

Governor Brian Sandoval
Chairman

James R. Wells, CPA
Clerk of the Board



Attorney General Adam Paul Laxalt
Member

Secretary of State Barbara K. Cegavske
Member

STATE OF NEVADA BOARD OF EXAMINERS

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

MINUTES

Date and Time: October 10, 2017, 10:00 AM

Location: Old Assembly Chambers of the Capitol Building
101 N. Carson Street
Carson City, Nevada 89701

Video Conference Location: Grant Sawyer Building
555 E. Washington Avenue, Ste. 5100
Las Vegas, Nevada 89101

MEMBERS PRESENT:

Governor Brian Sandoval
Attorney General Adam Paul Laxalt – Participated via telephone conference
Secretary of State Barbara Cegavske – Present in Las Vegas
James R. Wells, Clerk

OTHERS PRESENT:

Caroline Bateman, Chief Deputy Attorney General, Attorney General's Office
Rudy Malfabon, Director, Department of Transportation
Dennis Gallagher, Counsel to Department of Transportation
Caleb Cage, Division Administrator, Homeland Security, Division of Emergency Management
Justin Luna, Administrative Services Officer 3, Division of Emergency Management
Brian Mitchell, Director, Office of Science, Innovation and Technology
Nick Trutanich, Chief of Staff, Attorney General's Office
Christian Schonlau, Chief Financial Officer, Attorney General's Office
Chris Chimits, Deputy Administrator, Department of Administration, Public Works Division
Terri Albertson, Director, Department of Motor Vehicles
James Dzurenda, Director, Department of Corrections
Connie Lucido, Chief, Office of Grant Procurement

AGENDA

1. Call to Order / Roll Call

Governor: Good morning everybody, I will call the Board of Examiners Meeting to order. The Attorney General is participating telephonically. The Secretary of State is present in Las Vegas. Madam Secretary, can you hear us loud and clear?

Secretary of State: Yes, I can Governor.

Governor: Okay, thank you. Before I take public comment, I know that there was a concern about the posting with regard to the Notice and Agenda for this meeting. Inadvertently, the agenda was not posted in this building; however, I have asked the Deputy Attorney General to ensure that we are in compliance with the Open Meeting Law. So, Madam Attorney General, if you would provide your comments please.

Caroline Bateman: Caroline Bateman for the record. That is correct, Mr. Governor. The Open Meeting Law encapsulated in NRS 241 requires posting at three prominent places in addition to either the prominent place of business of the Board or the building at which the meeting will take place. All those requirements have been met and so the meeting can go forward without violating the Open Meeting Law.

Governor: Thank you, Ms. Bateman.

2. Public Comment (No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically include on an agenda as an action item)

Governor: We will proceed with public comment. Is there any member of the public here in Carson City that would like to provide public comment to the Board? I hear and see none. Is there anyone present in Las Vegas that would like to provide public comment?

Secretary of State: I see no one Governor.

Governor: All right, thank you Madam Secretary. Before I proceed with the meeting, I made some comments yesterday at the Board of Transportation meeting which I have the privilege of Chairing with regard to the tragedy in Las Vegas. I know many of you or your employees in your respectful departments were helpful and provided assistance to the victims, their families and friends and their survivors and I personally want to thank you all for what you have done.

Obviously, everybody is still working through this and there is a lot of healing to be done and people are going to need your assistance. Without a doubt, I know that you will be empathetic and compassionate. You will go the extra mile to help these people that have experienced this. I think you can all agree with me that what they are experiencing is unimaginable and even for those of us that were not there, but have seen things like this. It is really important as public servants that we all step up and do whatever it takes to help.

So, I personally want to thank you all for that and to keep everybody that has been affected by this in your thoughts and prayers.

3. Approval of the September 12, 2017 Minutes (For possible action)

Governor: We will move to agenda item number 3, approval of the September 12, 2017 minutes. Have the Members had an opportunity to review the minutes and are there any changes?

Secretary of State: No changes Governor, I move for approval of the minutes from September 12, 2017.

Attorney General: I second.

Governor: The Secretary has moved for approval of the minutes of September 12, 2017. The Attorney General has seconded the motion. That motion passes 3-0.

4. Request to Purchase State Vehicles (For possible action)

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

AGENCY NAME	# OF VEHICLES	NOT TO EXCEED:
Department of Administration – Enterprise Information Technology Services	1	\$36,767
Department of Administration – Fleet Services	14	\$373,750
Department of Administration – Fleet Services	83	\$2,010,975
Department of Administration – Fleet Services	5	\$116,768
Department of Conservation and Natural Resources – Forestry	3	\$1,105,112
Total	106	\$3,643,372

Governor: We will move on to agenda item number 4, Request to Purchase State Vehicles. Mr. Wells, good morning.

Clerk: Good morning Governor and Members of the Board. Item 4 includes five requests totaling 106 vehicles.

The first request is from the Department of Administration, Enterprise IT Services Division, to replace a pickup that has met the age and/or mileage requirements in the State Administrative Manual. This vehicle was included in the agency’s legislatively approved budget.

The second request is from Fleet Services to procure 14 vehicles to provide to agencies under the lease purchase program. The request includes four sedans and 10 SUVs which were included in the agency's legislatively approved budgets but were not included in Fleet Services Budget so, this item is subject to the approval of a work program at the Interim Finance Committee (IFC) meeting that will occur next week.

The third request is also from Fleet Services to replace 83 agency vehicles under the lease purchase program that have met or will meet the age and/or mileage requirements. They are inclusive of 47 sedans, 4 pickups, 29 SUVs and three vans. These vehicles were included in both the agency's and Fleet Services' respective budgets.

The fourth request from Fleet Services to replace five agency vehicles which were totaled in accidents. The request is for three sedans and two SUVs and is subject to approval of two work programs at the IFC Meeting next week.

The last request is from the Department of Conservation and Natural Resources, Forestry Division, to purchase three wildland fire trucks for Douglas, Elko and Nye Counties. This comes from the Wildland Fire Protection Program Account. This request is also subject to an IFC work program that will be approved next week.

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

Governor: Thank you Mr. Wells, you have been very thorough. I have no questions. Board Members, any questions from the Secretary or the Attorney General on this agenda item?

Secretary of State: Governor, for vehicles that were turned in, does that just go to our General Fund or does that go into the fund for the vehicles replacement?

Clerk: Agency owned or Fleet vehicles that are rented out to the agencies then are sold or traded in are put on auction or transferred to another agency for additional duration of use. When they are finally disposed of, that money is used to provide funding to pay for future new vehicles, through Fleet Services.

Secretary of State: So, it stays or goes to the General Fund?

Clerk: It stays within Fleet Services to purchase vehicles. It does not go back to the General Fund.

Secretary of State: Okay, great. Thank you. Just wanted to clarify that. Thank you Governor. If you are ready for a motion, I will make a motion to approve 4.

Governor: Thank you Madam Secretary. The Secretary of State has moved to approve the request to purchase state vehicles as presented in agenda item number 4, is there a second?

Attorney General: I second.

Governor: The Attorney General has seconded the motion. Are there any questions or discussion on the motion? I hear and see none. That motion passes 3-0.

5. Request to Pay a Cash Settlement (For possible action)

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 - \$749,300

The Department requests settlement approval in the total amount of \$1,700,000 to fully resolve an eminent domain action to acquire .44 acres of real property owned by Reich Series LLC, located at 550 S. Martin Luther King Boulevard in Las Vegas. NDOT previously deposited \$950,700 with the Court for a right of occupancy. NDOT now requests an additional \$749,300 to resolve the action.

