

Governor Steve Sisolak
Chairman

Susan Brown
Clerk of the Board



Attorney General Aaron D. Ford
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>

MEETING MINUTES

Date and Time: May 14, 2019, 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 Steve Sisolak
Attorney General Aaron Ford
Secretary of State Barbara Cegavske

STAFF PRESENT:

Susan Brown, Clerk of the Board
Greg Ott, Board Counsel, Deputy Attorney General
Dale Ann Luzzi, Board Secretary

OTHERS PRESENT:

Bob Reese, Assistant Director Engineering and Operations, Colorado River Commission
Gail Benton, Natural Resource Specialist, Colorado River Commission
Charlene Boegle, Administrative Services Officer 1, Department of Public Safety
John Borrowman, Deputy Director, Department of Corrections
Sue Sieber, Administrative Services Officer 3, Department of Public Safety
Melanie Young, Director, Department of Taxation
Cole Mortensen, Assistant Director of Engineering, Department of Transportation
Scott Anderson, Chief Deputy, Secretary of State's Office
Wayne Thorley, Deputy Secretary of State, Secretary of State's Office
Brenda Nebesky, Acting Director, Department of Tourism and Cultural Affairs

1. Call to Order / Roll Call

Governor: Good morning. I would like to call today's meeting of the State of Nevada Board of Examiners for May 14th, 2019 to order.

Board Secretary: Let the record reflect we do have a quorum.

2. Public Comment (The first public comment is limited to comments on items on the agenda. No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically included on an agenda as an action item. The Chair of the Board will impose a time limit of three minutes).

Governor: This is the first time set aside for public comment. Anyone wishing to address the Board on any item on today's agenda, items on the agenda, please step forward, identify yourself for the record and comments will be limited to three minutes. Do we have anyone in Las Vegas?

Rosalie Bordelove: We do not.

3. Approval of the April 9, 2019 Minutes (For possible action)

Governor: Approval of the April 9, 2019 minutes.

Secretary of State: So moved.

Governor: We have a motion on the floor. Any discussion on the motion? Seeing and hearing none, all in favor signify by saying aye. Any opposed? Motion passes.

4. Review and Consideration of Victims of Crime Appeal (For possible action)

Pursuant to Nevada Revised Statute (NRS) 217.117, Section 3, the Board may review the case and either render a decision within 15 days of the Board meeting, or, if they would like to hear the case with the appellant present, they can schedule the case to be heard at their next meeting. The Board may affirm, modify or reverse the decision of the Appeals Officer. The Board will hear the appeal of Ms. Veronica Nixon.

Governor: Item 4, *Review and Consideration of Victims of Crime Appeal*.

Clerk: Good morning, Governor, Members of the Board. Item 4 is a Victims of Crime Appeal. NRS 217 regulates the compensation for certain victims of criminal acts. Victims apply to the program and a determination is made as to whether or not the victim is entitled to compensation from the program. A victim whose claims are denied can appeal to a hearings officer or have their claims reconsidered.

The victim or the Clerk of the Board of Examiners may appeal the decision to the Hearings Officer or to an Appeals Officer. Both the Hearings Officer and Appeals Officer processes are under the jurisdiction of the Department of Administration. Under the Appeals Officers decision NRS 217.117, subsection 3, allows the applicant or the Clerk of the Board of Examiners to appeal the decision of the Hearings Officer to the Board of Examiners.

The Board of Examiners can render a decision in the case or hold a hearing on the matter. The item for consideration today is a review of the record of an Appeals Officer decision of an appeal by the applicant, Veronica Nixon. Ms. Nixon was notified of the meeting today.

Within 15 days of today's hearing, the Board shall render its decision on the case. The Board may affirm, modify or reverse the decision. Representatives from the Victims of Crime program are available to answer any questions you may have.

Governor: Okay, I need a legal opinion here. Who goes first? Is the Appellant here?

Board Secretary: No, sir.

Greg Ott: So, the Board has three options. It can either set this matter aside for a further hearing or it can decide today whether it should reverse the decision or uphold the decision. So, the Appellant has been noticed to be here today, but does not have to appear. If you wish to have a future hearing on the matter with the Appellant present, that is within your discretion.

Governor: I'm not in favor of delaying this and having another hearing. What is the sense of the Board?

Attorney General: In my estimation, I have reviewed the record, it appears as though some fraudulent materials were presented relative to receipts and indicating that the monies requested should not be granted, and I believe that was the decision of the Hearing Officer. I would lean in favor of affirming the Appeals Officer's decision in that regard.

Governor: So, we would be upholding the decision, correct?

Attorney General: Correct.

Governor: Do we have any discussion on that? I agree with you completely.

Attorney General: So, moved.

