to provide Public Comment to the Board?

*2. FOR POSSIBLE ACTION – APPROVAL OF THE FEBRUARY 14, 2012 BOARD OF EXAMINERS' MEETING MINUTES

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: Move on to Agenda Item No. 2, Approval of the February 14, 2012 Board of Examiners Minutes. Have the members had an opportunity to review the minutes?

Attorney General: Yes.

Governor: Any changes or deletions?

Attorney General: No.

Governor: Chair will accept a motion for approval.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: There's a motion by the Attorney General for approval of the minutes, a second by the Secretary of State. Any questions or discussion on the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Opposed, no. Motion passes unanimously.

*3. FOR POSSIBLE ACTION – AUTHORITY TO PAY MINING CLAIM REFUNDS

A. Department of Taxation – \$1,210,220

Pursuant to Senate Bill 493, Section 16.7 of the 2011 Legislature, the Department of Taxation must submit mining claim refund requests to the Board of Examiners for approval. The Department is requesting authority to pay 48 refund requests totaling \$1,210,220.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Secretary of State

Vote: 3-0

Comments:

Governor: Agenda Item No. 3, Authority to Pay Mining Claim Refunds. Mr. Mohlenkamp.

Clerk: Thank, you Governor. Before the Board is yet another request to pay the mining claims. The Department of Taxation is requesting authority to pay 48 refund requests totaling \$1,210,220. I would note that at the end of this there is only a little bit over 1.3 million left. So we are almost at the end of this process, at least from a dollar standpoint.

Governor: Thank you, Mr. Mohlenkamp. And the claimants still have until this summer within which to seek those refunds.

Clerk: Governor, I believe they have through the remainder of the biennium; is that correct? Yeah, through the remainder of the biennium, but there's not a lot of dollars left on the table after this.

Governor: And we -- I've asked this question before, but if the amount sought to be refunded can never exceed this amount that we have reserved?

Clerk: Yes, that's correct. They can only request the amounts that have been deposited.

Governor: Questions from Board members? The Chair will accept a motion for approval of the 48 refund requests totaling \$1,210,220.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: There's a motion by the Attorney General for approval, the second by the Secretary of State. Any questions or discussion on the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Opposed, no. The motion passes.

***4. FOR POSSIBLE ACTION – 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.

AGENCY NAME	# OF VEHICLES	NOT TO EXCEED:
Department of Public Safety – Parole and Probation	1	\$2,887.50
Total:		\$2,887.50

Clerk’s Recommendation: I recommend approval.

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

Comments:

Governor: Agenda Item No. 4, State Vehicle Purchase. Mr. Mohlenkamp.

Clerk: Governor, before the Board is one purchase -- one vehicle to be purchased by Parole and Probation Department of Public Safety. This is being transferred, a purchase from Motorpool, the sum of \$2,887.50. While this is not in their budget, the division has made a reasonable argument for approving this particular purchase.

Governor: Thank you, Mr. Mohlenkamp. And I would like to compliment the division. There is a paragraph within the memo that says, “Purchasing the above vehicle from State Motorpool would be more cost effective than reimbursing an employee to use their personal vehicle for state convenience.” Again, that’s another example of those thinking outside the box. Questions from Board members? Hearing none, the Chair will accept a motion for approval of the state vehicle purchase as described in Agenda Item No 4.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: There’s a motion by the Attorney General for approval, second by the Secretary of State. Any questions or discussion on the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Opposed, no. Motion passes unanimously.

***5. FOR POSSIBLE ACTION – VICTIMS OF CRIME 2012 2nd QUARTER REPORT AND FY 2012 3rd QUARTER RECOMMENDATION**

NRS 217.260 requires the Board of Examiners to estimate available revenue and anticipated claim costs each quarter. If revenues are insufficient to pay anticipated claims, the statute directs that claim payments must be reduced proportionately. The Victims of Crime Program Coordinator recommends paying the Priority 1 & 2 claims at 100% and Priority 3 claims at 100% of the approved amount for the 3rd quarter of FY 2012.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Secretary of State

Vote: 3-0

Comments:

Governor: Agenda Item No. 5, Victims of Crime 2012 Second Quarter Report and 2012 Third Quarter Recommendation.

