

KENNY C. GUINN
Governor

STATE OF NEVADA

REPLY TO:

RENO
9670 Gateway Drive, Suite 100
Reno, Nevada 89521
(775) 688-1141
Fax (775) 688-1271
Investigations (775) 688-1150

LAS VEGAS
2310 Corporate Circle
Suite 200
Henderson, Nevada 89074
(702) 486-1100
Fax (702) 486-1190
Investigations (702) 486-1110



STATE CONTRACTORS' BOARD

MINUTES OF THE MEETING JANUARY 28, 2003

1. CALL TO ORDER

Chairman Michael Zech called the meeting of the State Contractors' Board to order at 8:35 a.m., Tuesday, January 28, 2003, State Contractors' Board, Henderson, Nevada. Exhibit A is the Meeting Agenda and Exhibit B is the Sign In Log.

BOARD MEMBERS PRESENT:

Mr. Michael Zech - Chairman
Mr. Douglas W. Carson arrived at 8:40 am
Ms. Margaret Cavin
Mr. David Clark
Mr. Spiridon G. Filios
Mr. Jerry Higgins
Mr. Randy Schaefer

BOARD MEMBERS ABSENT:

None

STAFF MEMBERS PRESENT:

Ms. Margi Grein, Executive Officer
Ms. Nancy Mathias, Licensing Administrator
Mr. George Lyford, Director of Investigations
Mr. Chris Denning, Deputy Director of Investigations

LEGAL COUNSEL PRESENT:

Ms. Carolyn Broussard, Legal Counsel
Mr. Bruce Robb, Legal Counsel (Walter Bruce Robb)

Ms. Grein stated that Bob Macke had posted the agenda in compliance with the open meeting law on January 22, 2003, at the Sawyer State Building, Clark County Library, and Las Vegas City Hall. The agenda was also posted in both offices of the Board, Henderson and Reno, and on the Board's Internet web site.

It was learned there were 11 items on the amended agenda, each item of an emergency nature. Triton Fence requested a continuance to continue settlement negotiations.

It was moved and seconded to hear the amended agenda. MOTION CARRIED.

2. APPROVAL OF MINUTES:

Chairman Zech called for a motion to approve the minutes of January 7, 2003.

It was moved and seconded to approve the minutes of January 7, 2003. MOTION

CARRIED.

3. FINANCIAL REVIEW HEARING:

MARIANO VILLA LANDSCAPE, LICENSE #48876

No one from Mariano Villa Landscape was present.

Ms. Deb Clarke, Licensing Analyst, was sworn in.

The hearing was for the denial of license renewal based on NRS 624.3013(3).

The Notice of Hearing and Complaint was entered into the record as Exhibit #1.

Ms. Clarke testified that the license renewal had been denied based on the failure of the licensee to demonstrate financial responsibility.

The evidentiary portion of the hearing was closed.

It was moved and seconded to accept the file and testimony as formal findings of fact and conclusions of law; to deny the renewal of License #48876, Mariano Villa Landscape; to require full restitution to the damaged parties; and recover any costs prior to consideration of future licensure. MOTION CARRIED.

4. FINANCIAL REVIEW HEARING:

SPECIALIZED FLOORING, LICENESE #44466A

Mr. Adam Schwartz, Secretary of Specialized Flooring and Ms. Deb Clarke, Licensing Analyst were sworn in. Mr. Keith Gregory, attorney for Specialized Flooring, was present.

The hearing was for the denial of license renewal based on NRS 624.3013(3); NRS 624.263(3); NRS 624.3013(4); and NRS 624.302(6).

The Notice of Hearing and Complaint was entered into the record as Exhibit #1.

It was moved and seconded to close the meeting to the public in accordance with NRS 624.030 to discuss financial matters. MOTION CARRIED.

Ms. Clarke testified regarding the Respondent's financial statement and credit report.

Mr. Gregory answered questions regarding Respondent's personal bankruptcy. A copy of Respondent's current bank verification was entered into the record as Exhibit A.

