

MINUTES

MEETING OF THE BOARD OF EXAMINERS

October 8, 2013

The Board of Examiners met on Tuesday, October 8, 2013, in the Guinn Room on the second floor of the Capitol Building, 101 N. Carson St., Carson City, Nevada, at 10:00 a.m. Present were:

Members:

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

Others Present:

Keith Wells, Fleet Services Division
Clark Leslie, Attorney General's Office
Mike Willden, Department of Health and Human Services
Lori Chatwood, State Treasurer's Office
Bart Patterson, Nevada State College
Dr. Tracey Green, Division of Public and Behavioral Health
Cody Phinney, Northern Nevada Adult Mental Health Services
Greg Cox, Department of Corrections
Kevin Malone, Department of Motor Vehicles
Chris Smith, Division of Emergency Management
Scott Sisco, Department of Corrections
Jennifer Bauer, Public Safety
Charlie Powell, Public Safety
Mark Teska, Public Safety
Jim Lawrence, State Lands
Dave Prather, Department of Forestry
Janet Murphy, Aging & Disability Services Division
Joe Reynolds, Attorney General's Office
Nancy Katafias, Attorney General's Office
Buster Neel, Nevada State College
Amos Hollar, Division Public and Behavioral Health
Andrea Esp, Division Public Health and Behavioral Health
Mark Mathers, Treasurer's Office
Peggy Martin, Department Health Care Finance and Policy
Katie Armstrong, Attorney General's Office
Steve Fisher, Division of Welfare and Supportive Services
Kelvin Hickenbottom, Division of Water Resources
Ellen Crecelius, Department of Health and Human Services
Bonnie Long, Department of Health and Human Services
Leah Lamborn, Department Health Care Finance and Policy
Kendra Follett, Sherman & Howard

Haydee Meeker, Controller's Office
Michael McMahon, Division Welfare and Supportive Services
Patrick Cates, Department of Wildlife
Tony Wasley, Department of Wildlife
Julie Kidd, State Public Works Board
Teri Preston, State Public Works Board

1. PUBLIC COMMENTS

Comments:

Governor: Good morning, everybody. Can you hear me loud and clear in Las Vegas?

Clerk: Yes, Governor.

Governor: All right. Well, let's begin with the Agenda. Item No. 1 is public comment. Is there any member of the public here in Carson City that would like to provide public comment to the Board of Examiners? Is there anyone present in Las Vegas that would like to provide public comment to the Board?

Attorney General: No, Governor.

*2. FOR POSSIBLE ACTION – APPROVAL OF THE SEPTEMBER 10, 2013 BOARD OF EXAMINERS' MEETING MINUTES

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: Then let's move on to Agenda Item No. 2, Approval of September 10, 2013 Minutes. Have the members had an opportunity to review the minutes?

Clerk: Make a comment on...

Governor: Oh, yeah. That's right. Mr. Mohlenkamp.

Clerk: Thank you. So, Governor, I wanted to identify that the minutes from the last meeting are not actual minutes. We had a problem with the recording system, and so what we have done for you is provided our best summary of what the events that occurred at that meeting, but not true and actual minutes. We have fixed that problem, and we now have the recording system working properly, and we have a backup that we're using for the next couple meetings so this does not occur again, but I did want to make sure that you understood that this is our best rendition of what we believe occurred, and so from that standpoint it's not technically accurate minutes.

Governor: Okay. And I've had an opportunity to review the summary that's been presented in Agenda Item No. 2, and I don't have any issues with it.

Attorney General: Governor, I'd move for approval of the minutes.

Secretary of State: Second.

Governor: Okay. The Attorney General has moved for approval of the minutes as described in Agenda Item No. 2. The Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye. Aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

***3. FOR POSSIBLE ACTION – AUTHORIZATION TO CONTRACT WITH A FORMER EMPLOYEE**

A. Office of the Controller

Pursuant to NRS 284.1729, Section 1, Subsection 1-2, the Controller’s Office requests authority to continue to contract with a former employee, on a part-time basis through the use of a temporary service, so this individual, who retired on May 24, 2013, may train a new employee, once hired, on their debt collection duties in an effort to transfer knowledge without an additional loss in debt collection productivity. The original contract period was from June 11, 2013 through September 30, 2013. This request extends the contract period from upon Board of Examiner’s approval (anticipated to be October 8, 2013) through January 31, 2014 due to a delay in the recruitment process.

B. Governor’s Office of Economic Development

Pursuant to NRS 284.1729, Section 1, Subsection 1-2, the Governor’s Office of Economic Development (GOED) requests retroactive authority to contract with a former state employee through a state-approved temporary employment service to assist with closing GOED’s budgets for the fiscal year. The original contract period was for the week of September 2-6, 2013.

Clerk’s Recommendation: I recommend approval.

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

Comments:

Governor: We will move on to Agenda Item No. 3, Authorization to Contract with a Former Employee. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board are two requests. First is the Office of the Controller requesting the use of temporary service of an individual who retired May 24, 2013, to train new employees on debt collection activities. Anticipation is from June 11 through September 30 is what their target frame is, and then they are looking at having a period through January 31, 2014 due to a delay in their recruitment process. So this is the first. And then the second is the Office of Economic Development who needed an employee for a period of what looks to be about four days to help close out their budgets, and so that’s a retroactive approval.

As you know, Directors have the ability to do this on an emergency basis for up to four months and then they have to come back to the Board to say would the Board have authorized it, and if it's a continuing relationship, will they allow it to go forward. And so that's what the Economic Development is doing here is essentially sending it back to you, letting you know that they did this on an emergency basis.

Governor: And I don't have any concerns with this Agenda item, but are we getting the message out that we need to start anticipating these vacancies and getting somebody trained before the retirement?

Clerk: I think in this particular case that message has been pretty loudly delivered. Certainly with regard to Item B on this Agenda.

Governor: Board members, any questions with regard to Agenda Item No. 3?

Attorney General: No, Governor.

Secretary of State: No, Governor.

Governor: Hearing none, the Chair will accept a motion for approval.

Attorney General: I move for approval.

Secretary of State: Second.

Governor: The Attorney General has moved for approval of Agenda Item No. 3, Authorization to Contract with a Former Employee by the Office of the Controller and the Governor's Office of Economic Development. Secretary of State has seconded the motion. Any questions or discussion? All in favor, please say aye. Aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Motion passed 3-0.

***4. FOR POSSIBLE ACTION – STATE VEHICLE PURCHASE**

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

AGENCY NAME	# OF VEHICLES	NOT TO EXCEED:
Department of Administration – Fleet Services Division	59	\$1,330,028
Department of Conservation and Natural Resources – Division of Water Resources	4	\$92,339
Department of Conservation and Natural Resources – Division of Forestry	2	\$84,500
Total:	65	\$1,506,867

Clerk’s Recommendation: I recommend approval.

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

Comments:

Governor: We will move on to Agenda Item No. 5, State Vehicle Purchase.

Clerk: Thank you, Governor. Before the Board are three separate requests. The first, a large request from the Fleet Services Division, formerly Motor Pool, and then you have Division of Conservation and Natural Resources has two separate requests down there. One is for Water Resources Division and then from the Division of Forestry. I believe Mr. Wells is here to be able to answer questions.

Governor: Good morning, Mr. Wells.

Keith Wells: Good morning, Governor, Members of the Board.

Governor: Another big vehicle purchase. Because it is so large, I wanted you to take us through it, and I feel like we have this conversation every time, but I just wanted clarification on age and mileage and maintenance costs per mile and what the methodology is for how you decide which cars we’re going to replace.

Keith Wells: Okay. No problem. This vehicle request is for replacement vehicles, unlike the last one which was for additional vehicles. When we’re -- in the State we have a replacement policy that says vehicles can be replaced at seven years or 100,000. In our division, that’s just used as a guide. Our goal is to maximize the life of the vehicle, so we track that vehicle’s life from the moment we buy it all the way through its life, and our goal is to get as many miles as

we can, keep it in service as long as possible while keeping the resale value up, the maintenance costs low, customer satisfaction high. And all those have to come together. So you can't just say each vehicle can be replaced at a certain interval.