Clerk: Thank you, Governor. Before the Board is the request to pay the claims, all three priority one, two and three claims at the 100 percent level. The analysis has been completed and determined that there will be, after the payment, \$987,000 in available reserves. The analysis concludes that a payment at the highest tier at 100 percent is reasonable and will not in any way sacrifice our ability to pay claims going forward.

Governor: Questions from Board members? I have none. The Chair will accept a motion for approval of the Victims of Crime 2012 Second Quarter Report as well as -- does that include the recommendation for the third quarter, Mr. Mohlenkamp?

Clerk: Yes. Thank you, Governor.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: Motion by the Attorney General, a second by the Secretary of State. Any questions or discussion on the motion? Hearing none, all in favor of the motion, please say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Opposed, no. Motion passes unanimously.

***6. FOR POSSIBLE ACTION – APPROVAL TO PAY A CASH SETTLEMENT**

Pursuant to NRS 41.037, the State Board of Examiners may approve, settle or deny any claim or action against the State, any of its agencies or any of its present or former officers, employees, immune contractors or State Legislators.

A. Department of Transportation – Administration – \$146,300

The Nevada Department of Transportation (NDOT) is requesting settlement approval in the amount of \$146,300 to resolve an inverse condemnation claim pertaining to property owned by the Kennedy Family Trust located on Blue Diamond Highway and Valley View Boulevard. A formal lawsuit has not been filed.

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: Agenda Item No. 6, Approval to Pay a Cash Settlement, Department of Transportation Administration in the sum of \$146,300. Is there somebody here to present on this item? Okay. Good morning, Mr. Gallagher. And I see we have Director Martinovich and Rudy down in southern Nevada. Madam Director, do you wish to make the presentation?

Susan Martinovich: Governor, I apologize. We're having trouble hearing, so we're still just getting settled here a little bit.

Governor: Can you hear me now, Madam Director?

Susan Martinovich: Okay. I think we might have it a little bit. Thank you.

Governor: Madam Director, can you hear me?

Susan Martinovich: And so I'm sorry. So it was item?

Clerk: Six.

Governor: We had a -- is there -- do we have a technical person here who may have the ability to see what the problem is?

Susan Martinovich: Yeah, we have a person here, so...

Rudy Malfabon: Good morning. I'm Rudy Malfabon, Deputy Director for southern Nevada for the Nevada Department of Transportation. This is for the settlement to avoid an inverse condemnation claim by the property owner Kennedy on State Route 160. What happened was the owner has a 30 foot path easement around the perimeter of the property. When NDOT -- typically it's who comes first is that path easement is available for transportation, utilities, but the property owner has a right to that property as well, obviously, since they own the parcel. What happened was there was a small portion of that that NDOT did not acquire. It was on Valley View Road. And when the property owner did discover that they did in fact own that

parcel and NDOT felt that we should make a settlement to avoid a condemnation claim on that property. So we discussed it with the Attorney General's office and made a settlement offer which was accepted.

Governor: Mr. Malfabon, can you hear me?

Rudy Malfabon: Yes.

Governor: Oh, good. My question was how the -- I don't have any problem with the grounds for the settlement. I just was curious on the interest portion because the total price of the take is described in the memo that we have as \$89,181.25. The total interest for the payment was \$56,935 which was calculated at 9.75. Is that essentially a straight statutory calculation? It just seems like a very high interest rate.

Rudy Malfabon: Yes. We actually modified the interest calculation to what was compensatory to the owner based on the actual value of the interest.

Ms. Miller: This is Ms. Miller from the Attorney General's office. The interest is calculated at the prime rate plus two percent. The land owner used the sets for 2007 Wall Street Journal interest rate which was 7.75 in 2007 which is actually one point less than what the prime rate under NRS was, which was 8.25. And you add two percent interest on that pursuant to NRS 37 or -- yeah, NRS 37.