It was moved and seconded to reopen the meeting to the public. MOTION CARRIED.

Ms. Clarke testified that Respondent's license was suspended for failure to maintain the required bond on September 12, 2002 and Respondent failed to notify the Board of his personal bankruptcy.

It was moved and seconded to table this matter for 60 days to allow Respondent the opportunity to obtain an Indemnitor. MOTION CARRIED.

5. FINANCIAL REVIEW HEARING:

MARSTAN PLUMBING CO., LICENSE #49121

No one from Marstan Plumbing Co. was present.

Ms. Deb Clarke, Licensing Analyst, was sworn in.

The hearing was for possible violation of NRS 624.3013(3) and NRS 624.302(6).

The Notice of Hearing and Complaint was entered into the record as Exhibit #1.

Ms. Clarke testified that the indemnitors on the license gave written notification that as of September 5, 2002, they would no longer indemnify the license. Respondent has failed to provide a current financial statement as requested by the Board on September 5, 2002, and October 7, 2002.

A letter was received from Mr. Marstan requesting the surrender of his license.

The evidentiary portion of the hearing was closed.

It was moved and seconded to accept the surrender of License #49121, Marstan Plumbing Co. MOTION CARRIED.

6. ADVISORY OPINION:

License requirements for Eldorado High School Sports Field Renovation, PWP No. C12003-39.

Mr. Theodore Parker, III, of Parker, Nelson & Arin, Chtd.; representatives from the Las Vegas School District; and representatives from Capriati Construction were present. The Board declined to render an opinion.

7. APPLICATIONS: (CLOSED MEETING PURSUANT TO NRS 241.030)

It was moved and seconded to close the meeting to the public in accordance with NRS 241.030 to discuss financial matters. MOTION CARRIED.

COIL RESIDENTIAL CONSTRUCTION, (C-2 ELECTRICAL CONTRACTING) NEW APPLICATION, REQUESTING WAIVER

Mr. David Coil, Owner of Coil Residential Construction, was present. The Board informed Mr. Coil that they would not waive the trade exam requirement but that they would allow him to re-test.

HONEST AIR, (C-21 REFRIGERATION AND AIR CONDITIONING) NEW APPLICATION

Mr. James Huff informed the Board that his personal reference for Mr. Tripp had been notarized without him being present and information had been added without his knowledge or consent.

PACIFIC SHOWCASE, (C-3C, D - CABINETS AND MILLWORK; INSULATION) RAISE IN LIMIT

Mr. David King, Owner of Pacific Showcase, was present. Mr. King informed the Board that he was exploring the option of commercial work and no longer performed residential work. The Board informed Mr. King that his monetary limit had been raised to \$400,000 and the bond would remain at \$10,000.

The remainder of the applications on the agenda were reviewed and discussion occurred on the following: Nos. 1-5, 7, 8, 10, 11, 13, 17, 18, 27, 29, 32, 33, 39, 42, 44, 50, 63-67, 74, 76, 82, 83, 85, 86, 93, 96, 98, 105, 106, 109, 120-126, 129, 133, 135, 141, 148, 149, 153,

156, 158, 159 164, 165, 167, 168, 169, 171; and on the amended agenda: Nos. 1-10

It was moved and seconded to reopen the meeting to the public. MOTION CARRIED.

It was moved and seconded to ratify all application not specifically discussed in closed session as recommended by staff. MOTION CARRIED.

8. CONTINUED HEARINGS:

A. MEDCO CONSTRUCTION INC., LICENSE NOS. 33771, 32003, AND 33770 AND **RYAN ANTHONY & ASSOCIATES**, LICENSE #45211 (CONTINUED FROM JANUARY 24, 2001, FEBRUARY 22, 2001, APRIL 24, 2001, JULY 24, 2001 AND JANUARY 7, 2003)

Mr. Mehdi Owliaie, President of MEDCO Construction Inc.; Mr. Brian Bugni, CFO of Mojave Electric; and Investigator Ron Ramsey were present.

