

MINUTES
MEETING OF THE BOARD OF EXAMINERS

September 8, 2015

The Board of Examiners met on September 8, 2015, in the 2nd floor Chambers of the Laxalt Building, 401 N. Carson St., Carson City, Nevada, at 10:00 a.m. Present were:

Members:

Governor Brian Sandoval
Attorney General Adam Paul Laxalt
James R. Wells, Clerk

Others Present:

Julie Kotchevar, Department of Health and Human Services, Aging and Disability Services
Nick Trutanich, Attorney General's Office
Kimberly Graunke, Department of Employment, Training and Rehabilitation
Dennis Osborn, Department of Public Safety, Highway Patrol
Rudy Malfabon, Department of Transportation
Dennis Gallagher, Attorney General's Office
Joe Vadala, Attorney General's Office
Claudia Vecchio, Department of Tourism and Cultural Affairs
Brian Mitchell, Governor's Office of Science and Innovation
Kat Miller, Department of Veteran's Services
Gus Nunez, Department of Administration, Public Works Board
Steve Canavero, Department of Education
Jennifer Frischmann, Department of Health and Human Services, Health Care, Financing & Policy
Cheryl Tyler, Office of the Military
Karlene Johnson, Department of Employment, Training and Rehabilitation

1. PUBLIC COMMENTS

Comments:

Governor: So, ladies and gentleman, I will call this Board of Examiners Meeting to order. The Secretary of State is unable to attend, so we'll proceed with Agenda Item No. 1, Public Comment. Is there any member of the public in Carson City that would like to provide public comment to the Board?

Carson City: There is none in Carson City, Governor.

Governor: Anyone present in Las Vegas that would like to provide public comment? No one here either.

*2. FOR POSSIBLE ACTION – APPROVAL OF THE JULY 7, 2015 BOARD OF EXAMINERS' MEETING MINUTES

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General **Seconded By:** Governor **Vote:** 2-0

*3. FOR POSSIBLE ACTION – APPROVAL OF THE AUGUST 11, 2015 BOARD OF EXAMINERS' MEETING MINUTES

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General **Seconded By:** Governor **Vote:** 2-0

Comments:

Governor: I will go next to Agenda Items No. 2 and 3, which are the approval of the July 7, 2015 Board of Examiners' Meeting Minutes, as well as the August 11, 2015 Board of Examiners' Meeting Minutes. I would like to compliment whoever is responsible for this version of the minutes. They're much improved. So, I appreciate that. I do have a couple of slight changes on the July 7, 2015 minutes. At Page 14, in the ninth paragraph, there is a 'why' and that should say 'while'. And then in the August 11, 2015 minutes at Page 7, if we would just at the bottom of the page where I say, 'is there somebody here from the Controller's Office, morning'. If you would insert a 'good' before the morning. Other than that, I have no changes. Mr. Attorney General?

Attorney General: I have no changes. I move to approve both sets of minutes.

Governor: The Attorney General has moved for approval of the Meeting Minutes described in Agenda Items 2 and 3, I second the motion. Any questions or discussion? All in favor say aye. [ayes around] That motion passes 2-0.

***4. FOR POSSIBLE ACTION – AUTHORIZATION TO CONTRACT WITH A CURRENT AND/OR FORMER EMPLOYEE**

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

Pursuant to NRS 333.705, subsection 1, the Department of Health and Human Services, Aging and Disability Services Division requests authority to contract with a current University of Nevada, Reno part-time licensed Psychologist to provide evaluations and diagnosis of children suspected of having Autism Spectrum Disorder.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We'll move to Agenda Item No. 4, which is Authorization to Contract with a Current and/or Former Employee. We'll begin with 4A, Department of Health and Human Services, Aging and Disability Services. Mr. Wells.

Clerk: Thank you Governor. Pursuant to NRS 333.705, the Department of Health and Human Services, Division on Aging and Disability Services is requesting authority to contract with a current part-time faculty member at the University of Nevada, Reno, to administer autism evaluations and diagnoses on behalf of the Nevada Early Intervention Services Program. The professor is a licensed psychologist who specializes in neuropsychological assessments of children and adolescents and fills a critical need position for the Division. The contractor will be reimbursed at a rate that has already been approved in the Provider Agreement for Aging and Disability Services, as evaluations are needed and the requested dates of service for this contract are for the current biennium. There are representatives from Aging and Disabilities Services here to answer any questions.

Governor: I have no questions with regard to the contract. As you know, we significantly enhanced the funding for autism treatment and my general question is, if we approve this, is there still going to be a need for even more providers in this area?

Julie Kotchevar: Good morning, this is Julie Kotchevar for Aging and Disabilities Services. This is the first step; this is to get children diagnosed that can't receive services until they have an active diagnosis. So, we try to get them as young as possible, so it will increase the need for services. So, yes we will need more providers, but this is specifically tied to diagnosis.

Governor: Is there still a waiting list?

Julie Kotchevar: At Early Intervention, we do not have a waiting list; for ATAP, for our autism program, we do have a wait list of about 500 or so children.

Governor: And then, when will we start to catch up with that? I think we have with combined federal and state enhancement, about \$70 million.

Julie Kotchevar: Yes, I'm not expecting actually that the wait list will be eliminated even with children served through Medicaid and ATAP because there are 6,000 children diagnosed with autism in the State. With that combined money, I think we estimated in the budget, I don't have the number in front of me, but I believe it was about, close to 1,400 children that would be able to be served. So, that would still leave a significant number of kids who won't have services.

Governor: All right. Thank you very much. Mr. Attorney General, any questions?

Attorney General: No questions.

Governor: That's all I have, thank you.

B. Attorney General's Office

Pursuant to NRS 333.705, subsection 1, the Attorney General's Office seeks approval to contract with a former employee, for the term of September 8, 2015 until September 7, 2017 to provide consulting services for the Attorney General's Office efforts to block the proposed high-level nuclear waste repository at Yucca Mountain. ***This item relates to Contract #2 under agenda item 10.**

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Let's move to Agenda Item 4B. That is for the Attorney General's Office and Marta Adams.

Clerk: Thank you Governor. Pursuant to NRS 333.705, the Office of the Attorney General is requesting authority to contract with a retired Chief Deputy Attorney General to provide specialized legal and consulting services for matters relating to the Yucca Mountain Nuclear Waste Repository and the Agency for Nuclear Projects and to transfer knowledge to existing staff within the Office of the Attorney General. The former employee has unique knowledge and expertise relating to nuclear waste matters due to her long-term representation of the State in these matters. The contractor will be reimbursed at a rate of \$200.00 per hour and the requested dates of service are from today through September 7, 2017. This also relates to Contract No. 2 in Agenda Item No. 10. There are representatives from the Attorney General's Office and the Agency for Nuclear Projects in the audience to answer any questions.

Governor: Again, I have no questions. I just want to compliment Marta. I had an opportunity to work with her when I was the Attorney General and she does a fantastic job. I'm really pleased to see that she's going to stay in this effort to block the Yucca Mountain Project. She

really brings a lot of experience and expertise to bear with regard to this. You touched on it and perhaps someone from the AG's Office could provide a brief background, but are we indeed training a Deputy to be able to continue on with this?

