

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**

209 E. Musser Street, Room 200 / Carson City, NV 89701-4298
Phone: (775) 684-0222 / Fax: (775) 684-0260
<http://budget.nv.gov/Meetings>

Date and Time: July 5, 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
Secretary of State Barbara Cegavske
James R. Wells, Clerk of the Board

OTHERS PRESENT:
Keith Wells, Administrator, Department of Administration, Fleet Services Division
Dennis Gallagher, Chief Deputy, Attorney General Office
Rudy Malfabon, Director, Department of Transportation
LeeAnn Easton, Deputy Director, Department of Administration
Jeff Haag, Administrator, Department of Administration, State Purchasing Division
Marta Adams, Manager, Adam's Natural Resources Consulting Services, LLC
Katherine (Kat) Miller, Director, Department of Veteran Services
Gus Nunez, Administrator, Department of Administration, Public Works Division
Chris Chimits, Deputy Administrator, Department of Administration, Public Works Division

MINUTES

1. Call to Order / Roll Call

Governor: Good morning. Madam Secretary, are you ready to proceed?

Secretary of State: I am. Thank you. I am sorry I was late.

Governor: No worries.

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 begin with agenda item number 2, Public Comment. Is there any member of the public present 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 to the Board?

Secretary of State: No Governor, there is nobody here for public comment.

Governor: All right. Thank you.

3. Approval of the June 13, 2017 Minutes (For possible action)

Governor: We will move to agenda item number 3, Approval of the June 13, 2017 minutes. Have the members had an opportunity to review the minutes and are there any changes? If there are none, the Chair will accept a motion to approve.

Secretary of State: I will move for approval.

Governor: Secretary of State has moved to approve the minutes of June 13, 2017.

Attorney General: I second.

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

4. State Vehicle Purchases (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 EXCEED: TO
Department of Administration – Fleet Services Division	1	\$28,883
Total	1	\$28,883

Governor: We will move to agenda item number 4, State Vehicle Purchases. Mr. Wells, good morning.

Clerk: Good morning, Governor. Item number 4 requests replacement for a single vehicle that was totaled in an accident. The funds for this vehicle are coming from Risk Management proceeds and agency reserves. The Division has sufficient reserves to cover this request. There are representatives from Fleet Services to answer any questions.

Governor: Okay. Mr. Keith Wells, are you present?

Keith Wells: Good morning, sir. For the record, Keith Wells, Fleet Services Administrator.

Governor: Mr. Keith Wells, good morning. I do not have a question on this agenda item but I wanted to publicly recognize and thank you, it has come to my attention that you are retiring from State Service after 30 years. I just wanted to let you know that in my experience in dealing with you, I truly want to compliment you for what you have done and for the great job that you have accomplished for the people of the State of Nevada, as well as for our State Workers. I am going to miss you because I really have appreciated through the years, the depth of your knowledge and your commitment to making it the best Fleet Service in the country. If there is a better one, I would like to see it. Again, I just wanted to publicly thank you for all that you have done.

Keith Wells: I appreciate that, Governor. It has been a pleasure working with you and your team.

Governor: Thank you. I do not know what is next for you, but hopefully a lot of rest, vacations and doing whatever it is you love to do in your personal time. Truly, thanks from me and I am sure I speak for the other Members of the Board and everyone throughout the State that has had the benefit of using motor pool and all of the different services that you provide.

Keith Wells: Thank you.

Governor: Thank you. Do we have a motion?

Secretary of State: I will move, Governor, to approve agenda item number 4, State Vehicle Purchases.

Attorney General: I second.

Governor: Attorney General has seconded the motion. Any questions or discussion on the motion? Hearing none and seeing none. That motion passes 3-0.

5. Approval 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 - \$2,888,000

The Department requests settlement approval in the total amount of \$2,888,000 to fully resolve an eminent domain action to acquire 1.735 acres of real property owned by the O'Rourke Family, located at 1710, 1712, 1716, 1750 and 1920 Highland Drive in Las Vegas. NDOT previously deposited \$2,112,000 with the Court for a right of occupancy. NDOT now requests an additional \$2,888,000 to resolve the action. Approval of the additional amount of 2,888,000 would bring the total to \$5,000,000.

B. Department of Transportation (NDOT) – Administration - \$681,889

The Department requests settlement approval in the total amount of \$681,889 to fully resolve an eminent domain action to acquire 1.8024 acres of real property owned by Clark County Credit Union, located on the west side of Martin Luther King Boulevard South in Las Vegas. NDOT previously deposited \$183,111 with the Court for a right of occupancy. NDOT now requests an additional \$681,889 to resolve the action. Approval of the additional amount of \$681,889 would bring the total to \$865,000.

Governor: We will move to agenda item number 5, Approval to Pay a Cash Settlement.

Clerk: Thank you, Governor. Item number 5 includes two requests for approval of cash settlements from the Department of Transportation relating to Project NEON.

The first in the amount of \$2,888,000 will fully resolve an eminent domain action to acquire 1.735 acres of real property. The landowner has requested the State purchase all of the five parcels due to the required destruction of all but one of the buildings which would have to be redeveloped after completion of construction of Project NEON. The excess land will

be used during construction but likely disposed of at fair market value at the end of the project. Approval of the additional amount would bring the total settlement for this action to five million even.

The second item in the amount of \$681,889 will fully resolve an eminent domain action to acquire 1.8024 acres of real property. Again, the landowner has requested the State purchase all of the three vacant parcels even though not all of the land is required for the project. The excess land will be used during construction but likely disposed of at fair market value at the end of the project. This property is also subject to a pre-condemnation claim with the former landowner that will not be resolved by this payment but which should not impact this action. Approval of the additional settlement amount would bring the total settlement to \$865,000.

Director Malfabon and Mr. Gallagher are here to provide additional answers to questions.

Governor: Thank you, Mr. Wells. Good morning gentlemen.

Rudy Malfabon: Good morning, for the record, Rudy Malfabon, Director, Department of Transportation (NDOT). As Director Wells indicated, this is related to five parcels associated with Project NEON that was owned by the O'Rourke family. We did an appraisal and as was stated, we previously deposited what we thought was just compensation. The property owners were seeking on the O'Rourke parcels, \$7,775,000, but if they were to go to court, they were going to seek over \$10 million in compensation. So, we negotiated with the owner for this settlement of \$5 million which is for the total taking of the property, not just the portion that we needed for the project.

As Director Wells stated, we can sell the surplus property after the project is completed and deposit those funds back into the State Highway Fund from the Surplus Property Sale. So, we are requesting an additional \$2,880,000 of new money to settle this matter. What occurred on this project, the design-builder Kiewit purposed a design concept that eliminated a concrete retaining wall on these parcels. Now we can build a sloped embankment with the fill material and eliminate the need for the wall which saves the State \$450,000 in design and construction costs. So, if the settlement is approved today, we also avoid the litigation cost of going to trial and the family will retain a portion of the property for the relocation of a billboard. But, we view the settlement as a win-win for the State. With that, I am willing to answer any questions Governor.

