

MINUTES

MEETING OF THE BOARD OF EXAMINERS

June 7, 2016

The Board of Examiners met on June 7, 2016, in the 2nd Floor Chambers at 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
Secretary of State Barbara K. Cegavske
James R. Wells, Clerk

OTHERS PRESENT:

Director Steve Hill, Governor's Office of Economic Development
Sandra Larson, Department of Health and Human Services, Public and Behavioral Health
Scott Sisco, Department of Corrections
Patrick Gavin, State Charter School Authority
Sandie Ruybalid, Department of Health and Human Services, Health Care, Financing and Policy
Lina Tanner, Public Utilities Commission
Stephanie Mullen, Public Utilities Commission
Tonya Laney, Department of Motor Vehicles, Field Services
Jim Lawrence, Department of Conservation and Natural Resources

1. PUBLIC COMMENTS

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

Secretary of State: Yes, I can Governor, thank you.

Governor: Let's proceed with agenda item number 1, public comment, is there anyone present in Carson City that would like to provide public comment to the Board? Hearing and seeing none, anyone in Las Vegas?

Secretary of State: No Governor, there is no one here that has any public testimony at this time.

Governor: Thank you.

*2. FOR POSSIBLE ACTION – APPROVAL OF THE MAY 10, 2016 BOARD OF EXAMINERS' MEETING MINUTES

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Thank you. Agenda item number 2 is the approval of the May 10, 2016 Board of Examiners' Meeting Minutes. Have the Members had an opportunity to review the minutes and are there any changes?

Secretary of State: I have no changes Governor and I move for approval.

Governor: Mr. Attorney General, are you going to abstain from this one?

Attorney General: Thank you, I'll abstain.

Governor: All right. Madam Secretary of State has moved for approval of minutes. I am going to second that motion. The Attorney General was excused from that meeting. Any questions or discussion? All in favor say aye. [ayes around] That motion passes 2-0.

*3. FOR POSSIBLE ACTION – APPROVAL FOR STATE VEHICLE PURCHASES

Pursuant to NRS 334.010, no automobile may be purchased by any department, office, bureau, officer or employee of the state without prior written consent of the state Board of Examiners.

AGENCY NAME	# OF VEHICLES	NOT TO EXCEED
Department of Business and Industry – Taxicab Authority	2	\$49,261.50
Department of Conservation and Natural Resources – Environmental Protection	2	\$65,594.50
Total	4	\$114,856

Comments:

Governor: We'll move to agenda item number 3, Approval for State Vehicle Purchases, Mr. Wells.

Clerk: Thank you Governor. This item requests four vehicles, all of which were included in the legislatively approved budgets for the respective agencies. The first item is a request from the Department of Business and Industry, Taxicab Authority, to purchase one vehicle and one pickup truck. The agency was originally approved for two police package vehicles but determined that those were equipped at an unnecessary level and that a regular sedan would meet their needs. The pickup truck will allow them to transport bicycles for special assignments in a single trip. The cost for the two vehicles remains within the approved budget.

The second item is a request from the Department of Conservation and Natural Resources Bureau of Air Pollution to replace two SUVs with one sedan and a pickup truck. The truck will allow the agency to carry spare tires and work equipment and provide better ground clearance for frequent off-highway travel. The electric sedan will be used for local driving.

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

Governor: Thank you Mr. Wells. I have no questions. Board Members?

Attorney General: I have no questions Governor, thank you.

Secretary of State: No questions Governor.

Governor: If there are no questions, the Chair will accept a motion to approve the state vehicle purchases described in agenda item number 3.

Attorney General: I move to approve.

Secretary of State: Second.

Governor: The Attorney General has moved for approval. The Secretary of State has seconded the motion. Any questions or discussion? Hearing none, all in favor say aye. [ayes around] That motion passes 3-0.

***4. FOR POSSIBLE ACTION – SALARY ADJUSTMENTS**

The 2015 Legislative Session made appropriations from the General Fund and the Highway Fund to the Board of Examiners to meet certain salary deficiencies for fiscal year 2016 that might be created between the appropriated money of the respective departments, commissions, and agencies and the actual cost of the personnel of those departments, commissions, and agencies that are necessary to pay for salaries. Under this legislation, the following amounts from the General Fund and/or Highway Fund are requested:

BA#	BUDGET ACCOUNT NAME	GENERAL FUND ADJUSTMENT	HWY FUND ADJUSTMENT
1000	Office of the Governor	\$14,163	
2986	NSHE – System Administration	\$30,645	
2980	NSHE – University of Nevada, Reno	\$984,870	
2982	NSHE – UNR School of Medicine	\$213,965	
2985	NSHE – Statewide Programs, UNR	\$39,677	
2990	NSHE – Cooperative Extension Service	\$38,033	
2989	NSHE – Agricultural Experiment Station	\$34,711	
3003	NSHE – Business Center North	\$14,085	
2987	NSHE – University of Nevada, LV	\$1,581,321	
2988	NSHE – Intercollegiate Athletics, UNLV	\$11,490	
2992	NSHE – Law School	\$81,177	
3001	NSHE – Statewide Programs, UNLV	\$0	
3002	NSHE – Dental School	\$119,482	
3004	NSHE – Business Center South	\$12,274	
3010	NSHE – Desert Research Institute	\$54,463	
3018	NSHE – Truckee Meadows Community College	\$267,881	
3011	NSHE – College of Southern Nevada	\$756,236	
3012	NSHE – Western Nevada College	\$103,583	
2994	NSHE – Great Basin College	\$87,497	
3005	NSHE – Nevada State College	\$99,028	
	Total	\$4,530,418	

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

Comments:

Governor: Agenda item number 4, Salary Adjustments, Mr. Wells.

Clerk: Thank you Governor. This item is a result of Sections 4, 5, 6 and 7 of Assembly Bill 489 from the 2015 Legislative Session. Those sections appropriated salary adjustment funds to the Board of Examiners to cover vacancy savings which are built into agency budgets, as well as the 1% cost of living adjustments that were effective on July 1, 2015 which were not included in agency salary budgets. An agency whose actual salary exceeds their budgeted amounts due to vacancy savings or the cost of living adjustment are allowed to request salary adjustment dollars from the Board of Examiners. This item represents the first two requests to access those funds.

The first request is from the Governor’s Office who incurred a terminal leave payout and had minimal vacancies this year in addition to the cost of living adjustment which resulted in the need for \$14,163. The Nevada System of Higher Education is requesting salary adjustment funds to cover the 1% COLA and vacancy savings in most of their institutions in the total amount of \$4,530,418.

Governor: Thank you Mr. Wells. Pretty straightforward. Any questions from Board Members?

Attorney General: No questions Governor, I move to approve.

Governor: The Attorney General has moved for approval of the salary adjustments described in agenda item number 4, is there a second?

Secretary of State: I'll second.

Governor: Second by the Secretary of State, any questions or discussion on the motion? Hearing none, all in favor say aye. [ayes around] That motion passes 3-0.

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

A. Department of Administration – Purchasing

Pursuant to NRS 333.705, subsection 1, the division requests authority to contract with Eric Sparks, a former Mental Health Technician, to provide uniformed security guard services through AlliedBarton Security Services.