Governor: Okay, so we have a motion on the floor. Any discussion on the motion? Hearing and seeing none, all in favor signify by saying aye. Any opposed? Motion passes.

5. 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 TO EXCEED:
Colorado River Commission	1	\$71,034
Department of Conservation and Natural Resources – Sagebrush Ecosystem Technical Team	1	\$2,500
Department of Public Safety – Capitol Police	1	\$1,500
Total	3	\$75,034

Clerk: There are requests for three vehicles in this agenda item. The first request is from the Colorado River Commission (CRC) to purchase one replacement vehicle for \$71,034. The vehicle being replaced has met the age and mileage requirements in the State Administrative Manual (SAM); \$30,002 was funded in the agency’s legislatively approved budget and the remaining \$41,032 will be paid using reserves.

The second request is from the Department of Conservation and Natural Resources(DCNR), Sagebrush Ecosystem Technical Team to purchase a replacement vehicle for \$2,500. The vehicle being replaced has met the age and mileage requirements in SAM. The purchase will be funded from realized savings.

The third request is from the Department of Public Safety(DPS), Capitol Police to purchase one new vehicle for \$1,500. The vehicle will be purchased using realized savings.

Governor: Who’s here from CRC?

Bob Reese: Hi, this is Bob Reese, Assistant Director of Engineering Operations for the Colorado River Commission along with Gail Benton with the Colorado River Commission, Senior Accountant.

Governor: Okay, I have a couple of questions. First off, I appreciate that Director Brown got me the answers to the questions and queries I had. I was concerned to put out all this extra equipment that apparently you’re saying couldn’t be done by anybody at the same price in Nevada?

Gail Benton: The \$1,000 fee relates to having the truck sent to California from Reno in order to do the build-out. The quote that we received includes that \$1,000 transportation fee and the out-of-state permit in order to do that.

Governor: I understand that the quote includes that and I am well aware of the fact that your agency oftentimes uses out-of-state vendors which always bothered me. It doesn't seem like you gave the priority to looking for Nevada companies and I want to know if this is another case of that.

Gail Benton: No, in this instance we actually did receive three quotes, two from Las Vegas and then one from the vendor that we decided to go with. One of the quotes was substantially higher than we were quoted and one was slightly lower but the vendor that we used, we have used in the past and they were the originators of the specs for the build-out.

Governor: So, let me understand. The one that we've used in the past is the one in California.

Gail Benton: Yes.

Governor: And they were not the lowest bidder.

Gail Benton: They were not the lowest bidder. They were in the middle. We had three quotes. They were the middle bid.

Governor: That is troubling to me. Was the other company that was the lowest bidder in Nevada?

Gail Benton: Yes, they were.

Governor: In Las Vegas?

Gail Benton: We've used them in the past. They were the originator of the specs for the build-out. We attempted to try to find the appropriate vehicle type of truck type in Las Vegas. They did not have the proper wheelbase and some other issues, so we went with the vendor in Reno.

And since we had worked with this build-out contractor in the past, we selected them to go ahead and move forward or potentially move forward with the build-out for the purchase of the truck in Reno.

Governor: My concern isn't the company in Reno. My concern is the California company because you've used them in the past, I don't know why you would continue to use them if they're not the lowest bidder because they originated the specs that are now our specs. How much lower was the other bidder?

Gail Benton: Approximately \$1,000.

Governor: And then there's another \$1,000 in shipping?

Gail Benton: No, the difference between the lowest and the one we selected is approximately \$1,000.

Governor: Which includes the \$1,000 that we're paying for shipping.

Gail Benton: Correct, so, in total the difference between the one we selected and the lower one is approximately \$1,000.

Governor: I'm sorry but, and this is not the first time I've had this with CRC, I'm really disappointed. I am not in favor of using an out of state company that provides a higher bid than a Nevada company.

Bob Reese: If I may interject, Governor. The other bidder had different specifications for the utility bed, and that was one of the reasons in picking this particular vendor. It's very important for us to have the appropriate cargo space that can equip that type of equipment and also secure it.

Governor: Okay, that is not what your colleague just said. She said they put out the bid and the bids were different. She never said that the specifications were different. Now we're kind of changing the story so, I want to hold this one and bring it back for some accurate information because I'm troubled how this was handled, okay?

Bob Reese: Very good.

Gail Benton: Okay.

Governor: Okay.

Counselor, what do you want me to make the motion on this one? The Colorado River Commission one we're bringing back and the other two we're approving.

Greg Ott: The motion would be to approve the DCNR and the DPS items and not the CRC item.

Governor: Okay.

Attorney General: So moved.

Governor: We have a motion. Any discussion? Seeing none, all in favor signify by saying aye. Any opposed? Motion passes.