Nick Trutanich: Good morning Governor Sandoval, good morning AG Laxalt. Currently the Attorney General's Office, the Nuclear Projects Agency and outside counsel work as a collective team in the fight against the repository at Yucca Mountain. With respect to your question about the AG's Office, there's a Chief in the Government and Natural Resources Division who has been in the Office for approximately 26 years, Wayne Howell, who will be taking over the supervisory responsibility with respect to Yucca Mountain. Additionally, there is a DAG, Belinda Suwe, who has been at the office for four years or so, who Marta, pursuant to this contract, will be mentoring and training to make sure that the fight against Yucca Mountain Repository continues.

Governor: Thank you Mr. Trutanich. Mr. Attorney General, any questions?

Attorney General: Yes, just one. Mr. Trutanich, if you don't mind just clearing up that this money is coming from already allocated Yucca Mountain money?

Nick Trutanich: That's correct Mr. Attorney General. Pursuant to the Governor's recommended budget, as approved by the Legislature, there was \$2.5 million allocated to the fight against the Yucca Mountain Repository. That would go to any litigation, as well as, the retention of experts for nuclear projects in this fight. Although \$2.5 million was allocated, that does not necessarily mean that the Attorney General's Office or the Agency for Nuclear Projects would spend all of that \$2.5 million. That amount of money allocated was allocated for a worst-case scenario. If funding from Washington DC to continue placement of the repository in Yucca Mountain continued, then we'd have to ramp up litigation and expert retention for that fight. But this is a \$300K contract that would come from that fund.

Attorney General: Thank you very much.

Governor: Thank you. And, Mr. Trutanich, you bring up another question because I know there are two budgets. There's one within the Office of the Attorney General and there's one within Nuclear Projects. This contract would come from the Attorney General's budget, would it not?

Nick Trutanich: That's correct Governor. The \$2.5 million was allocated out of general fund dollars to the Attorney General's budget for spending over the next biennium. Again, the Attorney General's Office does not anticipate spending the entire \$2.5 million unless it's required to do so to continue the fight. And that depends largely upon what happens in Washington DC.

Governor: Oh, I understand that. As an aside, and I was going to mention it under the contractual piece of this matter, but as I said, we're really blessed because Marta has years and years of experience and the fact that she's only charging \$200 an hour, for her services, that

really shows that she's a true public servant and very committed to this fight. I just want to personally thank her for that.

Nick Trutanich: Thank you Governor. Marta is off camera, just to my left and I would like to reiterate your comments. Marta Adams did not have to, in her retirement, give back time to the State in order to continue this fight but has chosen to do so and the AG's Office, as well as the entire State, thanks her for not only her service to the State in her capacity at the AG's Office, but afterwards in her retirement.

Governor: Thank you very much. Thank you, Marta.

C. Department of Employment, Training and Rehabilitation – Bureau of Disability Adjudication

Pursuant to NRS 333.705, the Department of Employment, Training and Rehabilitation, Bureau of Disability Adjudication requests authority to contract with a former Bureau of Disability Adjudication Senior Physician to continue work on Neurology specialty cases part-time, up to 25 hours per week.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Let's move to Agenda Item 4C which is DETR and the Bureau of Disability Adjudication.

Clerk: Thank you Governor. Agenda Item 4C is a request from the Bureau of Disability Adjudication for authority to contract with a former senior physician to provide neurological consultations to evaluate claims for Social Security Administration Disability Benefits and other complex medical cases, as well as to provide training to existing staff on Social Security Administration Policy and Regulations. The doctor specializes in neurology which is a difficult to recruit position. He will be reimbursed at a rate of \$81.10 per hour through a temporary services agency for approximately 25 hours a week with no defined timeframe. And, there should be representatives from the Bureau of Disability Adjudication to answer any questions.

Governor: I have one which is, if there's no defined timeframe, is there ever going to be a moment within which we will have State employees performing this service or will it be indefinite with regards to this contract?

Kimberly Graunke: Kimberly Graunke, I'm the Bureau Chief with the Bureau of Disability Adjudication and currently we are under a hiring restriction with our funding from Social Security Administration for hiring state employees into this capacity. So, that is one of the driving factors for trying to continue contracting with separate medical doctors, in particular, Dr. Dhaliwal. He has a particular specialty that we find extremely hard to recruit. We are currently

sending out cases to another regional office in California for cases that are related to neurology in order to get those case decisions made.

Governor: No, and I appreciate you bringing that up because you reminded me of that issue with the Social Security Administration. Can you go into a little more depth with regard to that failure to fund?

Kimberly Graunke: Sure. Currently our budget is 100% federally funded by the Social Security Administration for medical determinations that we provide for the Nevada constituents in our State for disability. Our funding is based on Congressional decisions based on the federal budget. We most recently were told last week that we should be expecting to enter into a budget year, from the federal perspective, with a hiring freeze attached to that. Meaning, we will be given, the Bureau of Disability, no authorization to hire any positions within the Bureau that would be funded by the Social Security Administration at this point. So, that puts a constraint on us in order to recruit medical staff.

Now, the caveat to that is, we have funds available to contract with staff. They don't restrict those fundings the same as they do with hiring authority for an actual FTE. So, in this particular case, we can seek other doctors, which we are currently doing, through MHM, through the good of the state contract—any and all doctors who are willing to contract with the Bureau. Dr. Dhaliwal has indicated that he would come back. He's a full time employee with the Veterans Administration, and so that precludes him from maintaining employment with us because he can't carry two full time jobs, as a federal employee and a State employee as well. So, those are some of the constraints that we face currently with the Congressional position on budgets and so on.

Governor: So, obviously that's out of our control, but given this process, there shouldn't be an interruption in services?

Kimberly Graunke: That's correct. We have the ability to contract with, you know, I could bring on an additional 20 doctors as a contractor, if I can find them. That's the problem, I can't find them. So, we do have MHM Services actively recruiting for us and we're using even word of mouth from existing doctors, as they retire, to send colleagues to us, anybody who is willing to work a few hours a week that we can utilize. So, that's the biggest constraint, is availability of doctors.

Governor: Okay. Well, the Director's here and we can have a conversation offline in terms of whatever effort we can make in order to recruit those positions, but again, I appreciate you're doing the best you can given the circumstances that you're in.

Kimberly Graunke: Thank you.

Governor: Mr. Attorney General, any questions?

Attorney General: No questions, thank you.

Governor: All right. If there are no further questions, the Chair will accept a motion to approve the authorizations to contract with former employees as described in Agenda Item 4A, B and C.

Attorney General: I move to approve.

Governor: The Attorney General has moved for approval. I second the motion. Any questions or discussion? All in favor say aye. [ayes around] That motion passes 2-0.

***5. FOR POSSIBLE ACTION – VICTIMS OF CRIME FISCAL YEAR 2015 4TH QUARTER REPORT AND FISCAL YEAR 2016 1ST 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 a proportional decrease in claim payments.

The 4th Quarter fiscal year 2015 Victims of Crime Program report states all approved claims were resolved totaling \$11,732,359.72 with \$4,236,354.80 paid out of the Victims of Crime Program account and \$7,496,004.92 resolved through vendor fee adjustments and cost containment policies.