Governor: And once you are fixed at that rate, regardless of how the interest rates have dropped, we are stuck with this higher interest rate, correct?

Ms. Miller: That's correct. Because that was what they would consider -- the judge would consider probably the date of the taking the (inaudible).

Governor: Right. I have no further questions. Board members? Thank you very much. All right. The Chair will accept a motion for approval to pay a cash settlement in the sum of \$146,300 to resolve an inverse condemnation claim as described in Agenda Item 6A.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: So motion by the Attorney General for approval, a second by the Secretary of State. Are there any questions or is there any discussion on the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Opposed, no. Motion passes. Thank you very much. Thank you, Ms. Miller.

***7. FOR POSSIBLE ACTION – CASH MANAGEMENT IMPROVEMENT ACT**

A. Office of the Controller – Payment to U.S. Treasury not to exceed \$24,049

The State Controller requests approval of payment to the U.S. Treasury not to exceed \$24,049 from the General Fund. This is the highest possible payable liability for 2011. The U.S. Treasury is reviewing the report and should have a final liability figure by March 16th. Payment to the U.S. Treasury is required by March 31st.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General Seconded By: Secretary of State Vote:

Comments:

Governor: Agenda Item No. 7, Cash Management Improvement Act. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is a request from the State Controller's office for approval of a payment to the U.S. Treasury not to exceed \$24,049. What this is, is when the state receives federal dollars there are requirements to spend those proceeds for the intended purpose within a certain delineated timeframe. Similarly, when the state expends funds, the feds are required to repay the state within a certain timeframe. The difference in that timing is basically the interest that we have to pay back to the federal government. In this case it's only in the amount of 24,000. It's a very low amount compared to historical values. This is something I understand the Board has seen in prior years and it's actually pretty good that we're at this level, so...

Governor: Thank you, Mr. Mohlenkamp. My only question is what is it meant by the phrase "This is the highest possible payable liability for 2011"?

Clerk: You know, I would have to defer to the Controller's office. I'm not sure if anyone's in the audience, but -- thank you.

Susan Hart: (Inaudible). The liability issue is...

Governor: Madam, I apologize. Will you identify yourself?

Susan Hart: Yes, I'm sorry. I'm Susan Hart from the Controller's office. And the timing of the liability is what creates our presence at this meeting. The payments are due by March 31st, but we don't have the information prior to this meeting. According to our calculations, the liability is actually with the federal government this year, so we may be expecting a check for \$5,000. But if they make a determination that none of the costs that we have presented are viable, then they may say, no, you owe us 24,049.

Governor: So it's possible -- oh, excuse me. Go ahead.

some of the NDOT -- I don't know if aqueducts or what the correct terminology is. Essentially, the claimant had made an initial request for about 4.3 million. The settlement that we're offering is \$1 million. And we've looked at the terms of this and I've discussed it with the Attorney General's office and in agreement that this is appropriate.

Governor: Thank you, Mr. Mohlenkamp. One question for clarification. And with regard to the demand, it was 4.3 million plus interest, correct? I think that's what I read.

Clerk: I believe that's correct. Thank you.

Governor: And then this settlement of \$1 million, the claimant is responsible for her own attorney's fees, correct?

Clerk: That's my understanding, but I would defer to the Attorney General's office for clarification on that.

Cameron Vandenberg: Good morning. Cameron Vandenberg, Deputy Attorney General. That is correct, Governor Sandoval. It includes attorney's fees.

Governor: So in other words, we're done at \$1 million. The amount that I have in here, or the estimate, was attorney's fees in the sum of \$360,000. So the claimant will have to pay her attorney's fees out of this settlement.

Cameron Vandenberg: That is correct.

Governor: Any further questions from Board members? Thank you. The Chair will accept a motion for approval of payment to the claimant as described in Agenda Item No. 8.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: There's a motion by the Attorney General for approval, a second by the Secretary of State. Are there any questions or is there any further discussion on the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Opposed, no. Motion passes unanimously.

***9. LEASES**

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

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: Agenda Item No. 9, Leases.