Ms. Broussard informed the Board that the Respondent had been ordered by the Board to deliver the bankruptcy release and a current financial statement.

Mr. Owliaie presented to the Board a copy of his bankruptcy dismissal and his current financial statement.

The bankruptcy dismissal was entered into the record as Exhibit A and the financial statement was entered into the record as Exhibit B.

Mr. Owliaie indicated settlement agreements had been reached concerning the money owing complaints.

The evidentiary portion of the hearing was closed.

It was moved and seconded to dismiss all charges against Medco Construction Co., License Nos. 33771, 32003 AND 33770 and Ryan Anthony & Associates, License #45211. MOTION CARRIED.

B. CARPET WAREHOUSE & TILE CO., LICENSE #45276 (CONTINUED FROM DECEMBER 17, 2002 AND JANUARY 7, 2003)

Investigator Troy Beaver informed the Board that a jobsite meeting had taken place on January 11, 2003, at Mr. Khorshid's residence. Respondent is to complete repairs by February 15, 2003.

Mr. Schaefer requested an update at the next Las Vegas Board Meeting.

C. SIERRASAGE LLC, LICENSE #52571 (CONTINUED FROM NOVEMBER 6, 2002, DECEMBER 4, 2002, AND JANUARY 7, 2003)

Mr. George Lyford informed the Board that Respondent has indemnified the outstanding lien against the Andersons and the final money owing issue should be resolved prior to the March Board meeting.

9. DISCIPLINARY RE-HEARING:

THE TRITON FENCE COMPANY, INC., LICENSE #50584 (HEARING ON NOVEMBER 20, 2002 – FULL BOARD)

This matter was continued to the March 25, 2003 Las Vegas Board Meeting.

10. PUBLIC COMMENT:

Mr. Lou Toomin commented concerning pool consultants needing to be licensed.

Mr. George Lyford informed Mr. Toomin that these individuals could be charged as unlicensed contractors if sufficient facts and evidence is obtained to sustain the charges.

Mr. Robert Portnoff expressed his opinion on the use of an apostrophe in the letterhead used by the Nevada State Contractors Board. Mr. Portnoff additionally questioned if Qualified Employees had to reside in the state of Nevada and stated Paul Grube was no longer associated with Pools By Grube.

11. BOARD GOVERNANCE AND ADMINISTRATION:

A. APPROVAL OF CASH DISBURSEMENTS AND TRANSFER JOURNALS - OCTOBER 1-DECEMBER 31, 2002:

It was moved and seconded to approve the Cash Disbursements and Transfer Journals for October 1-December 31, 2002. MOTION CARRIED.

D. DELEGATION OF HEARING OFFICERS PURSUANT TO NRS 624.140:

It was moved and seconded to designate Margaret Cavin as Hearing Officer for the Reno Hearings and Doug Carson for the Las Vegas Hearings for March, 2003 pursuant to NRS 624.140. MOTION CARRIED.

E. LEGISLATIVE REVIEW:

1. SNHBA PERFORMANCE GUIDELINES:

Mr. Barry Duncan and Mr. John Pinna, Southern Nevada Home Builders Association, were present to discuss the SNHBA Performance Guidelines. Ms. Grein requested clarification regarding whether the performance guidelines would be made a part of the proposed construction defect legislation and was assured by Mr. Steve Holloway of Associated General Contractors that the performance guidelines would not be part of any legislation. The Board requested that Mr. Schaefer and Mr. Denning finalize the document and deliver it to Mr. Duncan by Friday, January 31, 2003.

2. CONSTRUCTION DEFECTS:

Mr. Steve Holloway, Executive Vice President of AGC and representative of the Coalition for Fairness in Construction addressed the Board regarding proposed legislation regarding construction defects. The proposed legislation has two main issues: (1) The right to repair and (2) A definition of construction defect. Mr. Holloway stated that the construction defects definition will develop around violation of the building code. He also indicated that Board personnel would be called upon to make a determination on the method and adequacy of repairs performed by a contractor. Mr. Holloway stated he would supply the Board with a copy of the proposed legislation when it is finalized. Mr. Holloway further stated the industry would be willing to fund the cost of the program through increased fees or any other method proposed by the Board.