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

Board action under this item only grants permission to the employing agency. Current and former employees are still subject to all ethical requirement of NRS chapter 281A, specifically including subsection 550 which restricts certain former employees and State agencies.

A. Department of Corrections (NDOC) (2)

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with Sheryl Drew, a current Supply Technician I with the Nevada Department of Corrections, to deliver packages to inmates.

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with Karl Grimmer, a current Senior Correctional Officer with the Nevada Department of Corrections, to deliver packages to inmates.

B. Department of Public Safety – Division of Parole and Probation

Pursuant to NRS 333.705, subsection 1, the Division requests authority to contract with Emily Salisbury a current Associate Professor of Criminal Justice with the University of Nevada, Las Vegas, to provide Effective Practices in Community Supervision training to Parole and Probation staff. Relates to Agenda Item #8, Contract # 26 – 21714.

C. Department of Taxation – Marijuana Regulation and Control Account

Pursuant to NRS 333.705, subsection 1, the Department requests to retroactively contract with a former employee, Janet Murphy, from April 22, 2019 through June 30, 2019. Ms. Murphy will be assisting in the review and evaluation of critical application data to create documents intended for public disclosure as introduced in the amendment of Senate Bill (SB) 32. Ms. Murphy will also assist with the processing of marijuana license transfer interest requests.

D. Department of Transportation

Pursuant to NRS 333.705, subsection 1, the Department of Transportation requests to contract with a former employee, Robert Bratzler. Caviola Anson Group, Inc. has hired Mr. Bratzler and would like to utilize him on the I-15 South National Environmental Policy Act Re-Evaluation project to perform alternatives analysis and conceptual design services.

Governor: Item 6, *Authorization to Contract with a Current and/or Former State Employee.*

Clerk: Item 6 includes four requests to contract with current or former employees pursuant to NRS 333.705, subsection 1.

The first request is from the Department of Corrections to contract with two current employees to deliver packages to inmates through September 2019, and these deliveries will occur off-hours.

The second request is from the Department of Public Safety, Division of Parole and Probation, to contract with a current employee to provide effective practices and community supervision training to staff. There is a revision needed for this agenda item. The agenda states that this item is related to Agenda Item 8, Contract 26, Contract 21714. This request is actually related to Agenda Item 10, Clerk of the Board Contracts, Contract 36, Contract 21626.

The third request is from the Department of Taxation to contract with a former employee to assist in the review and evaluation of critical application data to create documents intended for public disclosure as introduced in the amendment to SB 32 through June 30th, 2019. This request is retroactive.

The final request is from the Department of Transportation to contract with a former employee. The CA Group has hired a former employee and plans to utilize this individual on the I-15 South National Environmental Policy Act Reevaluation Project to provide alternative analysis and conceptual design services. Representatives from the departments are available to answer any questions the Board may have.

Governor: Okay, Corrections, who wants to come on up? I've got questions so pull up a chair. Okay, let me understand how this works. Inmates can order something from this catalog, and they can order anything. They can order food. They can order tvs. They can order what-have-you. They pay for it out of their account and it's delivered by an employee who gets a commission for every package that they deliver. Is that right?

John Borrowman: Good morning. I appreciate the opportunity to speak with this Board about this matter. This is where the inmate could make purchases like batteries, Cinnabon's, Top Ramen – those types of things that you would normally see in a convenience store. The inmates are able to buy that as commissary and we have store staff that is part of NDOC employees that would in most cases, the inmate would come to the window and pick up their packages or their commissary that they've purchased and brought that back to their housing unit.

A separate program, also through the same vendor, but a separate program, is the package program. That's where the inmate or the family and friends could buy items for the inmate and receive those as a separate package. That package is delivered to a storage unit outside of the facility and it is up to the vendor to provide the delivery to the

individual inmate. We do not use NDOC employees through the commissary program to deliver these packages.

In this case, the vendor would have passed the NDOC background and the vendor exclusively hires NDOC employees to complete the delivery of these packages, but they are not being made on NDOC employee time. They are considered independent contractors directly with the vendor and the vendor does pay those employees \$5.00 per package to deliver those packages off-shift to the individual inmates.

So, the difference would be commissaries through the windows provided by NDOC employees and the secure pack is provided as a contract from the vendor to a contracted employee to off-hours, off-shift, to go ahead and deliver those individual packages to the individual inmates for \$5.00 a package.

Governor: Okay, so it's not foodstuffs. There's no food.

John Borrowman: It is a different type of food so, they could order unusual or slightly different menu items through this package program, order special religious meals, etc. but it is not the primary commissary that's provided through the NDOC commissary program.

Governor: Okay, so the inmate or the family or whoever would pay out of this account and they'd add on. If it was \$100, they'd add on \$5.00 and they'd be charged \$105. \$5.00 goes to the employee and the rest goes to the vendor.