B. Department of Administration – Purchasing

Pursuant to NRS 333.705, subsection 1, the division requests authority to contract with Russell Steere, a former Correctional Officer, to provide uniformed security guard services through AlliedBarton Security Services.

C. Department of Health and Human Services – Public and Behavioral Health

Pursuant to NRS 333.705, subsection 1, the division requests retroactive authority for contracts with four individuals from May 2016 through December 2016 who are current or former graduate assistants or student workers of the Nevada System of Higher Education.

D. Governor’s Office of Economic Development

Pursuant to NRS 333.705, subsection 1, the Governor’s Office of Economic Development requests to contract with Brad Mamer who will be resigning effective July 5, 2016 for a period of nine months. **This item relates to contract #11 in exhibit 2.**

E. Department of Transportation

Pursuant to NRS 333.705, subsection 1, the department requests authority to contract with Mr. Michael Bridges who has contracted with the prime consulting firm, CA Group. CA Group has been selected through the request for proposal process to assist in the development of the US 95 NW Phase 2B/5 project.

F. Department of Transportation

Pursuant to NRS 333.705, subsection 1, the department requests authority to contract with Mr. Michael Murphy. The department has released a Notice of Intent to contract with Diversified Consulting Services (DCS) as the highest ranked firm responding to the request for proposal.

DCS is proposing to engage Mr. Murphy to fill the Resident Engineer position in augmenting Construction Crew 908.

G. Department of Transportation

Pursuant to NRS 333.705, subsection 1, the department requests authority to contract with Mr. Thomas Regenhard who has contracted with the prime consulting firm, CA Group. CA Group has been selected through the request for proposal process to assist in the development of the US 95 NW Phase 2B/5 project.

H. Department of Public Safety – Office of Traffic Safety – Motorcycle Safety Program

Pursuant to NRS 333.705, subsection 1, the division requests authority to contract with Mr. James Stewart, a current employee of the Nevada Highway Patrol, to provide Certified Motorcycle Safety Instructor Trainer services.

I. Department of Public Safety – Office of Traffic Safety – Motorcycle Safety Program

Pursuant to NRS 333.705, subsection 1, the division requests authority to contract with Mr. Eric Glick, a current employee of the Department of Transportation, to provide Certified Motorcycle Safety Instructor Trainer services.

J. Department of Public Safety – Office of Traffic Safety – Motorcycle Safety Program

Pursuant to NRS 333.705, subsection 1, the division requests authority to contract with Mr. Roger Fox, a current employee of the Nevada System of Higher Education, College of Southern Nevada, to provide Certified Motorcycle Safety Instructor Training services.

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

Comments:

Governor: We will move on to agenda item number 5 which is the Authorization to Contract with a Current and/or Former Employee. Mr. Wells.

Clerk: Thank you Governor. Item 5 includes 10 requests to contract with current and/or former employees pursuant to NRS 333.705. The first two requests are from State Purchasing who contracts with Allied Barton Security Services through a Master Services Agreement to provide uniformed security guards to various state agencies. These requests are for Allied Barton to use former employees who left state service last year to perform these services. Allied Barton also uses these employees on contracted jobs with non-State of Nevada employers.

The third request is from the Department of Health and Human Services, Division of Public and Behavioral Health. The division is contracting with four current or former graduate assistants who are student workers of the Nevada System of Higher Education to provide various services throughout the division as paid interns. Three of them started on May 16th, without the Division first obtaining Board of Examiners' approval. The fourth one starts on June 16th. The Division

is requesting review and determination of whether or not the Board of Examiners would have approved the agency to contract with these individuals and is also requesting to continue employment with some of them beyond the four month emergency time period.

The fourth request is from Governor's Office of Economic Development to contract with a current employee who will be leaving state service in July. This contract will provide for transitional work on key projects including the Faraday Future project and allow for the transfer of the Economic Development knowledge to other staff. This item is related to Contract No. 11, under agenda item number 10, which is for a period of nine months at a rate of \$97.50 per hour at an average of about 20 hours per week.

The fifth, sixth and seventh requests are from the Department of Transportation to contract with former employees who have rehired from state service and are working for companies under contract with the Department. The former employees had no influence or authority over the procurement process for the projects that they will be working on.

The last three requests are from the Department of Public Safety, Office of Traffic Safety, to contract with current state employees from NDOT, Nevada Highway Patrol and the College of Southern Nevada to provide certified motorcycle instructor training services. These activities are conducted primarily on Friday, Saturday and Sunday, outside the normal working schedule of the employees or the employees will take appropriate leave if not. These specially certified individuals have been performing these functions historically and this is a request to continue to allow the individuals to provide those services. There are representatives available to answer any questions the Board may have.

Governor: Thank you Mr. Wells. I have a question with regard to D, the contract under the Governor's Office of Economic Development. Is Director Hill available?

Secretary of State: Yes, he is, he's in the South.

Governor: Okay. Good morning Director Hill.

Steve Hill: Good morning Governor, Members of the Board.

Governor: If you would just take us through a little more background with regard to agenda item D.

Steve Hill: I'd be happy to, thank you for the opportunity. This is really a unique request on the part of myself and our office in what is really a unique circumstance. Brad Mamer has been our Director of Business Development for the past three years. I think many of you know him. He has done an outstanding job for us and has been the point person for a number of the initiatives that relate to the Faraday Future project. He has been—in his career, he has been a land developer and as you know, the Faraday Future project and the development of Apex required that skill. It has been a complex project and Brad has been the point person on the development of the designs and the estimates for water supply, waste water service, storm drainage, rail and police and fire services at that site. He has been the point of contact for a number of different entities and agencies, including Faraday, the City of North Las Vegas, the County, the land owners in Apex and then agencies such as the Regional Transportation Commission, which is building the rail at the site, as well as working with Union Pacific Railroad and UNIF, which is a company

that is already at Apex. He's worked closely with the Southern Nevada Water Authority. The engineers that are representing all of those entities as well as the Bureau of Land Management.

It's really critical that Brad remain in those projects until the bonds for those projects are issued. We've asked Brad for a reduced rate on the contract that we are hopeful to sign with him. It's a very competitive rate, compared to what he used to make in his prior work and certainly with any other person or company with which we would contract for similar services. Brad has a very good reason for needing to leave employment with GOED. As I said, this is a unique circumstance. It's just important for us that Brad stays with this project, it would interrupt the timeframe if he was not able to do so. I'm happy to answer any further questions you have Governor, Members of the Board.

Governor: Thank you Director Hill. I think you've made the point which is, Brad has an incredibly unique skill set and the number of relationships that he's developed that is critical to the ongoing success of the project. Frankly, ensuring compliance with the law adopted during that special session, I'm not sure if there's anyone else who has that knowledge base other than you. I think you're stretched pretty thin as it is right now. What would be the consequence if this contract were not approved?

Steve Hill: Governor, as you said, Brad's skill set as well as his intimate understanding of all of the conversations because he has been in all of those conversations and certainly and many that I have are not critical to keeping this project on time and being done correctly. If Brad was not able to continue with that, I think there's no question and I think everybody involved in this project would agree, there's no question that it would simply be delayed by a significant and very expensive portion of time. That I don't think is what any of us would want.

Governor: The next question is and I ask this often with other agencies will he be training other individuals within your office to take on his responsibilities once this contract is finished?