On this list, there's vehicles -- there's about 16 that have 100,000 miles plus, the remainder are under that, but they're old. The average vehicle on this list is approximately 11 years old, so the vehicles that are 10, 11, 12 years old, they're starting to get worn from just the use. So even though their miles is low, they've just -- their lifecycle is used up. They're physically deteriorating and parts are becoming obsolescent. And as I've stated before, one of our goals is to provide a high-quality vehicle to our customers while maximizing the lifecycle. I mean, we want to make sure that the employees are happy with what they got so they're productive and they appreciate -- that vehicle is a tool that they use for their job. So it's important that the appearance is good, so the State's represented well, it's reliable, and that they feel safe and that they are comfortable with what they have.

So balancing the cosmetic, you know, the appearance -- once a vehicle gets 10, 11 years old, the paint is fading, the interior is deteriorating. It's not even cost effective at all for us to try and rebuild those. So there is a balancing act, and we look at each vehicle on a case-by-case basis, and we take a snapshot in its lifecycle and say, okay, that vehicle needs come to out of service right there. So it's essentially a predictive replacement program. We're predicting that car should come out of service at that moment in time, and each one is done individually to ensure that we gain as much use out of it, which this request shows because there's a lot of vehicles on here that are 12 years old, and there's some that are only 5 years old, but the agency's -- they run the miles up on them so fast that they need to be cycled out. But that's kind of the summary. I mean, we...

Governor: No. And that's exactly what I was looking for. How much do you think we'll get out of all these cars when you sell them?

Keith Wells: When we sell them, we get mid-book price. Book value is established by the industry, and we get mid to high-book. SUVs we actually get high book on them at auction. So we're an internal service fund, it's important that we cycle these vehicle out of service at an appropriate time to gain the highest -- to recover as much money as possible to fund new acquisitions. So there is a lot of strategy involved. And if I keep them in service too long, then that resale value is lost.

Governor: So do you -- when you budget for this, do you anticipate what you think the resale is going to be and use that as a set-off for the amount of money you seek?

Keith Wells: Yes.

Governor: Okay. And then what was your estimate on these cars?

Keith Wells: Well, we take the whole year. So this year we averaged about 200 -- we calculate we'll get about \$200,000 a year off of auctions. There's five auctions a year. And we generally

auction 70 vehicles a year approximately, and we calculate that we get about 200 to 250,000 a year out of that.

Governor: And I probably should know the answer to this question. Do we hire our own auctioneer or do you use an auction house to do that?

Keith Wells: The Purchasing Division has a contract with a professional auction company.

Governor: Okay.

Keith Wells: And they do an excellent job.

Governor: Anybody can show up and buy a used State car?

Keith Wells: Yeah. But they do -- they market -- they heavily market the auction. It's very competitive and there's a lot of dealers there actually. So they do everything they can. They have an incentive. They want to make money themselves. They get a commission off each sale, so there's incentive for them to market that vehicle to the largest audience and the best audience they can, and they do a good job.

Governor: Very informative. Thank you. Board members, any questions for Mr. Wells? If there are none, the Chair will accept a motion for approval of the State vehicle purchase as described in Agenda Item No. 4. Thank you.

Keith Wells: Thank you.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: Attorney General has moved for approval of Agenda Item No. 4, State Vehicle Purchase. The Secretary of State has second the motion. Any questions or discussion on the motion? All in favor say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Motion passes 3-0.

***5. FOR POSSIBLE ACTION – STATE ADMINISTRATIVE MANUAL**

The State Administrative Manual (SAM) is being submitted to the Board of Examiners' for approval of additions and revisions in the following Chapters:

- A. 0220 – Department of Administration – Division of Internal Audits – Filing Travel Claims**

B. 2616 – Supporting Documentation of Expenditures

C. 0336 – Amendments to Contracts

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Secretary of State

Vote: 3-0

Comments:

Governor: We will move on to Agenda Item No. 5, State Administrative Manual. Mr. Mohlenkamp.

Clerk: Thank you, Governor. I appreciate the opportunity to address this item. What we're doing here with SAM 220 and 2616 is we are providing language that would allow for agencies to use alternative methods of documentation. And so what we're trying to do is work our way into the 21st century a little bit, you know, identifying that electronic signatures, things of that nature, are now acceptable forms of identification.

So what this is, is it provides for documentation and other procedures which provide at least the level of control described in this section. So it's not nailing it down exactly what you can and can't use, but it's allowing for them to identify different forms of signatures, for example, documentation for -- when you're doing travel claims or contracts or purchase forms or things of that nature. And the idea here is to try and move us forward instead of just having hard signatures have to be in place before we can execute a transaction, to be able to allow those documents to -- the process to move forward knowing full well that ultimately that documentation exists, but this is giving them a little bit more flexibility.

Along those lines, one of the things that we know with the SAM manual is that it really hasn't had a top-to-bottom review in quite a while. Now, there's a new process that comes into effect the beginning of the new year through legislation that was initiated by the Attorney General's Office, and that will require 30-day notice for changes. So we'll be implementing that process coming up very shortly, so any changes in SAM will have to be posted on our website ahead of time, a 30-day disclosure allows for people to come forward and identify changes or any concerns they may have, commentary.

And so we're not going to do that top-to-bottom review until that practice goes into effect, but we are looking after the first of the year to do a more comprehensive review of SAM manual with the idea of bringing into the 21st century in other areas, because a lot of our procedures that we have are still -- they're a little antiquated when you look at it in SAM, and so they don't -- it doesn't take into account what current practices need to be. So this is one step, but we're looking for much larger steps coming after the first of the year.

Governor: Pretty straightforward for me. Board members, any questions? If there are none, the Chair will accept the motion for approval of the proposed changes to the State Administrative Manual as described in Agenda Item No. 5.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: The Attorney General has moved for approval. The Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye. Aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

***6. FOR POSSIBLE ACTION – TORT CLAIM**

**A. American Civil Liberties Union of Nevada and Valerie Nabors – TC 16655
Amount of Claim - \$130,000**

Clerk's Recommendation: Pulled from agenda

Motion By: _____ **Seconded By:** _____ **Vote:** _____

Comments:

Governor: Agenda Item No. 6. Mr. Mohlenkamp, it's my understanding that this is being removed from the Agenda?

Clerk: Yes, Governor. I received notice this morning that they asked to have this thing withdrawn. I understand that they anticipate bringing this back on possibly on a December Agenda, but there's still, I guess, some work on the settlement agreement that's taking place, and I think Mr. Leslie is here to be able to answer any questions you might have.

Clark Leslie: At 4:30 yesterday, a new term was inserted into the agreement where they wanted a consent decree. And as you know as a former judge, Governor, most of these agreements involve parties not agreeing or accepting liability for a particular action. Under the PLRA, if you agree to a consent decree, which was the term they wanted inserted, you are also agreeing or consenting that you are negligent or responsible. So that didn't come up until after months of negotiation, so we have to work that out.

Governor: So there is not a final settlement that this Board can review?

Clark Leslie: Not at this point.

Governor: All right. Board members, any questions with regard to this Agenda item? All right. Then hopefully we'll see you in December or have this Agenda item on in December.

Clark Leslie: Yes, Governor.

***7. FOR POSSIBLE ACTION – AUTHORIZATION TO APPROVE A PROVIDER AGREEMENT**

A. Department of Health and Human Services – Division of Child and Family Services

The Division of Child and Family Services (DCFS) is requesting Board of Examiner approval of two Provider Agreement template contracts for services of independent contractor for the following services:

1. Fetal Alcohol Spectrum Disorders Clinic
2. Mental Health Service and Placement

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Secretary of State

Vote: 3-0

Comments:

Governor: Agenda Item No. 7, Authorization to Approve a Provider Agreement. Mr. Mohlenkamp.

Clerk: Governor, before the Board are two separate agreements. As you know, we've had these come before the Board before. These template contracts allows agencies to then go out and use that template, basically not having to come back to the Board and secure services from the community. And so as long as those community providers essentially comply essentially with the terms of this template contract, then they can come in and do business with the State. Here you have two of them in front of the Board. One is for fetal alcohol spectrum disorders, and the other is mental health services and placement. And I do believe members are here from Child & Family Services if you need answers to this, but this wasn't tagged by any of the members.

Governor: And we've reviewed and approved these proposed agreements previously, this Board has, has it not?