Governor: Thank you, Director Malfabon. Does that \$10 million include their attorney fees or anticipated attorney fees?

Dennis Gallagher: For the record, Dennis Gallagher. Yes, Governor. They would be seeking over \$10 million, which if they prevailed at the trial court, would include their cost in attorney fees.

Governor: And the other part of this is, that's just their side. If we were to take the case through trial and possible appeal, that does not include our costs in attorney fees. Do you have an estimate of what those would be?

Dennis Gallagher: For the record, Dennis Gallagher. Through trial, the State's fees would probably be in the neighborhood of \$75,000 to \$100,000. We also feel that this case, because of potential legal issues, would more than likely be appealed by the losing party. So, we could double our cost if we went to the Nevada Supreme Court.

Governor: Just for the record, both of you believe, that this settlement is in the best interest of the state?

Rudy Malfabon: Yes, Governor.

Governor: Frankly, based on my review of the memorandum, this is another great outcome. You know, we have to be good shepherds of the taxpayer's money, but we also have to make sure that we fairly compensate those from whom we take property. So, I think this accomplishes that. I want to compliment both of you for getting us to this place. Why don't we go ahead and go through the next item? Do any of the other Board members have any questions on this first settlement?

Secretary of State: No, Governor.

Attorney General: No, Governor. Thank you.

Governor: All right. Director Malfabon, if you would proceed with the second item, please.

Rudy Malfabon: Thank you. For the record, Rudy Malfabon Director of NDOT. This Ad America Incorporated settlement is associated with property required for Project NEON. The previous land owner had filed an inverse condemnation and pre-condemnation claim against NDOT in 2014, alleging that our project caused the taking or damage to their property. Although the inverse claim was dismissed, the pre-condemnation issue still remains to be settled. We had deposited \$183,111 with the Court which was our appraised value as of May 2014. We are requesting an additional \$681,889 in new money to settle this for a total of \$865,000. Ad America had defaulted on its loan with Clark County Credit Union, and the Credit Union foreclosed on the property in November 2016.

We needed about 0.45 acres and a temporary construction easement during construction of the project. So, we had previously offered \$249,750. At the Credit Union's request, they are willing to accept \$865,000 for all three parcels, which are approximately 1.8 acres. This is approximately equivalent to the amount of NDOT's recent appraised value for what we were attempting to acquire. We can use the additional land during construction as a staging area, and after the project is completed, we will have 1.355 acres that could be sold to recoup the additional costs. As I stated, Ad America will still have its pre-condemnation claim to be dealt with, with NDOT, but we believe there is no merit to that and we are seeking some re-judgement on that issue. I am able to answer any questions from the Board.

Governor: Thank you, Director Malfabon. I had asked for this matter to be continued from last month because I had received some correspondence. So, you are comfortable today in moving forward despite the contents of that correspondence?

Rudy Malfabon: Yes, Governor. As you saw in the correspondence, there was a letter from the previous land owner, Ad America, their attorney, and then the rebuttal correspondence from the Credit Union. So, we believe it is in the best interest of the State, and that everything is in order with this.

Governor: Thank you. While you are here Rudy, my observation is that Project NEON is on schedule and on budget. Do you have any comments in that regard?

Rudy Malfabon: Yes, Governor. It is going very well. If you drive by the project, you can see the amazing amount of property that was acquired right next to the existing I-15 freeway. There is a lot of work still to be done, but they are progressing on schedule and on budget.

Governor: In terms of property acquisition, will you bring me up to date where we are in terms of percentage, how much of that property we have acquired?

Rudy Malfabon: I know that we have right of entry on all of the properties, so 100 percent of that. There are still some cases to be settled as far as to determine the compensation on a handful. Mr. Gallagher might have some additional information on that.

Dennis Gallagher: For the record, Dennis Gallagher. As the Director indicted, NDOT has occupancy for all of the property that it needs for Project NEON. There are probably somewhere between six and ten cases remaining, but that is it. So, from a legal perspective, we are also ahead of schedule and under budget, too.

Governor: You anticipated my next question, Mr. Gallagher. I think it is a compliment to both of you and to your teams that we have gone so far because this is complicated. Do you remember off the top of your head the number of properties, Mr. Gallagher?

Dennis Gallagher: Governor, if I recall correctly it was just under 200.

Governor: 200 different properties that we had to negotiate with to get this done and as I said, we had a budget to work with in terms of resolving all of those cases. As you said, it is probably not a good idea to disclose how much money we have in there with the people that are left but well under what was anticipated in terms of what was budgeted to acquire those properties. Correct?

Dennis Gallagher: Yes, Governor.

Governor: Okay. Thank you.

Rudy Malfabon: That is correct and we do not want to say how much is left in the pot.

Governor: All right. Are there any questions or comments from other Board Members with regard to agenda item number 5?

Secretary of State: Governor, this is Barbara Cegavske. I just wanted to echo what your comments were and thank them. I know this is a very tedious job and position and I thank them for their hard work. I know this was not easy. So, thank you, gentlemen, Director and Mr. Gallagher. I appreciate your efforts. Thank you, Governor.

Rudy Malfabon: Thank you, Madam Secretary.

Governor: Any other questions or comments? Hearing and seeing none, the Chair will accept a motion to approve cash settlements as presented in agenda item number 5A, in the amount of \$2,888,000, and 5B, in the amount of \$681,889.

Attorney General: Move to approve.

Governor: Okay. Attorney General has moved for approval. Madam Secretary, is that a second?

Secretary of State: That is a second.

Governor: All right. The Secretary of State has seconded the motion. Are there any questions or discussion on the motion? Hearing and seeing none, that motion passes 3-0.

6. Salary Adjustments (For possible action)

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 2017 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:

A. Governor's Office

BA#	BUDGET ACCOUNT NAME	GENERAL FUND ADJUSTMENT	HWY FUND ADJUSTMENT
1000	Governor's Office	\$34,726	
	Total	\$34,726	

B. Tourism – Museum and History Administration

BA#	BUDGET ACCOUNT NAME	GENERAL FUND ADJUSTMENT	HWY FUND ADJUSTMENT
2941	Tourism - Museum and History Administration	\$4,689	
	Total	\$4,689	

C. Department of Corrections

BA#	BUDGET ACCOUNT NAME	GENERAL FUND ADJUSTMENT	HWY FUND ADJUSTMENT
3706	NDOC – Prison Medical Care	\$378,837	
3717	NDOC – N. Nevada Correctional Center	\$75,033	
3738	NDOC – S. Desert Correctional Center	\$382,445	
3751	NDOC – Ely State Prison	\$393,967	
3761	NDOC – Florence McClure Woman Correctional Center	\$264,790	
3762	NDOC – High Desert State Prison	\$134,059	
	Total	\$1,629,131	

Governor: We will move to agenda item number 6, which are Salary Adjustments. Mr. Wells.

Clerk: Thank you, Governor. Sections 4, 5, 6 and 7 of Assembly Bill 489 from the 2015 Legislative Session appropriated Salary Adjustment dollar funds to the Board of Examiners to cover vacancy salary savings that were built into agency budgets, as well as the 1% and 2% cost of living adjustments (COLA) effective on July 1, 2015 and July 1, 2016 respectively, which were not included in agency salary budgets.