Steve Hill: Yes, he will Governor. We have hired a person that to the extent he can fill the shoes that Brad will leave behind, will be in that position. He's been with the office a few weeks. He has some development background and is an attorney as well as our business development manager who is now more a part of these discussions. So, if we have an additional project that's similar, they should be able to take over that responsibility.

Governor: And you're confident that we'll only need to do this through March 31, 2017?

Steve Hill: I am Governor.

Governor: Okay, thank you. Those are all my questions with regard to this specific agenda item and the others within this agenda item. Are there any other questions from Board Members? Mr. Attorney General.

Secretary of State: Governor.

Governor: I'm going to go to the Attorney General and then the Secretary of State.

Secretary of State: Okay. Thanks.

Attorney General: Mr. Hill, just a follow-up on that. Can you make clear for the record that the amount lost in the cost overruns and the time and energy spent in sort of recovering for the loss of Mr. Mamer would exceed the amount we'd be paying for this contract?

Steve Hill: Mr. Attorney General, Steve Hill. Yes, I can certainly say that the cost not to just the office, but the project itself and everyone involved in that project and those conversations would be a significant multiple of the cost of the contract that's before you today.

Attorney General: Thank you.

Governor: Madam Secretary.

Secretary of State: Thank you and Governor, mine is on C, not on D. I did, I believe hear Mr. Wells say who are current or former graduate assistant student workers in Nevada Higher Education and made a comment that or longer, did I hear that correctly? This is something that they're looking for to contract with the four individuals from May 2016 through December 2016 or longer, did I hear that correctly Mr. Wells?

Clerk: Madam Secretary, the typical emergency provisions are only allowed for four months. Since three of those individuals were hired prior to the Board reviewing that item, they need to come under the four month emergency provisions. They are looking at between four and six months to hire these individuals. I think a couple of them are going to be for four months and a couple others are going to be for six months.

Secretary of State: But how do we know what is what and what the costs are? I don't see that so I'm just curious on that one because when you said, longer, that's what really triggered it for me. I don't know which ones your estimating would be longer.

Sandra Larson: I can speak to those in more detail.

Secretary of State: I'll see if Jim has an answer and if not, there is somebody here.

Clerk: There are three individuals listed who started on May 16, 2016, those are anticipated to go through September 30, 2016. They are at a rate of \$18.40 per hour. The fourth person is scheduled to start on June 16th and will work through December 31, 2016 at a rate of \$15.19 per hour. It's only the fourth one that is for the sixth month period.

Secretary of State: Okay. And these are all positions that only an assistant would have? That you would only have a student or assistant—and we do have somebody here from the University System and I'm sorry, I don't know your first name.

Sandra Larson: Sandra Larson.

Secretary of State: Sandra is here as well, Mr. Wells. I was just curious as to exactly what we were approving and what the need was.

Governor: Madam Secretary, by way of background, this has come up every year since this bill was adopted. I think, at least in this specific situation was an unintended consequence of that legislation. These are graduate students in our system that because they're graduate assistants,

they're technically employees of the state, but now they want to work for HHS and its exactly that pipeline we want, which is to bring these students and get them through the university system and then get them on to working for the state. They, as I said, they are technically current state employees because they are graduate assistants of the university system, but it's a natural progression for them because of their degrees and their training to go on to HHS. Otherwise, we can't hire them unless we approve it.

Secretary of State: Thank you Governor, I really appreciate the update. So these positions are something that are going to be full time for them once they get over to the Health Division, is that correct?

Sandra Larson: No.

Secretary of State: No, okay.

Sandra Larson: These are contract positions with—

Secretary of State: You want to state your name for the record?

Sandra Larson: Oh, sorry. For the record, Sandra Larson, Health Program Manager for the Division of Public and Behavioral Health. So these positions are, as part of specific programs with the universities. They're required to do internships with various agencies. It's a 300 hour contract. That's given the length of the time. Some are from May to September as he had mentioned. So, after completion of that project if they then were to become permanent state employees, they would apply for a full FTE as normal, but this is just to get them through that piece of their graduate assistant work and that contract that they need to graduate.

Secretary of State: Okay, thank you very much. Thank you Governor, I appreciate the information.

Governor: You're welcome. I appreciate your questions. Not only the situation that I described but this is a critical area of need that we have. As I said, I think this is an unintended consequence of that legislation and perhaps we can clean it up in 2017.

Secretary of State: Thank you.

Governor: All right, any other questions from Board Members with regard to agenda item number 5?

Attorney General: Governor, I just have one follow-up on C. At least my agenda has six individuals. I know we're allowed to adjust downward, but is that something we want to just make sure is correct for the record, or maybe I don't have an updated version.

Clerk: Mr. Attorney General, my apologies, you do not have the latest version of the agenda.

Attorney General: Okay, great. Thank you. We're all square.

Governor: All right, is there a motion to approve?

Attorney General: I move to approve.

Secretary of State: I second.

Governor: The Attorney General has moved for approval to authorize the contracts with a current and/or former employee as described in agenda item number 5. The Secretary of State has seconded the motion. Any questions or discussion on the motion? Hearing none, all in favor please say aye. [ayes around] Oppose, no. Motion passes 3-0.

***6. FOR POSSIBLE ACTION – VICTIMS OF CRIME FISCAL YEAR 2016 3RD QUARTER REPORT AND FISCAL YEAR 2016 4TH QUARTER RECOMMENDATION**

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

The 3rd quarter fiscal year 2016 Victims of Crime Program report states all approved claims were resolved totaling \$2,227,541.57 with \$925,801.21 paid out of the Victims of Crime Program account and \$1,301,740.36 resolved through vendor fee adjustments and cost containment policies.

The program anticipates future reserves at \$11 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 4th quarter of FY 2016.

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

Comments:

Governor: We'll move on to the next agenda item which is agenda item number 6, 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 anticipated claims costs for the State Victims of Crime Program. This item includes a report on the claims paid in the third quarter of fiscal year 2016, and a recommendation to pay Priority One, Two and Three claims at 100% for the fourth quarter of fiscal year 2016. There is a representative from the Victims of Crime Program available to answer any questions the Board may have.

Governor: Any questions from Board Members with regard to agenda item number 6?

Secretary of State: None from here.

Governor: Is there a motion to approve?

Attorney General: I move to approve.

Governor: The Attorney General has moved to approve the Victims of Crime fiscal year 2016 Third Quarter report and fiscal year 2016 Fourth Quarter Recommendation. Madam Secretary, do you second the motion?

Secretary of State: Yes, I do Governor.

Governor: All right, thank you. Madam Secretary has seconded the motion. Any questions or discussion? Hearing none, all in favor say aye. [ayes around] Oppose, no. Motion passes 3-0.