B. Department of Transportation (NDOT) – Administration - \$700,000

The Department requests settlement approval in the total amount of \$2,200,000 to fully resolve an eminent domain action to acquire a total of 1.02 acres of real property owned by Ranch Properties LLC, located at 801, 811, and 821 Desert Lane in Las Vegas. NDOT previously deposited \$1,500,000 with the Court for a right of occupancy. NDOT now requests an additional \$700,000 to resolve the action.

Governor: We will move on to agenda item number 5 which are two requests to pay cash settlements, through the Nevada Department of Transportation (NDOT). Good morning Director Malfabon and Mr. Gallagher.

Director Malfabon: Good morning Governor and Board Members. NDOT is here to request a settlement for acquisition of property. It looks like it is pronounced Reich, but it is actually pronounced Rich. This was related to Project NEON. We are getting to the final completion of acquisition of properties related to this major project in Las Vegas. It consisted of 0.44 acres. It had a 24-unit studio apartment building on it. We worked very hard to reach a settlement on this. One of the issues that was difficult to deal with was the owner said that there was a lost opportunity to place a cell phone tower on their property. We did not agree with that, but nonetheless, we negotiated what we felt was a reasonable settlement. The initial date of value was July of 2015. We had estimated the property value at \$1.16 million. As we got closer to making the determination whether to go to court, we checked with our former Chief Right-of-Way Agent. He felt that the exposure was going to be higher had we gone to court. Even without that issue of the cell tower being addressed.

We continued negotiations and reached a conclusion of a negotiation with this request for additional amount of money, \$749,300 for a total amount of \$1.7 million for this property. We had previously deposited \$950,700 with the Court. We will seek full reimbursement from the Federal Highway Administration for this expense.

Governor: Director Malfabon, do you believe that this settlement is in the best interest of the State?

Director Malfabon: Yes Governor.

Governor: Mr. Gallagher, it is in the best interest of the State but it will also save us attorney fees and save us from exposure to attorney fees if we were not successful in litigation. What would you estimate those attorney fees to be?

Dennis Gallagher: For the record, Dennis Gallagher, Counsel for the Department. I would estimate Governor, attorney's fee costs on both sides because as you know, we are responsible for certain costs and fees for the other side and it would be in the neighborhood of at least \$200,000. I'd like to emphasize, this is an all-inclusive settlement, so it is for the property. It is for the alleged lost opportunity with the cell tower. I would just like to point out that the State had moved for summary judgment on that issue. The Trial Court denied it. So, it would be a question of fact for the jury. These cell towers, the lost opportunity, the tower can have more than one cell on it. So, depending on what they might be able to convince the jury of, be it one or eight cells, the value of that would range from just under \$200,000 to about \$1.8 million. With that unknown out there, I believe the Department decided that this would be an opportune case to settle and move on.

Governor: Mr. Gallagher, thank you. Those are some really important facts that further justify the settlement. Thank you. Board Members, are there any questions with regard to agenda item 5A and this Reich Series, LLC?

Secretary of State: None Governor.

Attorney General: No Governor.

Governor: Please proceed with the second one, Director Malfabon.

Director Malfabon: Thank you Governor. For the record Rudy Malfabon, Director of NDOT. This is related to an acquisition of property owned by Ranch Properties, LLC. Again, associated with Project NEON in Las Vegas. It was an acquisition of six parcels. They were single-story four-plex apartment buildings on 1.02 acres in total. We had an appraisal back in February of 2015 for \$1.5 million which we updated for the statutory data value in December of 2015 to \$1.78 million. The landowners said that their property is worth \$3 million so we continued negotiations.

As in the case of rental property, we have our methodology for assessing the value of the property based on the income and capitalization rate. The owner disagreed but we eventually agreed to an amount for a settlement of \$2.2 million. That is \$700,000 of

additional new money, in addition to the \$1.5 million previously deposited with the Court. Again, we will seek reimbursement from the Federal Highway Administration for this property acquisition related to a federalized project.

Governor: Do you think it is a good result Director Malfabon?

Director Malfabon: It definitely is in the best interest of the State. I think that we always run the risk when we go to a jury trial of those additional legal expenses and a jury verdict that might not be as in our favor and Mr. Gallagher can answer any legal questions.

Governor: Well, not to mention, I know, certainty. You have got a budget that you have to work with, with regard to property acquisition and when you have outstanding cases and know that there could be larger exposure than what you could settle for; you just need to be able to move forward. I know the project is going well. It is more than half done and on schedule and on budget. So, that is a good thing. Mr. Gallagher, anything you wish to add?

Dennis Gallagher: Governor, just for the record, as the Director has indicated, our exposure in this case would have been well over \$3 million, so we believe that this settlement is in the best interest of both, the property owner and the taxpayers of the State of Nevada.

Governor: Thank you Mr. Gallagher. I am always thinking to myself when you guys come up, you are calling the game and you are doing the color commentary, but it works out really well. You are a good team. Board Members, are there any questions for Mr. Gallagher or Mr. Malfabon with regard to agenda item 5B.

Secretary of State: No Governor thank you.

Attorney General: No Governor I move to approve.

Governor: The Attorney General has moved to approve the request to pay a cash settlement as presented in agenda item 5A and B. Is there a second?

Secretary of State: I will second that Governor.

Governor: Seconded by the Secretary of State. Are there any questions or discussion on the motion? I hear and see none. That motion passes 3-0. Thank you very much gentlemen.

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

A. Department of Transportation

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with a former employee, Steve Bird. The CA Group plans to utilize

Mr. Bird as a roadway engineer in the development of conceptual roadway plans and cost estimates for the Northern Nevada Traffic Study.

B. Department of Health And Human Services - Aging and Disability Services Division – Nevada Early Intervention Services

Pursuant to NRS 333.705, subsection 1, the Division requests authority to contract with a former employee, Robbin Hickman, to support the division's Nevada Early Intervention Service program to administer physical therapy. Ms. Hickman is anticipated to work approximately 30 hours per week through June 30, 2018.

C. Department of Administration – Purchasing Division

Pursuant to NRS 333.705, subsection 1, the Division requests authority to contract with Adam Luis, a former Correctional Officer, to provide uniformed security guard services through Allied Universal Security Services.

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

Pursuant to NRS 333.705, subsection 1, the Division requests authority to contract with Hanqui (Mark) Ma, a graduate student currently employed by the University of Nevada, Reno. This will be a part-time position to conduct interpretation and statistical analysis on Medicaid claims data. This employee is anticipated to work approximately 20 hours per week from October 16, 2017 through April 16, 2018.

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

Pursuant to NRS 333.705, subsection 1, the Division requests authority to contract with Mina Mahmoudi, a graduate student currently employed by the University of Nevada, Reno. This will be a part-time position to conduct interpretation and statistical analysis on Medicaid claims data. This employee is anticipated to work approximately 20 hours per week from October 16, 2017 through April 16, 2018.

F. Department of Corrections – Director's Office

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with a former employee, Traci Dori. The Department plans to utilize Ms. Dori to provide needed training in communications, as well as policies and

procedures to ensure the continued success of the program supporting Nevada crime victims.

Governor: We will move to agenda item number 6, Authorizations to Contract with a Current and/or Former State Employee, Mr. Wells.

Clerk: Thank you Governor. There are six requests to contract with current and/or former employees pursuant to NRS 333.705, subsection 1.

The first request is from the Department of Transportation to allow a contracted vendor to use a former employee on a project that was awarded to the vendor for the Northern Nevada Traffic Study. The former employee retired in July of this year and did not have any influence or authority over the awarding of the contract or management of the contract with the vendor.