An agency whose actual salaries exceed the budgeted amounts due to the vacancy savings or the COLA's are allowed to request salary adjustment dollars from the Board of Examiners if they are funded with General Fund or Highway Fund Appropriations. This item requests access of those funds by the Office of the Governor to cover the cost of the COLA's in the amount of \$34,726. The Department of Tourism and Cultural Affairs for the Museums and History Administration account to cover the COLA's in the amount of \$4,689. And, the Department of Corrections is withdrawing their request for \$1.6 million and will bring back a revised amount for the August BOE meeting.

Governor: Thank you, Mr. Wells. For the record, on the Governor's Office, I did not get a COLA. That has nothing to do with me. Are there any questions or comments from any of the Board Members with regard to agenda item number 6?

Attorney General: None, Governor. Thanks.

Governor: The Chair will accept a motion to approve the Salary Adjustments as presented in agenda item number 6.

Secretary of State: So moved.

Governor: The Secretary of State has moved to approve the Salary Adjustments presented in agenda item 6A and B.

Attorney General: I second.

Governor: All right. The Attorney General has seconded the motion. Any questions or discussion on the motion? Hearing and seeing none, that motion passes 3-0.

7. Approval to Join or Use Other Governments' Contracts (For possible action)

A. Department of Administration – Director's Office/Purchasing Division - \$218,000

Pursuant to NRS 332.195, the Division requests to utilize a Clark County Master Services Agreement (CBE #604060-16) to contract with Gartner, Inc. on a work order for the Enterprise Resource Planning (ERP) project.

B. Department of Administration – Purchasing Division - \$1,750,000

Pursuant to NRS 332.195, the Division requests to utilize a State of Texas Department of Information Resources contract to contract with Periscope Holdings, Inc. on a work order for the eProcurement project.

Governor: We will move to agenda item number 7, Approval to Join or Use Other Governments' Contracts.

Clerk: Thank you, Governor. Item 7 includes two requests to join or use other governments' contracts. NRS 332.195 allows the State to join or use contracts that are negotiated with other states or with local governments within or outside the State with the authorization of the contracting vendor. The statute provides that the original contracting government is not liable for any obligations incurred by the government who joins or uses the contract. These requests are similar to contracts but use the terms and conditions that are negotiated by the contracting government with the vendor, which may or may not be the same as the State's terms and conditions. These items will generally have a contract summary, a work order between the State of Nevada and the vendor including the vendor's consent to allow the State to join the contract, the original contract and any

amendments between the other government and the vendor, and justification to use the joinder process as opposed to a Request for Proposals (RFP) process, and why it is in the best interest of the State.

The first request from the Department of Administration Director's Office seeking to join a Clark County Master Service Agreement with Gartner, Inc., for services related to assessing and refining the implementation strategy and assisting with the development of the RFP for the software and integration vendors for the upcoming Enterprise Resource Planning (EP) System project to replace the State's financial and Human Resource systems. The work order for this service would be \$218,000 through August 31, 2017.

The second request is from the Department of Administration, Purchasing Division seeking to join a State of Texas Department of Information Resources contract to provide an eProcurement solution to enhance the State of Nevada's procurement and purchasing business processes. The work order for this service would be \$1,750,000 through April of 2020.

There are representatives from the Department of Administration to answer questions that Board Members may have.

Governor: Thank you, Mr. Wells. I do have questions on both of these.

LeeAnn Easton: Good morning, Governor and Members of the Board. For the record, my name is LeeAnn Easton, Deputy Director with the Department of Administration. With me today is Jeff Haag, Administrator of the Purchasing Division.

Governor: This is new for me. In my experience, we have not done this before. It raises a lot of questions for me — I do not mean this in a pejorative way, but it kind of supersedes or goes around our typical process. For me to feel confident and feel good about that, I need a really good record as to why it is in the best interest of the State to do it this way, to join with Clark County and the State of Texas. Part of my questions will be, do we still maintain control and discretion associated with this contract, why we cannot, or are not, doing this on our own, why we are joining the others and why this is a better process and better interest of the State than going through our normal one.

Jeff Haag: Thank you, Governor. Jeff Haag for the record, Administrator of State Purchasing. I appreciate those questions. I will take the agenda items independently but would like to provide some historical context as it relates to joinder agreements and cooperative contracting's within the State. So, these agreements before you and the contracting method that we are presenting is not new. How we are highlighting them on the Board of Examiners Agenda is new, and I think it is a very healthy progression of the State's contracting process.

As identified by Director Wells, we have several tools in our contracting toolbox provided by NRS 333 and NRS 332. In my opinion, we have a responsibility in Purchasing to evaluate all of those tools in the toolbox and make the right diagnosis based on the subject matter that we are procuring. So, as it relates to the two contracts before you, the first of

them with Gartner Consulting. I do not know if you are familiar with Gartner or not, but they are a largely proprietary global research entity that provides several pillars of both research and analytical support around procurement and Information Technology (IT) methodology. They also have an onsite consulting arm that will deploy physical resources across the country to support projects just like our ERP project here in Nevada. We also have several state agencies who have historically taken advantage of Gartner's research arm which is largely an online service with access to some over-the-phone analysts. All of those agreements historically have been executed off of these joinder agreements, if you will, off of either a Master Service Agreement (MSA) that was executed out of Clark County, which is the case here for the \$218,000 work order, or there is another contract that was executed by the City of Las Vegas that is more specific to research. So, historically we have been executing those work orders, joinder agreements off of those Las Vegas or Clark County agreements.

It is my understanding in the time that I have been at State Purchasing that we have never pursued our own Master Service Agreement (MSA) with Gartner. We are now doing that. We are in the final stages of negotiating our own MSA with Gartner future work orders, whether it be to support the ERP Project — and what is before you today is the first of four work streams. I will be happy to detail those for you, but in the future, we hope to execute work orders off of the State's MSA with Gartner. So, that MSA will come before this Board for approval, but by design of our contracting process, future work orders would not be executed off of that. So, I see that as a little bit of cleanup, bringing that MSA within the State of Nevada under our own terms and conditions and allowing us to execute work orders off of that.

Now in saying that, there was high-level of scrutiny that was done over the Clark County agreement as it relates to this ERP standard. There was a review done by our staff in State Purchasing, along with the Attorney General's Office to ensure that the terms and conditions in the Clark County agreement are in line with our own terms and conditions. As you know, we just revised and it was approved by this body in February of this year. That review concluded that they were. We also did a review to ensure that the Clark County agreement was procured in a way that was in line with our own procurement code as identified within NRS 333 and NRS 332, and it was. So, there was high-level of confidence by all those who played a part in reviewing these, that these were legal documents, that the State is protected under these documents, and the terms included within them, and that we do have legal authority under NRS 332 to join on to this contract.