Clerk: I don't know if we've had these...

Governor: Not this specific one, but...

Clerk: Right. Oh, absolutely. DHHS uses these quite frequently. They have probably, you know, numerous services that are used through this type of template contract, and it works very well. I don't know if these two specific services have been done through a template contract before or not.

Governor: I think it's a pretty straightforward agreement. Board members, any questions?

Attorney General: Governor, I'd move for approval.

Secretary of State: Second.

Governor: Attorney General has moved for approval of the proposed provider agreements described in Agenda Item No. 7. The Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye. Aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

***8. FOR POSSIBLE ACTION – AUTHORIZATION TO APPROVE A MANAGEMENT SERVICES AGREEMENT**

A. Department of Health and Human Services – Director’s Office

The DHHS Director’s Office is requesting Board of Examiner approval of the Management Services Agreement with Nevada Clinical Services, Inc. (NCS) to allow for the privately operated expansion of charitable safety-net mental health and social services at no charge to low income residents of Nevada. DHHS received authorization to execute this agreement with the adoption of Senate Bill 274 during the 77th session of the Legislature.

Clerk’s Recommendation: I recommend approval.

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

Comments:

Governor: We will move on to Agenda Item No. 8, Authorization to Approve a Management Services Agreement.

Clerk: Governor, this one is bigger than a breadbox, so Mr. Willden is coming forward to be able to explain this to you. This is, as you recall last session, there was this upper payment limit was discussed and actually placed in the budget, and we never were able to move that forward, but now we are, and Mr. Willden can describe it.

Governor: When you say “last session,” that was 2011.

Clerk: 2011, yeah. We actually put 10 million in the budget and weren’t able to recover that. So now we have nothing in the budget and Mike’s got something coming forward, so it makes me very happy as a budget guy.

Governor: No. This a good day. So, Mr. Willden, if you would please kind of take us back to what we were doing in 2011, and how we got to today.

Mike Willden: Thank you, Governor, and I apologize to the Attorney General for -- I don't know if she received a copy of the spaghetti-gram, the flow chart. If not, we will get one to you. Governor, this deals with what we call the Private Hospital UPL program. UPL stands for the Upper Payment Limit program. I've been before the Board several times discussing three different supplemental payment programs that we utilize to help our hospitals in the State. Disproportionate Share Hospital is a program we run that allows us to make supplemental payments, additional payments to hospitals for caring for a disproportionate number of indigents. We have for a long time run a Public Hospital Upper Payment Limit program, and that program allows us to make supplemental payments to hospitals. It compensates for Medicaid having a lower rate than Medicare, and it's calculated on their bed days and we can make supplemental payments to hospitals. We have been working for over three years now to be able to implement the Private Hospital UPL program. We actually got this State plan approved in the Medicaid process November 7 of 2011, and after a couple years work with the federal government getting that state plan approved, and it has an effective date of January of '10.

As Mr. Mohlenkamp indicated, we went before the 2011 session and thought that we could get this program off the ground and committed, that we thought we could earn for the State about \$10 million during the last biennium. That was problematic after we got to the contracting process, there were issues raised about legality and whether our statutes properly allowed for us to do all the things that we needed to do. So this session, the 2013 session, we introduced Senate Bill 274 which was approved that cleaned up the legal concerns, allowed us to contract with a nonprofit agency. And then the other piece of legislation in the 2013 legislature is the Appropriations Act, AB507, which authorizes us to do what we're finally able to do after three years of work today.

On the flow chart, I don't mean to take too much time, but simply how it will work, there has been a nonprofit created in the box called Nevada Clinical Services. Nevada Clinical Services' funding or resources come from the hospitals in the State, private hospitals. There are 16 participating hospitals in this nonprofit collaborative. The process in making UPL payments is that the federal government will fund 60, 62 percent of the cost depending on what the federal matching rate is for a given year, but the magic is how do you find the nonfederal share. You either have to have General Fund dollars or some other source of dollars. So what we are creating in this process is a way where the State creates its own intergovernmental transfer to fund the Medicaid program to make these payments, UPL payments to hospitals. So essentially what happens is that the State of Nevada will stop paying for certain services that we have historically paid for, and we will turn those contracts over or have the Nevada Clinical Services pay for those contractual services.

The example that I would describe today, we contract, or have contracted with Westcare Nevada to provide triage services to mentally ill patients. And so we will be turning that contract over to Nevada Clinical Services, and they will pay on the behalf of the State of Nevada to perform that contract, and there will be additional contracts that we will turn over over time.

The State of Nevada HHS will still provide all of the administrative oversight, the day-to-day quality measures, things like that, on the contracts that we turn over. The only difference will be, we will do all the things we have always done except for when we get ready to pay on the

contract, the State of Nevada won't pay on the contract, Clinical Services, the nonprofit created by the hospitals, will make the payment on the State's behalf. So we just change who makes the payment on the contract.

What that allows us to do internally is free up general fund dollars that are now budgeted to pay for contracts like the Westcare contract and other contracts we'll turn over. It will free up General Fund dollars in the Division of Public and Behavioral Health, the Division of Child and Family Services, and the Division of Aging and Disability Services. Those funds will be reprogrammed into a budget account that is being formed at the next IFC meeting, within my office, the Director's office, and will become the pool of funds that will create the nonfederal share to make these UPL payments. And so that's generally how it works. And then as Medicaid makes these payments to Nevada's hospital, the Director's office will fund the nonfederal share, and then the remaining balance would be reverted to the General Fund.

So the work program that will go forward to the next IFC meeting will set up an initial authority of about \$5.4 million. If all works well getting an adequate number of contracts turned over through the process, that we would anticipate reverting about \$1.5 million to the General Fund out of that first round of contracts and first round of authority, and that way we'd be able to make about \$9 million worth of additional payments to our hospitals. And so it's kind of a win-win. Not kind of, it is a win-win. We reprogram our dollars, hospitals -- we're able to make additional supplemental payments to the hospitals, and the General Fund wins by a reversion to the General Fund.

So we're hopeful that we'll be successful. All the pieces are in place now after three years of struggling, and so we're ready to launch, and we'll identify additional contracts that we would bring forward. I would note for the Board, there is some concern that what if it doesn't work. I would note that in the contract there are assignment provisions in the contract that as we assign contracts to Nevada Clinical Services, if it doesn't work, they can be assigned back to the State of Nevada and we would just pick up without really a miss of a heartbeat to be able to make payments so that our clients aren't affected by the pay source. So that in a nutshell, Governor, longer than a nutshell, is the new process.

Governor: It's a big nut.

Mike Willden: It's another one of the magic financing mechanisms that we put together to help operate our Medicaid program and assist our hospitals.

Governor: Mr. Willden, I want to congratulate you. This has been a long time coming, and it's been a lot of work, and...

Secretary of State: These are the hard workers here.

Governor: ...and it's extremely complicated as the explanation showed. And I don't know if you can simplify it a little way in what does this mean to the private hospitals, what does it mean to the people that are going to be serviced.

Mike Willden: Well, the people -- our clients that receive these services shouldn't see a difference in the service delivery that they receive. Again, the contracts will be put in place by the nonprofit; the State will stay involved in the delivery, quality, oversight of all the programs that we have. It's just a different pay source for the clients in our programs. What it really benefits is our hospitals who, again, because Medicaid isn't known to be the best payer in the nation, and we struggle to be able to make these kind of supplemental payments to find the match, this is a creative way to use our funds in a different way, and, again, like I said, hospitals will get additional payments, nine million bucks additional payments out of the first cycle of contracts we've identified. We would hope to grow that capacity. I believe there's something like about \$110 million worth of gap identified that if we had enough contracts we could make \$110 million worth of additional payments to hospitals. But again, we have to find enough contracts to repackage to be able to meet that whole gap. The initial plan is we're on our way with \$9 million.

Governor: And you said, I think, 16 private hospitals are participating?

Mike Willden: That's correct.

Governor: Is that statewide, and is that basically of universe of private hospitals?