***7. FOR POSSIBLE ACTION – REQUEST FOR GENERAL FUND ALLOCATION FROM THE INTERIM FINANCE COMMITTEE CONTINGENCY ACCOUNT**

A. Department of Corrections – \$542,287

Pursuant to NRS 353.268 the department requests an allocation of \$542,287 from the Interim Finance Contingency Account to fund the staffing requirements of an additional housing unit at Florence McClure Women’s Correctional Center in fiscal year 2017. ***This request is contingent upon Interim Finance Committee’s approval of a pending action item.**

B. Department of Corrections – Prison Medical Care - \$708,645

Pursuant to NRS 353.268 the department requests an allocation of \$708,645 from the Interim Finance Contingency Account to fund a projected shortfall in the Prison Medical Care budget to cover inmate medical treatment obligations through the end of the fiscal year. ***This request is contingent upon Interim Finance Committee’s approval of a pending action item.**

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

Comments:

Governor: We will move on to agenda item number 7 which is a request for general fund allocation from the IFC Contingency Account from the Department of Corrections. Mr. Wells.

Clerk: Thank you Governor. Pursuant to NRS 353.268, the Department of Corrections is requesting two allocations from the Interim Finance Committee, General Fund Contingency Account. The first is in the amount of \$542,287 to fund ongoing staff for an additional housing unit at the Florence McClure Women’s Correctional Center in fiscal year 2017. This unit, which houses up to 50 inmates has been open since January 26, 2016 using overtime to man the posts. The second request is for \$708,645 to fund a projected shortfall in the Prison Medical Care budget. These two requests are subject to approval by the Interim Finance Committee on June 30th. There are representatives from the Department available to answer questions.

Governor: Good morning gentlemen.

Scott Sisco: Good morning.

Governor: Mr. Sisco, would you lay down a little more background with regard to this request please?

Scott Sisco: Thank you. Again for the record, Scott Sisco, Deputy Director for the Department of Corrections. With me is -John Borrowman, our Chief of Fiscal Services. Two requests today. The first one is for \$542,287 to open an additional wing, Unit 8, at Florence McClure Women's Correctional Center. Just real quick, some information I want to put on the table is, during the last legislative session as we presented our budgets and as it went through the legislative process we gave everybody a heads up and in all of our testimony we gave them a heads up that we would be coming to them if the JFA projections did not materialize as they projected. JFA is a company that the Department of Administration contracts with to give projections for the Department of Corrections and Parole and Probation. Typically they've been okay when the state's population is steady, but when the state's population grows, they tend to not be so close.

Just as information in June of 2013, Florence McClure had 781 female inmates. In June of 2014, they had 842. June of 2015, 904. Yesterday, they had 955. About January 26th of this year, we reached a point where we no longer had overflow beds, we no longer had emergency beds and we had moved into another unit. That particular facility actually has two units, Unit 8 and Unit 10 that are not currently open and were not opened up until that point in time. We were able to move into them but we were operating on overtime, trying to see if it was a temporary spike and would go back down and we could manage it. It's not turning into a temporary spike. Overtime is killing us and killing you and so we're here today to try to be more cost effective on that and to go ahead and add the staff in 2017 that we would need.

That unit, right now, we've got about 50 inmates in that unit. We still have inmates in overflow beds and in emergency beds. We'll be able to fill, interestingly enough, Florence McClure is about 98 inmates over what they were budgeted for and that unit has 98 beds. We'll move them back into those beds and then again, we'll still have the overflow beds and the emergency beds from the other part of the institution. That's kind of the Florence McClure—anybody have any questions on that before I move on to Medical?

Governor: I have one, thank you. Do you need—you'll need to put individuals within the academy, so how long is it going to take to get permanent correctional officers trained?

Scott Sisco: This request is, we're actually asking for six posts, but with the shift relief factor, it equates to a little over 10 correctional officers and one case worker. We asked to hire them as of October 1. We will get them hired immediately as of October 1. They will go into a familiarization program. They'll go into the institution and buddy up with a more experienced officer. As soon as we can get the next academy going, they will go into that academy. They really won't be up to speed until about 60-90 days sometimes after they're hired. And, we'll continue with the overtime situation until that point.

Governor: Once this is done, is there any more capacity at Florence McClure?

Scott Sisco: Yes, one more housing unit, about the same number of beds. 98 beds in Unit 10, is still vacant at this time.

Governor: Do you have a projection for when you believe that will be full?

Scott Sisco: We don't. We just recently got in the spring JFA projections. Again, we're kind of pushing back a little bit and saying, look the state is growing again, are you sure you're good with these numbers. We do tentatively plan to put in our agency request budget a request—

because this one won't be going until 2017, we'll have to re-request this and then we'll also ask for the other unit probably in the beginning of 2018.

Governor: Thank you Mr. Sisco. Board Members, any questions with regard to agenda item 7A?

Secretary of State: No Governor.

Governor: Okay, will you proceed with 7B?

Scott Sisco: The second part of this is for Prison Medical Care. Just as information, we're budgeted about \$1,052.72 in this biennium in medical care for each inmate that we have. Right now, our total projections, at the time that we wrote the request, we were about 549 inmates over, as of yesterday, we're 689 inmates over the total projections for male and female both throughout the state.

We've managed to absorb almost all of this through salary savings and other things throughout the Department. We're actually hoping we can even bring this down a little bit more by the time we get to June 30th. One of the advantages of the legislature extending the date until the 30th is we can go right up to the end. The closer you get to the end of the year the more accurate you can get with payroll projections and things like that where we can move it around. Right now, this is the number that we're looking for.

Basically, this actually comes down to about three different treatments. It's HIV medicine. It's Hepatitis C medicine and it's dialysis. These three items alone more than—the amount that we've expended are more than what was budgeted in these three items alone. Totally, like I say, it does have to do with the total population.

Governor: Thank you Mr. Sisco. I wanted to make sure that you clarified that and you did is, we're way ahead of where we thought we were going to be. It's not a matter of management. Drugs are expensive and as you say, we have that many more inmates then we thought we were going to have.

Scott Sisco: That's correct.

Governor: Yeah. And then, as we move on to building the budget, that will be taken into consideration with regard to your budget request?

Scott Sisco: Yes. The way our budgets are built, what we actually spend in the base year creates the base for the next year along with an inflationary factor.

Governor: Thank you very much. Other questions from Board Members?

Attorney General: Move to approve.

Governor: The Attorney General has moved to approve the request for general fund allocation from the IFC Contingency Account as presented in agenda item 7A and B, is there a second?

Secretary of State: I'll second that Governor.

Governor: Madam Secretary has seconded the motion. Any questions or discussion? Hearing none, all in favor, say aye. [ayes around] That motion passes 3-0. Thank you very much.

***8. FOR POSSIBLE ACTION – APPROVAL OF SETTLEMENT WITH ENVIRONMENTAL PROTECTION AGENCY (EPA) IN THE FORM OF A CONSENT DECREE**

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 – Administration

The department requests settlement approval in the form of a consent decree to settle a complaint to be filed with the United States District Court for the District of Nevada by the EPA and the Nevada Division of Environmental Protection alleging the department violated Section 301(a) of the Clean Water Act, 33 U.S.C. Section 1311 (a) by discharging pollutants in stormwater. By agreeing to entry of the consent decree, the department makes no admission of law or fact with respect to the allegations in the complaint. The parties believe the consent decree has been negotiated in good faith and will avoid litigation and that it is fair, reasonable and in the public's interest.