As a result of that total evaluation and given the timing of the project, the ERP Project, and where we are in that and where we know we need to be in the short-term, I did feel like this was the right method for the State and our best interest to continue through with this project, being mindful that we were going to do a higher level of due diligence by bringing in this MSA with Garner in state, and bringing that before this body.

Governor: Thank you. That is a good explanation. So, essentially, at least this first one is a bridge until we can get to our own MSA?

Jeff Haag: As it relates to Gartner, that's correct.

Governor: Okay. Board Members, any questions with regard to agenda item number 7A?

Secretary of State: No, Governor. Thank you for your questions.

Governor: All right. Let's move to 7B then.

Jeff Haag: Agenda item number 7B is a contract with Periscope Holdings, Inc. for an off-the-shelf eProcurement system. This eProcurement system is a statewide implementation. It will provide procurement automation and contract management for State agencies, and local government will have the ability to participate in this system at no additional cost. Over the last year-and-a-half, State Purchasing has done an exhaustive research; meeting with vendors, understanding what eProcurement vendors are available, what features and functionality they can bring to the State, what their experience is within the government space, specifically because I feel strongly that our procurement methodology is different, and the vendors that we align ourselves need to be mindful of that and have a demonstrative competence in being successful within government.

We were also very purposeful out of the gate to be mindful of the fact that our procurement process today is 100% manual, both by state agencies and local government across the state, and whatever technology initiative we chose would be available to all and would provide technology support to everybody.

At the conclusion of our vendor demonstrations and engaging with the vendor community within the eProcurement space, we began to do an in-depth analysis of what contracting vehicles were available for this, understanding that we have the ability to do our own Request For Proposal (RFP), based on our procurement code identified within NRS 333, but also wanting to review and evaluate other tools in our toolbox as it relates to cooperative contracting opportunities, jointers or interlocal — all legal contracting opportunities as identified in statute and understanding specifically what we were looking for, not to customize a product but to take a best-in-class eProcurement system that was cost-effective, that would provide automation to all state agencies, and would also provide automation to local government at no additional charge. We derived at what is really a cooperative contract out of the State of Texas. This gets a little bit tricky.

As identified by Director Wells, and this is correct, this could also be viewed and defined under the jointer language in NRS 332 because it is derived from the State of Texas. However, different than the Gartner agreement to some extent, the Texas Department of Informational Resources (DIR) is a cooperative contracting arm that is a government entity. But, all of their contracts are procured in a way with an expectation of; they will be utilized by multiple government agencies, not just agencies within the State of Texas.

So, those cooperative contracting opportunities, you may be more familiar with an organization that we are heavily vested in here in Nevada, referred to as National Association of State Procurement Officials (NASPO) Value Point. That is a cooperative contracting arm, but it is managed by a non-profit organization. A little bit different than when that cooperative is ran by a government entity. A higher level of integrity in the

solicitation process when it is run by a Government entity, more in line with our procurement laws here in the State of Nevada. And after doing the in-depth analysis and validating that the Texas DIR Cooperative Contract from Periscope provided the best solution at the best cost, with the best terms for the State.

Here is the differentiator with the Periscope Agreement, this contract although executed off of a work order to get the technology from DIR, the contract that supports it — I do not think it is part of this manual but we can certainly send it over, is executed off of our standard contract form that was approved by this body in February. So, the State's full terms and conditions were leveraged in this agreement. We are just getting an off-the-shelf technology product, no customization. We will configure it to the Procurement Laws of Nevada, but we were purposeful in procuring that best-in-class service from a provider. We didn't want to configure it to the way that we do business, we really want to make sure that we are leveraging the best procurement strategies that are in place in government and private sector, and that is what Periscope brings to this State.

So, based on what we were looking for in the technology and the evaluation that we did, we felt that this Cooperative Contract with Texas DIR allowed us to impose our terms and conditions, leverage the best cost possible both in hard-dollars and resources in running the procurement, and get us a solution for the next couple of years that is going to provide us some great automation, some great business intelligence that we have not had historically, and allow us to be more informed as we continue to move through a new procurement environment in the state.

Governor: Thank you, Mr. Haag. That was very thorough. I imagine you had anticipated some of these questions, I just want to be comfortable as we move forward. So, in terms of process and protection, on those issues I am very comfortable, but one thing that is interesting that you said is that we are doing all of our purchasing manually now?

Jeff Haag: Yes, Governor. The procurement function has been completely manual since our inception, I would assume. I am not privy to really any automation that the Office has had either in the interim or the long-term. So, this is much needed.

Governor: Are you using carbon paper as well?

Jeff Haag: We have tried to get away from those, but they are still around.

Governor: Wow. I guess the last question, in terms of process, do you see going outside our normal process as something we are going to do more often, or are these pretty much isolated situations?

Jeff Haag: Governor, based on my short tenure in State Purchasing, I would say that it is very common for us to go outside our normal process. These Cooperative Contracts are the majority of our contract portfolios that we have today. I would say that on the contrary, as a result of this eProcurement Project, and part of the scope of this contract, we are having a consultant come in and align with our team members in Purchasing to evaluate our contract portfolio to ensure that our contracting strategy of the past, which was largely

leveraged on Cooperative Contracts, Joinder Agreements, it is the right recipe for the State of Nevada in that we are getting the best terms and conditions and pricing as a result of that strategy because I am personally not convinced that it is.

So, what I can tell you moving forward is that we are going through a much more thoughtful documented process to evaluate what the right procurement strategy is based on the needs of the Agency or the State that we are meeting. I will say that as it relates to individual procurements for State Agencies, a particular agency, we do run our RFP process as defined in NRS 333. That works really well. As it relates to those, what I will call, the good of the State Contracts that represent more of a state-wide need both at the executive level and the local government level, we are 100 percent leveraging Cooperative Contracts. Again, I am not convinced that that is the best strategy moving forward.

So, as a result of adopting this automation which will give us the business intelligence we need to make informed decisions, we are going to evaluate those portfolios and make sure they are being procured in the right way. I think what I would like the opportunity to do, and I'm thankful to Director Wells for creating this on the BOE Agenda, is educating you all on what procurement strategy we followed and why, and providing the supporting documentation in this binder prior to BOE, to give you a high-level of confidence of what we did and why we did it. As I view this, we have several tools in our toolbox and we need to thoughtfully evaluate all of those but we have to document what we did and why and be ready to defend that. We have not done the best job of that historically, but we will be moving forward.

Governor: Thank you, Mr. Haag, for getting us into the 21st Century. That is a good thing, getting out of our comfort zone in terms of the status quo and exploring these new possibilities, making us more efficient and finally, saving tax payer money. So, to me, it is a win-win-win-win all the way around. I appreciate you being here and providing the explanation and the background. Board Members, are there any questions or comments with regard to agenda item number 7?

Secretary of State: Governor, I do on Number 6. I just wondered if you could verify for me, you talked a lot about training and the service, how many are you having trained? And we also have travel expenses, is that for the company to come to Nevada to train here or are we traveling at all? And then, the consulting fee for \$170,000 — the other thing that I was looking at was the Change Orders not to exceed \$100,000. So, if you could just tell me how many are going to be trained. I appreciate everything that you are doing. I know that this is not easy.