The program anticipates future reserves at \$8.7 million to help defray crime victims' medical costs.

Based on the projections, the Victims of Crime Program recommends paying Priority One, Two and Three claims at 100% of the approved amount for the 1st quarter of FY 2016.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We will move on to Agenda Item No. 5, which is Victims of Crime Report. Mr. Wells.

Clerk: Thank you Governor. Pursuant to NRS 217.260, the Board of Examiners is required to estimate the available revenue and the anticipated claim costs for the State Victims of Crime Program. This item includes a report on the claims paid for the fourth quarter of Fiscal Year 2015 and a recommendation to pay Priority 1, 2 and 3 Claims at 100% for the first quarter of FY 2016. There should be a representative from the Victims of Crime Program in Las Vegas.

Governor: My comment would be, it looks like we're doing pretty well and we're paying more claims than we have historically and we still have a sufficient reserve, is that accurate? We don't have anybody here, Mr. Wells, but based on my review of the report, that was my impression.

Clerk: Thank you Governor. Again, there should've been somebody there. I will follow-up with that. Yes, my understanding is that there is sufficient reserves to continue paying these claims at 100% and they will be monitoring the federal grant as we go forward to ensure that program remains solid.

Governor: My only comment would be, given our last agenda item and the reduction in federal funds, we just have to be aware that perhaps, in the future this money may not come and we need to have this money that we already have in reserve go as far as it possibly can. I guess that is an action item, Mr. Wells, so the Chair will accept a motion to approve the Victims of Crime Fiscal Year 2015 Fourth Quarter Report and Fiscal Year 2016 First Quarter Recommendation.

Attorney General: Move to approve.

Governor: The Attorney General has moved for approval, I second the motion. Any questions or discussions? All in favor say aye. [ayes around] That motion passes 2-0.

***6. 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 Conservation and Natural Resources – Environmental Protection – Bureau of Air Pollution Control	2	\$62,328
Department of Conservation and Natural Resources – Environmental Protection – Bureau of Water Pollution Control	1	\$36,073
Department of Conservation and Natural Resources – Environmental Protection – Bureau of Mining Reclamation and Regulation	1	\$31,674
Department of Conservation and Natural Resources – State Parks	2	\$64,250
Department of Public Safety – Emergency Management	1	\$27,276
Department of Public Safety – Highway Patrol	156	\$7,679,026
Total	163	\$7,900,627

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We will move on to Agenda Item No. 6, State Vehicle Purchase.

Clerk: Thank you Governor. There are six requests for 163 vehicles which are all included in Agency budgets for FY 2016. The first four items are for the Department of Conservation and Natural Resources to purchase replacement vehicles for four of their Divisions. The last two are for the Department of Public Safety to purchase one vehicle as a replacement vehicle for the Division of Emergency Management and the biggest item is for the Department of Public Safety to purchase 156 vehicles to replace their existing Highway Patrol vehicles which have met the requirements for replacement. There are representatives from DPS to address any questions the Board may have.

Governor: Thank you Mr. Wells. I don't really have any questions, but my understanding is Director Wright is present, if he could lay a record with regard to the DPS request.

Chief Osborn: Good morning Mr. Governor and Mr. Attorney General. Dennis Osborn, Chief of the Nevada Highway Patrol, for the record. Director Wright had a conflicting meeting. The 156 vehicles for the Nevada Highway Patrol are for 82 Chargers, sedans, 41 utility vehicles, the Ford PIU and for 33 F-150 pick-ups.

Governor: And, will those be dispersed throughout the State?

Chief Osborn: Yes, Mr. Governor, they're going to be dispersed throughout the State based on mileage out vehicles with our mileage rates.

Governor: And, what happens to the vehicles that are going out of service?

Chief Osborn: They go through State purchasing and they are sold there and then the money they're sold for goes back into the Highway Fund.

Governor: And, is there a priority—I'm completely supportive of this—in terms of where these vehicles go, so the Chargers mostly go to Southern Nevada. The all-wheel drive vehicles mostly in Northern Nevada?

Chief Osborn: With the amount of Chargers that we had to purchase this last legislative session, or you know, that we requested to meet our budget, I can't say, Mr. Governor, that they're all going to go to Southern Nevada, that's certainly where we will try to place them all, but some will end up in other parts of the State; just due to the sheer volume of, the number of sedans that we had to purchase.

Governor: And, do you rotate some of those vehicles within the inventory, so some will be new and some of the lower mileage units will move to other parts of the State?

Chief Osborn: Absolutely Mr. Governor. We try to keep a very close eye on the mileage rates. So, if we have an officer in one part of the State that maybe isn't putting a lot of miles on the vehicle, we will do a rotation to a part of the State where they get more mileage to keep a very good eye on that rotation.

Governor: All right. Thank you Chief Osborn. Mr. Attorney General, any questions?

Attorney General: No questions, thank you Chief.

Chief Osborn: Thank you.

Governor: Any further questions with regard to Agenda Item No. 6?

Attorney General: No questions.

Governor: The Chair will accept a motion to approve the state vehicle purchases described in Agenda Item No. 6.

Attorney General: Move to approve.

Governor: The Attorney General has moved for approval, I second the motion. Any questions or discussions?

Attorney General: No questions.

Governor: All in favor say aye. [ayes around] That motion passes 2-0.

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

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

A. Department of Transportation (NDOT) – Administration – \$1,600

The department requests settlement approval in the total amount of \$1,600 to fully resolve an eminent domain action to acquire a temporary easement over property owned by Connie L. Hackler, et al located at 4069 Snowshoe Lane, Reno, Washoe County, Nevada 89502. The Subject Property is a single family home on an improved 2,400 sq. ft. lot. The acquisition is approximately 150 square feet over a portion of the back yard for duration of two years, with a third year option. NDOT previously deposited \$2,400 with the Court as the initial filing of this condemnation matter. NDOT now requests an additional \$1,600 to resolve the action. Approval of the additional amount of \$1,600 would bring the total to \$4,000.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We will move on to Agenda Item No. 7, Approval to Pay a Cash Settlement, Mr. Wells.

Clerk: Thank you Governor. The first two requests are for cash settlements from the Department of Transportation. The first one is for \$1,600 to resolve an eminent domain action in Reno. The second one is for a request of \$785,000 to resolve an eminent domain action for Project NEON in Las Vegas and Director Malfabon and Mr. Gallagher are in the audience to answer any questions that you may have.

Governor: Good morning gentlemen.

Director Malfabon: Good morning Governor, Mr. Attorney General.

Attorney General: Good morning.

Director Malfabon: Rudy Malfabon for the record.

Dennis Gallagher: Dennis Gallagher from the Attorney General's Office.

Governor: Will you take us, Director Malfabon, just through the basics of this settlement?