Comments:

Governor: Agenda item number 8 we are pulling from the agenda. This is the approval of settlement with Environmental Protection Agency in the form of a consent decree. Just for everyone's benefit, we want to be absolutely certain that we're in compliance with the open meeting law. The amount of the settlement was not included in the description on the agenda. For everyone's benefit, its \$120,000, but I think it is prudent to make sure that we include that within the description on the agenda. Also, from my understanding, we can hear this next month, that we also include a copy of the consent decree as well. I'm told anecdotally that this will not jeopardize the agreement with the EPA in any way, it will just be a matter of continuing this on for another 30 days.

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

Nine leases have been submitted to the Board for review and approval.

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

Comments:

Governor: That will bring us to agenda item number 9, Leases. Mr. Wells.

Clerk: Thank you Governor. There are nine leases in Exhibit 1 for approval by the Board this morning. No additional information has been requested by any of the Members on this item.

Governor: I have no questions, Board Members?

Attorney General: Move to approve.

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

Secretary of State: I second.

Governor: Second by the Secretary of State. Any questions or discussion on the motion? Hearing none, all in favor, say aye. [ayes around] Oppose, no. That motion passes 3-0.

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

Sixty independent contracts have been submitted to the Board for review and approval.

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

Comments:

Governor: We'll move to agenda item number 10, Contracts. Mr. Wells.

Clerk: Thank you Governor. There are 60 contracts listed in Exhibit 2 for approval by the Board this morning. Members have requested additional information on the following: Contract number 11 between the Governor's Office of Economic Development and Brad Mamer, which was discussed along with agenda item 5B. Contract number. 19 between the Charter School Authority and Infinite Campus. Number 20 between the Charter School Authority and ShoutPoint, Inc. This contract is related to number 22, under agenda item 11. Contract number 27 between the Division of Healthcare, Financing and Policy and HP Enterprise Services. Contract number 50 between the Public Utilities Commission and Energy + Environmental Economics. Contract number 57 between DMV and QLESS. Contract number 56 has been withdrawn at the request of the agency in order to clarify certain information prior to its approval.

Governor: Thank you Mr. Wells. I'm not sure if number 11 was pulled out at my request. I think there's a sufficient record because of the other agenda item that we did. I don't need to have that one called out, do any of the other members? I'll take that as a no.

Secretary of State: No.

Governor: All right. Then, let's move to number 19 and 20, which are the Charter School Authority.

Patrick Gavin: Thank you Governor, Patrick Gavin from the State Charter School Authority, for the record. I'm accompanied by my ASO, Jessica Hoban.

Governor: If you would just take us through the contracts and what they do.

Patrick Gavin: Certainly. The first contract with Infinite Campus is the renewal and extension of the contract for the Statewide Student Information System that is mandated by the Department of Education for all school districts and for the Charter School Authority. We are currently in the fourth year of that agreement. With Infinite Campus, we were the second local education agency in the state to bring IC on board. This will bring us through to the end of that four-year

term. We also anticipate that once the state executes its full statewide contract, there will be some changes to how this rolls out for us as well.

ShoutPoint is a related contract. It is a service that piggybacks on top of Infinite Campus to allow for emergency communication and other notifications to parents, typically via either email, SMS or auto-dialer recorded messages that school is canceled, those kinds of things so that parents are aware of issues and there's a mechanism for ensuring that everyone is notified in a timely manner.

Governor: At least my impression is, it's worked extremely well.

Patrick Gavin: Absolutely sir.

Governor: And, this may have been brought up in other context, but there are no issues associated with data security, are there?

Patrick Gavin: No sir. Actually I have—I can send you—I do have it, I printed it out, my bad. We have the most recent security audit for Infinite Campus. They contract with a third-party to audit their security policies. In addition, the telecommunications provider also has provided the information that they submit to the FCC related to their data privacy practices as a telecommunications provider, they're subject to the same expectations as any telephone company would be.

Governor: And there have been no breaches up until this time.

Patrick Gavin: There have been no breaches as a result—there's been no issue with either of these contractors sir.

Governor: Thank you. Questions from other Board Members on these two contracts? Madam Secretary, any questions?

Secretary of State: No Governor.

Governor: All right, thank you very much. That brings us to contract number 27, correct Mr. Wells? This is with HHS and HP Enterprise Services. Good morning. Let me just tell you where I'm at. At least what I'm seeking is, it's \$158 million, but it really isn't. If you could kind of clarify what this contract does and what that \$158 million figure really means.

Sandie Ruybalid: Thank you. As you know in February, we gained approval from the Board to upgrade our MMIS system which is the Medicaid Management Information System. It's the system that processes our Medicaid claims to providers. At that time, we only added the scope of that work which was \$45 million. We did not extend pricing for the operations. So that pricing actually expires June 30, 2016. We have since renegotiated that pricing and that's what we're here to ask for approval of today. The period of the extension pricing is July 1 to June 30, 2020.

Governor: Will you just state your name for the record?

Sandie Ruybalid: Oh, I'm sorry. Sandie Ruybalid, I'm the Chief of Information Services for the Division of Health Care, Financing and Policy. I have with me, Bonnie Long, she's my ASO.

Governor: All right. Questions from other Board Members? All right, thank you. I just wanted to make that clear for the record. I made it easy, right?

Sandie Ruybalid: Thank you so much.

Governor: All right, thank you. Contract number 50, PUC and Energy + Environmental Economics.

Lina Tanner: Good morning Governor, Board Members, Lina Tanner, I'm General Counsel for the Public Utilities Commission and with me is Stephanie Mullen our Executive Director.

Governor: Good morning. Essentially, this is a high profile issue, at least lately, so I thought it was important for you to talk a little bit more about exactly what this contract will do.

Lina Tanner: Do you want to do the run through and I'll answer any details.

Stephanie Mullen: Sure. The PUC received a letter from the Legislative Committee on Energy requesting an update of the 2014 E3 Study be done. We have the funds available to us in 2016 to perform the update, so we were able to comply with the request. The Legislative Committee on Energy outlined the scope of the study. We were able to share that information with E3 so they could begin their work.

Governor: Can you talk about net metering a little bit?

Lina Tanner: Absolutely. So, just a little bit of history for you, Governor. The E3 Study was a result of AB 428, from the 2013 Session. The final report essentially dealt with—I'm going to give a broad overview—a comparison between the utilities scale solar and rooftop solar and the cost analysis between those two types of solar production. That final report was dated July 2014. Through the NEM docket, which as you know, we all know is fairly hotly contended, every party used that report in a sense to their own benefit because there are pieces of it that support both sides of the issue. The issue primarily being, is there a cost shift between rooftop solar customers and non-rooftop solar customers based on the price of utility scale solar.

At the time of the report, the price of solar was quite a bit higher than it is today. I don't have that in front of me, but I believe it was about \$110-\$120 per megawatt hour. At that time the Commission has always looked at it as a snapshot in time. At that time, based upon that dollar value of utility scale solar, the report did indicate there was a net benefit to all customers of Nevada of approximately \$36 million. However, the report also has a page that list out some sensitivities that would need to get taken into consideration if something changed, such as the price of solar. The price of utility scale solar, in the report, the sensitivities that they used, they used a range from \$80 per megawatt hour up to \$100 per megawatt hour. The report noted that if the cost of solar went down to \$80 per megawatt hour, there actually would be a fairly significant cost shift on to non-NEM customers in the amount of \$222 million.