Jeff Haag: Thank you, Madam Secretary for the questions. Jeff Haag for the record. Just to ensure that I am referencing the correct contract, you are referring to the the Periscope Agreement, is that correct?

Secretary of State: Correct. I'm sorry. Yes.

Jeff Haag: Great. So, training will be in-depth and come in various forms. Currently, State Purchasing facilitates the State Certified Contract Managers Training Course that I'm

sure you are familiar with. We have over 1,000 Certified Contract Managers within that listserv. We will be reaching out to those folks initially, but we will also be reaching out to all State Agencies at the Director Level to designate purchasing folks within their organizations that will play a stakeholder role in the training and development of the State's eProcurement System. There will also be online training modules that will be available from the vendor. Employees will have the ability to get access as needed, and then there will be training opportunities available through the solution on an ongoing basis.

To your point, there are travel expenses incorporated within this contract. Those travel dollars are identified specifically for the vendor to come to Carson City and conduct in-person training, both on the technology solution and the utilization of that solution. That training by the vendor will be leveraged both by State Purchasing staff, but will also be available for State staff as training is done both for Executive Branch Agencies and local government.

The contracting dollars, Madam Secretary, that you noticed, that was referenced in my earlier comments to the Governor. Those contracting dollars specifically will be used to evaluate the State's current Good of the State Contract Portfolio to do an analysis on those, and a benchmarking study on what pricing and terms we have been able to achieve here in Nevada and how they relate to other public and private sector contracts with like-industries and vendors across the country.

Secretary of State: Thank you so much for answering my questions.

Jeff Haag: Thank you, Madam Secretary.

Governor: Board members, are there any other questions or comments with regard to agenda item number 7?

Attorney General: No questions here, Governor.

Governor: All right. Thank you. If there are no questions, the Chair will accept a motion to approve to Join or Use Other Governments' Contracts as presented in agenda item number 7A and B.

Attorney General: Move to approve.

Governor: One for \$218,000, and the second in the amount of \$1,750,000. I hear the Attorney General has moved for approval. Madam Secretary, is there a second?

Secretary of State: There is a second. Thank you, Governor.

Governor: Thank you. We have a motion and a second. Are there any questions or discussion on the motion? Hearing and seeing none, that motion passes 3-0. Thank you very much.

8. Leases (For possible action)

Governor: We will move on to agenda item number 8, Leases. Mr. Wells.

Clerk: Thank you, Governor. There are seven leases in agenda item number 8 for approval by the Board this morning and no additional information has been requested from any of the members.

Governor: I have no questions. Board Members, are there any questions with regard to agenda item number 8?

Attorney General: No questions, Governor. Thank you.

Governor: If there are no questions, the Chair will accept a motion to approve Leases 1 through 7 as presented in agenda item number 8.

Secretary of State: So moved.

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

Attorney General: I second.

Governor: Seconded by the Attorney General. Are there any questions or discussion on the motion? Hearing and seeing none, that motion passes 3-0.

9. Contracts (For possible action)

Governor: We will move on to agenda item number 9, Contracts. Mr. Wells.

Clerk: Thank you, Governor. There are 23 contracts in agenda item 9 for approval by the Board this morning. Members have requested additional information on the following: Contract number 1 between the Office of the Attorney General and Adam's Natural Resources Consulting Services, LLC, and Contract number 2 between the Department of Administration Public Works Division and Q&D Construction, Inc. I would like to note that on contract number 2, the total amount of the contract has been revised to \$47,281,540 after the bids were opened by Public Works Division.

Governor: Thank you, Mr. Wells. I see that Ms. Adams is present. Would you come forward, please?

Brin Gibson: Hello, Governor. For the record, this is Brin Gibson from the Attorney General's Office. I am here on the extension of the Adams Resources Contract for Yucca Mountain.

Governor: Thank you, Mr. Gibson. Marta, good morning. It is nice to see you again.

Marta Adams: Good morning, Governor and Members of the Board. It is a pleasure to be here.

Governor: Ms. Adams, there has been a lot going on in a short period of time. I am hopeful that you can give us, perhaps, a brief overview of what has happened. Obviously, your participation in that, and as we move forward with regard to the Federal Budget and the amount that was put in there with regard to Yucca Mountain, how you feel where we are and where we are going.

Marta Adams: Thank you, Governor. Again, for the record, Marta Adams. I would say that the State of Nevada is in sort of a heightened state of vigilance at the moment. As you know, the Administration's proposal remains a proposed budget item. So, we do not know exactly how that is going to be funded, if at all, the rate, or whether it will occur as early as September or October, or if we are looking at a continuing resolution. I want to recognize Bob Halstead, Executive Director, Nuclear Projects Office, Belinda Suwe, Deputy Attorney General, Attorney General's Office, and Susan Lynch, Technical Programs Administrator, Nuclear Projects Office.

We have what we call, the 3-L's, which makes sort of a triangular approach to the Economic Program and Nevada's part in it. The first L is legislation. That would include the Administration's Budget, and again, there is \$120 million proposed to start — restart the Yucca Mountain Nuclear Regulatory Commission (NRC) Licensing Adjudication. In addition to the budget item, there are a variety of bills panning in both houses of Congress. There is a bit of a disconnect between the House of Representatives and the Senate. In the House, we have John Shimkus, the Chairman of the Subcommittee on Energy, that did in an earlier iteration, present real challenges to the State's Administration of our Water Law, as well as potentially interfere with our Administration of Air Permits and various environmental permits.

That bill, HR 3503, has been changed and is now headed to the larger house. It is out of Committee. Meanwhile, in the Senate, there is an expected bill although it has not yet been introduced by Senators Alexander and Murkowski, to incorporate the provisions of the Blue Ribbon Commission, which as you know Governor; the corner stone of the Blue Ribbon Commission is a consent-based process. Now, unfortunately, Nevada or Yucca Mountain is not encapsulated in the current proposal, however, there is another bill pending that has been introduced by both Senator Heller and Senator Cortez-Masto, called the Nuclear Waste and Form Consent Act. I believe that is S-95, which would extend the right of consent to Nevada as well as the 49 other states. So, that is one prong of what we are watching very closely.

The second is the litigation front. We do have essentially five cases pending, and recently in a very productive strategy session, looked at those and do have some proposals yet to come to you and the Attorney General. Then finally, the last prong and perhaps the most expensive, is the NRC Licensing Adjudication. As you will recall, the NRC, due to budget issues, basically suspended the adjudication. Then in August of 2013, the District of Columbia Circuit Court of Appeals said, no, NRC, you cannot do that, you have got to span out your existing funding, which the NRC essentially has done in pre-adjudicatory

activities. So, we are gearing up on all three fronts and I believe we are as ready as we can possibly be. You know, there is an interest in maintaining continuity for many of us who have worked on this project for decades, and we want to kill it. We are trying, but obviously cannot just do it unilaterally. I hope that sort of gives you a picture of what we're looking at.

Governor: Thank you, Ms. Adams. I was going to ask you the question, how many years have you been working there?