Mike Willden: That pretty much is the universe of private hospitals. They participate in the program based on a formula. Some of them would only have a one or two percent participation. Other hospitals get up around 17 to 20 percent participation. And what I mean by participation, if we're going to make a million dollars worth of payments, the -- I think it's Desert Hills Hospital gets the highest percentage share of about 20 percent of those payments, and smaller hospitals like out in Elko, Northeast Regional Center, I think it participates on like a one percent share. So there's a range of participation. And I believe almost all of the private hospitals are participating. I can only think of one that's not participating, and my guess is they will join later.

Governor: Okay. And they have the ability to do so?

Mike Willden: Yes. We've insisted that hospitals have a way to get in as time goes on.

Governor: Okay. Thank you very much.

Mike Willden: Thank you, Governor.

Governor: Questions from Board members?

Secretary of State: No, Governor.

Governor: Yeah. And again, congratulations. This is -- this is a big deal.

Mike Willden: And I should introduce Bonnie Long from the Director's office will be managing the account out of the Director's office, and Leah Lamborn is the Administrative Service Officer out of Medicaid that will manage it for Medicaid.

Governor: Thank you. If there are no further questions, the Chair will accept a motion to approve authorization to approve a management services agreement as described in Agenda Item No. 8.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: The Attorney General has moved for approval. The Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye. Aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

9. FOR POSSIBLE ACTION – AUTHORIZATION TO APPROVE A RESOLUTION APPROVING A GROUND LEASE

A. Treasurer's Office

Clerk's Recommendation: I recommend approval.

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

Comments:

The Treasurer's Office is requesting approval of "A Resolution Approving a Ground Lease" to be entered into between Nevada System of Higher Education (NSHE) and the Nevada Real Property Corporation (NRPC) in which NSHE will lease certain property owned by it to the NRPC who will in turn sublease back to the NSHE the property and certain improvements to be constructed or improved thereon.

Comments:

Governor: We will move on to Agenda Item No. 9, Authorization to Approve a Resolution Approving a Ground Lease. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is a request from the Treasurer's Office to approve a resolution approving a ground lease entered into between the System of Higher Education and the Nevada Real Property Corporation. So in this situation, this is a lease-purchase project at Nevada State College, and we have representatives from the Treasurer's Office to be able to explain it in significant detail if you need.

Governor: Good morning.

Lori Chatwood: Good Morning. Thank you, Governor, members of the Board. Lori Chatwood, Deputy Treasurer of Debt Management for the State Treasurer's Office. Here with me today is Buster Neel, the Senior Vice President of Finance and Administration for Nevada State College, as well as in our Las Vegas office, Buster -- I'm sorry, yeah, Bart Patterson, the President of Nevada State College. We also have with us today should we need for questions the Board may have, our Bond Council, our financial advisors and our Chief Deputy Treasurer with our office as well.

I appreciate the opportunity to bring before you this resolution requesting approval of a ground lease for the Nevada State College Lease-Purchase Certificate of Participation Project. As you're aware, this is the first time that we've brought a lease-purchase project before this particular Board. If you'll indulge me, I'd like to take just a brief moment to describe the lease-purchase process. NRS 353.5 through 353.63 authorizes the issuance of lease revenue bonds or certificates of participation which are structured as a series of one-year renewable obligations spread out over the life of an asset, and they're subject to annual appropriations by the legislature. The ground lease before you today is the document under which the State, or in this case NSHE, leases the unimproved property to a separate legal entity, the Nevada Real Property Corporation, or NRPC as we call it, which is a nonprofit corporation of the State which will execute and deliver the certificates of participation, which gets the proceeds to build an improvement. The proceeds are utilized to make this capital improvement on the lease property, which in the case of the Nevada State College Project is the construction of two buildings. An approximately 60,000 square foot nursing, science, education facility, and an approximately 60,000 square foot student activities, administration facility or student union.

The NRPC then subleases the improved property with the facilities back to NSHE, and the State NSHE will pay yearly lease payments to Nevada Real Property Corporation, who takes those payments and makes its debt service to the trustee. At the end of the lease period, which is approximately 30 years, the State will own both the land that it has always owned and continues to own, and the new buildings. The State Land Registrar, Jim Lawrence, has been wonderful working with NSHE and our office, and in consultation with the entire group has determined that the payments that you see in the lease, the \$1 per year while it's being leased back to NSHE, is a fair market value of the property.

Pursuant to the lease-purchase statute, this project was approved in January by the Interim Finance Committee. An increase in the scope of the project, not the price, but the square footage that we were able to build these buildings was increased from 100,000 square feet to 120,000 square feet, and was approved by the IFC in August. It went before the Board of Finance on September 10 and was approved by the Board of Finance, and now, through a recommendation from the Treasurer, the State Land Registrar and Jeff Mohlenkamp as the Director of the Department of Administration and Budget Division, it is before this Board today. The NRPC has a meeting on this upcoming Monday, October 14 to review and determine its approval of the project. And I would like at this time, if you don't mind, to turn it over to Bart Patterson in Las Vegas for a few comments from the President.

Bart Patterson: Thank you, and I really appreciate the explanation. You know, it's a really exciting time for Nevada State College. We've been the fastest growing college in the State. We now have about 3400 students. We're quickly surpassing Western Nevada and Great Basin College in size. And if you compare the facilities we have with the facilities of those campuses, you can understand immediately the need that we have.

We have two buildings that are five miles away from our main campus, and we have to lease those buildings. Our main campus is 510 acres. It's a beautiful site. It's going to be a terrific place for a growing college, and, as you know, there hasn't been state capital money over the last several years. And so this is the creative way we've been essentially able to self-finance the construction of these two buildings. We're moving over our lease payments that we currently have down on Water Street, and that's a fair share of this cost, and the additional cost comes from our students who have agreed to have a special building fee imposed so that they can have a student center. And this will finally make us a cohesive campus in terms of being a place where all of our faculty and students are located, a much better student experience, student activity space which we don't have, and it's finally that opportunity to be what I would call a real campus. I don't know how many students we'll get. If they keep coming to us in record numbers without facilities, I don't know exactly how many students we're going to get with facilities, but I'm sure it's going to be a much better experience for our students when we have the buildings built.

We feel like we have a very conservative financial plan in place here, and so this is the, I would say the final approval, and of course NRPC, the corporation, will review all of the documentation, but it's been about a two-year process to get to this stage, and with multiple approvals of both the Board of Regents and various state constitutional officers and state agency officers. We've been working with the Deputy Attorney General, with the Treasurer's Office and our outside financial advisors and counsel. I would say that the Treasurer's Office has been particularly terrific, and I just want to point that out because they've helped us really slim down our administrative costs on the project, and that has made it able for us both to lower the amount we're going to finance and expand the project. So it increases our total square footage by about 50 percent which will give us some real needed growth to accommodate the students.

So we're very excited about the project. Vice President Neel is in Carson City and can answer more detailed financial questions. And, Governor, before I forget, we have -- are developing a plan, and these buildings will help to increase the number of teachers we graduate as well as nurses, and I know you mentioned that at the Board of Finance, and those are two of our core programs. So thank you.

Governor: And thank you, Mr. President, and this may be the most scrutinized agreement that I'm aware of, and so you've jumped through a lot of hoops and gotten all the approval, so I congratulate you on that. I think it's an exciting opportunity for the college, and I know that I ran into some students and they're very excited about the potential for the construction of this student union as well as the new classrooms. I know I've already reviewed this on the Board of Finance, but I wanted for you to make a partial record with regard to the student input and their support of their fee portion.

Bart Patterson: Thank you, Governor. I'll be happy to do that. So we've been out to the students a couple of times. There was overwhelming support by the students. I think the percentage of students that supported the project was about 75 percent with pretty significant survey responses, and of course our student government has been at every Board of Regents meeting, and out of many of the meetings themselves, talking about how important the project is to the students. And so, again, I think the need is very well recognized and our students are really excited about starting that construction which could occur as early as January, and we should be in the building in time for the fall semester 2015.

Governor: Okay. That was my next question. So you hope to turn dirt over in January of '14 and be ready for school in fall of '15?

Bart Patterson: Yes.

Governor: All right. Okay. I have no further questions. Board members, any questions?

Secretary of State: No, Governor.

Attorney General: Nope.

Governor: All right. Any other presentation that you want to make? No. All right. Thank you, Mr. President. I really appreciate your presence here today for this Agenda item.

Bart Patterson: Thank you.

