

STEVE SISOLAK
Governor

STATE OF NEVADA

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MEMBERS
Kent Lay, Chairman
Kevin Burke
Margaret Cavin
Joe Hernandez
Jan B. Leggett
Melissa Maguire
Guy M. Wells



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**STATE CONTRACTORS BOARD
MINUTES OF THE MEETING
August 22, 2019**

1. CALL TO ORDER:

Chairman Kent Lay called the meeting of the State Contractors Board to order at 8:30 a.m., Thursday, August 22, 2019, State Contractors Board Henderson and Reno, Nevada. Exhibit A is the Meeting Agenda and Exhibit B is the Sign in Log.

BOARD MEMBERS PRESENT:

Mr. Kent Lay
Mr. Kevin Burke
Ms. Margaret Cavin
Mr. Joe Hernandez
Mr. Jan Leggett
Mr. Guy Wells

BOARD MEMBERS ABSENT:

Ms. Melissa Maguire

STAFF MEMBERS PRESENT:

Ms. Margi Grein, Executive Officer
Mr. Paul Rozario, Director of Investigations
Ms. Nancy Mathias, Licensing Administrator
Ms. Jennifer Lewis, Public Information Officer
Mr. Brian Hayashi, I.T. Manager

LEGAL COUNSEL PRESENT:

Mr. Tim Geswein, Esq.

Ms. Grein stated the agenda was posted in compliance with the Open Meeting Law at Paseo Verde Library, Sawyer State Building, Clark County Library, Reno City Hall, Washoe County Courthouse and Washoe County Library. The agenda was also posted in both offices of the Board, Henderson and Reno, on the Board's Internet Website and the Nevada Public Notice Website, and e-mailed electronically to persons who have expressed interest in being kept informed of the Board's meetings.

2. STATEMENT OF THE BOARD'S MISSION

Ms. Grein read the Board's mission statement into the record: "The Nevada State Contractors Board is committed to promoting public confidence and trust in the competence and integrity of licensees and to protect the health, safety, and welfare of the public."

3. PUBLIC COMMENT

Ms. Grein welcomed Carolyn Potter who joins the Board as a Policy Analyst and Executive Assistant to the Executive Officer.

4. APPROVAL OF AGENDA:

- Approval of Agenda with the Inclusion of any Emergency Items and Deletion of any Items

Ms. Grein noted that Item #233 (Desert Boilers and Controls, Inc.) and Item #388 (Above and Beyond Construction, LLC) are being removed from the consent agenda for further investigation.

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

- Recommendations for Agenda Items for Future Board Meetings

Ms. Grein noted that the Board has scheduled a regulation workshop for September 9, 2019 and a regulation hearing for September 16, 2019. Ms. Grein also noted that the Contractor Training Day events will be held on August 29, 2019. Mr. Hernandez will attend the regulation workshop and Mr. Leggett will attend the regulation hearing.

Ms. Grein noted that the Board is considering holding Board meetings every other month and provided a modified meeting schedule for the Board's review. The September Board meeting agenda will include an item to discuss this matter further as well as the proposal to delegate application denial hearings to an Administrative Law Judge.

5. APPROVAL OF MINUTES

Mr. Burke and Mr. Leggett disclosed they were not present for the meeting.

It was moved and seconded to approve the minutes of July 18, 2019. MOTION CARRIED.

6. EXECUTIVE SESSION

- Executive Officer's Report

Ms. Grein reported on the National Judicial College training held on August 13, 2019.

- Review of Monthly Department Statistics

Ms. Grein provided the following statistics for the month of July:

- Licensing Department:
 - Received 166 new license applications and 255 change applications;
 - Issued 119 new licenses;
 - Approved 26 Financial Reviews;
 - Approved 707 inactive and active license renewal applications;
 - Issued 15 actions related to lapse in Workers' Compensation Insurance provided by the Department of Education, Training, and Rehabilitation.
 - Issued or renewed 32 Certificates of Eligibility;
 - Held 4 new application denial hearing;
 - Held 2 Business Assistance Programs with 27 participants.
- Investigations Department:
 - Opened a total of 210 complaints, including 130 compliance and 80 criminal complaints;
 - Held 10 Disciplinary Hearings, where 4 licenses were revoked and a total of \$56,000 in fines and \$13,925 in investigative costs were assessed;
 - Issued 4 court filings seeking prosecution for 3 Misdemeanor charges and 2 Gross Misdemeanor charges, 1 Felony against the alleged suspects;
 - 47 Cease and Desist Orders were issued; and
 - One Recovery Fund meeting was held where 26 claims were considered, one claim was denied, 2 claims were continued and 23 claimants were awarded a total of \$254,535, for an average award of \$11,066.72.