The second request is from the Department of Health and Human Services, Division of Aging and Disability Services, to contract with a former UNLV Professor to provide pediatric physical therapy to infants and toddlers with disabilities for the Early Intervention Services Program. The contract would be for approximately 30 hours per week from October 10, 2017 through June 30, 2018 at a rate of \$65 per hour.

The third request is from State Purchasing who contracts with Allied Universal Security Services through a Master Services Agreement to provide uniformed security guards to various State agencies. This request is for Allied Universal to use a former employee who left state service in January 2017 to perform these services. Allied Universal also uses these employees on other contracted jobs with non-State of Nevada employers.

The fourth and fifth requests are from the Department of Health and Human Services, Division of Healthcare Financing and Policy to contract with two current University of Nevada, Reno graduate student workers to conduct interpretation and statistical analysis on Medicaid claims data. The contracts would be for approximately 20 hours per week each from October 16, 2017 through April 16, 2018 at rates of \$19.57 and \$21.30 per hour respectively. They are bringing them in at two different classifications.

The final request is from the Department of Corrections to contract with a former employee to provide training for a new employee. The former employee retired in July and would train her replacement for a period not to exceed 30 days at a rate of \$30.17 per hour.

There are representatives available to answer any other questions Board Members may have.

Governor: Thank you Mr. Wells. These are pretty straightforward, these are routine like what we have seen before, correct?

Clerk: These are all fairly routine requests.

Governor: Thank you Mr. Wells. I do not have questions. Board Members, any questions with regard to agenda item number 6?

Secretary of State: None Governor.

Governor: Okay. If there are no question, the Chair will accept a motion for approval.

Secretary of State: So moved.

Governor: Thank you Madam Secretary. The Secretary of State has moved to approve the authorizations to contract with a current and/or former state employee as presented in agenda item number 6, is there a second?

Attorney General: I second.

Governor: Seconded by the Attorney General. Any questions or discussion on the motion? I hear and see none. That motion passes unanimously.

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

Department of Public Safety – Emergency Management

Pursuant to NRS 353.268, subsection 1, the Division requests an allocation of \$845,510 from the Interim Finance Committee Contingency Account to cover immediate costs associated Emergency Management Assistance Compact activations of the Nevada National Guard in support of recent request for assistance from Texas, Oregon and Puerto Rico.

Governor: We will move to agenda item number 7, Request for Approval of an Allocation from the Interim Finance Committee (IFC) Contingency Account. Mr. Wells.

Clerk: Thank you Governor. Item 7 is a request pursuant to NRS 353.268, for an allocation from the IFC General Fund Contingency Account for the Department of Public Safety, Division of Emergency Management in the amount of \$845,510. This is to cover the projected costs of providing Nevada Guard support for hurricanes Harvey in Texas and Maria in Puerto Rico as well as to assist with wildfires in the State of Oregon.

This is subject to approval by the IFC at their meeting next week. The first request for Hurricane Harvey was reduced from the original request based on the number of hours that the aircraft was used. The second request for the Oregon Wildfires, I believe has ended now and there may be a change or revision to that amount at the IFC meeting next week. Then the third request for assistance in Puerto Rico, is I believe, still ongoing.

Governor: Thank you Mr. Wells. Caleb, is that you in Las Vegas?

Caleb Cage: Yes Governor.

Governor: Will you walk us through with a little more specifics as to the nature of these. I am in full support of them. I do not want anyone to get the wrong impression. Also if you could inform us if we are eligible for any type of reimbursement?

Caleb Cage: Yes Governor. Justin Luna, from my office is also available at the desk for discussions regarding any of the financial matters. For the record Caleb Cage, Chief of the Division of Emergency Management. The State of Nevada is a participant in the Emergency Management Assistance Compact (EMAC) which is an interstate compact which I believe all 50 states and the additional territories are a part of it. It allows states to request through the EMAC process resources from the State of Nevada in response to emergencies and disasters in their jurisdictions.

I will note that right now, I believe the State of Nevada has facilitated five EMAC requests on behalf of Clark County in response to the tragic shooting that happened earlier this week. In addition to this, we work through memorandum of understanding agreements with neighboring states to support their needs as well.

With the incredible number of emergencies and disasters that have happened around the country this year, the State of Nevada, through the Division of Emergency Management has facilitated these three EMAC requests. This is a high number for a year to go through the EMAC process but it is nonetheless meeting needs for states that were and are currently recovering from or responding to significant disasters as you will see listed here, Harvey, Wildfires in Oregon and of course, the Hurricane in Puerto Rico as well.

These will—are reimbursable through Federal Emergency Management Agency (FEMA). Justin, make sure I'm correct on that. These are reimbursable through FEMA that is however, this can take several years. This will allow state agencies to close out their budget within our budget cycle and then receive reimbursement in the future. Justin, any corrections to any of that?

Justin Luna: No corrections.

Governor: Do either of you know what the timeframe is in terms of that reimbursement?

Justin Luna: For the record Justin Luna with the Division of Emergency Management. Typically, the EMAC Process allows 45-days for a reimbursement process. However, there is a provision within the EMAC that any extreme circumstances may cause delays. Typically, the process is 45 days to get reimbursement, depending on availability of federal funding and things of that nature.

Governor: Caleb and everyone at Department of Emergency Management, I mean, this has been a year like no other, with regard to the floods, the fires, what has happened in Las Vegas and what has happened with the hurricanes and you all have stepped up every time and done an extraordinary job. I know the amount of hours that people have put in that they will never get paid for, likely, but I truly appreciate your hard work and your

professionalism and everybody on your team that really has done this seamlessly. I mean, we have been timely with all our reimbursement requests. We have been prompt with our resource requests. We have been on the ground and on the ball with regard to all of these. At least in my seven years, I cannot recall this many things happening in this short amount of time.

I just wanted to publicly thank you for your hard work and your commitment, your dedication and everything that you have done.

Caleb Cage: Thank you Governor.

Governor: All right, Board Members, are there any questions with regard to agenda item number 7?

Secretary of State: No questions, but Governor, if I could just make a comment. I want to thank you for your leadership and I want to thank Caleb and his group for the services that they have provided, not only in our state for what we have needed but to go to all of these other states to help them. I think it is really important to understand that other states do send National Guard to help and I do not think everybody knows that. I do not think you always get the credit that you deserve. We have some wonderful people in this state that are willing to go out and do that. So, thank you very much for what you do and thank you Governor.

Governor: Thank you Madam Secretary. Nevada has been the beneficiary of a lot of assistance from other states. When the request comes our way, we do not hesitate. We will find a way to make it work and I am biased, but I think we have an amazing National Guard that trains for these things. I know that there were some logistical functions that our Guard performs that were extremely helpful in Texas and Puerto Rico. And so, time is of the essence when people are undergoing the experiences that they are having as a result of these natural disasters. Unfortunately we have gotten very good at what we do because we have had to do it so often. Again, it is just extraordinary.

All right, any other questions or comments with regard to agenda item number 7? I hear and see none. Is there a motion to approve the request for approval of an allocation from the IFC Contingency Account as presented in agenda item number 7?

Secretary of State: Move for approval.

Attorney General: Move to approve.

Governor: The Attorney General has moved for approval. Madam Secretary, may I take you as a second?

Secretary of State: Yes, you may sir.

Governor: Okay thank you. So, we have a motion and a second for approval of the request. Any questions or comments on the motion?