Director Malfabon: Yes Governor. The first settlement has to do with a project that is being administered by the RTC of Washoe County for widening Southeast McCarran and as part of the project we have to install or they are installing on our behalf some improvements to a state highway, which includes a sound wall. We required a temporary easement from several of the homeowners along Southeast McCarran. There was a disagreement related to the amount or the valuation for the temporary easement. We were able to meet the amount of the settlement, Governor, it is a small amount, but we wanted to make the point that we treat all property owners fairly in the process and use the same valuation process for the value of the temporary easements. So, it is a small amount to bring to this Board for your approval, but it was part of the process, that we treated all property owners fairly. I am willing to answer any questions related to this project or the settlement that we're requesting.

Governor: I have no questions on this Agenda Item, only that I wish that they were all in this amount.

B. Department of Transportation (NDOT) – Administration – \$785,000

The department requests settlement approval in the total amount of \$785,000 to fully resolve an eminent domain action to acquire two parcels of real property owned by MLK-Alta LLC, located on the northeast corner of Martin Luther King Boulevard and Alta Drive in Las Vegas for Project NEON. The subject property was purchased by MLK-Alta in 2010 and they had begun a renovation project prior to being notified in 2011 that the property would be required for Project NEON. NDOT previously deposited \$1,900,000 with the Court for a right of occupancy. NDOT now requests an additional \$785,000 to resolve the action. Approval of the additional amount of \$785,000 would bring the total to \$2,685,000.

Clerk's Recommendation: I recommend approval.

Comments:

Governor: Let's move to 7B.

Director Malfabon: A much larger amount on 7B. This is associated with our large Project NEON. As you're aware Governor, this project will have a recommendation to the Transportation Board in October for a significant project in Las Vegas. In this case, we actually took this matter to trial and in the midst of that trial we were able to reach a settlement as the jury was in fact deliberating the issues. So, we're pleased that we were able to address the legal exposure of about \$5 million associated with this case. It was a significant amount that we were able to mitigate through this settlement. We're asking for an additional \$785,000 to resolve this settlement.

Governor: Thank you Mr. Malfabon. Mr. Gallagher, what was the plaintiff's demand or the demand in that case, the land owner's demand?

Dennis Gallagher: For the record, Dennis Gallagher, Attorney General's Office. The State's exposure was over \$5 million total, Governor, in this matter and I saw earlier on the screen Senior Deputy Joe Vadala in Las Vegas, I don't know if he's still there. Joe was one of the two Deputies that took this matter to trial and I'd like to recognize him for his effort. Anybody who has ever done trial work knows how grueling it can be and this matter, I believe settled on the ninth day of a two week scheduled trial.

Governor: Mr. Vadala, if you could come up.

Joe Vadala: Thank you Governor, Mr. Attorney General.

Governor: First of all, well done. It's always a relief to be able to resolve a case, particularly when the exposure is what it was. My only other question is, did you have an opportunity to poll the jurors at all after the settlement to see where they were.

Joe Vadala: We did Your Honor. It was a very unique experience. We went back in the jury room with the Judge, opposing counsel and representative from the Department and we did, we polled them and we learned some enlightening things.

Governor: Was it a good settlement or a bad settlement?

Joe Vadala: It was a good settlement for the State.

Governor: So, the other side was kind of kicking themselves perhaps?

Joe Vadala: At the end of the day, I think the jury probably would've come in at a number close to where we settled at.

Governor: And again, well done. It's always, I believe, beneficial to get certainty and to mitigate any exposure that the State can have, particularly with regards to these matters because between the award and then the attorney's fees, interest and all of that, it really adds up fast.

Joe Vadala: And, you mentioned attorney's fees, Governor, this was a case that was originally assigned to outside counsel, but the Attorney General's Office took it back in and we took it to trial ourselves.

Governor: You ready to go to trial again then?

Joe Vadala: Absolutely.

Governor: All right. Mr. Attorney General, any questions?

Attorney General: No, I just want to thank you again for all the great work on this case and good job and we'll keep doing more.

Joe Vadala: Thank you, but I will have to recognize that Ruth Miller tried the case—we tried it together, unfortunately she'll be leaving the office, but any recognition has to go to her as well.

Governor: Well, please pass it on to her because through the years she's done an extraordinary job for the State.

Joe Vadala: Thanks.

Governor: Thanks Mr. Vadala. Any further questions with regards to Agenda Item 7B?

Attorney General: No further questions.

C. Department of Tourism and Cultural Affairs – \$52,067.37

The department requests settlement approval in the total amount of \$52,067.37 to fully resolve the closure of the Nevada Commission on Tourism (NCOT), China Representative Office.

The department contracted with NCOT China LTD/Hongxia (Karen) Chen. The contract expired on June 30, 2015 and was not renewed for various reasons. Per the Chinese labor law, Karen Chen, as the Chief Representative is required to perform closing procedures on behalf of the State of Nevada and the state is required to compensate Karen Chen for this process. The complexity of the process and the State's obligations under this process were not clear until the closing process began in early July. It appears to be in the long-term benefit of the State of Nevada to close the office.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Let's move to 7C. Thank you Mr. Gallagher, thank you Director Malfabon.

Director Malfabon: Thank you Governor, thank you Mr. Attorney General.

Dennis Gallagher: Thank you.

Clerk: Thank you Governor. Agenda Item 7C is a request for a cash settlement from the Department of Tourism and Cultural Affairs in the amount of \$52,067.37 to resolve the closure of the Commission on Tourism's China Representative Office. It is projected that the closing will take until the end of the calendar year and pursuant to Chinese Labor Law the existing contractor is required to perform the closing duties and is also entitled to severance compensation based on the years of service. The amount also includes severance compensation for certain other members of the office and Director Vecchio is in the audience to answer any questions you may have.

Governor: I'm not even going to pretend to understand or know Chinese law, I'll accept it as it's presented here in the Agenda Item. The one question I do have is that, will we—we being the State of Nevada—continue to have a presence in China with regard to tourism?

Claudia Vecchio: Good morning Governor, Attorney General, this is Claudia Vecchio, Director of the Department of Tourism and Cultural Affairs for the record. Yes, absolutely. Once we get through this process, we will have a budget allocated for our China office for this fiscal year. Once we get through this process, we will then undergo what is a more normal RFP process to find a sales and marketing representative in China. So, I would suspect that by the end of the fiscal year, we will be up and running with the new office and continue to have a strong and robust presence in China. It's an incredibly important market to us. It was just prudent for us to restructure our efforts there at this time.

Governor: And, Claudia, will there be lessons learned from this contract as we move forward with the new one?

Claudia Vecchio: This contract is so unlike any other contract, or even business environment for us. There are very definitely lessons that have been learned. I don't know that we could replicate this if we tried, but as we get into this new contract with a more typical vendor situation, we will do that in all the good, best practices that we've learned through the years with our 10 representative firms, so very different situation here, thankfully.

Governor: Thank you very much. I have no further questions. Mr. Attorney General?

Attorney General: No questions.

Governor: All right. Thank you Ms. Vecchio.

Attorney General: I move to approve all three Agenda Items.

Governor: The Attorney General has moved for approval of the cash settlements described in Agenda Item 7A, B and C. The first in the sum of \$1,600. The second \$785,000 and the third, \$52,067.37. I second the motion. Any questions or discussions?

Attorney General: No questions.