Today, we have some of the lowest utility scale prices of solar in the world. We're looking at under \$50 per megawatt hour. The question is, can you take that presumption, based upon the drop to \$80, down further and what would that cost shift in fact be if you were looking at that number of under \$50 a megawatt hour. Nobody has the answer to that. I did listen in on your New Energy Task Force. They had a TAC Meeting with the Distributive Generation TAC back in April and one of the employees of E3 came and gave a presentation and I believe the Chairman actually asked that specific question. He said, "well yes, I presume so, but we don't have what those actual numbers would look like". They did do a slide—I brought it here, but I can certainly send it to you to review at your leisure, but they did a slide about, okay at this point in time, we at least have to look at that \$80. We would caution you to look at what that number is with that \$80 figure, even though we now know we're quite a bit below that.

My understanding we didn't ask for this study, the Legislative Committee on Energy did I think they're essentially of that mindset. Let's get the most information that we can out of this. Like I said, every party of the NEM docket used it to some degree. I would anticipate that when we do get a final study and we go into our integrated resource planning docket and we go into the general rate case for Sierra Pacific that are both coming up this summer, that the parties are going to most likely enter pieces of this into evidence so that the Commission can consider it, overall, on those dockets when coming up with some decisions going forward.

Governor: Will they be taking into consideration there was another study that was just presented by the industry, will they take that into consideration as well?

Lina Tanner: I believe so. That's an excellent question Governor. So, what was very clear for our direction from the Interim Committee on Energy was that what they really wanted was an apples to apples comparison. Like I said, the E3 Study really just predominately examines the cost of utility scale solar versus NEM. They did do some analysis of health benefits and costs, what does that mean when you have more renewable energy or solar energy online. There was a lot of talk in the NEM docket about these 11 more environmental factors that needed to be considered, but during the NEM docket the Commission found there just wasn't enough time to go through that. What Solar City presented to the New Energy Task Force, I forget which TAC it was, but is essentially their attempt to go through those 11 factors.

In a sense, if you look at what we're requesting from you today versus what was presented by the solar industry, it's a little bit more apples to oranges because they're taking into account these other factors. That being said, those other factors were directly requested by the presiding officer, the Chairman, in the Innovative Resource Planning docket, "please provide us information so that we can attempt to analyze this".

I think—and I don't want to get too far down into the weeds, but I think part of the issue is no state has ever been able to really get in and analyze those. They're a little bit, legalese, loosey goosey. They're not hard numbers. So do you take into account the costs of what rooftop solar might account for environmentally, like heavy metals and batteries, etc., like that. All of those things are out there for consideration. I think they will get fully vetted to the extent that they have to present that evidence to the Commission. That report, that Solar City report and what we're requesting here today which is simply an update are a little bit more apples and oranges than apples and apples.

Governor: What I'm trying to avoid here is for us to get another report and one side saying you didn't consider A, B, C and D. Then we're still in the same place that we've been because that's been I'm sure your frustration as well, is that you come up with a report and what one side or the other will cherry pick on different pieces of it. What I'm hoping is that we can get an independent, definitive report that everyone can point to and say, we have confidence in this and looked at everything. What I'm hoping to avoid is that the rooftop solar industry will say, well this report is no good it didn't include all of these things or for the company, the power provider to say, well you should've considered this, this and this. How far will this report go to avoid that?

Lina Tanner: I think I can speak to that a little bit. Thank you for the question, Governor. My understanding, with the original process with NEM, with the E3 report is that they did have a stakeholder group that asked, "please consider certain items". I think at the end of the day, they certainly did what they could with those items that they could quantify with the information that they had. I know some of the concern has been, at least in the media that the E3 report only considered Nevada's energy data, but unfortunately the reality is, that's Nevada Energy's customers, we can't get the data from any other source, or E3 can't get the data from any other source.

That being said, I think that the update process would go through that same stakeholder vetting process and again, I agree with you, everybody can use one page and say, "look there's a benefit", "no look there's a subsidy". So, our position has always been, it's been a snapshot in time. This is not coming from us. I think probably the Interim Committee on Energy has your same thoughts. They just want us, to a sense, be a clearing house to collect it. We'll provide it to them to the extent it's provided to us in a contested docket. We'll certainly use it, vet it. Same with the Solar City, with their environmental Benefit Study that they just released.

Governor: Not only your dockets, but I'm pretty certain the results of this report will show up in 2017 at the Legislature. Questions from other Board Members on this agenda item?

Secretary of State: No thank you, Governor.

Governor: Thank you very much, that was very helpful. Mr. Wells, number 56 is off, correct? Number 57 is DMV. Ms. Albertson, I see you there. Good morning.

Tonya Laney: Good morning Governor, Members of the Board. I'm here today, this is a contract amendment for QLESS System which is our virtual queue system that our customers enter when they come into 12 out of our 18 field services offices. This amendment to the contract is to give a date parameter to the access reports that we pull to track our wait times within the offices as well as numbers of customers booking appointments and showing up for those appointments in those offices we have the QLESS System implemented in.

Governor: Will you state your name for the record?

Tonya Laney: Oh, thank you. Tonya Laney, Administrator of Field Services for the Department of Motor Vehicles.

Governor: I had asked this—I ask this every time it comes up, Ms. Albertson knows this. I think that the system is working extremely well. If you could talk a little bit about the wait times and people showing up for appointments.

Tonya Laney: Absolutely. We have found that the appointments have been very successful. The data that we're looking at right now, which the date parameter on those reports will help us to do, is to look and see how many of the appointments we have available in the offices are being utilized by customers and how many customers are showing up for those appointments. Right now, we're only seeing a 30% no-show rate on our appointments, which is much, much lower than the other jurisdictions that we reached out to before we implemented the system. They had anywhere between a 60-70% no-show on their appointments, either because customers would walk-in earlier and be seen in the office or they would discover that one of their transactions could be done online. They were opting to do that and then not canceling their appointments and then just not showing up in the offices. We're really happy with the results that we're seeing in the appointments so far.

On the other side of that, we're also seeing that when the customers make the appointments, they're getting their messages. They're getting reminders from us. We give them the option to leave the system if they're not going to show up for their appointment. That's also reducing that no-show percentage. It's also giving better wait time forecasting for our customers that walk into the offices. If you're an appointment, you come in within your appointment time and in the data we've been able to track, they're being served no later than 3-4 minutes from their appointment time that they book in our offices.

Obviously our appointments will take priority over our walk-in customers. We are hoping that we can shift to where the bulk of our customers that we see in a day are appointments. At this point in time, in the five metro offices that we have the appointments in, we are still seeing that if you go on in the morning, you can still get a same day appointment. We are not seeing 100% utilization yet of the appointments that we have available. We're trying to do that outreach with the customers. When they come in, we remind them, you know, "we see you were a walk-in customer today, we just want to remind you that we have these services available online". "Or we have appointments available for you". We are trying to get that information out there so that we can become more appointment heavy and then the appointments will be more of the norm, rather than the walk-ins and only a few people having appointments and getting in and out of the offices.

Our wait times in the offices have gone down drastically from where we were last year. We've seen, on average, an hour decrease in wait times across our metro offices between last year and this year, just with the implementation of the new options that we offer with QLESS.

Governor: That's all great news.

Tonya Laney: Yes.