Caroline Bateman: Governor, if I may just clarify for the record that the motion includes a recommendation to the IFC to approve the full amount of \$845,510.

Governor: Of course. So, it says the Division requests an allocation of \$845,510 from the IFC Contingency Account to cover immediate costs associated with Emergency Management Assistance Compact activations of the Nevada National Guard, in support of recent requests for assistance from Texas, Oregon and Puerto Rico. Thank you. All right, we have a motion and a second. Are there any other questions? I hear and see none. That motion passes 3-0, thank you very much.

8. Approval of Master Lease Agreements (For possible action)

A. Department of Administration - Division of Enterprise Information Technology Services

The Division seeks approval for the second amendment to the existing master lease agreement with Dell Financial Services which provides mid-range equipment for state applications not to exceed \$4,126,456.63.

B. Department of Administration - Division of Enterprise Information Technology Services

The Division seeks approval for the third amendment to the existing master lease agreement with International Business Machines (IBM) which provides mainframe storage equipment, software and services not to exceed \$10,259,963.18.

Governor: We will move to agenda item number 8 which is Approval of Master Lease Agreements, Mr. Wells.

Clerk: Thank you Governor. Item 8 includes two requests from the Department of Administration, Enterprise IT Services Division to amend lease agreements.

The first is a Master Lease Agreement with Dell Financial Services for mid-range equipment for state applications. This amendment extends the lease through January 1, 2022 at a cost of \$2.9 million due to the replacement and expansion of storage capacity for state data.

The second request would amend the Master Lease Agreement with IBM for mainframe storage equipment, software and services. The amendment would increase the cost by \$9.2 million due to the upgrade and replacement of existing storage which includes additional encryption and security for state data.

There are representatives available from the Department to answer any questions Board Members may have.

Governor: I have no questions, thank you Mr. Wells. Board Members, are there any questions on agenda item number 8?

Secretary of State: No Governor.

Governor: If there are no questions, the Chair will accept a motion.

Secretary of State: So moved for approval of Master Lease Agreements, number 8.

Governor: The Secretary of State has moved to approve the Master Lease Agreements presented in agenda item number 8. Is there a second?

Attorney General: I second.

Governor: Attorney General has seconded the motion, any questions or comments on the motion? I hear and see none. That motion passes 3-0.

9. Review and Consideration of a Victims of Crime Appeal (For discussion and possible action)

Department of Administration – Victims of Crime Program

Pursuant to NRS 217.117, Section 3, the Board shall consider an appeal on the record from an Appeals Officer's decision on an application for compensation and either render a decision within 15 days of the Board meeting or give notice to the applicant that a hearing will be held at the next meeting. The Board may affirm, modify or reverse the decision of the Appeals Officer.

Governor: We will move on to agenda item number 9, Review and Consideration of a Victims of Crime Appeal. Mr. Wells.

Clerk: Thank you Governor. NRS 217 regulates the compensation for certain victims of criminal acts. Victims apply to the program and a determination is made as to whether or not the victim is entitled to compensation from the Victims of Crime Program. A victim whose claims are denied can appeal to a Hearings Officer to have their claims reconsidered. The Victim or the Clerk of the Board of Examiners can appeal the Hearings Officer's decision to an Appeals Officer. Finally, both the Hearings Officer and Appeals Officer process are under the jurisdiction of the Department of Administration.

Upon the Appeals Officer's decision, NRS 217.117, subsection 3 allows the applicant or the Clerk of the Board of Examiners to appeal a decision made by the Appeals Officer to the Board of Examiners. The Board of Examiners can render a decision in the case or hold a future hearing on the matter.

The item for consideration today is a review of the record of an Appeals Officer decision for applicant Charmayne D'anna. Ms. D'anna was notified of the meeting today. Within 15

days of today's hearing, the Board needs to render its decision on the case. The Board can either affirm, modify or reverse the decision of the Appeals Officer or it can decide to hold a hearing on the matter within 30 days in which case it would reconsider the evidence provided by both the applicant and the Program.

I believe there are representatives from the Victims of Crime Program if there are any additional questions.

Governor: Thank you very much. Is there anything else that the Victims of Crime entity would like to present or would like us to know?

Rebecca Salazar: No, Governor. I think that we've provided the complete record. So, unless you would like us to summarize, we do not have anything to add.

Governor: Thank you. Has Ms. D'anna communicated at all or indicated that she wanted to participate in this hearing to you?

Rebecca Salazar: No, she has not.

Governor: Okay. So, you have received no telephone calls or no letters?

Rebecca Salazar: No sir.

Dale Ann Luzzi: Dale Ann Luzzi for the record. I spoke to Ms. D'anna by phone and informed her of our meeting today. She asked if she needed to be present. I said she did not but we would send her a letter with the Board's decision.

Governor: So, did she indicate that she was not going to participate?

Dale Ann Luzzi: Correct.

Governor: Okay, thank you. We have all the papers in front of us but I think the seminal point in here is that the request that was made by Ms. D'anna was filed more than two years subsequent to the September 22, 2014 accident. You have to make the claim within that two-year period. Also, at least the way the decision of the Appeals Officer indicates that Ms. D'anna was riding her bike when she hit a car. The driver of the car stopped his vehicle to render aide to Ms. D'anna. Ms. D'anna was found to be at-fault. Therefore, the September 22, 2014 accident is outside the scope of the Victims of Crime Program coverage.

Essentially the conclusion or the order was based on the foregoing findings of fact and conclusions of law, the determination of the Victims of Crime Program dated December 14, 2016 in the subsequent March 24, 2017 decision and order of the Hearing Officer are affirmed.

Board Members, I do not know if you have any questions or comments that you would like to make but my position is I will support an affirmation of the decision of the Appeals Officer. Madam Secretary or Mr. Attorney General, any questions or comments?

Secretary of State: I have no comments Governor.

Attorney General: No Governor, I am in the same place, I move to affirm the Board's decision.

Governor: The Attorney General has moved to affirm the decision of the Appeals Officer which was filed on August 2, 2017. It is part of our record. Madam Secretary, do you have a second?

Secretary of State: Yes, I do. I second that Governor.

Governor: The Secretary of State has seconded the motion. Any questions or discussion on the motion? I hear and see none. That motion passes 3-0.

10. Approval of Proposed Leases (For possible action)

Governor: We will move on to agenda item number 10 which is Approval of Proposed Leases, Mr. Wells.

Clerk: Thank you Governor. There are six leases in agenda item 10 for approval by the Board this morning. Lease number 2 is retroactive to July 1, 2015. Other than that, no additional information has been requested by any of the members.

Governor: Thank you Mr. Wells. I have no questions on agenda item number 10. Board Members, do you have any questions?

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

Governor: The Secretary of State has moved to approve the leases presented in agenda item number 10, 1-6, is there a second?

Attorney General: I second.

Governor: The Attorney General has seconded the motion. Are there any questions or discussion on the motion? I hear and see none. That motion passes 3-0.

11. Approval of Proposed Contracts (For possible action)

Governor: We will move on to agenda item number 11, Contracts. Mr. Wells.

Secretary of State: Governor, before you go, can I make a disclosure here?

Governor: Yes.

Secretary of State: Thank you. On agenda item 11, contract number 35, I believe that I am independent judgement of a reasonable person in a situation that would be affected, my relationship with Opportunity Village, which is that I am a Board Member of Opportunity Village. Based on the nature of my relationship with Opportunity Village, I am not going to recuse from voting on contract number 35 of the agenda item number 11. I now ask our Deputy Attorney General if that disclosure is satisfactory under NRS Chapter 281(a).