Governor: All in favor say aye. [ayes around] That motion passes 2-0.

***8. FOR POSSIBLE ACTION – LEASES ([Attached as Exhibit 1](#))**

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

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We will move on to Agenda Item No. 8 which are Leases. Mr. Wells.

Clerk: Thank you Governor, there are two leases in Exhibit No. 1, for approval by the Board this morning. No additional information has been requested by any of the members.

Governor: I have no questions. Mr. Attorney General?

Attorney General: No questions.

Governor: Okay, the Chair will accept a motion for approval.

Attorney General: I move to approve Agenda Item No. 8.

Governor: The Attorney General has moved for approval of the leases described in Agenda Item No. 8. I second the motion. All in favor say aye. [ayes around] That motion passes 2-0.

***9. FOR POSSIBLE ACTION – CONTRACTS ([Attached as Exhibit 2](#))**

Thirty-five independent contracts were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We will move to Agenda Item No. 9 which is Contracts. Mr. Wells.

Clerk: Thank you Governor. There are 35 Contracts listed in Exhibit 2 for approval by the Board this morning. Additional information has been requested on the following: Contract No. 1, between the Governor's Office of Science, Innovation and Technology and Connect Nevada, LLC. Contract No. 7, between the State Public Works Division and Van Woert Bigotti Architects. Contract No. 11, between the Public Works Division and Core Construction Services of Nevada. Contract No. 15, between the Department of Education and Emetric, LLC. Contract No. 16, between the Department of Education and ACT, Inc. Contract No. 18, between the Department of Health and Human Services Divisions of Health Care, Financing and Policy and Aging and Disability Services. Contract No. 25, between the Adjutant General and the National Guard Bureau. Contract No. 29, between the Department of Conservation and Natural Resources Division of Water Resources and the US Geological Survey. And, Contracts 32, 33, 34, between the Department of Employment, Training & Rehabilitation, Division of Employment Security and Truckee Meadows Community College, Community Chest, Inc. and Help of Southern Nevada.

Governor: All right, thank you Mr. Wells. We'll commence with Contract No. 1. Is that Mr. Mitchell?

Brian Mitchell: It is. Brian Mitchell, Director of the Office of Science, Innovation and Technology. Good morning Governor and good morning Attorney General Laxalt.

Governor: Good morning. And, Brian, first of all, I would like to say congratulations on your position. Could you walk us through what is happening as a result of this contract.

Brian Mitchell: The Office of Science, Innovation and Technology, among other things, is tasked with coordinating activities in Nevada relating to the planning, mapping and procurement of broadband service and access to broadband. High-speed broadband is critical to our efforts to educate our students, train our workforce and grow businesses in this State. The Broadband Data Improvement Act of 2008 created a grant program administered by the Department of Commerce, to provide funding for each State to collect data on broadband availability and conduct research on adoption and use.

Connect Nevada, in 2009, was named by the Governor as Nevada's designated entity for a five year contract to conduct these studies. Since that time, Connect Nevada has worked with the State on a federal grant and they culminated their service to us last year by creating the Broadband Task Force Report. Moving forward, the State wishes to continue to contract with Connect Nevada to provide the Governor's Office of Science, Innovation and Technology with an annual update to the last mile broadband availability map they created. Then, create a middle mile map so that we can better understand the current capacity for transporting broadband service out to our rural communities and help those communities achieve broadband service, among other contract deliverables. I am happy to answer any other questions.

Governor: Thank you Mr. Mitchell. And, I understand the importance of the report and I'm supportive of continuing the contract, but where are we in terms of actually completing these

efforts that have been studied over the past five years? In other words, how far along are we or what can we expect in the near future with regard to connectivity to these rural communities?

Brian Mitchell: We've made a lot of progress with identifying needs and that's what the initial contract with Connect Nevada did, was identify needs in these communities and what our capacity is. Moving forward, this office along with the expertise that will be provided by Connect Nevada, will seek to bring together public and private partners to connect our schools, our rural libraries, rural hospitals and rural clinics to the internet. This is particularly important with regard to your Nevada Ready 21 Plan, to put a device in the hands of every middle school student over the next biennium.

Governor: How does this relate to what Switch is attempting to do with regard to connectivity?

Brian Mitchell: Switch is planning to create a redundant fiber optic network along the eastern portion of the State, up Highway 93 and so it will be important for the State. The State also owns a lot of broadband infrastructure and it will be important to coordinate, given the expense of laying fiber and building out that infrastructure. So, it will be important for us to coordinate with them, with other private partners, like AT&T for example, to connect these rural schools and these rural communities. The federal government also is making available E-Rate Subsidies to states in order to connect schools and libraries to the internet. And as we can partner with both our public broadband infrastructure holders and also these private companies like Switch, we can develop a cost effective mechanism and plan to connect these communities.

Governor: Thank you Mr. Mitchell. Mr. Attorney General, any questions?

Attorney General: No questions.

Governor: Thank you very much.

Brian Mitchell: Thank you.

Governor: Let's move to No. 7, which essentially is the Veterans Home. Is Director Miller there?

Kat Miller: Good morning Sir, and Mr. Attorney General, Kat Miller, Director for the Department of Veterans Services. Mr. Gus Nunez, from State Public Works will be briefing you on this item, but I'm standing by for any questions you might have.

Governor: Okay. Well, I don't know if my question is for you Director Miller or for Mr. Nunez, but there was some confusion in the recent few weeks with regards to the status of the Veterans Home and I see this as an opportunity for you to basically state what's happening with it, and the timeliness of its construction.

Kat Miller: Thank you sir, again, for the record, Kat Miller, Director for the Department of Veterans Services. There was a recent report that talked about the delay in federal funding for

the projected new Northern Nevada Veterans Home. That report was inaccurate. The reason it was inaccurate is because federal funding has not yet been approved for the project.

I want to take a minute just to lay out where we are. The State, in the last legislative session, approved \$14.1M; that would be the State's match, one-third match. Once we approved the one-third match, we are now eligible to compete for funding from the federal government. Now, the grant for the new home had already been approved in 2006, so we were already on the priority list at #94. Once we received the state match, we shot up and in 2016, we'll be close to priority #33, after the existing projects drop off. So, that's significant. It moved us up. What we're waiting for right now is by August 17th, each state that was on the list had to submit their intention to go forward with their project and any adjustments they had in the amounts. Also any new projects that came on the list. So, right now we believe that 32 projects will be carried forward to FY 2016, for a total of about \$330M in projects.

There are three factors that will determine where we lie in prioritization and when we can start building. Those three factors are, one, how much money will Congress appropriate. They have appropriated, in the last six years, anywhere between \$90M to \$250M for new home construction, so there's a broad range. The second factor is how many projects that are on the list will be deferred or drop off? For example, in 2015, two large projects, about \$50M worth of projects dropped off. In the year prior to that, almost \$100M dropped off that project list. So, that is a second variable. The third variable is new projects that will be added and if any of them take a higher priority than us. We feel pretty good about that, since we've been on the list since 2013.