- Other Activities:
 - In July, the Board invited all professional and occupational licensing boards in Nevada to attend a 2-hour training course by Dale Atkinson of FARB. The following day, the Contractors Board, Board of Accountancy, and the Board of Professional Engineers also attended a full-day comprehensive regulatory training by Mr. Atkinson.
 - The Commission on Construction Education held a meeting where it awarded nearly \$130,000 for construction education programs.
 - Ms. Grein attended the FARB Leadership Conference, where she gave a presentation with colleagues from the Super Strategic Action Team on FARB's new message and tagline, which they have been working over the past few months.
 - At the end of the month, the Board welcomed back Daniel Iacafano who provided staff in the Board's southern and northern offices a detailed overview of the Board's Strategic Plan.
 - The Board held a Residential Recovery Fund meeting where over \$254,000 was awarded to 23 harmed homeowners.
 - Lastly, our Public Information Office provided presentations to the Carson City Kiwanis group and the Washoe County Senior Services Center, participated in an interview with the In-Depth radio program in Northern Nevada and Entercom Studios in Las Vegas highlighting consumer protections related to natural disasters. The Ferraro Group and the Board's Public Information Office coordinated the filming of three public service television and radio announcements with Governor Sisolak serving as the Board's spokesperson.

It was moved and seconded to approve the Monthly Statistics Report. MOTION CARRIED.

- Review and Discussion of Board Member Administrative Procedure Manual

Ms. Grein provided an overview of the Board Member Administrative Procedure Manual. Mr. Leggett requested the Manual be added to the Board's public website.

It was moved and seconded to approve the Board Member Administrative Procedure Manual. MOTION CARRIED.

- Review and Approval of Audited Financial Reports for the Period Ending June 30, 2019

Ms. Grein introduced Ryan Webber from J.A. Solari and Partners who provided an overview of the audited financial statements for the Nevada State Contractors Board and the Residential Recovery Fund for the period ending June 30, 2019. Mr. Webber also provided the Board an audited report on the Board's calculated Operating Reserve Account for FY 2019-20.

It was moved and seconded to approve the Audited Financial Report for the Nevada State Contractors Board for the period ending June 30, 2019. MOTION CARRIED.

It was moved and seconded to approve the Audited Financial Report for the Residential Recovery Fund for the period ending June 30, 2019. MOTION CARRIED.

It was moved and seconded to approve the audited report on the Board's calculated Operating Reserve Account. MOTION CARRIED.

- Discussion and Status Report Concerning Governor's Office of Finance, Division of Internal Audits, Audit Report #18-05 and #19-03

Ms. Grein provided an update on the Board's efforts to respond to the Governor's Office of Finance, Division of Internal Audits, Audit Report #18-05 and #19-03 and noted the Board is working with other large

professional and occupational licensing Boards in Nevada to develop a list of best practices. The Board has compiled all statutorily required reports and is currently providing detail on each report and how those requirements are being met.

- Executive Officer's Quarterly Report Pursuant to NAC 624.030 and 2018-19 Strategic Plan Fourth Quarter Activity and Annual Update

It was moved and seconded to authorize Ms. Grein to move forward with the processes currently in place to address the findings of the Governor's Office of Finance, Division of Internal Audits, Audit Report #18-05 and #19-03. MOTION CARRIED.

Ms. Grein and management provided the Board an update on the Board's quarterly and annual strategic activities pursuant to NAC 624.030 and the 2018-19 Strategic Plan.

It was moved and seconded to approve the Executive Officer's quarterly report pursuant to NAC 624.030 and 2018-19 Strategic Plan fourth quarter activity and annual update. MOTION CARRIED.

- Legal Report (A public body may interrupt the open meeting and exclude the public for the purpose of having an attorney-client discussion of potential and existing litigation pursuant to NRS 241.015(3)(b)(2))
- Discussion Concerning Potential or Pending Litigation
 - Silverwing Development – Nevada Supreme Court Appeal - Discussion and Approval Concerning Granting Settlement Authority to Director of Investigations Paul Rosario
 - Aspen Creek Construction – Petition for Judicial Review - Discussion and Approval Concerning the Appointment of Louis Ling as Defense Counsel
 - Republic Services – Bond Claim - Discussion and Approval Concerning the Appointment of Tim Geswein as Defense Counsel
 - ADF International – Bond Claim - Discussion and Approval Concerning the Appointment of Tim Geswein as Defense Counsel

It was moved and seconded to authorize Director of Investigations Paul Rozario to have settlement authority in the Silverwing Development matter. MOTION CARRIED.

It was moved and seconded to appoint Louis Ling, Esq. as Board Counsel in the matter concerning Aspen Creek Construction. MOTION CARRIED.