Governor: As we know, DMV touches everybody.

Tonya Laney: Yes.

Governor: I think part of it though is knowing, right, that you know exactly how long you have to wait or with the appointment, you can continue to be at work, be at home, whatever it is that you're doing and have the confidence to go into the office and know that that time is going to be respected. I think that's the biggest thing. People expect that they're going to have to wait, but when it goes beyond that, I think that's when the frustration happens. I'm really happy to hear and hopefully as time moves on, we get this new building, which will be up in the fall is my understanding, hopefully that will improve the wait times that much more.

Tonya Laney: In the Flamingo Office, we just installed a new information counter in that office as well. The old information counter had two technicians available to serve anywhere between 1,200 and 1,500 customers a day that came in the doors for that initial contact to get them in the appropriate queue. With the new information counter, we had an old one that was sitting up in the rafters getting ready to be tossed, we put it into our Flamingo Office and we can house 6-8 technicians at that counter now. We're hoping to see a decrease in the wait times in that office as well moving forward. We're always looking for things we can do to decrease the wait times because it's a benefit to us and to our citizens.

Governor: One other thing. I'm not sure who it was but there was a column in the Las Vegas newspaper about the new so-called Road Warriors experience, but the wait times wasn't the most important thing. The most important comment for me was how pleasant your staff was. I think that really goes a long way in terms of how they interact with the public. A lot of that is how you perform when no one is really looking. This person had no idea that this person they were serving was a journalist. They were pleasant and that's what I hear quite often amongst everyone. So, if you could convey my appreciation for the way that employees at DMV conduct themselves and treat the public because that's another thing. Respectfully, no one likes going to DMV. That's just the way it is, but if you can be, as you said, respectful of people's times once they get there, treat them with respect and be pleasant, that really makes a difference, so thank you.

Tonya Laney: Absolutely. I really appreciate that comment. We do—our management, we have a very new higher level staff. We have a new Director, a new Deputy Director. I, myself as the Administrator have been in the new position. Our focus really is customer service. Our customers may have to wait but when they get to the window, if you're pleasant, it's going to make that experience that much better. It's definitely something that we're taking a hard focus on. We appreciate that.

Governor: Thank you. Questions from any of the other Board Members?

Secretary of State: Yes, Governor.

Governor: Madam Secretary.

Secretary of State: Thank you. And thank you for the comments. I was just curious, I just had somebody tell me about their experience at DMV. When you said that you have decreased an hour, could you tell me what the average time is for somebody to go in and get a driver's license? What's an average wait time? Because all you said was you decreased it by an hour, but what did you mean would be an average wait time?

Tonya Laney: So, last year at this time our average wait in our metro offices were between two and two and a half hours. So now, we're serving most of our customers under an hour. At this point in time, we don't separate out driver's license versus registration. They all go into a general queue which is all other DMV services and right now all those customers are being served, on average, within the hour. That's from the time they check in, until they get to a window.

Secretary of State: Okay. And I just want you to know that from her car door, going and coming was an hour and she was absolutely thrilled because she was there thinking she'd be there three to four hours. She was thrilled that she got in and out in an hour. I want to echo what the Governor said, she also said, this was at your Flamingo Office, that the experience was very well received and the person that waited on her couldn't have been more pleasant. She said it made that hour not so bad, as you had indicated. Thank you for that. Thank you Governor.

Governor: Thank you Madam Secretary. Any further questions? Thank you.

Tonya Laney: Thank you very much.

Governor: You're welcome. All right, Mr. Wells, I don't have any others, so if there are no further questions, the Chair will accept a motion to approve Contracts 1-55 and 57-60.

Attorney General: I move to approve.

Secretary of State: Governor, can you just make sure that 56, did you exclude 56?

Governor: I did. I said, 1-55 and 57-60.

Secretary of State: Oh, okay. I'm sorry, I didn't hear that part. I apologize. I'll second it, thank you.

Governor: Attorney General has moved for approval of the Contracts 1-55 and 57-60. The Secretary of State has seconded the motion. Any questions or discussion? Hearing none, all in favor say aye. [ayes around] Oppose, no. That motion passes 3-0.

11. CONTRACTS APPROVED BY THE CLERK OF THE BOARD ([Attached as Exhibit 3](#)) - 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 April 20, 2016 through May 16, 2016.

Sixty-seven independent contracts have been submitted to the Board for review.

Comments:

Governor: We'll move to agenda item number 12, information items, Mr. Wells.

Clerk: Thank you Governor. There were 67 contracts under the \$50,000 threshold that were approved by the Clerk between April 20 and May 16, 2016. This item is informational only but Members have requested additional information on contracts 48-57, which are from the Department of Conservation and Natural Resources to implement the Nevada Conservation Credit System Initiative.

Governor: It's my mistake. I'm going to make sure for clarity on the record that this is agenda item number 11, not number 12. All right, Mr. Lawrence. Good morning, I think it's still morning, isn't it? In any event, I asked for this to be held out, I thought it was incredibly important and relevant to sage-grouse and our efforts and the programs that we've developed that are frankly becoming the subject of a lot of positive attention.

Jim Lawrence: Thank you, good morning Governor and Members of the Board. For the record, my name is Jim Lawrence, I'm the Deputy Director for the Department of Conservation and Natural Resources. To my left, I'd like to please introduce Jennifer Celeo, who is our new Sage Brush Ecosystem Program Manager. She's hit the ground running and has been in the position for a few weeks now.

It's an absolute pleasure actually to be up here and talking about these 10 contracts. In some ways it's hard to figure out exactly where to start. So much has been discussed about the sage-grouse. Going back to last fall, I think as everybody knows, the BLM and the Forest Service adopted their land use plan amendments for the greater sage-grouse and at the same time the US Fish and Wildlife Service came out with the decision that a listing was not warranted for the greater sage-grouse.

A lot of discussions went into those documents and the final documents and the review. A couple of positive outcomes that came out of those was in the land use plan amendments for the BLM and the Forest Service, two specific things to the Credit System. One is, Nevada's credit system was specifically mentioned as a mitigation option. That was really a big deal to have the federal agencies come out and specifically call out the State Mitigation Program. I don't think that happened in other states.

The other, as a result of the credit system, while the land use plan amendments we were disappointed had disturbance gaps in them there is specific to Nevada that no other state got was a variance to any disturbance gaps or possible variance. There's an approval process, but a large reason for that variance was the fact that we had the credit system.

So, those two decisions came out last fall. These contracts really are for us to continue all of the momentum with our credit system. One of the exciting components about it is that in determining disturbance versus habitat improvements, there hasn't been a consistent tool that can be utilized time after time, based on science, that give you kind of an equivalent metric for measuring positives or negatives to the habitat. Part of our tool is to have on the ground field verifications.

Last March, a requirement of the system is that if folks are going to be using the credit system, you have to have individuals who have gone through the training and are verified in being able to use the GIS tools and the field information. We put out the advertising for those. It's a three-day training session. Had no idea what the appetite would be or how much demand there would be. Within a week, we were closing it off. We had over 50 people attend. Every account that I

got back was that it was very well received and folks are really excited about being able to utilize the tools in our credit system.