We will know some time between October and November what the 2016 Priority List will look like. So, all that said, best case, we could receive two-thirds match in 2016 from the federal government and start construction. Worst case, it could be 2018-2019. But, until we know those three variables, how much Congress appropriates, how many projects will be deferred or drop off and what the new projects will look like, we can't estimate what the federal funding will be. I hope that answers the questions, Governor?

Governor: It does. I guess the point you're making is that we've been aware of those variables, but in order to position ourselves as opposed to all these other projects, we had to approve that funding and find the site and for example, this contract, and all the architectural drawings. As a State, we have done everything that we can do that is within our control, correct?

Kat Miller: Yes sir. Had the State of Nevada not been proactive in 2006, but more importantly in 2013, to get the design done, we would've not been competitive. We would've not been where we are today. Again, moving from 94 to what I anticipate to be 33 is really significant. And so, we're right where I'd hoped we'd be and in a good position to compete for federal funding.

Governor: All right. And, Gus, I had an opportunity to go to the site there in Sparks. We're all set, assuming the funding comes, we're all set to go there, correct?

Gus Nunez: We're proceeding with completing design. This would get us a little bit further down the line. We'll be able to, under the schedule that we're on, assuming funding is available, we'll be ready to start construction around March of '16.

Governor: And, we'll be prepared to go ahead and get any associated bond funding that's required to complete the project or is the money all there?

Gus Nunez: There are bonds to support the '15 Capital Improvement Program of the State, it is being divided into two. Part of it will be available here soon and the rest will be available within a year after that. So, it's going to be divided into two. And, as projects come up we'll be dipping into those funds.

Governor: All right. I have no further questions. Mr. Attorney General—and, Director Miller, go ahead.

Kat Miller: Yeah, I'm sorry Governor. I wanted to add one thing. Last week we got a final bit of good news. As you know, we had to submit all of our documentation by mid-August. We did receive verification from the VA that we are eligible for the maximum allowable amount for the grant which is \$33,507,012.11. So, they took a look at our designs, our drawings to date and said we are eligible for the maximum amount of the grant.

Governor: So, in other words, we have the—for lack of a better term, the Good Housekeeping Seal of Approval to move forward?

Kat Miller: We have the US Department of Veterans Affairs Seal of Approval to move forward, sir, I don't know if that's equivalent to Good Housekeeping, but, we are postured, we are ready. Now we are waiting for those three variables. Thank you for sending that letter to our Congressional Delegation and to the VA and for the support. At this point, I hate saying, I'm hoping, but I'm crossing my fingers and hoping that the appropriation for new home construction is everything that I want it to be.

Governor: I've had an opportunity to personally discuss this with members of the Congressional Delegation and I know it's a big priority for them. So, I feel good about where we are moving forward. Any questions Mr. Attorney General?

Attorney General: No questions, thank you both.

Governor: Thank you. All right. Let's move to Contract No. 11. Mr. Nunez, that's our DMV Building, correct?

Gus Nunez: Gus Nunez for the record, that's correct Governor.

Governor: So, will you take us through this process and what this approximately \$18M covers.

Gus Nunez: Yes, this will be the construction of the replacement of the existing DMV on East Sahara, the \$17,897,000, puts us right within budget of what was appropriated in the '15 CIP. The groundbreaking ceremony is scheduled for September 17th. I hope to see you there Governor. And substantial completion for the project is scheduled for May of 2017. At that point, the old DMV will be demoed and the totality of this project will be completed.

Governor: I know this is something that's been waiting for quite some time and it will allow for a great improvement in service in Southern Nevada?

Gus Nunez: Absolutely. What we've been told by DMV is that this is their busiest DMV in Southern Nevada. It serves quite a population with quite a bit of diversity that comes into that facility. In languages and that sort of thing, so it's a much needed facility. The old building has definitely outlived—it has provided great service, but it's at the end of its useful life.

Governor: Is Director Dillard there?

Gus Nunez: I'm sorry, I don't see him here.

Governor: All right. I have no further questions, Mr. Attorney General?

Attorney General: No further questions.

Governor: Thank you Gus.

Gus Nunez: Thank you Governor.

Governor: Let's move to Contracts 15 and 16. Is that you Dr. Canavero?

Dr. Canavero: It is Governor.

Governor: And I owe you apology. I mispronounced your name at the last meeting and I apologize for that.

Dr. Canavero: Thank you sir, yes, it's Canavero.

Governor: All right. If you would, take us through Contracts 15 and 16 please.

Dr. Canavero: Certainly. Governor Sandoval, Attorney General Laxalt and Staff, Steve Canavero, Interim Superintendent, Nevada Department of Education. The first contract is with Emetric. The last Board of Examiners meeting you heard and subsequently approved our sort of large scale assessment contract with the Data Recognition Corporation, DRC. And, if that contract was about the development, delivery and maintenance of our State Assessment System, this particular contract with Emetric is about sort of the public—part of it is about the public interface and sort of reporting. So, we get all the results back from our assessments and Emetric is a company that we've been contracting with for some time.

Really, just to kind of highlight a few of the features that are in that enhanced scope of work here before you. One of those is the production of the Nevada School Performance Framework. So, as parents or educators or policymakers or stakeholders go to our Nevada Report Card website, they go to the Nevada School Performance Framework and that is what yields our star ratings. So, as families see the star rating for a school, the Emetric company sort of provides that sort of framework or that backbone, the algorithms, etc., that publish that.

An additional, noteworthy component of the scope of work worth calling out is the development of our Alternative School Performance Framework. So, during the Legislative Session, the Legislature recognized an issue that we at the Department of Ed also recognize and that is, 'how do we fairly and uniformly and accurately assess our campuses which serve alternative populations.' So, adjudicated youth, for example, or credit recovery programs are very, very valuable. They serve an incredibly valuable function to our State and to our State's children, but are left outside of our school performance framework because either there are not enough students or they're not there long enough to yield a star rating.

So, in addition to its standard scope of work, we have increased the scope for Emetric to address that particular challenge for the State. So, happy to answer any questions that you have sir, at this time.

Governor: I have none on Emetric, that was very thorough, thank you. If you'd proceed with ACT, Inc.

Dr. Canavero: Certainly. The State's contract with ACT. In 2013, the Legislature really reviewed and made significant changes to the high school section of our assessment program. We went from the High School Proficiency Exam to the End of Course Exams. Then they also instituted, for the first time, a Career and College Readiness Test. The Career and College Readiness Test was not named by the Legislature, but the State Board was empowered to select the Career and College Readiness Test. They did so and after listening to a number of proposals, issuing an RFP, they selected the ACT. As we all are fairly familiar with the ACT and it's sort of the competitor with SAT in college and career readiness sort of indicators for high school students.

One of the primary considerations when the State Board selected the ACT was that students across the State have some currency at the end of the assessment. So, one of the driving, really discriminating factors in why they selected the ACT was to ensure that when the students left the assessment they received the score report, it actually had some currency, it meant something. They could subsequently apply to college with it, they could go to the workforce and say, employers, here are my ACT scores.

So, the first administration of the ACT is done. This contract takes it forward. I do wish to call out the collaboration between the Department of Ed and the School Districts. In the first administration of the ACT it was actually dual payment. So, we did not have a budget that would support the statewide administration of the ACT. We were able to expend the absolute

most we could and then the difference was made up for by the school district. So, it was really, I think, a testament to the assessment and the collaboration of the State.