John Borrowman: Yes, now just to be transparent in this, the commissary program does charge an overhead. It makes a profit and that profit goes to the inmate welfare account where it is used for the benefit of all inmates. That could be the indigent funds, it could be the legal support to the secure pack package program so, the profit margin is still paid to the inmate welfare account but the \$5.00 delivery fee is paid independently to the individual contractor.

Governor: And how much is that profit margin?

John Borrowman: It's around 22%.

Governor: 22% is paid off the inmate's account that goes into this fund?

John Borrowman: Yes, that's correct.

Governor: Wow. Okay, have we bid this out for other companies or is that our fee, 22%, or?

John Borrowman: We did go through an extensive Request for Proposal process. This was initially, in 2010, a multi-state National Association of State Procurement Officers contract where multiple states were trying to set up a program and multiple states did actually participate in the awarding of this contract. In exchange for that larger investment of capital by the vendor we did go ahead and extend the duration of the contract. It expires

in 2022; and yes, we did do competitive bidding for all vendors that were interested in applying for this multi-state effort.

Governor: Can you give me an approximation of how many packages the employee delivers on a shift during the day?

John Borrowman: So, when the vendor has to hire an independent contractor to deliver these packages, it's all great when the system works perfectly but when we have employee turnover, it takes a while for this vendor to secure a new employee to continue with the deliveries. So, we did find in the case of the rural camps, that there was oftentimes a disruption in the delivery for the commissary program so the position was changed from a half full-time equivalent (FTE) employee to a full-time FTE. This has helped substantially with recruitment and retention and improvement of the commissary program. In 2017/2018, we discovered that the use of the independent contractors was not compliant so we brought our request to the Board and asked for authorization to contract with a current NDOC employee starting in August of last year. We evaluated the capacity and we found that we could go ahead and have the package program delivered through the commissary staff at the rural camps where they had the capacity and they would no longer go and deliver to the individual inmates. Instead it would be received through the standard commissary deliveries and it would be distributed to the inmates through the standard commissary service window. So, in the case of the rural camps, we are providing the package delivery to the inmates through commissary.

So, in the case of the major institutions we still have that independent contractor doing those independent deliveries. In fiscal year 2021 we have asked for additional staff. It was in the Governor's recommended budget and it was approved by the money committees in the hearing last night to go ahead and augment the commissary staff. So, we would roll out that final program in 2021 where all packages would be going through the commissary program, through normal delivery channels.

Obviously, with the change in the rural camps as diminished over the last year because we're now doing it through commissary, but the remaining major institutions are delivering about—

Governor: There are how many people doing this?

John Borrowman: I believe that we are sitting right around 14 in total.

Governor: Where is the package inspected that comes from this company?

John Borrowman: Because we have this exclusive agreement with the vendor to provide this service and they are the parent company of the Access Secure Pack, they have been vetted. So, the items that go into the box are already through a secured vendor put inside this shipping container which is secured and therefore each box does not have to be reopened and examined as it enters the institution.

Governor: I thought that's what you were going to say. So, this is secured – it's a cardboard box that some company put the product in there, sent it to an inmate and we assume that there's no contraband in that box?

John Borrowman: John Borrowman. In order to avoid the suggestion that somehow we are tampering with their merchandise or stealing or theft or loss or whatever, we want that transaction to be between the inmate and the package vendor. However, we do cell searches in order to make sure that the stuff that they have inside their cell is still compliant with what was allowable.

Governor: I'm a little surprised. I get a box and it gets x-rayed. I can't open my own boxes but they can send an inmate something if it comes from the secure vendor and nobody x-rays the box, nobody drug sniffs the box?

John Borrowman: I understand. We don't let anybody send anything.

Governor: No, I get that.

John Borrowman: The vendor has gone through substantial security scrutiny. They have security protocols in place. Their controls are essentially an extension of Indio Institution. They are a national company and they have met the national standards in order to be able to participate in that program.

Governor: I don't want to hold this up and you're the law enforcement guy. Okay, if you could have the Director get with me offline because I just would think that there's a potential for contraband to come in. I know how tough it is to get that stuff under control and we've got a problem with contraband getting in, if this is maybe a little bit of a loophole. Okay, I'll tell you what, I'll go ahead to approve these.

Secretary of State: Thank you, Governor. I appreciate it. I've been hearing about this and I thought that that was one of the things that we could do was at least have them go through an x-ray machine just to make sure there's nothing in there and I didn't think that was an invasion of privacy. I thought that was something that we had talked about. But we're not doing that? Thank you.

John Borrowman: I'll reaffirm with staff to see if we're doing any type of that type of inspection. I'd agree, we could x-ray those things without it being considered an invasion of privacy. I just wanted to clarify that we are not opening the packages. To my knowledge we are not opening the packages and inspecting the contents of those packages.