Christine Bateman: Madam Secretary, as to form, your disclosure is appropriate.

Secretary of State: Thank you. Thank you Governor.

Governor: Madam Secretary, you broke up a little bit. Did you say you are or are not going to vote?

Secretary of State: I am going to vote.

Governor: You are going to vote, okay.

Secretary of State: Yes. I just wanted to make sure that everybody knew that I was a Board Member.

Governor: I understand.

Secretary of State: Okay.

Governor: All right, Mr. Wells.

Clerk: Thank you Governor. There are 56 contracts in agenda item number 11 for approval by the Board this morning. Contract number 5 between the Department of Administration, Public Works Division and TSK Architects is subject to the approval of a restricted IFC Contingency Fund request that will be heard at the IFC meeting next week. Members have requested additional information on the following:

Contract 1 between the Governor's Office of Science, Innovation and Technology and E-Rate Central

Contract 2 between the Office of the Attorney General and the Washoe County Forensic Lab

Contract 5 between the Department of Administration, State Public Works Division and TSK Architects

Contracts 15, 16 and 17 between the Department of Administration, Public Works Division and Hershenow & Klippenstein Architects, Inc.

Contracts 18 and 19 between the Department of Administration, State Public Works Division and Core Construction Services of Nevada and Hershenow & Klippenstein Architects, Inc.

Contract 37 between the Department of Corrections and Corecivic, Inc.

Governor: All right, we will begin with contract number 1. Mr. Mitchell, good morning.

Brian Mitchell: Good morning Governor. Brian Mitchell, Director of the Office of Science, Innovation and Technology for the record. This contract is a contract between my office and E-Rate Central covering broadband planning, mapping and procurement. My office is responsible for overseeing the State process there. In your 2016 State Strategic Framework, there are three goals related to increasing broadband access in the State.

Particularly, one goal is to increase the percent of schools and libraries that have access to broadband speeds that meet national benchmarks and also, by 2025, connecting all rural hospitals, health clinics and state correctional facilities to a broadband connection sufficient to provide for tele-health services.

In the past, my office has been very active in mapping and determining the needs we have. This contract will help us to go out and solicit the federal funds necessary in order to meet these needs. This contract, in the scope of work that we have negotiated with E-Rate Central, the firm will do community engagement and outreach, a state broadband solutions assessment, a statewide K-12 consulting and management, network architecture and solutions assistance. Finally, a focus on whole community connectivity.

I could not be happier with this contract. We put a solicitation out and got 13 bids back. This was by far the best contract. The Principle and the Project Manager at the firm were previous Senior Managers at Universal Service Administrative Company which manages all federal broadband funding for schools. As such, they have an intimate knowledge of how to procure additional federal funding which will be very important to our State in connecting all of our schools.

Governor: Thank you Mr. Mitchell. You have been very thorough. What amount of money will we be seeking in those grants to get this paid for?

Brian Mitchell: Brian Mitchell, for the record. The amount of grants depends on the needs of the individual school district. Through our office, in our budget, we have \$2 million in matching funds and with those matching funds we will be able to solicit on a one-to-one basis. At minimum, those matching funds will bring in \$2 million additional federal funding for broadband but the number could be higher depending on the project.

Governor: Just out of curiosity, what is the most challenging school district to bring broadband to?

Brian Mitchell: So, I think we have significant challenges in many of our rural school districts. Some aspects of each school district are well connected depending on the

proximity to a major highway such as I-80. However, there are schools, for example, in Gerlach, which is in Washoe County. Most of Washoe County is pretty well connected because it is in the Reno/Sparks area. Gerlach on the other hand is not. That is one of our big projects. There are other schools, for example, in the Elko County School District and in Ruby Valley. That is an area in Southern Elko County that is not very well connected either. Those kinds of projects will be a focus because without the federal funding, it would be very expensive for these school districts to connect their students.

Governor: Thank you. Are there any other questions from Board Members on contract number 1?

Secretary of State: No Governor.

Governor: Thank you Mr. Mitchell. We will move to contract number 2 which is the Attorney General's Office and the Washoe County Forensic Lab.

Nick Trutanich: Good morning Governor Sandoval, Attorney General Laxalt, Secretary of State Cegavske, Nick Trutanich on behalf of the Attorney General's Office. Present with me today is our CFO, Christian Schonlau and Washoe County Lab Unit Supervisor, Dr. Lisa Smyth-Roam. Christian Schonlau is going to be describing the contract for you.

Christian Schonlau: Good morning Board Members, thank you. Christian Schonlau, for the record. The contract before you furthers the Attorney General's commitment to testing sexual assault kits in the State of Nevada. Since taking office, the Attorney General has prioritized this issue with additional funding and resources for State and local law enforcement agencies to ensure victims of sexual assault obtain justice. Funding from favorable settlements and federal sources has helped the Attorney General to facilitate the testing of decades of backlog sexual assault kits.

As a result, 3,744 of the approximately 8,200 kits have been tested or have been sent to labs and 1,523 of them have been tested to completion. The result has been approximately 200 Combined DNA Index System (CODIS) hits, with 12 prosecutions.

This contract helps to prevent the backlog from growing again. Funding of this contract will allow for the Washoe County Sheriff's Crime Lab to expand their lab, hire more staff and outsource additional kits not funded through the sources mentioned previously. This contract is partially funded by the appropriation in AB 97. It is further funded through favorable settlements obtained through the Attorney General's tenure.

We are happy to take any questions.

Governor: Thank you. Well done. This is incredibly important and I know we all want to get to zero and get caught up. My kudos to the Attorney General's Office and to the Attorney General for making this happen. Keep up the good work. I look forward to hearing what the progress is hereafter. Are there any other questions or comments from Board Members? I hear and see none. Thank you very much.

Nick Trutanich: Thank you Governor.

Christian Schonlau: Thank you.

Governor: We will move to contract number 5, Department of Administration and Tate Snyder Kimsey Architects. Essentially, I asked for this to be heard because it involves the UNLV Medical School. I think it shows that there is a lot of positive progress that is going on at the medical school. Not only is their first class attending course work right now, but now we are starting the planning for the building. If you could give us some highlights of what that includes please.

Chris Chimits: Good morning Governor and Members of the Board. My name is Chris Chimits, Deputy Administrator for the State Public Works Division. This first contract that we are bringing before you right now is a design contract with Tate Snyder Kimsey of Henderson, Nevada. It is for the architectural services to design, provide contract documents and construction administration for the new medical school.

The project itself was actually funded in SB 553. We have established the scope of the project, the schedule, the site location in preparation for the IFC meeting on October 19. That is a 220,000 square foot building. It would be nine-stories high and it is located on a 9.2 acre site at 625 Shadow Lane in Las Vegas.

We anticipate a project cost of \$236 million. The construction cost would be somewhere around \$183 million. It would be approximately \$19 million to \$20 million worth of furniture, fixtures and equipment that would go into that project. As I mentioned, the total project cost of \$236 million. I believe that University of Nevada, Las Vegas (UNLV) will be presenting the financial aspect of this and the fundraising efforts at the IFC meeting and they have included some additional money for financing costs that would total \$250 million.

The firm, Tate Snyder Kimsey, was actually selected by UNLV to do the programming on some conceptual design and then the Construction Manager at Risk (CMAR), Whiting Turner, was also selected by UNLV to provide cost input for the project. The State Public Works Division has elected to retain both of those firms for continuity. They have developed a rapport with the medical school at UNLV. We are staying with those firms and negotiated these contracts to our standards.