Going forward, however, we have in our budget to pay for the full administration of the ACT to all of our students, just like we did last year. So, Nevada joins 12 other states in administering the ACT statewide. The first administration has taught us a lot. You know, we only—there's a lot of work to be done. The State Board recognizes that work. We presented the results of the first ACT Census Test to our State Board in August. Then, just recently, last week, we had another State Board Meeting where the Nevada Association of School Superintendents met at the State Board's request to start talking about solutions to some of the sobering data that came out of this first administration. Then, going forward, how the State Board can support the Superintendents to ensure our children are ready, in the eleventh grade, to participate and then obviously in the twelfth grade and then after that, they're ready to succeed in college or a career. So, happy to answer any questions that you might have related to this particular contract.

Governor: Thank you Dr. Canavero and is it too early to tell whether this was a good decision for us to go to the ACT Test? Do we have any indications in terms of how it measured the potential student status?

Dr. Canavero: Steve Canavero. Governor, I think it's a really complex question, I can answer it fairly simply where I think the value is there in providing this. What we know from the first administration is that 8% of our students meet all four college and career readiness benchmarks. That's down from about 25% when we only administered it to about 23% of our population. So, what happened in Nevada happened in many other of those 12 states. When you open up the ACT and you provide it to 100% of your students, what they call a census base, everyone notices a drop in their scores. Nevada, based upon our eleventh grade, dropped significantly, to about a collective aggregate average of about 17.5 composite which will place us at the bottom.

So, our work is cut out for us. The reason why I say the value is there is because we now have a true measure; a nationally sort of benchmark measure of college and career readiness. We are providing this opportunity to every child in the State, regardless of family, of condition, of context; and so students who would never have otherwise considered going to college or perhaps making that decision in their eleventh grade year, now they have this opportunity and the State is investing in them by allowing them to access this test.

The conversations, and I think what subsequently occurs, will then really yield, I think, the answer to your question. I know that the Department's recommendation to the State's Board will be to reconvene the Grad Requirements Committee. The Committee of the State Board, that really has rolled up its sleeves to look at our graduation requirements and whether or not they meet the needs of students to be Nevada Ready. And, this is particularly one important data point to inform that conversation.

Governor: Thank you Dr. Canavero and are there any specific strategies that are being discussed to improve student performance on the ACT?

Dr. Canavero: Steve Canavero. Governor, yes, is the short answer. So, the District Superintendents presented to the State Board, and we would agree that there's certainly a post-ACT strategy. In other words, when many of our twelfth grade students are leaving campus after their fourth period because they've met their minimum credit requirement, but their ACT score does not demonstrate that they're ready for college or career, we could certainly institute some conditions for that twelfth grade year, which is very much consistent with the conversation that the State's been having for some time and the Higher Ed System has been having as well, for some time.

So, how do we sort of spring board students, either accelerate them if they're indicating that they're ready for college course work, or how do we remediate students to ensure that they are prepared, if they scored at a particular threshold. So, post-ACT, that conversation will happen. I think pre-ACT, in other words, how do we ensure our students are ready to be successful on the ACT in the eleventh grade, rather than trying to catch up thereafter. I think that's collectively part of the larger conversation related to the graduation requirements that we plan to have.

Governor: Thank you very much. I have no further questions. Mr. Attorney General?

Attorney General: No questions.

Governor: Thank you Dr. Canavero.

Dr. Canavero: Thank you sir.

Governor: Let's move to Contract No. 18, which is, Department of Health and Human Services, Aging and Disability.

Jennifer Frischmann: Good morning Mr. Governor, Mr. Attorney General. For the record, Jennifer Frischmann, I'm the Chief of Long-Term Support Services with Health Care, Financing and Policy. I'd be happy to answer any questions you have regarding this contract.

Governor: No, and I'm supportive of the contract, but given that it's a large amount, a little over \$16 million, will you take us through the basics with regard to what this contract accomplishes?

Jennifer Frischmann: Absolutely. So, the Division of Health Care, Financing and Policy currently administers three home and community based waivers. The waiver is for the frail/elderly individuals with intellectual disability and physically disabled. We also have the administrative functions to perform PASRR, which is Pre-Admission Screening and Resident Review.

These programs are operated by Aging and Disability Services. So, this contract allows for the federal payment to go to Aging and Disability Services for the administration and operations of these waivers. Things like, developing the plan of care, completing assessments, completing different evaluations.

We currently have everything operated under Aging and Disability Services. Previously it was fractured under several divisions. Some of it was in the Division of Mental Health and that was the ID waiver population. We had the frail/elderly with Aging and Disability Services. Then we, Division of Health Care, Financing and Policy had the physically disabled operations. We merged that all into one under Aging and Disability Services. So, this contract takes three previous existing inter-local agreements and just kind of puts it into one. I hope that made sense.

Governor: And the overall goal is to keep these populations at home?

Jennifer Frischmann: Absolutely. Studies have shown that, one, healthcare outcomes are much better when people remain in their homes, with their friends, with their families, plus it is a much less cost than institutional care.

Governor: All right, thank you. I have no further questions. Mr. Attorney General?

Attorney General: No further questions. Thank you.

Governor: Thank you very much. The next Contract is 25, National Guard.

Cheryl Tyler: Good morning Mr. Governor, Mr. Attorney General. Cheryl Tyler, from the Office of the Military. Would you prefer for me to provide a brief background for this contract?

Governor: Yes, thank you Ms. Tyler and again, I'm not questioning the contract itself, but it's for \$90 million, so I just essentially want you to go through as to what this money is for.

Cheryl Tyler: This is a brand new five-year master cooperative agreement between the National Guard Bureau and the State of Nevada. It is to establish the terms and conditions applicable to the contribution of National Guard Bureau funds for the operation and training of the State Air and Army National Guard. This is part of a nationwide update that the National Guard Bureau is performing at this moment to update their references and their dates for the master cooperative agreement. The main update for this is referencing CFR225 to CFR200. I'll be happy to answer any questions you may have sir.

Governor: Is this amount sufficient for the National Guard to carry out its various missions?

Cheryl Tyler: Based on our projections, yes sir.

Governor: Okay. I have no other questions. Mr. Attorney General?

Attorney General: No further questions. Thank you.

Governor: Thank you Ms. Tyler.

Cheryl Tyler: Thank you.

Governor: All right. Mr. Wells, did you have No. 29, as the next Contract?

Clerk: Yes Governor, we had information from the Attorney General's Office that he would like information on Contract 29.

Attorney General: And, Mr. Wells, you may be able to answer this rather than call someone up. I just wanted to know how the pass-thru works in this situation. I'm just not familiar, as far as having private corporations involved with Newmont and Barrick. I guess if you can't answer it, we'll call someone up.