Governor: If we can get the Director to get back to all of us, just memo us, on how it's being done because it's a security question there.

Any discussion? Hearing none, all in favor signify by saying aye. Any opposed? Motion passes, thank you.

Next, 6-B, Department of Public Safety, Division of Parole and Probation. Do you want to tell us a little bit about what you're asking for, please?

Sue Sieber: This contract, we put out a bid. We have in the last biennium implemented Effective Practice in Community Supervision (EPICS) and it's a change in the way that we actually provide the training.

We felt that as the resistance to the change in the environment we put out a bid to have a workshop for people to come in and explain to all of our sworn physicians what the benefit is of the EPICS in general and where the recidivism would go and how this would benefit us as a whole.

So, we put out a bid on March 4th to see who could come in and provide the workshops. We planned three trainings in the north and six in the south to educate every sworn officer about the benefits of EPICS and how it would benefit us in the future. Of those three bids, Dr. Salisbury came in as the lowest bid. Although she's a current employee of the University of Nevada, Las Vegas (UNLV), she will be on her off-time when she is doing the training. This is a secondary occupation for her.

Governor: So, she is the lowest bid at \$250 an hour?

Sue Sieber: Yes, the total contract.

Governor: Okay and what do you mean the total contract?

Sue Sieber: So, the total contract – all the work sessions, the three and the nine workshops that she's holding, the total bid was \$13,978 for total, to hold all of the classes that we did.

Governor: Okay and has this been approved by Nevada System of Higher Education (NSHE) because I know, I spent 10 years there as well. When they're seeking part-time employment, it has to come through the college, the university. Was that was approved?

Sue Sieber: I don't know about that. We just put the bid out. The three bids that came back were from the different people that are involved in EPICS as a whole statewide or nationwide, so I don't know if she went through NSHE.

Governor: But she uses her UNLV phone number and email address, so somebody is going to communicate with her when she's at UNLV on UNLV time. That's what I am asking you. The university put procedures in place to make sure that employees can't be conducting business while they're on university time.

Charlene Boegle: This is the contract. She does have her own business, Salisbury Consulting.

Sue Sieber: Right, that's what I'm saying. I thought she bid under her Salisbury Consulting, LLC.

Governor: And my question is, all the 895 exchanges are UNLV exchanges. When it says @unlv.edu, that's a UNLV email address. So, she's using UNLV resources – that's what my question is.

Charlene Boegle: The information that we have for the contract is Salisbury Consulting. As I understand it, the contract is only under Salisbury Consulting and I understood that the contact was through her personal number and her personal email but I certainly can research that.

Attorney General: As I'm reviewing the information here I wonder if it may just be that she included this as part of the biography component, for information.

Secretary of State: Or did they pull it off of her website?

Governor: Did she submit this, or did you pull this off of a website?

Sue Sieber: We pulled it from the website.

Governor: Off her company website?

Sue Sieber: I apologize, I can't remember it.

Attorney General: Did you pull this off the UNLV Law School website? This is a different phone number that is listed for Dr. Salisbury and the address and the contractor name is in fact Salisbury Consulting listed on the different address in Las Vegas than UNLV.

So, the fact that this biography is included in here and it is a copy of the bio at UNLV's website is what's causing a little confusion here. We just want to ensure that she won't be, and she sounds as though she's communicated to you, that she will not be doing this work on UNLV time but the inclusion of her bio from UNLV draws some confusion here.

Charlene Boegle: That was my error. I was trying to offer the budget office information as to why her credentials were not directly related to UNLV showing where she had received her education.

Governor: I appreciate your transparency in answering General Ford's question. My issue is, and I spent a lot of time at UNLV, they very tightly regulate this because they had a lot of faculty spending an inordinate amount of time testifying in cases as professional expert witnesses doing different things and using university resources to get there and the university wasn't getting any compensation. So, this became an issue about ten years ago. As long as she's aware of it, I'm fine.

Attorney General: Chair, may I, just for additional information, it looks like the emails back and forth between the Department and Dr. Salisbury are coming from Salisbury Consulting as opposed to being from UNLV, so I'm satisfied that, at least at this juncture, this will be separate and apart from UNLV and not be done on UNLV time.

Governor: Do we have a motion on Item B? Any discussion? We have a motion on B. All in favor signify by saying aye.

Next is marijuana regulation and control.

Melanie Young: Good morning. This request is retroactive from April 22, 2019 through June 30, 2019 for a former employee, Ms. Murphy, to work with the Department. She assisted the Department in preparing the information that we posted on the Taxation website last Friday as a result of SB32. We will continue to utilize her services to assist with the backlog in the licensing transfer requests due to staff vacancy.