Clerk: Thank you, Governor. Before the Board are nine separate leases for consideration. I would point out that Leases 2 and 3 on your Agenda are demonstrating sizeable savings and I want to commend both the agencies and also Buildings and Grounds for the work that they did in generating those savings to the state.

Governor: Thank you, Mr. Mohlenkamp, but I'll be more specific. I want to compliment the Attorney General's office. This lease will save the state \$171,000. That is Lease No. 2. And Lease No. 3, which is Department of Health and Human Services, will save a total of \$574,605 for the first three years. That's very significant and thank you.

Attorney General: Thank you, Governor. And let me commend again Buildings and Grounds. They were instrumental in this process for helping us to take a look at our rental property that we had, particularly in Reno, and looking for the best cost for the state. So they did a great job.

Governor: Do Board members have questions with regard to Leases 1 through 9 as described in Agenda Item No. 9? Hearing none, the Chair will accept a motion for approval.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: There is a motion for approval of Agenda Item No. 9, Leases 1 through 9, by the Attorney General, a second by the Secretary of State. Questions or discussion on the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Opposed, no. Motion passes unanimously.

***10. CONTRACTS**

Fifty-one independent contracts were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Secretary of State

Vote: 3-0

Comments:

Governor: We will move on to Agenda Item No. 10, Contracts. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board are 51 contracts to be considered.

Governor: Thank you, Mr. Mohlenkamp. I have holdouts on Contracts 9, 20, 22, 38. That's all. Board members, do you have any other holdouts?

Secretary of State: Thirteen.

Governor: Thirteen. And for everybody in the audience, we're going to have that new process next month; is that right, Mr. Mohlenkamp?

Clerk: Yes, Governor, that's correct. I apologize for the delay. I've been trying to prepare for the budget kickoff meeting. But it will be in place and we will get some instructions out to everybody on how it's going to work.

Governor: We will begin with Agenda Item No. -- excuse me, Contract No. 9. And that would be the Commission on Tourism. I see Ms. Vecchio here.

Claudia Vecchio: Good morning, Governor.

Governor: Good morning, Ms. Vecchio. I held this item. I was just seeking a little more specificity with regard to the speaker that is described in this Agenda item.

Claudia Vecchio: Sure. Governor, Claudi Vecchio, Director of the Department of Tourism and Cultural Affairs. Jim Gilmore is a writer and a speaker. He's written a couple of books, one called, "The Experience Economy," the other called, "Authenticity: What Consumers Really Want." Both of these topics are incredibly critical especially to our world partners to develop a product and market a product in a way that really speaks to and resonates with consumers. I had him at a tourism conference in Ohio and he literally transformed the Ohio tourism industry. So I think he's going to be incredibly important as far as our educational ability to help our real partners do better at what they do.

Governor: Great. Thank you and that was all I needed. While you're here...

Claudia Vecchio: Yeah.

Governor: ...and I don't know if you're familiar with Agenda Item No. 38, but it's between the Department of Conservation and Natural Resources, State Parks and Tomsich photographer, but what caught my eye, and given the "Discover Your Nevada" campaign...

Claudia Vecchio: Absolutely.

Governor: ...is that this Contract 38 is a revenue contract where Tomsich will provide sightseeing tours and wedding ceremonies at the Valley of Fire State Park. And I was wondering if there's potential to market that same kind of event in other state parks, to encourage people within Nevada to visit the state parks.

Claudia Vecchio: Absolutely. I just saw that this morning. I'm not familiar with this group, but I absolutely believe there is a potential for that same kind of activity in other state parks and really other public lands throughout the state. And I look forward to working with them to market that in a way we can do that.

Governor: Yeah, I just would respectfully ask you to reach out to them and see if that's something that we could build for the other state parks.

Claudia Vecchio: Will do.

Governor: And other places.

Claudia Vecchio: Absolutely. Yeah. Thank you.

Governor: Thank you very much. Any other questions from Board members? Yeah, thank you. Agenda Item No. 13.

Secretary of State: Thank you. I note that this is the fourth amendment to the original contract, but can you just provide a little bit of background as to what the contractor will be providing?