Governor: Thank you. Moving right along. Congratulations on that. How long does the design process take and assuming the money is raised for construction, when would the earliest time be when they can commence with construction?

Chris Chimits: Towards the end Governor, we are planning on Notice to Proceed at the end of 2019, for a start of construction. December 2019. If everything goes the way we think it will go, then we would finish around May of 2022. The design would start as soon as IFC gives us authorization to proceed. We put the design contract before the Board of Examiners now, ahead of the IFC, but we would not act on this until IFC authorized us to proceed. The reason we did that is the inflation in Southern Nevada right now is about \$1

million a month. We are very mindful of that. As soon as IFC approves it, if they approve it, we are going to start that day with the design process and hustle right through it.

Governor: Thank you. You have been very thorough, I appreciate it.

Chris Chimits: You are welcome.

Governor: Board Members, any questions for contract number 5?

Secretary of State: No questions Governor.

Governor: Thank you very much. All right, we will move on to 15, 16 and 17, kind of a similar presentation, but this has to do with the National Guard Readiness Center in Las Vegas, as well as the improvements to the Stewart Indian School.

Chris Chimits: Chris Chimits with the State Public Works Division. On the first contract, this would be the one for the North Las Vegas Readiness Center. This is a new contract to provide architectural engineering services for design development through the Construction Administration. The schematic design was completed in an earlier project, 15 P2. That was a 15 Capital Improvements Project (CIP) that did the schematic design for this project, so this is a carry-on of that.

We are anticipating about a \$30 million construction cost for this project. It would construct a 78,000 square foot building, just west of I-15, right across from the Speedway Center, in North Las Vegas. This firm was selected because of their previous involvement creating the schematic design, so there is continuity going forward. It is a 40 acre site. We are anxious to get going on that. Again, the inflation—subject to the same kind of inflation.

Governor: These are all CIPs from the 2017 Legislative Session, are you still confident we are going to stay within the amount of money that was allotted? I will take that as a no correct?

Chris Chimits: We included 5% inflation in the CIP book and that is based on the best information that we had at that time which was July of 2016. Since then, Las Vegas is currently enjoying about 11.5% inflation, annually. In Northern Nevada, about the same. That is nothing that I am excited about, in terms of managing the project.

What we are doing is we are aiming for 90% on scope and then trying to build additive alternates so that we have a chance and also hustling through the design process. We are looking at CMAR contracts where we get a guaranteed maximum price at 100% contract documents and then we may be asking for a consideration by this Board at a special board meeting so we get approval and move right into construction without waiting the normal timeframe. Not to be presumptuous, that is just dealing with this inflation that we have in front of us.

Governor: Thank you. I personally appreciate your sensitivity to that. Just know, I think I can speak for the other Board Members, if time is of the essence that this Board will cooperate and work with you to get things done.

Chris Chimits: Thank you very, very much.

Governor: All right, one of my favorite places in the State, the Stewart Facility. Let's talk about those two projects.

Chris Chimits: Okay, this third contract is with Hershenow & Klippenstein Architects of Reno, Nevada. Again, what we are doing here is providing architectural and engineering services to rehabilitate the existing roof of the gym. Before we put a new roof on it, there has got to be some consideration for the structural condition of that building. If you have been out there, you will know there is a significant amount of daylight that you can see through the building. We selected this architect because in 2005, it was a CIP project, O5M46, which rehabilitated eight of the buildings out there at Stewart. The gym is one of the last three that needs help.

In this project, we retained this firm because of their expertise and familiarity with the campus and with that building. What we will do here is, go out there and complete the design and construction and rehabilitate the gym to a place where we can actually use it.

Governor: I have been there and you can see daylight. This will also make the determination that we are not putting a brand-new roof on a building that is not capable of being used thereafter, correct? The building is still sound enough to do the improvements on it?

Chris Chimits: Yes, part of what the design contemplates is strengthening the masonry walls and putting starch in them if you will, so they are stiff and then putting a new structural diaphragm on top that would transfer lateral or sheer loads when loads into the masonry walls effectively so that the building has a functional ability to it. Then, once that is done, then we would put the new roof on, so that it would be architecturally complete.

Governor: All right, Board Members any questions with regards to contracts 15, 16 and 17?

Secretary of State: None here Governor.

Attorney General: No Governor.

Governor: Thank you. That brings us to 18 and 19, did you want to come up, Ms. Albertson? This has to do with the new Northern Nevada Department of Motor Vehicles Building. Please proceed.

Terri Albertson: Go ahead and start.

Chris Chimits: Okay, Chris Chimits with the State Public Works Board. We are very anxious to get started on this project for some of the same reasons I have already explained. It is a 57,000 square foot DMV in South Reno, off of Double Diamond Boulevard. This project was initially started in 2011. We did conceptual and programming work in 2011, CIP with Hershenow & Klippenstein.

The contract that is before you is a CMAR contract with Core Construction who was selected through the formal process, which is delineated in NRS 341. What we do here is pick-up where we left off in 2011 and design this building so that we can take the load off of Galletti Way.

Terri Albertson: Thank you Governor, I am very excited for this opportunity to provide this new facility to the citizens of Reno. We look forward to getting started on this. As a matter of fact, we are going to Las Vegas on Friday to start the discussions on this and look forward to having this completed on time and on budget.

Governor: Thank you, I know there is a lot of anticipation for this project. And, just real quickly, we have always had a great experience with Hershenow & Klippenstein the Architects, but they have got a lot of projects going on, do they have the bandwidth to get all this done?

Chris Chimits: Governor, it looks bad because there are five contracts here before you today with this same architectural firm, but it is not as bad as it looks. We have got 95 projects, this firm got six of those 95 projects and we managed to get five of them on the agenda before you today. They are a good size firm in Reno, one of the largest and they do have significant horsepower to be able to pull each of these projects to completion.

Governor: I was not trying to imply anything pejorative because we see them all the time and they have done a great job. I do not know if it is exclusive but they do all the National Guard work and they have done several public buildings and we have always had a good result. You are right; it just gives the impression because they appeared so many times on this agenda, so I thought I would ask the question. Thank you. Are there any questions from the other Board Members on these, on 18 or 19?

Secretary of State: No Governor.

Attorney General: No Governor, thank you.

Governor: Thank you. That brings us to number 37, correct Mr. Wells?

Governor: Good morning Director Dzurenda, good to see you again. This is a topic that came up during the Legislature and it has come up in our Board of Prison Commission meetings, but this is the contract to provide out of state correctional beds for the Nevada Department of Corrections. Please proceed.

Director Dzurenda: Thank you Governor, thank you Attorney General and thank you Madam Secretary. First I want to go over a little bit of the background, just so we have an

understanding of this. This was originally reviewed and approved through the Governor on the Governor's Recommended Budget for two reasons.

One is to the concern the Governor had for the staff's safety and moral and also the inmate's safety in the facilities with our increase in population, with housing inmates in non-traditional bed spaces. The second was that the Governor's concern also with increase in the programming space that was being taken away from the excess population and what impact that is going to make on the victims in the community with doing best practice programming to change the behaviors of these offenders. If we lose those spaces where we do the programs, it could have a direct impact on the victims in the community. I thought it was important to say that.

Currently, today's population is at 13,683 which was at the end of the business yesterday. Our bed space, if you look at available, traditional beds, that we could use, which I call usable beds is 13,361. What that means is we have 322 inmates today that are not being housed in traditional bed areas. Those inmates go into day room areas, program areas that we make appropriate housing for but it takes away program space that we know is going to help get these inmates back into society much better than they came in.