Governor: If there are no further questions, the Chair will accept a motion to approve the authorization to approve a resolution approving a ground lease as described in Agenda Item No. 9.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: The Attorney General has moved for approval. The Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye. Aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0. Congratulations. Thank you, Ms. Chatwood.

***10. FOR POSSIBLE ACTION – LEASES**

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

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: We'll move on to Agenda Item No. 10, Leases. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board are six leases for consideration. There were no questions that were raised to me with regard to these leases. They all seem pretty straightforward I think.

Governor: I had no questions. Board members, any questions?

Secretary of State: No, Governor.

Attorney General: No. I'll move for approval.

Secretary of State: Second.

Governor: The Attorney General has moved for approval of the leases described in Agenda Item No. 10, Leases 1 through 6. The Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye. Aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

***11. FOR POSSIBLE ACTION –CONTRACTS**

Forty independent contracts were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: We will on to to Agenda Item 11, Contracts. Mr. Mohlenkamp.

Clerk: Thank you, Governor. The Board has 40 contracts for consideration, and I think you were the only that identified any holdouts to me.

Governor: All right. So I had held out 21, 26, 30, 38, and that is all. I'm hoping that somebody from DHHS would be here for 21 and 26.

Clerk: I think we have representatives here. I know Mike -- Mike might have stepped out. Is there anybody still here from...

Governor: Yeah, Dr. Green I see.

Clerk: Oh, there we go.

Governor: Yeah. Dr. Green?

Dr. Tracey Green: Good morning.

Governor: Good morning, Dr. Green. And my purpose of asking for some explanation on these contracts is not the basis of the contract, only that I see this as another piece in the puzzle with regard to our treatment of the mentally in the State of Nevada. So I wanted to kind of -- I was hoping that we could get some more detail about what these contracts do.

Dr. Tracey Green: Great. For the record, Dr. Tracey Green, Chief Medical Officer, Division of Public and Behavioral Health. Well, the first contract is actually a contract for resident services, and this contract is a statewide contract for all levels of residency training. So it would incorporate first, second, third and fourth-year residents. This is a new contract because it's enhanced in that it includes not only our regular resident services, which is services for all levels of care in the hospital, so we do have residents that provide in-patient services with our psychiatry as well as out-patient services, but we've now added a forensic residency program so that in the north at Lakes Crossing we now have a forensic residency program. And as soon as we have the Stein Hospital remodeled and the forensic beds in the south, we will be expanding to a statewide forensic residency program. And as you know, we have a real problem with not only psychiatry in our state, but forensic psychiatrists, so we believe this will incorporate new psychiatry -- forensic psychiatrists in our State. So this really enhances our program, and continues to bring residents to training in our State and then keep them here for work in the future.

Governor: And I don't recall, perhaps you know the statistic, but isn't it 80 percent of the residents stay where they did their residency?

Dr. Tracey Green: Right. We are seeing about that percentage, right under 80 percent, that stay when they train here.

Governor: And do you have any idea how many residents this means as a result of this contract to the program?

Dr. Tracey Green: Each year we have approximately seven resident positions, but what happens is each of the residents rotate for different numbers of months. So, for example, if there

are six residents in a fourth-year slot, each of those residents may spend three months in our facility. So every resident in a year will spend some time in our facility, and then as they go to later years, they can spend longer periods of time. So every resident can have the opportunity to spend some time in our facility, but they can spend longer and longer time as they get higher in their levels of years. So every resident can spend some time in one of our facilities across the State.

Governor: And what does it mean to our mental health program to have residents versus not having them?

Dr. Tracey Green: Well, I think that there's a couple of things. One is having residents means that we have a local workforce that we are enhancing not only our future workforce, but it is the workforce that's providing services today in a time when we really need to have people working in our facility. In addition to that, you know, what it does is it shows that there is local participation here, and it lets the local Nevadans know that our school is committed to our people, and that's another part of what I really think is important here. And with me today is Cody Phinney. She's the administrator of the Northern Nevada Adult Mental Health Services, and I'm sure that she can speak also to how important the residents are to the northern facility.

Governor: Good morning, Ms. Phinney.

Cody Phinney: Good morning. Yes. The residency program is absolutely vital to our services there at Northern Nevada Adult Mental Health Hospital. Not only does it allow us to have that additional staff of psychiatrists, but they're residents who are still completing their education, bringing that up-to-date information to us, learning from our attendings the longer-standing information that they have, and that relationship for us is absolutely vital to providing high-quality services.

Governor: Thank you. Any questions from Board members?

Secretary of State: No, Governor.

Governor: All right. Then, Dr. Green, if we could move to 26, and similar questions from me as to what this means to our mental health programming.

Dr. Tracey Green: Again, Dr. Tracey Green. You know, I'm really excited about this contract. I think first I'd like to set the groundwork that in years past, you know, we've reverted dollars for housing, and what we know about the mentally ill in our State is that housing has been a critical problem. And what this contract is, is this contract is a contract for what we call supportive living housing. And what this housing is, is it's housing for individuals that have dual diagnoses. And what dual diagnoses is are individuals that have both a substance abuse problem, a chemical dependency, a drug problem, as well as a mental illness problem. And this -- in our state, this is -- gap. And what this contract, or what this provides is a collaborative service.

So the contract provides housing in that the solutions provides housing, community counseling provides the therapy, and then we at the Southern Nevada Adult Mental Health Services provides

pharmaceuticals and the psychiatric services. So this is really a collaborative effort at providing all services for individuals so that they can go from a really -- in many instances living on the street, unproductive individuals to getting back to the workforce, being active participants, healthy, really independent residents of Nevada. And that's really what we want to see happen as we move forward. We're making people well, and that's what this is all about. And this is an excellent example of a program that really enhances the livelihood of individuals.

And this is a fifth year of -- this particular contract will add a fifth year. This is a contract that we've had for the last four years. They have had over 150 individuals, over 9,000 days in a home or in a house. They have six different group homes and apartments throughout Southern Nevada, and they've really made a difference in people's lives and made them well and made them active participants in the community, taken them out of the emergency rooms.

Governor: That was going to be my next question is breaking that cycle.

Dr. Tracey Green: Right.

Governor: Taking the pressure off of the emergency rooms.

Dr. Tracey Green: Right. And we have a number of examples of individuals that were using the resources in Southern Nevada, 10, 20 times in the emergency rooms and in our facilities that are now sober living in our communities that have not needed to use the hospitals or the emergency rooms that are reorganized, reliving and working in our communities. So that's what this is all about.

Governor: Yeah. And you mentioned in the beginning of your remarks is having to revert some of that money. Do you anticipate that this is all going to be utilized now?

Dr. Tracey Green: Absolutely. This is about expanding the contracts that are working. We consider this to be a model program. This will be the kind of work that we will continue to do as we move forward.

Governor: It seems this is one of those important pieces to the puzzle that really completes everything else or compliments everything else you've been doing there. All right. Board members, any questions with regard to this contract, Contract 26? Thank you, Dr. Green. Thank you very much. I think I see Director Cox. Perhaps not.

Secretary of State: Yeah, he's there.

Governor: Oh, there he is. All right. We'll move on to Contract No. 30, and it's a little bit serendipitous here because you have the Board of Prison Commission commissioners here as well. But, Director Cox, I know that this contract has been a long time in the making, and I'd appreciate it if you would give us kind of a beginning to now what the purpose of this contract is and what we hope to accomplish.

Greg Cox: Thank you, Governor. Greg Cox, Director of Department of Corrections, and in Carson, Scott Sisco, my Deputy Director of Support Services. Yes, we've been asked repeatedly by the State Board of Prison Commissioners over the years, even when I was a Deputy Director, to have a comprehensive staffing analysis done of our department. I actually think this is a very proactive approach. In my 33 years in this profession, normally these type of things don't occur until you have like an incident or a major problem, and we haven't had those. But we have been asked by the Board and the members of the Board, I have been -- and by yourself, Governor, to have a comprehensive analysis done.

And what I did initially was reach out to the National Institute of Corrections to help us do this. They're an agency supported by the Department of Justice and the Bureau of Justice Statistics. They were unable to provide us the funding, but had provided training for our staff, three staff currently in our operation and in our department. Working hand in hand with the Association of State Correctional Administrators, they're a nonprofit professional organization specifically dedicated to correctional operations. There are 50 states that are members of that organization, and what they provide to us is expertise in different, you know, programs and operations of correctional facilities and the administration of those facilities. So I'm really glad to have that organization come and conduct this staffing analysis, a very comprehensive and objective approach to our operation that will continue to provide for the safety of the public and our staff and our inmate population.