Lynn O'Mara: For the record, Lynn O'Mara, State Health Information Technology Coordinator, Director's Office, Department of Health and Human Services. At this time we're in the implementation phase of the cooperative agreement that's part of the stimulus fund for advancing the adoption of both electronic health records and health information exchange. Under the original contract for this, Capgemini Government Solutions assisted us with preparing the required state health information technology plan that was accepted and approved at the federal level. We are now in the implementation phase. However, the grantor has decided to shift some of the timelines. So we are now required to implement a specific kind of health information exchange that is seen as a bridge to allow physicians and hospitals eligible for financial incentives for the adoption of electronic health records to now put that into place ahead of when we thought we were going to have to do that. However, we also know these physicians and the hospitals very much would like to be eligible for those incentives. So it is very important for us to get this technology into place. And chiefly they will be doing that along with we have some additional requirements under the state plan we have to do concurrently to establish the governing entity that's required and then get the statewide system in place so that we can be fully operational in January of 2014.

Secretary of State: So am I understanding correctly that this is a modification to assist on the Capgemini build?

Lynn O'Mara: For the record, Lynn O'Mara. Not exactly. We have the plan. Now we have to put a system into place. Not all of the system will be put into place at a state level. It will be done by a not-profit that's outside of the state agency. However, there will be independent health information exchanges that will work with it to form the statewide system. Their technical expertise is what we are seeking at this time to ensure that what we do put together will meet federal requirements as well as the provisions in Senate Bill 43 that were passed by the 2011 legislature.

Secretary of State: Okay. And can you explain why this was a sole source as opposed to having to put out for an RFP?

Lynn O'Mara: At the time that we were required to do this state and health information technology plan, the deadlines were very, very tight for us. However, we also had looked at approximately 12 entities, interviewed 8, including Capgemini. Capgemini had both the technical capability and had actually done some implementation of health information exchange. The other entities had not. They also came forward with a plan that was specific for Nevada. They asked the kinds of questions that we needed to have answered for Nevada's environment, not a general environment that other states may have had that may not have worked for us. So they came with some suggestions for meeting that cooperative agreement requirement, but also how to do it that would probably be in the best interest of Nevada to do so.

Secretary of State: Do you foresee any potential for additional contract extensions?

Lynn O'Mara: Not at this time. We have been told by our grantor, which is part of Federal Health and Human Services, it's the office of the National Coordinator for Health Information Technology, that everything is a moving target, and just as we have experienced different requirements we didn't anticipate, there could be others that we don't know about at this time. What I would like to say is in the other contract extensions, we anticipated the full amount of the contract to be expended down by June of 2011. Capgemini worked very effectively and we did not need all of that amount for the state plan, so that when we did have some of these additional requirements we didn't foresee, we were able to meet them without a problem.

Governor: Any other questions from Board members? Thank you, Ms. O'Mara. Contract 20 with LogistiCare.

Charles Duarte: Good morning, Governor.

Governor: Good morning.

Charles Duarte: For the record, Charles Duarte. I'm the administrator of the Division of Healthcare Financing and Policy. With me today is John Whaley who's my Chief of Business Lines. And we'd be happy to answer any questions.

Governor: Chief of Business?

Charles Duarte: Business Lines. John's responsible not only for this contract, non-emergency transportation, but also oversees our largest delivery system of health services which are our managed care contracts which cover approximately 200,000 lives. So he's got a pretty big job and he does a good job of it.

Governor: And my purpose for calling out this contract is it's a significant amount and I understand that it has to do with transportation, but I was looking for more specifics...

Charles Duarte: Sure.

Governor: ...about how many people we are moving and one of the small examples I heard that saves the state a substantial amount is not only do these individuals need these services, but this is the difference between perhaps somebody getting their kidney dialysis or having to go to the emergency rooms, issues such as that.