Ms. Grein requested clarification regarding immunity and/or liability issues; funding sources and jurisdictional issues.

Scott Canepa, Esq., representative for the Nevada Trial Lawyers, spoke to the Board regarding the proposed legislation submitted by the Nevada Trial Lawyers and how the legislation may impact the Board. Mr. Canepa expressed his concern with the

proposed language of the Coalition for Fairness in Construction's bill draft relating to "Rebuttable of Presumption" and how it will affect the Board.

It was moved and seconded that Mr. Bruce Robb review the proposed legislation and work with the various interested parties. MOTION CARRIED.

4. DISCUSSION OF PROPOSED AMENDMENT TO NRS 624.470 - ANNUAL ASSESSMENTS:

Discussion ensued regarding the suspension of annual assessments under NRS 624.470(3).

It was moved and seconded to approve the proposed wording and concept revising the following statute: NRS 624.470(3). MOTION CARRIED.

F. REVIEW AND APPROVAL OF PROJECT GUIDE FOR CONSUMERS:

It was moved and seconded to approve the Project Guide for Consumers. MOTION CARRIED.

G. CONSIDERATION OF PROPOSED AMENDMENTS TO NEVADA ADMINISTRATIVE CODE CHAPTER 624:

1. CLASSIFICATIONS: It was moved and seconded to approve the proposed wording and concept revising the following Nevada Administrative Codes: NAC 624.140 through NAC 624.574 and direct staff to prepare the appropriate material for hearings. **MOTION CARRIED.**

2. AMENDMENT TO NAC 624.010 "PROFESSIONAL FEE" CONSTRUED (NRS 624.020, 624.100): This matter was continued.

3. DISCUSSION AND CONSIDERATION OF EXPEDITED LICENSE PROGRAM (NRS 624.240 AND 624.281): Discussion ensued regarding the proposed amendment to NAC 624. The Board postponed the amendment indefinitely.

H. COMMITTEE ASSIGNMENTS (NRS 624.100):

The Board assigned the following committee members:

1. EXECUTIVE SUBCOMMITTEE: Michael Zech, Randy Schaefer, and Margaret Cavin

2. RECOVERY FUND SUBCOMMITTEE: Randy Schaefer, Jerry Higgins, and Spiridon Filios

3. CONSTRUCTION MANAGEMENT SUBCOMMITTEE: Doug Carson, David Clark, and Jerry Higgins

4. CLASSIFICATION/REGULATION SUBCOMMITTEE: Margaret Cavin, David Clark, and Doug Carson

I. REVIEW AND APPROVAL OF RESTATED MONEY PURCHASE PENSION PLAN:

It was moved and seconded to approve the Restated Money Purchase Pension Plan. MOTION CARRIED.

J. DISCUSSION OF BOARD MEETING PROCEEDINGS:

Discussion ensued regarding procedures for video conference hearings.

K. REVIEW AND DISCUSSION OF FINANCIAL REQUIREMENTS FOR LICENSURE:

This matter was continued.

L. REPORT FROM NASCLA EXECUTIVE COMMITTEE MEETING:

Ms. Grein provided a summary of the executive committee meeting in Newport Beach and informed the Board of the NASCLA midyear meeting to be held in South Carolina May 1-3, 2003.

12. STRATEGIC PLANNING SESSION: (CONTINUED FROM DECEMBER 16, 2002 AND JANUARY 7, 2002)

It was moved and seconded to continue the Strategic Planning Session and Personnel Session to the next meeting. MOTION CARRIED.

14. ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned by Chairman Zech at 4:47 p.m.

Respectfully Submitted,

Melinda Mertz, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

Michael Zech, Chairman