To hit on the three things they'll look at is relief factor which was done some time ago by Governor Guinn and the Department of Administration in '06. They'll also conduct a post-analysis and a staffing analysis of our current staffing patterns at each one of our facilities. They are going to visit 16 of our 18 facilities throughout the State. They're going to meet with our staff, our line staff, our correctional officers and our supervisors, our sergeants, lieutenants at each one of these facilities, and of course at our major facilities they'll meet with the wardens, the associate wardens and our lieutenants and sergeants.

Scott can discuss -- Deputy Director Sisco can discuss any part of the contract if you have specific questions to that, or anymore questions to me. I've been asked and talked to my -- to the former directors from Director Behr to Director Angelone, Director Crawford, Director Wharton and Director Skulnik, and it's my belief that we have never in our State had this type of comprehensive analysis done of our department. And I really think it will give us a strategy to move forward and look at the study when it's completed, and also give us an opportunity to develop a plan, and they will be with us through the entire process in helping us do that.

Governor: Thank you, Director Cox, and I want to congratulate you and compliment you on being so proactive with this. With regard to the contractor, is it recognized -- is that entity recognized as being objective, and once all this is done everyone will have full buy in as to what findings they make?

Greg Cox: Governor, Director Cox again. Yes, sir. They've done extensive staffing and analysis in major states, Arizona, Florida. This is the group that has the expertise to come in and lay out not only a short term, but a long term plan for our department and for our State. Very objective review. There's members of this team from the State of California Department of

Corrections, a former high level agency member there, from the State of Arizona, another former high level, and quite frankly, the two people, Camille Camp and George Camp, are recognized as the experts in this field in our country. They've written extensively on staffing analysis, post analysis and relief factor analysis. They write the books on these topics. I think we absolutely have the right objective people to do this for us.

Governor: And part of the strategy of doing this at this time is depending on the outcome or their findings will give us enough time to work any kind of budget consequences into the next budget cycle, correct?

Greg Cox: Correct, Governor.

Governor: And when do you expect that they'll finish?

Greg Cox: They have a timetable of anywhere from three to six months, but I'll say this, they'll stay as long as it takes to do the job right. We'll be working very closely with them and providing them any documentation that they may need on our operational procedures or regulations. And then quite frankly, their goal, and what they're going to do is meet with our staff at each one of our locations on every shift, and the shift supervisors are the critical part to running our operation and meet and talk to them. That, I believe, is one of the first times I've ever seen that done at that type of level in a department.

Governor: I have no further questions. Thank you, Director Cox. Board members, any questions?

Attorney General: Governor, just one follow up. Director Cox, we talked about this. With respect to the team members, there are two from Nevada. Can you talk about why you think they're instrumental in being a part of this team?

Greg Cox: I can. To the Attorney General, Director Cox again. I think it's important that each state has a representative, and Bob Behr is a former director of the department, and he can give a historical look and snapshot of what we've done in our department and why. And then Gary (inaudible) also with the Senate Finance can bring us into how our system and our process, our legislative branch works, how our fiscal -- how we, you know, develop budgets. And I think it's really critical for us and our State to have someone of that type of leadership and knowledge on this team. I think they bring -- it encompasses a whole thing for our State, and then is also brings people in with our -- the specific expertise for our State.

Attorney General: Thank you.

Governor: I have no further questions. Anything else? You got off easy, Mr. Sisco. Thank you, Director Cox.

Greg Cox: Thank you.

Governor: All right. The final holdout I had was Contract 38, which is DMV and Penna Powers Brian Haynes.

Clerk: I don't see anybody from DMV here, Governor.

Governor: And the question...

Kevin Malone: Good morning, Governor, Board members.

Clerk: Oh, there we go.

Governor: The only question for me is why we're using a Utah marketing and media entity to do this contract.

Kevin Malone: My name, for the record, is Kevin Malone. I'm the Public Information Officer for the Department of Motor Vehicles. Penna Powers Brian Haynes has opened an office in Henderson as of this month and they've hired three local people, plus they do have a fourth employee in Reno. We chose this firm largely because they have much larger contracts with the Nevada Department of Transportation and the Department of Public Safety, both agencies that we work closely with, and we feel that we're going to get much better advertising rates and be able to take advantage of the synergy between the three agencies, and the fact that they have large contracts means that the agency is able to negotiate much lower rates than the DMV would be able to on its own.

Governor: Great answer. I guess in the future it'd be nice to have a Henderson address instead of a Salt Lake City address with all due respect to Utah, but that was a fact that I wasn't aware of that they have opened a Nevada office. So that was my only question.

Kevin Malone: All right. Thank you. The actual staff over there is putting together their office furniture as we speak. It just opened in October, and we have a kickoff meeting next week.

Governor: All right. So you'll be doing your meetings with regard to this contract right here in Henderson -- or right there in Henderson I should say.

Kevin Malone: Correct. Correct.

Governor: All right. Board members, any questions?

Secretary of State: No, Governor.

Attorney General: No, Governor.

Governor: Thank you, Mr. Malone.

Kevin Malone: Thank you.

Governor: All right. Before I take a motion on Agenda Item No. 11, Board members, any further questions?

Secretary of State: No, Governor.

Governor: If there are none, the Chair will accept a motion to approve Contracts 1 through 40 as described in Agenda Item No. 11.

Secretary of State: I'll move approval of the 40 contracts.

Attorney General: I'll second the motion with further discussion. I think -- oh, no, that's right. We didn't withdraw any from here. It was the previous Agenda item. I -- never mind. Strike that. Not enough coffee this morning. I will move for -- or I'll second the motion.

Governor: Secretary of State had moved for approval of Contracts 1 through 40 as described in Agenda Item No. 11. The Attorney General has seconded the motion. Any questions or discussion? All in favor say aye. Aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

***12. FOR POSSIBLE ACTION – MASTER SERVICE AGREEMENTS**

Six master service agreements were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: We'll move on to Agenda Item No. 12, Master Service -- oops, did I miss something?

Clerk: No.

Governor: Oh, yeah. Okay. Master Service Agreements.

Clerk: Thank you, Governor. So there are six Master Service Agreements for consideration by the Board, and, again, I was not provided any holdouts for this particular Agenda item.

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

Secretary of State: No, Governor.

Attorney General: No.

Governor: Chair will accept a motion for approval.

Secretary of State: Move approval of the six Master Service Agreements described in Agenda Item No. 12.

Attorney General: I'll second.

Governor: Okay. The Secretary of State has moved for approval of the Master Service Agreements described in Agenda Item No. 12. The Attorney General has seconded the motion. Any questions or discussion? All in favor say aye. Aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

13. INFORMATIONAL ITEM

Pursuant to AB 41 of the 2013 Legislative Session, 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). Below is a list of all applicable approvals for contracts and amendments approved for the month of September.

CONTRACT #	STATE AGENCY	CONTRACTOR	CONTRACT/ AMENDMENT	AMOUNT
14891	Department of Administration – Enterprise IT Services	Dell Marketing, LP.	Contract	\$11,892
Contract Description:	This is a new contract to provide installation of Compellent open system storage equipment required to replace/expand existing storage in Las Vegas, Nevada.			
14892	Department of Administration – Enterprise IT Services	Dell Marketing, LP.	Contract	\$46,000
Contract Description:	This is a new contract to provide installation of CommVault open system storage equipment required to replace/expand existing storage in Las Vegas, Nevada.			
14401	Department of Administration- Enterprise IT Services	Witch Communications Group	Amend#1	\$34,208
Contract Description:	This is the first amendment to the original agreement, which continues hub and secure data hosting for the state. This amendment increases the maximum amount from \$1,000,000 to \$1,034,027.34 due to a need for additional rack/cabinet space and power to house the backup for the Nevada Health Insurance Exchange.			
14894	Department of Administration – Enterprise IT Services	Dell Marketing, LP.	Contract	\$2,875
Contract Description:	This is a new contract to provide installation of Compellent open system storage equipment required to replace/expand existing storage in Carson City, Nevada.			