Matt Dillon: Good morning, Governor and Mr. Attorney General. My name is Matt Dillion. I'm with the Nevada Division of Water Resources, I'm a Water Resource Specialist there and I process the agreements with the USGS. With regard to Mr. Attorney General's question, the money is passed thru our office and paid to the USGS upon quarterly billing from the USGS for the operation and maintenance of the gauges associated with this program. So, for example, we send off what we refer to as a Cooperative Funding Agreement document to both Barrick and Newmont in this particular case, advising them of their amount that they will be contributing to the monitoring program. They return that document signed, acknowledging that they will remit payment upon billing by our Department of Conservation and Natural Resources.

Attorney General: Is this just a preset percentage of something that they're supposed to put into this pot? That's just kind of what I was asking about, I apologize.

Matt Dillon: Oh, I'm sorry, Mr. Attorney General. No, this particular program has nine streamflow gauges that are operated year round, another gauge that's operated half time, from January through June and two data collection platforms that are associated with two other gauging sites. The contributions by Barrick and Newmont are based upon those items, those data collection platforms and gauges that are in proximity to their operations.

So, for example, those gauges, in this particular case, Mary's Creek and Maggie Creek are associated with property that Newmont's Genesis Mining Property and they pay for the operation of those gauges. Similarly, gauges at Pine Creek and Willow and Horse Creek are in the vicinity of operations by Barrick and they pay for those completely. There are some gauges that are on the main stem of the Humboldt River and those are divided equally among Barrick and Newmont.

Attorney General: Okay, thank you very much. No further questions.

Governor: Thank you Mr. Dillon.

Matt Dillon: Thank you.

Governor: Let's move to Contracts 33, 34 and 35; and I had asked for those to be held out. So, is there someone from DETR here? Or, 32-34, excuse me.

Karlene Johnson: Karlene Johnson from the Department of Employment, Training and Rehabilitation, Mr. Governor.

Governor: Good morning. Again, I see these contracts, I support these contracts, but just need a little more detail with regard to the specifics on how we're assisting the displaced homemakers.

Karlene Johnson: These three particular contracts were awarded through the RFP process, through State Purchasing, and these three entities will be providing referrals and case management to this population to assist them to become employed or better employed. Some of these are part-time employed individuals that are not at an earned income that would support their families.

Governor: And, do you know approximately how many individuals we serve?

Karlene Johnson: The majority are served down in the Southern area and I don't have those exact numbers, but I can get those for you. The Community Chest contract served under—it was served by a different provider, but they served under 100 individuals.

Governor: And, are there any statistics with regard to how successful we are in placing the clients into employment?

Karlene Johnson: Yes, we have those reports and I can get those to you. They show what type of jobs they obtain and the hourly wage that they earn.

Governor: All right. I have no further questions. Mr. Attorney General?

Attorney General: No questions, thank you.

Governor: Thank you very much.

Karlene Johnson: Thank you.

Governor: Mr. Wells, did we cover everything?

Clerk: Yes, Governor, that was all the contracts that we had requests for additional information.

Governor: If there are no further questions, the Chair will accept a motion to approve Contracts 1-35 as described in Agenda Item No. 9.

Attorney General: Move to approve.

Governor: The Attorney General has moved for approval. I second the motion. All in favor say aye. [ayes around] That motion passes 2-0.

***10. FOR POSSIBLE ACTION – MASTER SERVICE AGREEMENT ([Attached as Exhibit 3](#))**

One independent contract was submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We'll move to Agenda Item No. 10, Master Service Agreements. Mr. Wells.

Clerk: Thank you Governor. There is one Master Service Agreement in Exhibit 3, for approval today by the Board, and we did not receive additional requests for information from any of the members.

Governor: Okay. Is this the contract for preparation of the minutes?

Clerk: No Governor, it is not.

Governor: Oh, it is not, okay. All right. I have no questions. Is there a motion to approve?

Attorney General: I move to approve.

Governor: The Attorney General has moved for approval of the Master Service Agreement in Agenda Item No. 10. I second the motion. All in favor say aye. [ayes around] That motion passes 2-0.

11. CONTRACTS APPROVED BY THE CLERK OF THE BOARD ([Attached as Exhibit 4](#)) – INFORMATION ITEM

Pursuant to NRS 333.700 subsection 7 (a), 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 July 13, 2015 through August 19, 2015.

Thirty-four independent contracts were submitted to the Board for review.

Comments:

Governor: We'll move to Agenda Item No. 11, which are contracts approved by the Clerk of the Board, Mr. Wells.

Clerk: Thank you Governor. There are 34 contracts under the \$50,000 threshold that were approved by the Clerk between July 13th and August 19th of 2015. This is an informational item only and there were no requests for additional information from any of the members.

Governor: I have no questions. Mr. Attorney General?

Attorney General: No questions, thank you.

12. INFORMATION ITEM

A. Department of Conservation and Natural Resources – Division of State Lands

Pursuant to NRS 321.5954, the Division of State Lands is required to provide the Board of Examiners quarterly reports regarding lands or interests in lands transferred, sold, exchanged, or leased under the Tahoe Basin Act program. Also, pursuant to Chapter 355, Statutes of Nevada, 1993, at page 1153, the agency is to report quarterly on the status of real property or interests in real property transferred under the Lake Tahoe Mitigation Program. This submittal reports on program activities for the fiscal quarter ending June 30, 2015.

Additional Information:

- **1989 Tahoe Basin Act**
 - There were no transfers of lands or interest in lands during the quarter.

- **Lake Tahoe Mitigation Program**
 - The agency reports that there were no acquisitions of land or interest during the quarter. However, three transfers of interest in real property occurred during this quarter. The transactions resulted in a total of \$113,432 in proceeds for the Nevada Land Bank.

Comments:

Governor: Let's move to Agenda Item No. 12. Mr. Wells.

Clerk: Thank you Governor. Item No. 12 is required pursuant to NRS 321.5954 and it is a report regarding lands or interest in lands that are transferred, sold, exchanged or leased under the Tahoe Basin Act Program, as well as, a quarterly report on the status of real property or interest in real property transferred under the Lake Tahoe Mitigation Program. I believe that the report is self-explanatory.

Governor: It is, I have no questions. Mr. Attorney General?

Attorney General: No questions, thank you.

Governor: Thank you Mr. Wells.

13. BOARD MEMBERS' COMMENTS/PUBLIC COMMENTS

Comments:

Governor: That moves us to Agenda Item No. 13, Public Comment. Any public comment from Las Vegas? Is there any public comment from Carson City?

***14. FOR POSSIBLE ACTION – ADJOURNMENT**

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General **Seconded By:** Governor **Vote:** 2-0

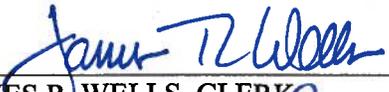
Comments:

Governor: We'll move to Item No. 14, Adjournment. Is there a motion to adjourn?

Attorney General: Move to adjourn.

Governor: Second the motion. All in favor say aye. [ayes around] Motion passes 2-0. This meeting is adjourned. Thank you ladies and gentlemen.

Respectfully submitted,



JAMES R. WELLS, CLERK

APPROVED: 

GOVERNOR BRIAN SANDOVAL, CHAIRMAN



ATTORNEY GENERAL ADAM PAUL LAXALT

SECRETARY OF STATE BARBARA K. CEGAVSKE