Governor: Okay, and she's not making an additional contribution to Public Employees' Retirement System (PERS) but she's collecting from PERS? She's under an LLC or something?

Melanie Young: No, we hired her through a temporary employment service. I don't remember the name of it.

Attorney General: Are you not anticipating any additional disclosure requirements on the going forward basis under the new law?

Melanie Young: Potentially. What we would be disclosing are any license changes. We plan on doing that on a monthly basis, which I think we can handle with internal staff. So, we will only be utilizing her resources as needed and we will re-evaluate going forward.

Attorney General: So, SB 332 didn't provide you additional resources necessary to do this job?

Melanie Young: No.

Governor: Alright, thank you. I appreciate it and I want to thank you for getting all of that up on the website. I got inundated with calls. There was a lot of documentation you downloaded onto that website.

So do we have a motion on this one? We have a motion for approval. Any discussion? All in favor signify by saying aye. Motion passes. Thank you very much.

Item 6-D, Department of Transportation.

Cole Mortensen: Good morning, Governor, Members of the Board. We are requesting approval to contract with a former employee for the CA Group on the I-15 NEPA re-evaluation project. The employee wasn't involved with managing or handling the CA Group contract and the CA Group was contracted through a competitive process with the department.

Governor: Okay, discussion? Motion?

Attorney General: So moved.

Governor: We have a motion for approval on Item 6-D. Any discussion? All in favor signify by saying aye. Any opposed? Motion passes. Thank you.

7. Approval of Proposed Leases (For possible action)

Governor: Item 7, *Approval of Proposed Leases*.

Clerk: There are 10 leases in agenda item 7 for approval by the Board this morning. No additional information has been requested by the Members.

Governor: 5 and 6. Are those the only two with MDL? As a lessor?

Clerk: Yes.

Governor: Thank you. I'm going to put a disclosure on the record. I don't know if I should abstain. One of the principals in MDL Group is my sister-in-law.

Greg Ott: Do you have a financial stake in the company?

Governor: No.

Greg Ott: Do you get any sort of advantageous benefit from the company?

Governor: No. I'll just disclose the relationship of a sister-in-law.

Do we have any questions on this? Any motion? We have a motion for approval. Any discussion? All in favor signify by saying aye. Motion passes. Thank you.

8. Approval of Proposed Contracts (For possible action)

Governor: Item 8, *Approval of Proposed Contracts*.

Clerk: There are 39 items in Agenda Item 8 for approval by the Board this morning. Members have requested that additional information on Contract #3, between the Secretary of State's Office and the Center for Internet Security and Contract #13, between the Department of Taxation, Marijuana Regulation and Control Account and Accela.

Governor: Okay, I want to take – do we have any questions in general on all of these so –

Scott Anderson: Good morning. This is a contract for the monitoring of what is called Albert Sensors, intrusion detection devices, that are installed in 12 of the 17 counties. The contract itself is for those 12 counties for this monitoring and the description that is on the contract summary is not correct. We wanted to make sure that it was on the record that this has nothing to do with voting systems or voter machines. This has everything to do with the networks that are in front or have access to the voting registration systems. The 12 of the 17 counties have purchased these intrusion devices. Wayne Thorley, our Deputy for Elections is here to answer any further questions you might have.

Governor: Okay, do we have any questions?

Attorney General: Thank you, Mr. Chair. I asked for this to be pulled because I thought this was about voting machines and so I'm that much more confused. I'll need you to give me a better description of what exactly this contract is about, what it's supposed to accomplish and then I might have some follow-up questions.

Wayne Thorley: Good morning. Wayne Thorley, for the record, Deputy Secretary of State for Elections. This is a contract with Center for Internet Services, Proposed Contract, to provide monitoring services for a piece of hardware. It's called an Albert Sensor. It's an intrusion detection system.

Attorney General: Intrusion of what sort?

Wayne Thorley: Cybersecurity. So, and it's looking to alert on certain signatures to notify if there are potential malicious efforts to gain access to a system that houses a county voter registration database. And it's looking to alert on certain signatures to notify if there are potential malicious efforts to gain access to a system that houses a county voter registration database.

Attorney General: So, it's a system to protect against hacking, for example?

Wayne Thorley: Yes. A number of registered voters have already received this service free of charge through the U.S. Department of Homeland Security. So, for the remaining 12 counties we have purchased these sensors for them through a Help America Vote Act (HAVA) cybersecurity grant that we received last year. Then we're proposing to fund this contract through another Federal grant that we received through the Division of Emergency Management.

Attorney General: Well it probably goes without saying but talk to me about the efficacy of the program. You're looking to expand it from five to the remaining twelve but talk to me about what you've seen as the efficacy of this cybersecurity protection system.