CONTRACT #	STATE AGENCY	CONTRACTOR	CONTRACT/ AMENDMENT	AMOUNT
14917	Department of Administration – State Public Works Division	JBA Consulting Engineers, Inc.	Contract	\$15,750
Contract Description:	This is a new contract to provide professional architectural/engineering services to replace HVAC Units at the Lost City Museum; Project No. 13-M30; Contract No. 82031.			
14918	Department of Administration – State Public Works Division	JBA Consulting Engineers, Inc.	Contract	\$36,500
Contract Description:	This is a new contract to provide professional architectural/engineering services to replace rooftop HVAC Units – Housing Units at the Southern Nevada’s Women’s Correctional Center; Phase 1; Project No. 13-M16; Contract No. 82127.			
14921	Department of Administration – State Public Works Division	Ainsworth Associates	Contract	\$34,000
Contract Description:	This is a new contract to provide professional architectural/engineering services for the HVAC Systems renovation (Stewart Buildings 6 & 10); Project No. 13-M29; Contract No. 82214.			
14937	Department of Administration – State Public Works Division	JR Romero Architect	Contract	\$13,000
Contract Description:	This is a new contract to provide professional architectural/engineering services to replace the main doors at the Stead Training Facility; Reno, NV; Project No. 13-M54; Contract No. 82227. The project includes removing and replacing exterior doors and hardware of eight buildings.			
14936	Department of Administration – State Public Works Division	DG Koch Associates, LLC.	Contract	\$18,200
Contract Description:	This is a new contract to provide professional design & construction administration engineering services for construction improvements to the Desert Regional Center; Project No. 13-M32; Contract No. 82195. The project will include replacing two existing gas furnaces and air cooled condensing units in each of three cottages located at the DRC, on North Jones, in Las Vegas, for a total of six systems; modification and/or replacement of existing ductwork; provide new gas connections and refrigerant tubing; wall patching and repairs as required by the upgraded HVAC systems; provide new packaged temperature controls, electrical and test/balance; remove existing equipment; and revise the condensate drains.			
14935	Department of Administration – State Public Works Division	Petty & Associates, Inc.	Contract	\$47,000
Contract Description:	This is a new contract to provide professional architectural/engineering services for the chiller and boiler replacement at the Warm Springs Correctional Center Housing Unit 2 in Carson City, NV; Project No. 13-M18; Contract No. 82115. Project includes the replacement of the existing boiler, chiller pumps, and other associated equipment as outlined in the Scope of Work for this project. Work will include all mechanical, electrical, and structural design as necessary.			
14933	Department of Administration – State Public Works Division	Rounds Engineering, LTD. Dba CR Engineering	Contract	\$29,000
Contract Description:	This is a new contract to provide professional architectural/engineering services for the boiler plant improvements at the Blasdel Building; Project No. 13-M38; Contract No. 82171. Project includes the removal of a 2,000 MBH dual fuel boiler, hot water pump, and controls. Installation of two (2) gas fired, high efficiency, condensing, 1,200 MBH, boilers, inline boiler pumps, base mounted hot water pumps, associated piping modifications and direct digital controls. The proposed electrical sub-consultant is Jensen Engineering.			
14939	Department of Administration – State Public Works Division	Engineering Partners	Contract	\$12,000
Contract Description:	This is a new contract to provide professional mechanical, electrical and design engineering services to replace rooftop HVAC Units at the Southern Nevada Child and Adult Services; Project No. 13-M34, Contract No. 82189. Project included the replacement of four (4) packaged rooftop units for the existing 6,500 square feet, single story building located at 6171 W. Charleston Blvd. in Las Vegas.			
14938	Department of Administration – State Public Works Division	Gary Guy Wilson Professional Corp.	Contract	\$21,744
Contract Description:	This is a new contract to provide professional architectural/engineering services for the elevator upgrade at the Belrose Building, Las Vegas, NV; Project No. 13-M49; Contract No. 82219. Project will include the design services to upgrade (02) two existing elevators located in the Belrose Office Building, including upgrades to the elevator equipment, signage, controls, ventilation unit and to address ADA and the fire safety requirements.			

CONTRACT #	STATE AGENCY	CONTRACTOR	CONTRACT/ AMENDMENT	AMOUNT
14871	Department of Administration – State Public Works Division	ASAP Pump & Well Service	Contract	\$20,000
Contract Description:	This is a new contract that continues ongoing repairs, services, and maintenance to various State well sites, on an as needed basis and at the written request and approval of a Buildings and Grounds designee.			
14944	Department of Administration – State Public Works Division	Aspen Engineering, LLC.	Contract	\$26,000
Contract Description:	This is a new contract to provide professional architectural/engineering services for the HVAC System Renovation at the Northern Nevada Child and Adolescent Services Administration Building and Residential Buildings; Reno, Nevada; Project No. 13-M31 and 13-M35; Contract No. 82216. This project includes replacement of the existing heating, ventilating, and air conditioning equipment serving the Administration Building at the Northern Nevada Child and Adolescent Services campus on Enterprise Road in Reno.			
14922	Department of Administration – State Public Works Division	Petty & Associates, Inc.	Contract	\$20,000
Contract Description:	This is a new contract to provide boiler plant improvements at the Lake's Crossing, Sparks, Nevada; Project No. 13-M09; Contract No. 82131. The work will include all mechanical, electrical and structural design as necessary.			
15016	Department of Administration – State Public Works Division	Lumos and Associates	Contract	\$24,900
Contract Description:	This is a new contract to provide professional architectural/engineering services for the Combined Support Maintenance Shop site improvements; Project No. 13-A027; contract No. 85597.			
14212	Department of Administration – State Public Works Division	Reno Tahoe Franchising Inc. dba Jani King of Reno	Amend#1	\$20,000
Contract Description:	This is the first amendment to the original contract, which continues ongoing floor cleaning/care at the written request and approval of a Buildings and Grounds designee. This amendment increases the maximum amount from \$15,000 to \$35,000 to add the task of carpet care to the scope of work for this contract.			
14984	Department of Administration – State Public Works Division	Carson Pump, LLC.	Contract	\$15,000
Contract Description:	This is a new contract to provide maintenance and repair of various well sites including, but not limited to Stewart well and Marlette pump site on an as-needed basis. This will be at the request and approval of a State Public Works Division (SPWD), Buildings and Grounds (B&G) – Marlette Water System designee(s).			
13149	Department of Business and Industry – Real Estate Division	Linda Rheinberger	Amend#2	\$5,000
Contract Description:	This is the second amendment to the original contract to extend the contract for one additional year from October 1, 2013 to September 30, 2014 to continue instructing the trust accounting course to brokers, broker-salespersons and salespersons.			
10838	Department of Employment, Training and Rehabilitation – Employment Security Division	Virtual Hold Technology, LLC.	Amend#1	\$20,102
Contract Description:	This is the second amendment to the original contract to extend the contract for one additional year from October 1, 2013 to September 30, 2014 to continue instructing the trust accounting course to brokers, broker-salespersons and salespersons.			
14793	Department of Employment, Training and Rehabilitation – Vocational Rehabilitation	University of Nevada School of Medicine	Amend#2	\$5,000
Contract Description:	This is a new contract to provide an applicant or eligible client services that include, but are not limited to, examination, consultation, diagnosis, treatment, therapy, anesthesia, medical facility fees, and hospital or surgeon fees. Services will be provided with the intent of getting the applicant able to return to work activities.			
13300	Department of Motor Vehicles – Field Services	Vogue Laundry & Cleaners, Inc. dba Vogue Linen and Uniform Rent	Amend#1	\$18,420
Contract Description:	This is an amendment to the original contract, which provides and maintains on a rental basis floor mats and scrapers for Elko, Ely, and Winnemucca DMV facilities. This amendment extends the termination date from September 30, 2013 to September 30, 2016 and increases the maximum amount from \$8,672.43 to \$27,091.51 due to the need to provide safety and protect the facilities.			