The contracts that you have before you are 10 separate individual, basically consulting firms, that went through the three-day training. They're now verified by the state as kind of being experts in administering our credit system and they're now ready to go to basically utilize the tools. There's another two firms that went through the training as well. I think those two contracts are going to be coming on board sometime real soon. It just took a little bit longer to get those contracts in place.

What's really important about these contracts is they're necessary for the field work for the credit system. At the same time, we're working with anywhere between 5-10 land owners to actually do habitat improvement projects to get credits on the bank. Because we're kind of leading the way here in the west, we're getting calls all the time from people that want to participate in the system. Asking what they can do to basically improve habitat on their property. We're getting calls—I got a call from Saskatchewan, somebody interested in what we're doing and seeing if they could basically take what we're doing here and take that knowledge up to Canada. We've gotten calls from folks that do mitigation work from as far away as North Carolina, interested in what we're doing.

It really is exciting, having this step in the process and getting private sector and private companies trained in our state system so that they can go out and use the field tools. It's a really important and exciting step. As you can tell, I like to talk about it, so I apologize if I went on too long.

Governor: Not at all. I wanted to give you the forum to do that and congratulate you because it wasn't always that way. This credit system is something that really wasn't recognized for what it could be and what it is now. I asked you to come up here today just for a little bit of validation. Thanks for your hard work and everybody associated with you because it's just another piece to that puzzle. I mean, I'm not satisfied with the entire outcome with that non-listing and that's an ongoing issue. This piece of it is something that Nevada can really stand proud with as we move forward. As you say, it's becoming not only a national model but an international model. That's really exciting and something to be proud of, so thank you.

Jim Lawrence: Thank you Governor. I do appreciate that. If I may, I appreciate the compliments, but it's been such a large effort from your cabinet members, Director Drozdoff, Director Wasley, Director Barbee, part of the program and their leadership in getting this going. And then, the Sage Brush Ecosystem Program and the team, they've just done phenomenal work to get this up and running. It's new and exciting but sometimes things that are new are a little bit more challenging. We've had tremendous support from the Budget Office, Purchasing Division, Governor's Office, your staff and really just kind of helping us through the process to get this going.

Governor: Thank you. Other questions from Board Members? Thank you again. And welcome aboard. Mr. Wells, any other items in agenda item number 11?

Clerk: No Governor.

12. INFORMATION ITEM

A. Fiscal Year 2016 – 3rd Quarter Overtime Report

Comments:

Governor: We'll move on to agenda item number 12, more information items.

Clerk: Thank you Governor. There are three information reports under agenda item number 12. The first is the Overtime Report for the 3rd Quarter of FY16. Overtime and accrued comp time accounted for \$27,500,000 or almost 4% of total pay for the first three quarters of FY16. That represents a 21.8% increase from FY 2015. The highest dollar amount for those three quarters is the Department of Corrections at \$8,218,000. You're seeing that primarily at High Desert with almost \$2 million, Ely State Prison with \$1.4 million, Prison Medical is just over \$1million and Southern Desert is just under \$1million. The highest as a percentage of total pay for the three quarters is the Department of Public Safety at 8.08%, followed closely by the Department of Corrections at 8.07%. The top three increases by dollar, comparing the first three quarters of 16 to the same time period in FY15, the Department of Corrections is up about \$2.5 million. Health and Human Services is up about \$1.5 million. The Department of Transportation is up about \$730,000. In this quarter, NDOT replaced the Department of Public Safety as the third highest increase by dollar.

Conversely, two Departments have decreased their overtime and comp time by more than \$100,000. The Department of Administration by \$439,000 and the Department of Veterans Services at \$106,000. This is down from three in the prior quarter as DETR dropped below the \$100,000 decrease from the prior year.

As we recognize there are certain trends over biennium, such as the Department of Administration which does the budget in odd numbered years, the following is a comparison to FY14. Corrections is up almost \$4 million over that two-year period. Health and Human Services is up \$2.5 million over that two-year period. Transportation up \$1 million and Administration is up about \$5,000. Veterans Services is still down about \$128,000 comparing FY16 to FY14. Those dropping off the list, Public Safety still had an increase of \$1M from FY14 to FY16 and the Department of Employment, Training and Rehabilitation decreased by \$15,000 over that same time period.

On an upward trend, we see the Departments of Health and Human Services, Corrections, Public Safety and Transportation and a couple other much smaller ones, on a three-year trend increasing. Veterans Services and the Office of the Military we show on three-year decreasing overtime and accrued comp time. Most of the agencies are flat and don't have any noticeable long-term trend.

If there are any questions on the Overtime Report, I think I'll answer those first.

Governor: I have none. Board Members? Please continue.

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

Pursuant to NRS 321.5954, the Department of Conservation and Natural Resources, Division of State Lands is submitting a quarterly report regarding the real property or interests in real property transferred under the Tahoe Basin Act and the Lake Tahoe Mitigation Program.

Comments:

Clerk: Thank you Governor. The second item is an informational report required pursuant to NRS 321.5954 for the quarter ending March 31, 2016. This is in regards to lands or interest in lands that are transferred, sold, exchanged or leased under the Tahoe Basin Act Program or the Lake Tahoe Mitigation Program. There were no land transfers or interests in lands or acquisitions of lands, during the quarter for either of those two programs.

C. Department of Health and Human Services – Division of Healthcare, Financing and Policy

This disclosure reports a correction to the contract effective date between the Division of Healthcare Financing and Policy and the Office for Consumer Health Assistance (CETS #12193). The contract effective date posted on the June 14, 2011 and May 14, 2013 Board of Examiners agenda was July 1, 2011; however, the correct effective date is June 14, 2011. Additionally, the contract amendment amount posted on the May 14, 2013 Board of Examiners agenda was \$382,584; however, the correct amendment amount is \$411,791.

Comments:

Clerk: The final information item is a disclosure of a correction to a contract between the Division of Healthcare, Financing and Policy and Consumer Health Assistance. The contract effective date and the amendment amount posted on the contract summary and the original agendas did not match the actual contract language. We found this when we were doing a second amendment to that contract. Those have now been corrected in the system.

Governor: Board Members, any questions with regard to agenda item number 12?

Secretary of State: No Governor, thank you.

13. BOARD MEMBERS' COMMENTS/PUBLIC COMMENTS

Comments:

Governor: We'll move to agenda item number 13, any Board Member or public comment here in Carson City?

Secretary of State: Nothing in Las Vegas.

Governor: Thank you Madam Secretary.

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

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

Comments:

Governor: Is there a motion to adjourn?

Attorney General: Move to adjourn.

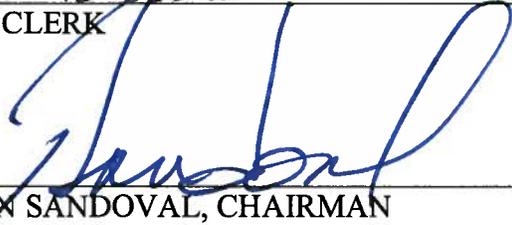
Secretary of State: Second.

Respectfully submitted,



JAMES R. WELLS, CLERK

APPROVED:



GOVERNOR BRIAN SANDOVAL, CHAIRMAN



ATTORNEY GENERAL ADAM PAUL LAXALT



SECRETARY OF STATE BARBARA K. CEGAVSKE