Wayne Thorley: With the five counties that have already had the system installed?

Attorney General: Yes.

Wayne Thorley: It informs them of any efforts to breach their system or if there were breaches. I have not seen those reports but I can get that information for you.

Attorney General: Okay, you may not have seen the reports but have you heard reports as to whether this system has prevented efforts at hacking in the five counties that are utilizing the program thus far?

Wayne Thorley: Just to clarify one point. It's not a firewall so it doesn't block traffic coming in. It just monitors and alerts on certain traffic. It flags and informs the counties if they believe somebody has gotten in that shouldn't have been allowed in.

Attorney General: How many flags have we received with the five counties utilizing the service?

Wayne Thorley: I don't have that information but I can get that for you.

Attorney General: Have we received flags? Do you know that?

Wayne Thorley: I do not know that.

Attorney General: Okay. With all due respect, I would just be interested in, you know, how have we been able to respond to those flags and then why would we be looking at this juncture to expand this system without knowing that information.

Wayne Thorley: These are sensors that have been proven to be effective in other states. So, we're going off of the experience that other states and jurisdictions have had using these but I can certainly get you and the other Board Members the information regarding the number of alerts.

Attorney General: So, here is my suggestion. I'm going to defer to the Secretary of State, obviously. This is within her purview and I'm going to trust her judgment on this but I would absolutely like to have more data and statistics on how successful or unsuccessful these programs have been.

I know that you're indicating that nationwide this is proven to be a successful system but I would like to know specific to our state and the five counties that have used it, how effective it's been at alerting, albeit not stopping but alerting us with flags, efforts at tapping into our systems.

Wayne Thorley: Absolutely, will do. Thank you, sir.

Secretary of State: Thank you and thank you to my deputies for being here and explaining this to the Attorney General. We are working on a regular basis with the cybersecurity issues and looking at different issues, and this is one of them that has come up and come to us that we feel very good about that we're being very proactive and that's what we want to do. We've got a great state that has been very good with the voting and

so we want to continue that and this is an effort that we thought would be very beneficial to us. So, thank you, gentlemen, appreciate it.

Governor: Thank you. I've got questions, do we have somebody here from Tourism? I'm going to keep raising the same question that I continued to raise with Tourism because I'm not understanding. I guess you're marketing.

Brenda Nebesky: Yes, it is. These two contracts, contract extensions, one for ad copy testing, the other for web usability. They are somewhat related and essentially what they do is test the effectiveness of our domestic campaigns and media buys.

Governor: I'm well aware of a lot of analytical companies in the State of Nevada but why do we go out-of-state?

Brenda Nebesky: I was not part of this evaluation committee, so I can't speak to it directly but for each of these contracts we had four applicants, including the company awarded and one from Illinois and one from Pennsylvania and one from Washington, the other New York, Indiana, London.

I think it's two things: one is vendors are only notified if they have registered with state purchasing, So, better notification and within the correct service category also; and then the other is just the nature of the expertise within the industry. I really don't think there are that many companies who are doing this type of panel survey work.

Governor: Okay, I guess the two issues that I've got then is one, we are renewing a contract you've had for three years that maybe there wasn't somebody three years ago, but there might be somebody today; and if we renew it for another two years and then it will be a chance for two more years.

Maybe we need to do a better job of outreach because this isn't the first time today, I keep bringing up out-of-state companies, to reach out to Nevada companies and say register your areas of interest. The concern I've got is and I'm a big supporter of tourism and cultural affairs and bringing more people to Nevada but you're competing with the Reno Convention Visitors Authority (CVA), Las Vegas Convention and Visitors Authority, Lake Tahoe.

We're all spending money, and you know, I don't know how effective it is when everybody's just kind of like shooting all over the place as opposed to coordinate the information that you've got and the sharing of that information. Do we do sharing?

Brenda Nebesky: We absolutely do. We consider both the CVA's partners and it's the Division of Tourism's job to drive tourism in the rural areas and appeal to those visitors to take a trip out into the state and to see the rest of what the state offers.

Governor: I get that and I've got to backup on the ones that I brought up last time about all the contracts that are getting awarded to out-of-state companies to promote in other countries. There's no quantifying of how beneficial they were. If we spent half of a million

dollars in Argentina, we spent, say, \$800,000 in Mexico and I know it's sometimes difficult to quantify but maybe it can be done through surveys or something to see how effective this is.

Brenda Nebesky: We absolutely track our investment related to international markets and we're working on a response. The finance office did ask us for those numbers, and so we're working on a document that will give you, we expect, the same return on investment.

Governor: When do you think you might have that?

Brenda Nebesky: I'm hoping by the end of the week. I've reached out to all of our international representation for their most recent annual reports and some of their site visitations, some of those numbers. So, I expect to have all that in.