CONTRACT #	STATE AGENCY	CONTRACTOR	CONTRACT/ AMENDMENT	AMOUNT
11122	Gaming Control Board	International Risk	Amend#2	\$49,900
Contract Description:	This is the second amendment to the original contract which provides ongoing investigations of foreign-based applicants. Difficulty in performing research in large, foreign records facilities characterized by poor indices mandates use of outside contractors to perform some of this work. This amendment increases the maximum amount from \$100,000 to \$149,900 due to an increases need for the services.			
14851	Department of Health and Human Services – Aging and Disability Services Division	DOP, Inc. dba Vegas Painters	Contract	\$11,010
Contract Description:	This is a new contract to provide interior painting of Building 1301 and 1308 at Desert Regional Center.			
14976	Department of Health and Human Services – Aging and Disability Services Division	Vegas Valley Fire Design, Inc.	Contract	\$19,498
Contract Description:	This is a new contract that continues ongoing fire sprinkler, fire extinguisher, fire hydrant inspection and repair services for Desert Regional Center.			
14977	Department of Health and Human Services – Aging and Disability Services Division	Pueblo Electrical Services, Inc.	Contract	\$20,000
Contract Description:	This is a new contract that continues ongoing electrical repair services for Desert Regional Center.			
14979	Department of Health and Human Services – Public and Behavioral Health	Center for Social Innovation	Contract	\$49,990
Contract Description:	This is a new revenue contract to develop planning for the Nevada Peer Support Program, which will ultimately support services and involvement with Nevada’s Mental Health and substance abuse services.			
14998	Department of Health and Human Services – Public and Behavior Health	Board of Regents – UNR Unsom	Contract	\$11,010
Contract Description:	This is a new interlocal agreement, for ongoing services to implement a statewide network of telemedicine/tele-psychiatry services to increases access to care in the rural areas on behalf of individuals with mental and co-occurring substance abuse disorders who may also be involved in the juvenile or criminal justice systems.			
14115	Department of Health Care Financing and Policy	Public Knowledge, LLC.	Amend #1	(\$13,870)
Contract Description:	This is the first amendment to the original contract which provides assistance to the Division with Federally required Medicaid Information Technology Architecture (MITA) 3.x State Self-Assessment (SS-A). This amendment decreases the maximum amount of the contract from \$601,391 to \$587,521 due to a change in the scope of work to remove the development of a cost allocation plan by the contractor. This amendment also incorporates the detailed Project Plan identified in the original scope of work; this change does not change the authority of the contract.			
14849	Department of Health and Human Services – Public Health	Bombard Mechanical	Contract	\$49,950
Contract Description:	This a new contract to provide ongoing commercial plumbing and HVAC maintenance services to the Southern Nevada Adult Mental Health Services agency campus. Because of the unique design of the facilities and need for certifications and inspections, it is required to have licensed commercial plumbers and licensed commercial HVAC technicians available.			
14979	Department of Health and Human Services – Public Health	Center for Social Innovation	Contract	\$49,990
Contract Description:	This is a new contract to develop planning for the Nevada Peer support Program, which will ultimately support services and involvement with Nevada’s mental Health and substance abuse services.			
14958	Department of Motor Vehicles	Reno Tahoe Franchising, Inc.	Contract	\$16,870
Contract Description:	This is a new contract to provide ongoing janitorial service for the DMV Commercial Driver’s License facility located at 810 Greg Street, Sparks.			

CONTRACT #	STATE AGENCY	CONTRACTOR	CONTRACT/ AMENDMENT	AMOUNT
14947	Department of Wildlife	Board of Regents – NSHE OBO UNR	Contract	\$15,000
Contract Description:	This a new contract to provide qualified facilitation of Sage-grouse Local Working Group meetings in Nevada. Working with the Nevada Department of Wildlife, the Nevada System of Higher Education (Cooperative Extension) Staff will conduct up to three facilitated sessions with the Washoe-Lassen-Modoc, Lincoln. White Pine working groups and up to four sessions will be conducted with the Bi-State Local Working Group.			

Comments:

Governor: We will move onto Agenda Item No. 13, Informational Item. Mr. Mohlenkamp.

Clerk: Thank you, Governor. This is now the second month that we've had this item on. This is the contracts that used to come forward to the Board, at least these used to come forward before we changed the threshold, and now what we've included is a contract description in there. So hopefully this provides the level of information that the Board members need. If not, we can certainly look to tweak this again further. But you'll see that are quite a few that would have been under been consideration by the Board, but are not now. I do want to comment that there is one that has an error on it, and while it's an information item, it doesn't have a problem with the Agenda; it's on Page 17, Contract 14998. That actually should be \$49,990. So you can see that there are some contracts that are coming in just below the threshold. And, Governor, here's a corrected page for you. I just became aware of this this morning, so I don't have one for the other members, but that's the only adjustment on this informational item.

Governor: And just for information purposes, this is a contract between -- this 14998 is a contract between the Department of Health and Human Services, Public and Behavior Health and the Board of Regents at the University of Nevada...

Clerk: That's correct.

Governor: ...which allows for the implementation of a statewide network of telemedicine psychiatry services to increase access to care in rural areas. So it's another great contract.

Clerk: Yeah, this is a service that has been very, very helpful for rural communities, because getting those services out there is sometimes challenging.

Governor: All right. Thank you. Board members, any questions with regard to the contracts contained in Agenda Item 13?

Secretary of State: No, Governor.

Attorney General: No.

Governor: All right.

***14. INFORMATIONAL ITEM – NOTIFICATION OF INTENT TO FILE FOR A GRANT OR LOAN FROM THE DISASTER RELIEF ACCOUNT**

A. Department of Public Safety – Division of Emergency Management – Carpenter 1 Fire – Mt. Charleston

Pursuant to NRS 353.2755, Clark County filed their letter of intent with the Division of Emergency Management within the 60 day requirement to request a loan or a grant from the Disaster Relief Account for the Carpenter 1 Fire, which occurred in the Mt. Charleston area.

Comments:

Governor: Agenda Item 14, Notification of Intent to File for a Grant or Loan from the Disaster Relief Account.

Clerk: So, Governor, we have before the Board an informational item. This is the notice that Clark County has filed their letter of intent with the Division of Emergency Management. They filed within the required 60-day timeframe. They have filed a request for \$400,000. As you know, this will be subject to change, and there's a 50 percent limitation on that. So before the Board is a notice of essentially a 200,000 estimated disaster relief request that will be coming forward in the future from Clark County.

Governor: And I see Chief Smith is here. Chief, did you want to make any comment?

Chris Smith: Thank you, Governor. Good morning. General Masto, Secretary Miller, this is Chris Smith for the record. I just wanted to reiterate a little bit about what Jeff Mohlenkamp stated. This application that Clark County is putting forward is the first one since the legislative change that Senate Bill 44 has gone through to extend our process to allow the time that it takes to actually process all the information. So right now Clark County is busy going through their receipts, working with the U.S. Forest Service, working with NDF, identifying the costs that are not going to be reimbursed and anything that's outside of the Federal Emergency Management Agency's FMAG, which is the Fire Management Assistance Grant. Those expenses that are going to be identified there would be potentially eligible for this disaster relief account.

Governor: And everything is timely and done by the book, correct?

Chris Smith: Yes, sir. We are engaged timely. They put their letter of intent to file before the 60-day requirement.

Governor: All right. Thank you. Any questions from Board members?

Secretary of State: No, Governor.

Governor: Thank you, Chief Smith.

15. BOARD MEMBERS’ COMMENTS/PUBLIC COMMENTS

Comments:

Governor: Agenda Item 15, Board Member Comments. Any Board member comments? No? Any public comment from Carson City? Any public comment from Las Vegas?

Attorney General: No, Governor.

***16. FOR POSSIBLE ACTION – ADJOURNMENT**

Clerk’s Recommendation: I recommend approval.

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

Comments:

Governor: All right. Then the Chair will accept a motion for adjournment.

Attorney General: Move for adjournment.

Secretary of State: Second.

Governor: Attorney General has moved to adjourn. The Secretary of State has second the motion. All in favor say aye. Aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0. Thank you, everybody. This meeting is adjourned. Have a great day.

Respectfully submitted,

JEFF MOHLENKAMP, CLERK

APPROVED:

GOVERNOR BRIAN SANDOVAL, CHAIRMAN

ATTORNEY GENERAL CATHERINE CORTEZ MASTO

SECRETARY OF STATE ROSS MILLER