Charles Duarte: Yes, Governor. Thank you very much for the question. First of all, let me tell you a little bit about this service. It is a federally required service and it's non-emergency transportation as opposed to emergency transportation. So we have a contract with ambulance services, fixed wing ambulance transport, rotor wing ambulance transport, to provide emergency transportation. This is a broker contract to help broker or arrange for non-emergency medical transportation which, again, is a federal requirement. And so a lot of the users of these services are individuals who have difficulty getting to critical medical services such as dialysis which happen to be a provider service that benefits a lot from having their patients accessing non-emergency transportation. Another one would be adult day healthcare as an example. But this particular contract allows the broker to negotiate low cost or no cost options as a first choice for non-emergency transportation, so they work with friends, relatives, neighbors of the individuals to see if they can provide transportation to and from medical services, and if not, then they arrange for other types of licensed carriers to provide the service. They broker about half a million to 600,000 rides a year in Nevada. And besides ground transportation, they also broker commercial airline transportation should we need to send somebody out of state, send a parent with a child, for example, to medical visits in California or Phoenix or wherever it might be. So they do both. So besides arranging free and low cost transportation and also having contracts for licensed carriers to provide the service, one of the things John and his staff did with this vendor, who was our prior contractor in 2011, was they worked very closely with LogistiCare to increase usage and ridership using public transit. And so, you know, besides use of other licensed carriers, we make heavy use of public transit and particularly in the area of paratransit. And so part of the initiative last year, or in 2011, that John and his staff and LogistiCare engaged in was increasing that ridership and making sure that everybody who would qualify for use of paratransit used it as the first option. And they were able to increase use of public transportation in calendar year 2011 from approximately 12,000 rides a year to over 33,000. And that in and of itself enabled us to save a lot of money. This renegotiation will save, we estimate, approximately \$2.6 to \$2.7 million total funding, about \$1.2 million in general fund because the rate that was bid was significantly lower than the current rate. It went down from \$4.08 per person per month to \$3.30 per person per month. One other thing I would like to mention is that John and his staff are working with the regional transportation authorities, particularly in Washoe and Clark Counties, to see if we can get them additional federal fund support using their RTA

revenue which is primarily sales tax based. Use that as matching funds for additional federal revenue, particularly to support paratransit services. You know, we've put a burden on them in terms of the use of paratransit and we want to see if we can get them additional federal fund support so that they can maintain or increase routes and services for paratransit. So that's another initiative that we're undertaking. If we do that, then this cost would be reduced even further in this contract. We have a contract provision to pull that out of negotiated broker services because we'll be working directly with the RTAs, the Regional Transportation Authorities. So overall John and his staff have done a great job in managing this contract, doing this procurement, getting a good bid, but also on an ongoing basis working with our vendors to make sure we're getting the best bang for our buck.

Governor: And did you say 600,000 rides and 200,000 individuals is the number?

Charles Duarte: They provide about between half a million and 600,000 rides a year. And of the number of active users, I believe there's about 2,200, John?

John Whaley: Total riders.

Charles Duarte: Oh, I'm sorry. Total ridership about 38,000 individuals. Half a million rides. So you can see that a lot of people are using the service repeatedly and, again, that's the type of individual that's going to dialysis every day or adult day healthcare five days a week.

Governor: Is the utilization going up, down or remaining steady?

Charles Duarte: John, do you...

John Whaley: For the record, John Whaley. Utilization is going up and it's largely as a result of adult daycare in southern Nevada and Las Vegas. There's a big increase in that. And every person who goes there takes a ride to and a ride back five days a week. They also take other rides from there to the doctor and to the dentist and things like that. So it is going up. Total riders we're projecting for the remainder of this year is about 46,000, whereas the total last year was about 38,000.

Governor: And LogistiCare is locked in. They couldn't come back and say, well, a lot more people are using it than we thought?

John Whaley: No. They're locked into this price for four years with the only codicil being that we can lower it. They can't raise it.

Governor: I have no further questions. Board members? Thank you very much. We move on to Contract No. 22, the Health Division.

Phil Weyrich: Good morning, Governor, members of the Board. For the record, Phil Weyrich, Administrative Services Officer for the Division. To my right is Dr. Tracey Green who is our State Health Officer and also Acting Medical Director for the Division of Mental Health and

Developmental Services. And on my far right is Christi Mackie who is the Deputy for the Bureau of Child, Family and Community Wellness.