Governor: I appreciate it but I don't want the fluff stuff that comes in an annual report that tells all their prospective clients how great they are and they do this. I want the specifics of money that you're spending with them such as that we spent \$800,000 and they had 1,400 people come to Elko for Cowboy Poetry or whatever they did and we can say look, this was a good use of our resources.

Brenda Nebesky: We are able to quantify the visitor spend from each individual market and the numbers per year so, I'll be giving you all of that. There's a specific set of questions you sent. I believe there were six, so we're responding to those.

Governor: Great, thank you very much. Appreciate it.

Brenda Nebesky: Thank you.

Governor: Any other questions? No? Do I have a motion on this one? We have a motion on 8. Any further discussion? All in favor signify by saying aye. Any opposed? Motion passes.

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

Clerk: Agenda Item 9 today for our approval by the Board this morning. No additional information has been requested by the Members.

Governor: Extra great job on this one. I didn't have any questions, Director. Thank you.

We have a motion on the floor. Is there any discussion on that motion? Seeing none, all in favor signify by saying aye. Any opposed? Motion passes.

10. Clerk of the Board Contracts (Informational only)

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 March 19, 2019 through April 22, 2019.

Governor: Next item, 10, *Clerk of the Board Contracts*, Informational Item.

Does anybody have any questions? No? Okay.

11. Reports (Informational only)

A. Department of Motor Vehicles – Complete Streets Program

Pursuant to NRS 482.1825, Subsection 2, the Department shall certify to the State Board of Examiners the amount of the voluntary contributions collected for each county by the department and its agents, and that the money has been distributed as provided in the statute. This report is for the period beginning January 1, 2019 and ending March 31, 2019.

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

Pursuant to NRS 321.5954, Subsection 4, the State Land Registrar is required to provide the Board of Examiners quarterly reports regarding lands or interests in lands transferred, sold, exchanged, or leased under the Tahoe Basin Act program. Pursuant to Chapter 355, Statutes of Nevada, 1993, at page 1153, the agency is to report quarterly on the status of real property or interests in real property transferred under the Lake Tahoe Mitigation Program. This submittal reports on program activities for the 3rd quarter of Fiscal Year 2019.

Governor: Item number 11, *Reports*.

Clerk: There are two Informational reports under this agenda item. The first report is from the Department of Motor Vehicles on the voluntary contributions collected by counties pursuant to NRS 482.480, the Complete Streets Program, for the period from January 1st, 2019, to March 31st of 2019.

During the quarter ending March 31st, the Department collected \$98,186 compared to \$87,816 in the same period last year and \$79,236 collected last quarter. Year-to-date the Department collected \$258,324 which is a 4% increase from the same period in the prior year 4% was from Washoe County; just over 3% was from Carson City; and just under 3% was from Douglas County.

After deducting the 1% to administer the collection and distribution of contributions, the department distributed \$255,740.76 to the four counties year-to-date for fiscal year 2019 compared to \$244,022.63 for the same period in fiscal year 2018.

Approximately 14.27% of those registering a vehicle during the fiscal year contributed to the Complete Streets Program ranging from 10.39% in Douglas County to 15.33% in Clark County. This is an increase from 13.9% who contributed during the same period in fiscal year 2018.

The second item is an Informational Report regarding lands or interests and lands transferred, sold, exchanged or leased under the Tahoe Basin Act Program as well as a quarterly report on the status of real property or interests in real property transferred under the Lake Tahoe Mitigation Program which are required pursuant to NRS 321.5954 and Chapter Chapter 355, Statutes of Nevada, 1993 respectively.

This report is for the quarter ending December 31, 2018. There were no transactions under the Tahoe Basin Act. There was one transaction under the Lake Tahoe Mitigation Program resulting in a sale of 196 square feet of restored soft land coverage resulting in proceeds of \$4,312 for the Nevada Land Bank.

Governor: Thank you. Do we have any questions? That was an Information Item. Seeing none.

12. Public Comment (This public comment period is for any matter that is within the jurisdiction of the public body. No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically included on an agenda as an action item. The Chair of the Board will impose a time limit of three minutes.)

Governor: Item 12 – This is the second time set aside for public comment. Anyone wishing to address the Board on any item, please step forward, identify yourself for the record. Comments must be limited to three minutes.

Seeing none. Do we have anyone in Las Vegas for public comment? None.

Board Secretary: I just wanted to advise everyone that the June Board of Examiners Meeting has been rescheduled to June 13th at 10:00 a.m. in the same location.

13. Adjournment (For possible action)

Governor: Do I have a motion to adjourn? We have a motion. Any discussion? All in favor? Opposed? Motion passes. Thank you all very much. We'll see you next month.