Today I had two executives from Core Civic attend the hearing just in case any of the Board Members had any questions specific for them. The contract that we opened up, nationally, for an RFP was awarded to Core Civic, so I just want to make sure that we knew that we had executives here today.

An important thing I need to mention too is, in 2018, we are going to have 200 beds taken offline because we have Building 8 in the Southern Desert Correctional Center that is due for remodeling and repairs, which will go back online, we are hoping July of 2019. So we are going to lose 200 bed spaces there. Also, we have 80 beds that are going to be reduced in February at the Northern Nevada Correctional Center due to an ADA retrofit of all the housing units there. Those beds are going to be offline for two and half to three years. That is also going to reduce our traditional bed space that we need to keep the inmates off the program areas.

Currently, what I ended up doing too, which I think is important, my Deputy Director of Programs, Kim Thomas and myself, both visited the facility down in Arizona where the inmates will be sent, just to make sure we are good with the programming space, with the housing space, how the grievances work down there, how they would be able to utilize video visiting and making sure that there is communication. It was important for us to see that so I can feel comfortable that they will be receiving the services that we asked for, but also that we are not going to reduce any of the services for these offenders for reentry back into the community when that point comes.

The other important factor with the out-of-state beds is the targeted population that I am looking at. We have already identified them, which we are going to be reviewing for the transfers for the exact date. I am looking at those inmates that are the most disruptive and most dangerous that is based upon their gang activity. Those that are recruiting our population members, those that are extorting, those that are causing disruption and those

that are creating a fear factor in the other population. Because when you look at programs, you cannot have successful programs if you do not have safe and secure environments. These offenders creating these types of environments here make it unsafe and make other inmates fear being extorted or approached by gang leaders or members if they attend programs.

I think it is important if I make a pact with our staff that we are not going to tolerate this. We are not going to tolerate any of this behavior by these inmates. If they want to partake in gang activity, if they want to disrupt the operation of our facilities, they will find themselves going to Arizona where I can create a better environment here in Nevada for those that really do need the help to get back in the community. I think that is important.

The other factor that we are utilizing for those offenders going out of state is those that are non-residents of the state. What we are doing currently with our programs and our initiatives for reentry is we are trying to connect our communities with those offenders that we know are going to benefit from not only the continuation of our programs but for our mental health and medical treatments going into our community. If they are Nevada residents, I need the spaces here in our state to be able to transfer those offenders successfully and continuity of care, going into our community where those non-residents of our state will not benefit from that.

That is really all I have. This is so important to the State and is important in reducing victimization in our community and this is something that is unfortunate that the State has to even look at today. I do believe what we are doing in corrections with reducing segregation, with our treatment of mental health and the way we are releasing offenders into the community will actually benefit down the road by reducing our population eventually. I know that these programs around the country have proven to reduce victimization in the community, which will reduce crime, meaning we will get fewer inmates down the road coming back into our system.

Governor: Thank you Director Dzurenda. I agree with you. How many beds, for lack of a better term, does this get us? How many individuals will this allow Nevada to transfer to Arizona?

Director Dzurenda: James Dzurenda for the record. It is not as simple as a bed for a bed because it is going to actually give us more beds than 200. Since we are targeting those offenders that are the most violent, 90% of those offenders are in some type of a segregation status, which means they are celled by themselves in a two-person bed. So, when I move one of those beds out, we get bed space for two people.

So, if I can close a restrictive housing unit, which is a single-celled unit and double it up, I will actually be getting more appropriate space to be able to put general population inmates. If I move 50 inmates out of a 100 bed unit to Arizona, I can double up that space and get 100 inmates in there, where originally there were only 50. So, it will help us with the population numbers.

Governor: And, you said that we are going to be sending Core Civic our most dangerous inmates and they have to take whatever we send them, correct?

Director Dzurenda: James Dzurenda for the record. That is correct. They have already a looked at all of our offenders and they are prepared to take whatever we give them. Personally, I am not going to send any offenders that I know have significant mental health issues because I think it is our responsibility to make sure that we get them connected back into our community safely while they are here. It will keep inmates closer for me to be able to work with Health and Human Services while they are in our state. Same with those inmates with the most severe medical issues, when they go back into our community I have to have that perfect continuity of care and it would be negligent if I moved them out of state.

Governor: Also, you are 100% with regard to those that do get moved, that they will be treated the same as if they were in Nevada?

Director Dzurenda: James Dzurenda for the record. That is correct. The agency and the facility they are going to is American Correctional Association (ACA) accredited which means they are followed by a higher standard monitored by the National ACA to make sure that they are in compliance with their standards. Their treatment, the programs, the grievances, the out of cell time has to be approved and reviewed and audited by the ACA to make sure they are in line to be accredited.

Governor: My last question is, if you have an inmate in Arizona and they become parole eligible, will they be moved back to Nevada for a Parole Hearing, what are the mechanics of that?

Director Dzurenda: James Dzurenda for the record. The parole hearings will be held in Arizona through video and if they are approved for parole, we move them back to the state to have an appropriate parole plan set up, but they will actually be doing their hearings down there if it comes to that.

I am not looking at sending any inmates away that are near the end of their sentences. If they are low security inmates they are more appropriate to leave in our institutions but they will be doing the hearings from Arizona.

Governor: Thank you. That is all I have. Board Members, do any of you have any questions with regard to contract number 37?

Secretary of State: No Governor, I do not.

Attorney General: No, thank you Governor.

Governor: Okay, thank you gentlemen, well done. If there are no other questions with regard to agenda item number 11, the Chair will accept a motion to approve contracts 1-56.

Secretary of State: So moved, Governor.

Attorney General: So moved. I second.

Governor: Attorney General has moved for approval, is there a second?

Secretary of State: I will second.

Governor: The Secretary of State has seconded the motion. Are there any questions or discussion on the motion? I hear and see none. And just for purposes of the record, we will incorporate for reference, your comments with regard to contract number 35 Madam Secretary.

Secretary of State: Thank you.

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

Governor: We will move to agenda item number 12, Master Service Agreements, Mr. Wells.

Clerk: Thank you Governor. There are 10 Master Service Agreement (MSA)s in agenda item 12 for approval by the Board this morning. Agreements 1 through 5, 8 and 9 are for \$0. These MSA documents establish the terms and conditions between the state and the vendor. Agencies will access those agreements by submitting a work order with a scope of work and price. Each work order will be subject to the BOE thresholds for approval, which is what you will see under agenda item number 13. For the MSAs on this item, Members have requested additional information on contract number 7 between the State and Switch, LTD and contract number 10 with eCivis, Inc.

Governor: All right, we will start with contract number 7 with Switch. This is a 10-year contract for \$20 million. If you would give us some background on what it is for.

Dave Haas: Good morning Governor, Members of the Board. For the record Dave Haas Deputy Administrator for the Enterprise IT Services Division of the Department of Administration. Yes, this is a 10-year contract for \$20 million. That amount represents both current and projected usage that we would have at Switch. This contract is a MSA for the good of the State which allows not only ourselves, but other state agencies to be able to use the services within Switch. This is exciting because it provides a strategic approach to our technology within the State of Nevada. It allows us to have much more resiliency and redundancy that we have not had in the past. Plus, we will be able to use the communication superhighway that is currently connected between these two facilities. We are working to adjust our network to take advantage of that. We are very excited about that.

The way the contract is set up, it will allow other Nevada municipalities to be able to access the contract from the terms and conditions of the contract. Switch is a tier 4 facility, which means they are certified, a World-Class facility. It gives us greater protection for our data and the processing we are able to do. I would be happy to answer any questions you have.