Governor: Thank you. You brought the big guns.

Phil Weyrich: So a brief summary of this contract or do you...

Governor: Well, here, let me -- perhaps I can short-circuit this. There's no doubt that this is a necessary contract. My question is, are there Nevada facilities that can meet these needs? The contracts with the Oregon State Public Health Laboratory and I know it's a historical contract, but does our university system -- or do we have the ability in-state to perhaps perform these services in the future?

Dr. Tracey Green: For the record, Dr. Tracey Green, State Health Officer, Acting Medical Director, Mental Health Developmental Services. Actually, the intent of this contract being a limited contract to extend from the usual year to 18 months is because we're actively working with the School of Medicine as well as the State Public Health Lab to transition this program into our state. And we're currently looking to recruit a number of physician positions that will not only enhance the program but enhance our infrastructure of physicians. So absolutely that is the intent and why it is a shorter contract.

Governor: And what's the window then? I'd have to look again. Did you say 18 months is the extension?

Dr. Tracey Green: Correct. We anticipate June 30th of '13 is the conclusion of this contract. We anticipate either complete transition or incremental transition from Oregon. And they are working with us to assure that our program is a quality program that can do the job for the children.

Governor: Congratulations on that. And not right away, but if you could keep me updated on that progress. But I truly think it's a greater result to have this done in Nevada. Questions from Board members? Thank you. The last was Contract 38, the Department of Conservation, Natural Resources. Good morning.

Dave Morrow: Good morning, Governor, members of the Board. Dave Morrow. I'm the Administrator for the Nevada Division of State Parks.

Governor: And, Mr. Morrow, you heard me asking Ms. Vecchio questions and I saw this and it just fits right in with the pin you're wearing, which is the "Discover Your Nevada." This is a historic contract. Has there been utilization -- do you get a lot of utilization of this?

Dave Morrow: We do. We handle about 900 weddings annually at Valley of Fire and generated nearly \$100,000 in revenue from those weddings. And I think there's 21 companies involved in that. And we are interested in expanding it to other parks in the state. I might also add that Claudia has already reached out to us, which we greatly appreciate.

Governor: And that was my hope, was that I saw, pardon the pun, a perfect marriage here between Department of Conservation and National Resources and the Tourism. And so I would really encourage you to continue that because I thought that was a great idea and another opportunity to expose our state parks.

Dave Morrow: Thank you. We will do that.

Governor: Questions from Board members? Thank you. Do any of the Board members have any further questions with regard to Agenda Item No. 10, Contracts 1 through 51? Hearing none, the Chair will accept a motion for approval.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: There's a motion by the Attorney General for approval of Agenda Item No. 10, Contracts 1 through 51, a second by the Secretary of State. Are there any questions or is there any discussion on the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Opposed, no. Motion passes unanimously.

11. BOARD MEMBERS' COMMENTS/PUBLIC COMMENTS

Comments:

Governor: Agenda Item 11, Board Member Comments/Public Comments. Any of the Board have any comments?

Attorney General: Nope.

Governor: Is there any member of the public here in Carson City that has Public Comment? Is there anyone present in Las Vegas that has Public Comment? Then I will close the Public Comment portion of the Agenda on Agenda Item No. 11.

***12. FOR POSSIBLE ACTION – ADJOURNMENT**

Comments:

Governor: Agenda Item No. 12. Is there a motion for adjournment?

Attorney General: Move for adjournment.

Secretary of State: Second.

Governor: Motion by the Attorney General to adjourn, second by the Secretary of State. Are there any questions or discussion on the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Opposed, no. Motion passes unanimously. This meeting is adjourned. Thank you, ladies and gentlemen.

Respectfully submitted,

JEFF MOHLENKAMP, CLERK

APPROVED:

GOVERNOR BRIAN SANDOVAL, CHAIRMAN

ATTORNEY GENERAL CATHERINE CORTEZ MASTO

SECRETARY OF STATE ROSS MILLER