Marta Adams: Since 1998. So, I am coming up on my 20th year.

Governor: You, as much as anybody, are as close to this as can be with regard to those 3-L's. Do you feel — I do, but I want it from you because you are closer to it, I feel like we are in as good or better position than we have ever been given what is going on right now. Good or better position in terms of killing this once and for all.

Marta Adams: Again, Marta Adams for the record. We, among all of the parties to the NRC licensing, have been basically preparing all along for the eventuality of a restart. Our experts are ready. We are preparing to meet the requirements for the database that NRC operates. We have got a number of prongs that we are working on there. I would say, yes, we are in good shape. Unfortunately, some of the legislation pending would short-circuit Nevada's ability to really present our case in front of the NRC. That is really why we are revisiting the litigation, to see where we might find be more productive with some of it. But, yes, I do believe we are prepared. We are as prepared as we can be, and we completely appreciate all of the support that we have had from you, the Attorney General, the Secretary of State, as well as the Legislature.

Governor: What you just mentioned is one of many issues that is very frustrating for me when I was Attorney General, I feel like we have had this conversation.

Marta Adams: Right. Many times.

Governor: But, beyond that, we have identified many flaws with regard to that project. Now, some of this proposed legislation would seek an end around some of those technical problems that would have been fatal to the project, in my humble opinion. Now, rather than a scientific approach in terms of determining whether it is sufficient to be able to geologically isolate the waste and have the water, there has been a recognition by the federal government of those deficiencies and now they are seeking, as I said, to legislate around that. Is that a proper description of what is going on?

Marta Adams: I believe it is, Governor. In fact, in the earlier iteration of Representative Shimkus's Bill, there was a clear attempt to usurp the State engineer's authority under our water statutes, as well as other issues. Now I believe, and obviously, we are not privy to some of the inner workings of the Committee, but it appears that some of the western states found those provisions problematic, understandably, because we have had a system where the western states do administer water. The legislation now has backed off

those parts of what we had very large concerns over, but have raised the waste limit for Yucca Mountain from 70,000 metric tons to 110,000. That is extremely problematic for us.

Governor: When you say, it is extremely problematic, obviously it is problematic because it would go from 70,000 to 110,000, is that what you mean when it is extremely problematic?

Marta Adams: Yes, and the capability of the mountain itself, which is not appropriate on many levels. It simply cannot accommodate that.

Governor: We do not have to get too hyper-technical, but when you say, accommodate it, I have always said that it is a porous volcano that sits on an earthquake fault, above an aquifer.

Marta Adams: Absolutely.

Governor: It is woefully deficient and there is a reason why they proposed to put those titanium shields because they know that moisture will come through that mountain in a matter of decades.

Marta Adams: Absolutely.

Governor: And would contaminate those casts that would be in there. As I said, we have been talking about this, and you have been talking about this for 20-plus years, and now here we are again. As I said, I feel like it is a disgusting waste of money and resources on behalf of the federal government to try to basically fit a round peg into a square hole, because that site cannot geologically isolate that waste with regard to all the other issues. Now, here we are again having the same conversation but now having to fight legislation that essentially takes some of our tools out of our toolbox in order to fight the project because they are just going to try to put a rubber stamp on it through legislation.

Marta Adams: I think we are small but we are mighty and worried but also optimistic that we have a very strong case. I would also add that the United States Senate seems more receptive to interim storage proposals. That, for us, would be very significant to take the pressure off Yucca Mountain. There is quite a bit of misunderstanding about what is actually at the Yucca Mountain site, and there is not a facility. The boring machine is long gone. It is going to take the Department of Energy quite an effort to gear up even if funding is made available. Similarly, the NRC is not as ready as they say they are. So, we have been preparing all along. We are not going to go away and we are not going to give up.

Governor: I appreciate that Ms. Adams because we have to do that. It is a five-mile horseshoe hole in the ground right now.

Marta Adams: That is it. There are no emplacement tunnels, none of that.

Governor: Last thing I have, and I am sure the other Board Members have questions, but you mentioned interim storage. There was a comment by the Secretary of Energy with regard to interim storage out there; that I think has been sufficiently pulled back or withdrawn.

Marta Adams: I believe that. Right.

Governor: I do not know if you have any comments with regard to that, but as bad of an idea as Yucca Mountain is, this one is worse. To take the same waste stream and put it in an interim storage base above ground somewhere out there at the National Security Site. Do you have any comments with regard to that?

Marta Adams: Governor, the only comments I would make on that is, the law that is presently configured does not accommodate that. As you know, at Area 5, the State of Nevada certainly is doing its share of receiving low-level, mixed-level waste that is currently under permit by Nevada Division of Environmental Protection. I think Secretary Perry did have to walk back that, but that is problematic as well for different technical reasons. But, certainly, the law does not allow it, at least at the moment.

Governor: That is the thing. Not only is it illegal but it is more dangerous, correct?

Marta Adams: I just cannot imagine. The legacy that Nevada has at the Nevada Test Site now, the Nevada National Security Site (NNSS), is nothing short of concerning. So, I would say that we have done our share and certainly should not be identified for that as well; at least I do not think so.

Governor: Final question. Do you feel that we have provided the team with sufficient resources to engage in this fight in a meaningful way?

Marta Adams: Again, Marta Adams for the record. Yes, I do, Governor. The Legislature was extremely supportive of us in this last session, basically saying, if licensing does gear up faster than we anticipate it will, that we will be welcomed by the Interim Finance Committee. So, yes, I believe we do have resources. The NRC process, we do not know what it is going to look like — if there are three simultaneous licensing boards, if the bulk of the activity occurs in the Washington D.C. area, that will cause us quite a bit of expense. So, we will have to see how the NRC handles that.

Governor: Thank you, Ms. Adams. Are there any questions or comments from the other Board members?

Secretary of State: Governor, this is Barbara Cegavske. I want to thank you and the Attorney General's Office for all of the work that you are doing on behalf of the citizens to keep us safe. I am wholeheartedly in opposition to the high waste coming here. So, thank you for what you are doing. Ms. Adams, thank you for the consulting services that you provide and the information that you have. It is very refreshing to hear this conversation over and over again, and I just wish it could stop in D.C. But, thank you.

Marta Adams: Thank you.

Governor: Mr. Attorney General, any questions or comments?

Attorney General: No questions, Governor, thank you. Thanks for testifying, Marta. I appreciate it.

Marta Adams: Thank you, General. I appreciate your support.

Governor: All right, Marta. Thank you. We fight, right?

Marta Adams: Yes. We fight on. Thank you.

Governor: Thank you. We will move on to Contract number 2, Department of Administration State Public Works and Q&D Construction, Director Miller and Mr. Nunez, if you would come forward, please? Thank you. My purpose for calling this one forward is this is something that we have waited a very long time for. It was something that was very important to me and I know it is important to our veteran community. Director Miller can lay a record and foundation of where we were and what to expect, and then we can talk a little bit about the technical details associated with the construction of the veteran's home.