Governor: Thank you. Very thorough. They are a Nevada company and I like to see us do business with Nevada companies whenever we have the opportunity. Not only are they a Nevada company they have a World-Class facility. It is a win-win for everybody.

Dave Haas: Absolutely.

Governor: All right, thank you. Are there any questions from the other Board Members on Master Service Agreement number 7.

Secretary of State: No Governor.

Governor: Was there anything else you wanted to present?

Dave Haas: No, that is it.

Governor: Thank you very much. We will move to MSA number 10. This has to do with our grants management program.

Connie Lucido: Good morning Governor, Board Members. For the record Connie Lucido, with the Office of Grant Procurement, Coordination and Management. Our office first released this MSA in 2013. It has those vendors expiring this month. In anticipation of that we pushed out a spring and late spring, RFP to continue it, for any interested vendors. This resulted in two potential contracts. One is strategic progress, which is your Item number 6 on the MSA and then this item number 10, for eCivis.

Governor: Essentially, they go out and find grant opportunities for the state?

Connie Lucido: They can. That is one potential function that they could serve. A lot of contracts that have been executed under this MSA involve research and data analysis for special reports, needs assessments. They have done grant consulting for agency strategies and those sorts of things. It provides some operational efficiencies for state agencies in ease of getting access to grant consultants and administrators.

Governor: And this does not have anything to do with the contracts, but how is it going? Are we finding a lot of grant opportunities?

Connie Lucido: We are doing well. We are looking more closely at implementation and agency capacity to implement these opportunities, so that has slowed us down a little bit but we are doing great. We are looking at some outreach opportunities and some other activities.

Governor: There is a comment here that says, statewide contract that may be used by all state agencies and political subdivisions. Is there an awareness amongst the state agencies and the political subdivisions that this resource is available to them?

Connie Lucido: I would hope so but that is something that we continue to talk about when we talk with our agencies.

Governor: I asked that because they do not know what they do not know and if they knew there might be some opportunities out there, I would encourage some type of outreach to do that.

Connie Lucido: Thank you for that suggestion. We actually have an advisory council on federal assistance coming November 2nd, I believe it is and that is something I will remind the Council as well as we have been doing quite a bit of outreach to our locals and trying to create some participation with them. I will definitely remind them of this opportunity.

Governor: Thank you. Keep up the good work.

Connie Lucido: Thank you.

Governor: Madam Secretary, Attorney General, do you have any questions?

Secretary of State: I do not, thank you Governor.

Governor: Thank you very much. If there are no further questions, the Chair will accept a motion to approve the Master Service Agreements 1-10 as presented in agenda item number 12.

Secretary of State: So moved.

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

Attorney General: I second.

Governor: Seconded by the Attorney General. That motion passes 3-0.

13. [Approval of Proposed Work Plan](#) (For possible action)

Governor: We will move on to agenda item number 13, Approval of Proposed Work Plan, Mr. Wells.

Clerk: Thank you Governor. Item 13 represents a new category for approval by the Board this morning. Items that fall under this category are the work orders off of the \$0 Master Service Agreements that we discussed in the last item. This particular work order for consideration by the Board this morning is with Gardner, Inc. for the Enterprise Resource Planning project for replacing the State's HR and Financial Systems. The work order will

provide assistance to that office in getting the contract documents ready. So, the particular work order is for \$982,000 and if there are any other questions, either I can answer them or the Project Director is available. No additional information has been requested by any of the members.

Governor: I have no questions. Board Members, any questions?

Secretary of State: No Governor.

Governor: Is there a motion to approve?

Attorney General: I move to approve.

Governor: The Attorney General has moved to approve the proposed work plan presented in agenda item number 13, is there a second?

Secretary of State: I will second that Governor.

Governor: Seconded by the Secretary of State. That motion passes 3-0.

14. Information Item – Clerk of the Board Contracts

Pursuant to NRS 333.700, the Clerk of the Board may approve all contract transactions for amounts less than \$50,000. Per direction from the August 13, 2013 meeting of the Board of Examiners, the Board wished to receive an informational item listing all approvals applicable to the new threshold (\$10,000 - \$49,999). Attached is a list of all applicable approvals for contracts and amendments approved from August 22, 2017 through September 18, 2017.

Governor: We will move on to agenda item number 14, information item, Mr. Wells.

Clerk: Thank you Governor. There were 61 contracts under the \$50,000 threshold approved by the Clerk between August 22 and September 18, 2017. This item is informational only and we did not receive any requests for additional information from any of the members.

Governor: Board Members, are there any questions with regard to agenda item number 14?

Secretary of State: No Governor.

Attorney General: No Governor, thanks.

Governor: I have none as well. Thank you.

15. Information Item – Department Reports

A. Governor’s Finance Office – Budget Division

Pursuant to NRS Chapter 353, the Division presents a reconciled fund balance report for the Tort Claim Fund, Statutory Contingency Account, Stale Claims Account, Emergency Account, Disaster Relief Account, IFC Unrestricted Contingency Funds and IFC Restricted Contingency Funds as of September 11, 2017.

Tort Claim Fund	\$ 6,978,084.62
Statutory Contingency Account	\$ 2,947,046.94
Stale Claims Account	\$ 1,761,451.00
Emergency Account	\$ 279,841.00
Disaster Relief Account	\$ 7,748,418.00
IFC Unrestricted Contingency Fund General Fund	\$16,149,311.16
IFC Unrestricted Contingency Highway Fund	\$ 1,676,832.35
IFC Restricted Contingency Fund General Fund	\$39,195,348.00
IFC Restricted Contingency Highway Fund	\$ 2,521,462.00

Governor: We will move to agenda item 15, Department Reports, Mr. Wells.

Clerk: Thank you Governor. Agenda item 15 is an informational report on the available balances in the various contingency accounts that are managed either by the Board of Examiners or the Interim Finance Committee as of September 11, 2017. These accounts are intended to cover contingencies for the 2017 – 2019 biennium. I did want to provide a little comment. You usually ask about the comfort level with the balances. I did a little bit of history because we’ve had a significant number of requests for the IFC Contingency Account. The last three biennia, the 2011 – 2013 interim, in the first year we used about \$2.4 million out of a just under \$12 million account balance. In 2013 – 2015, we used \$6.8 million in the first year of the biennium on an account balance of \$15.2. In the 2015 – 2017 biennium, we used a little over \$100,000 out of a \$12.9 million request.

So, the 2017 – 2019 biennium started with \$16.1 million. We have requests in our office at this particular juncture for a little over \$6.6 million for the first quarter and that excludes what we know for the Division of Forestry will come forward with requests for the fire-fighting season. That’s what—we’ve only got a partial request in there at this point. It’s one that we certainly have our eyes on in this interim.

Governor: Thank you Mr. Wells. Board Members, any questions with regard to agenda item number 15?

Secretary of State: None Governor.

16. Public Comment (No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically include on an agenda as an action item)

Governor: We will move on to agenda item 16, Public Comment. Is there any member of the public in Carson City that would like to provide public comment to the Board? I hear and see none. Is there any member of the public present in Las Vegas that would like to provide public comment to the Board?

Secretary of State: There is nobody here Governor.

Governor: Thank you Madam Secretary.

17. Adjournment (For possible action)

Governor: We will move to agenda item 17. Is there a motion to adjourn?

Secretary of State: Move to adjourn.

Attorney General: I second.

Governor: The Secretary has moved to adjourn. The Attorney General has seconded the motion. This meeting is adjourned, thank you ladies and gentlemen.

Secretary of State: Thank you.