Kat Miller: Good morning, sir, and Members of the Board of Examiners. My name is Kat Miller, Director of Nevada Department of Veteran Services. For the last, almost 20 years, the veterans in the State of Nevada have been pushing to have a skilled nursing facility, a State Veterans Home in Northern Nevada. We have one in Southern Nevada and it is at capacity. In Northern Nevada, we have veterans having to travel hundreds of miles away from home for this service when they should be around their family when they need them the most.

In 2006, the State was approved for a grant for the Veteran Affairs (VA), for a two-thirds federal match. The State paying one-third, but of course, this grant is contingent on funding. In 2013, Governor Sandoval introduced legislation in his budget to put a planning grant together for the new Northern Nevada veterans home — a 96-bed facility that would be built in the Reno - Sparks area. In 2015, during the legislative session, the State made the one-third match which was just over \$14 million. With that match, we were able to move from a position of about 112 to where we are today - at 50 on the priority list for being funded. Because our state is smaller than other states and has less bed need, we do not move as quickly on the list as other states do. Again, we have moved from 112 to 50 on the priority list, and that is solely because the state came up with the one-third match. Had that one-third match not been made, we would not have been competitive and we would not be where we are today.

Again, it could have been a year to five years. It is really hard to say when the federal appropriation would have come in to hit our point on the priority list because every year that changes. New states will come in with new projects, states may come off of the list, and every day that goes by is a day that a veteran is not getting the care that they need

close to family. On top of that, with inflation, the costs were going up to build this new Northern Nevada Veterans Home.

So, this year in our budget we went forward to fund upfront the cost of the home. I did want to state because I have been asked several times if we build the home upfront, would the VA still reimburse their two-thirds? According to the VA of Nevada, Nevada will still receive federal funding if we elect to start the project in advance of receiving federal funding. They have been very clear of this from the beginning. So, Governor and other members, Madam Secretary, Attorney General, if there are no other questions; that concludes my overview.

Governor: Thank you, Director Miller. My only question is, where does that put us on the list since we fronted the money? What is the likelihood and time period within which we will get reimbursed for that match?

Kat Miller: Again, this is Director Kat Miller, Director of Veterans Services State of Nevada. Governor, as mentioned, we are number 50 right now. Last year we were number 62, prior to this next list coming out. In order for us to be funded by the VA right now, the VA would have to put over \$300 million into the appropriation. Congress would have to approve over \$300 million. Right now, we are anticipating \$90 million going into the budget for next year.

So, we know some projects are falling off in California and we know some other projects are coming on. This is a guess, Governor, an estimate would be three to five years, but again it could be much sooner. We have asked the VA to look at some language that would put more rural states on a more even footing with other states. The good news is, they are introducing that language that would change that prioritization, whether it gets approved or not, I do not know. I know our Congressional Delegation is pushing really hard to make the rules a little fairer for everyone involved. If that would that happen, it would be sooner, but right now my best guess is three to five years. Again, that is simply an estimate because we do not know whether other states will pull their projects off or put new projects in.

Governor: Thank you. I think it begs the next question which is, had we not done this, it would be longer than that, three to five years. It likely would have pushed us, I do not know how much further back, but we would not have moved up the list. So, in terms of reimbursement, it is not a question of if, it is a question of when.

Kat Miller: Correct, Governor. It is not a question of if, it is a question of when. The VA has been very clear that we remain on the list, and once the amount of the appropriation comes that hit's our level on the prioritization list, we will be reimbursed.

Governor: Thank you. I am not sure if Gus, or who, is going to make the presentation in terms of construction and I think we are using the Construction Manager at Risk (CMAR) process if you would take us through that, sir?

Gus Nunez: Thank you, Governor, for the record, Gus Nunez, Administrator, State Public Works Division. With respect to the process that was followed, I will let Chris Chimits, the Deputy Director Administrator, State Public Works Division do that. What I like, from my perspective, is funding this project at this time. We are going to — if we do not get the fund — the next problem—right now we're experiencing between 5% and 10% inflation per year. I think that this project could see between be 20%, 30%, or 40% in the next three to five years. So, we're saving a lot of money right now by proceeding ahead at this time and avoiding all of that inflation or maybe even losing the project, if funding were not to increase in three to five years from now. So, I think this is extremely wise idea to go ahead and move forward at this time. That concludes my comments. I think I will let Mr. Chimits take care of the technical comments on the CMAR process. Thank you, Governor.

Chris Chimits: Hello Governor and Members of the Board. Chris Chimits, Deputy Administrator. Just a brief recap of our involvement with the process. We hired an architect firm in Reno to start drawing the project and designing it. Approximately three years ago, we advertised for a CMAR, which is the delivery method that we elected to use for this project because of its size and complexity. We received eight responses and then short-listed to three local firms in Reno. When we finished we select Q&D based on the structure that is delineated in NRS 341.

So, we moved forward with Q&D Construction and started the process of having input from them, as is done with the CMAR delivery method. We did come to an approximate 102,000 square foot facility that does include 96 beds. The Guaranty Maximum Price (GPM) that is in the contract before you is for \$47.2 million, that does include a \$700,000 Owners Contingency— money that we have at our disposal to use inside that or not. There were added alternates and we were able to afford a couple of them and put them in, and there is a couple that we were not able to afford. As Director Miller mentioned, there is a little more than \$33 million that is reimbursable from the Federal Government once we complete the Veterans home in accordance with their standards, which we intend to do. As far as scheduling, there will be a ground breaking on July 17, and within a week after that or so we would start construction and then complete it by the end of the year before your term is completed.

Governor: Word gets around, huh?

Chris Chimits: Yes.

Governor: But, you do anticipate completion by the end of next year?

Chris Chimits: Yes, sir. That was made abundantly clear to us.

Governor: With regard to the CMAR process, you do not anticipate or think that the contractor can come back, given inflation and such, and seek more money for the project? Are they pretty much locked into this \$47 million figure?

Chris Chimits: No, sir. They locked themselves in. They signed that agreement, they are done.

Governor: No. I know that. I just want to make sure that it is clear on the record as well. You are confident, I mean, I have great respect and confidence in Q&D, but I also know in my role on the Transportation Board and having observations with regard to a lot of projects that they have, that they have the bandwidth to get this done on time.

Chris Chimits: Chris Chimits for the record, yes. Since we opened bids, we have spent a great deal of time with their staff and they have five people that are office staff, dedicated to this job and ready to go. There are four people that report to Q&D directly who are also slated for this job. So, there are nine people who are at Q&D Construction who are standing by and ready for the notice to proceed. They are adequately staffed. Then, there are the subs that Q&D has for the project, largely all Northern Nevada firms. They have got the resources committed and set aside so that we make our commitment to you to finish by the end of 2018.

Governor: Well, it is for the Veteran's sake and I guess this is a little bit of editorial, but this is a project whose time has come. The Veterans deserve it and they need it. As Mr. Nunez said, if we do not do it now, it is likely that we will not be able to afford to do it. I personally want to thank the Legislature for supporting the proposal to get this funded, regardless of our position on the list. As I said, I am excited about it. I have been around a lot of Veteran's organizations and veterans themselves, and this is a really big deal for this community and for this State.

As Director Miller was speaking about, for me, to have a loved one who is a Veteran, to go hundreds of miles away in order to get this type of care rather than being home, in their hometown, around family and have that support, is just unacceptable. So, I appreciate the sense of urgency in getting this done and I look forward to July 17th and the ground breaking, and then as you said, within a week to ten-days, actually starting the work in earnest and watching it go up. Thank you for that.

Governor: All right. Madam Secretary, Attorney General, any questions or comments?

Secretary of State: I have a question. Thank you, Governor. I just wanted to know, Director Miller and others, if you could tell me, have we looked at some of the errors of our ways, of what we designed and what we did in Boulder City and learned from that what we are able to bring to this new facility? I along with the Governor and the Attorney General am very, very grateful and know that all of the Veterans are extremely happy about this decision. This is something that is long-overdue and we do need to make sure that family members are close to their families. Can you just tell me a little bit about that? I am just curious. I know that we had some issues with the Veteran's home in Boulder City. So, I just wanted to make sure that we touched on that.

Kat Miller: Madam Secretary, this is Kat Miller for the record. I think I understood your question to be, have we taken a look at lessons learned from the Boulder City facility and design of the new facility? Did I catch that?

Secretary of State: Yes. You did.

Kat Miller: Thank you. Yes. Absolutely. We have learned so much from operating the home in Boulder City, but it is not just lessons learned from our facility, this facility is an absolute state-of-the-art facility. We have been working very closely with the U.S. Department of Veterans Affairs and with our partners in other states. Some of the differences between the Northern Nevada and the Southern Nevada facility include single-bed units; it is designed in a way so that it is much more home-like. It is also more ergonomic for the staff although you will not feel the staff presence in the same way that you do in the Southern Nevada simply because of the design.

The backbone in terms of the IT architecture reduces some of the manpower requirements while still allowing us to do all of the things we need to do to provide the quality of care expected at a home like this. It is also built around a community hub that will invite and bring in members of the community. There is a parade ground for example. There is no real place in the Reno - Sparks area where Veterans can gather.

Our Veterans in the home cannot go out in the same way as well, you can imagine, they are in a skilled nursing facility. This brings the community to them. There are some spaces for Veterans Service Organizations to meet. There is everything that they could need to not only make sure that they have the quality of care but the quality of life that they need. I am really excited about it. I would love to take my plans and travel to wherever you are to give you a more in-depth brief, or anybody that would like to see them. You would be proud of the job that was done by the architect and by State Public Works. Mr. Ron Crook specifically, who is the project manager, to make sure that this is the finest home in the nation.

Secretary of State: I am very proud of everything that you are doing, Director Miller. I have attended some of the functions you have had down in Boulder City and if that is any indication of what is going to happen up north, the Veterans are very well taken care of. So, thank you for everything that you do.

Kat Miller: Thank you, ma'am.

Secretary of State: Thank you, Governor.

Governor: Thank you, Madam Secretary. Are there any other questions or comments? Mr. Attorney General, are you still with us?

Attorney General: I am, Governor. Thank you. No questions.

Governor: All right. Thank you very much and best of luck. We will see you in a week or so. I do not have any other contracts that I have held with regard to agenda item number 9. Board members, are there any other contracts you would like to be considered or presented?

Attorney General: No, Governor. Thank you.

Governor: With that then, the Chair will accept a motion to approve Contracts 1 through 23 as presented in agenda item number 9.

Secretary of State: So moved.

Governor: Secretary of State has moved for approval. Is there a second?

Attorney General: I second.

Governor: Seconded by the Attorney General. Are there any questions or comments on the motion? Hearing and seeing none, that motion passes unanimously 3-0. Thank you very much.

10. Master Service Agreements (For possible action)

Governor: All right. We will move to agenda item number 10, Master Service Agreement. Mr. Wells.

Clerk: Thank you, Governor. There is one Master Service Agreement in agenda item number 10 for approval by the Board this morning and no additional information has been requested by any of the members.

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

Secretary of State: No questions.

Governor: Is there a motion for approval?

Secretary of State: Move for approval.

Attorney General: I second.

Governor: Secretary of State has moved to approve the Master Service Agreement presented in agenda item number 10. The Attorney General has seconded the motion. That motion passes 3-0.

11. 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 May 24, 2017 through June 12, 2017.

Governor: We will move to agenda item number 11, Information Item. Mr. Wells.

Clerk: Thank you, Governor. There were 31 contracts under the \$50,000 threshold that were approved by the Clerk between May 24, 2017 and June 12, 2017. This item is informational only and no additional information was requested by any of the members.

Governor: Board Members, are there any questions with regard to agenda item number 11?

Secretary of State: No, Governor.

12. Information Item – Report

A. Governor’s Finance Office – Budget Division

Pursuant to NRS Chapter 353, the Governor’s Finance Office, Budget 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 June 9, 2017.

TORT Claim Fund	\$ 6,262,363.93
Statutory Contingency Account	\$ 2,960,201.21 **
Stale Claims Account	\$ 1,839,495.03 **
Emergency Account	\$ 239,336.01
Disaster Relief Account	\$ 7,263,051.14
IFC Unrestricted Contingency Fund General Fund	\$16,327,408.70 */**
IFC Unrestricted Contingency Highway Fund	\$ 1,676,832.35
IFC Restricted Contingency Fund General Fund	\$ 3,429,834.00
IFC Restricted Contingency Highway Fund	\$14,966,311.00 *

* Pending claims approved at January 26, 2017 Interim Finance Committee Meeting are deducted from the available balance.

B. Fiscal Year 2017 – 3rd Quarter Overtime Report

Governor: We will move to agenda item number 12, another Information Item. Mr. Wells.

Clerk: Thank you, Governor. Item 12 includes two Information Reports. The first is the available balances for the various Contingency Accounts that are managed by either the Board of Examiners or the Interim Finance Committee. As of June 9, 2017, these balances include the appropriations to those accounts that were included in Assembly Bill 499 which was signed on June 8th and was effective upon passage and approval. These accounts will cover contingencies through the 2017 - 2019 biennium. I think we are in really good shape. I think the balances are where we would like to be coming out of the legislative session.

Governor: Thank you, Mr. Wells. You anticipated my only question, whether you were comfortable with those balances and it sounds as if you are. So, thank you. Board Members, are there any questions with regard to agenda item number 12?

Secretary of State: No, Governor.

13. 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 to agenda item number 13, Public Comment. Is there any member of the public present in Carson City that has a public comment? I hear and see none. Is there any member of the public present in Las Vegas that would like to present public comment?

Secretary of State: There is none, Governor.

Governor: Thank you.

14. Adjournment (For possible action)

Governor: Is there a motion to adjourn?

Attorney General: Move to adjourn.

Governor: Attorney General has moved to adjourn, is there is a second?

Secretary of State: I second.

Governor: Attorney General has moved to adjourn, seconded by the Secretary of State. That motion passes 3-0. This meeting is adjourned. Thank you, ladies and gentlemen.