It was moved and seconded to appoint Tim Geswein, Esq. as Board Counsel in the matter concerning Republic Services. MOTION CARRIED.

It was moved and seconded to appoint Tim Geswein, Esq. as Board Counsel in the matter concerning ADF International. MOTION CARRIED.

- Subcommittee Reports

Ms. Grein noted that the subcommittee information was reported during the Executive Officer's quarterly report pursuant to NAC 624.030 and 2018-19 Strategic Plan fourth quarter activity update.

7. APPROVAL OF CONSENT AGENDA:

- Ratification of Staff Approved License Applications, Changes of Licensure, Reinstatement of Licensure, Voluntary Surrenders (List Attached, Items 1 to 447)

Mr. Kevin Burke made the following disclosures:

- Item #18 (Behr Consulting, LLC) – Disclosed and abstained based on a potential business relationship with the applicant.
- Item #118 (Prime Building and Development, LLC) – Disclosed the applicant is a fellow Board member.
- Item #187 (Harris Associates) – Disclosed the applicant is a competitor.
- Item #210 (Sunset Erectors, Inc.) – Disclosed and abstained based on a current business relationship with the applicant.

- Item #217 (Williams Scotsman, Inc.) – Disclosed he rents office trailers from the applicant.
- Item #320 (Bruin Painting and Drywall, LLC) – Disclosed and abstained based on a current business relationship with the applicant.
- Item #400 (Richardson Construction, Inc.) – Disclosed and abstained based on a current business relationship with the applicant.
- Item #404 (Lally Steel, Inc.) – Disclosed a past business relationship with the applicant.
- Item #412-413 (Ryan Mechanical, Inc.) – Disclosed and abstained based on a current business relationship with the applicant.

Ms. Margaret Cavin made the following disclosures:

- Item #118 (Prime Building and Development, LLC) – Disclosed the applicant is a fellow Board member.
- Item #248 (Pellett Construction, LLC) – Disclosed a past business relationship with the applicant.
- Item #254 (Sun Valley Masonry, Inc.) – Disclosed and abstained based on a potential business relationship with the applicant.
- Item #333-334 (Energy Mechanical Insulation, Inc.) – Disclosed a friendship with the applicant.
- Item #385 (Versagrade, Inc.) – Disclosed a friendship with the applicant.

Mr. Joe Hernandez made no disclosures.

- Item #118 (Prime Building and Development, LLC) – Disclosed the applicant is a fellow Board member.

Mr. Kent Lay made the following disclosures:

- Item #56 (Gothic Landscaping, Inc.) – Disclosed and abstained based on an ongoing business relationship.
- Item #118 (Prime Building and Development, LLC) – Disclosed and abstained based on the fact he is the owner and qualified employee.
- Item #170 (Aristotle Electric, Inc.) – Disclosed a past business relationship with the applicant.
- Item #178 (Discovery Homes, LLC) – Disclosed and abstained based on an ongoing business relationship with the applicant.
- Item #217 (Williams Scotsman, Inc.) – Disclosed and abstained based on an ongoing business relationship with the applicant.
- Item #230 (Cal Closets Retail, Inc.) – Disclosed and abstained based on an ongoing business relationship with the applicant.
- Item #255 (Sunrise Carpentry, Inc.) – Disclosed and abstained based on an ongoing business relationship with the applicant.
- Item #321 (Canyon Plumbing, Inc.) – Disclosed a past business relationship with the applicant.
- Item #423 (Elite Concrete) – Disclosed a past business relationship with the applicant.

Mr. Jan Leggett made the following disclosures:

- Item #118 (Prime Building and Development, LLC) – Disclosed the applicant is a fellow Board member.
- Item #270 (Hill & Dale Landscape, Inc.) – Disclosed a personal relationship with the applicant.
- Item #385 (Versagrade, Inc.) – Disclosed the applicant sits on the AGC Government Affairs Committee with him.

Mr. Guy Wells made the following disclosures:

- Item #118 (Prime Building and Development, LLC) – Disclosed the applicant is a fellow Board member.
- Item #182 (Fire Protection Provided by Mesa, LLC) – Disclosed and abstained based on a personal relationship with the applicant and the applicant being a past business partner.

It was moved and seconded to approve the Consent Agenda with the removal of Item #233 (Desert Boilers and Controls, Inc.) and Item #388 (Above and Beyond Construction, LLC). MOTION CARRIED.

8. NEW APPLICATION DENIAL HEARING

SCOTT CUSTOM HOMES LLC

Troy Richard Scott, Managing Member/Proposed Qualified Individual

(Portions of this hearing may be closed to the public in accordance with NRS 624.110 (2) to discuss certain financial data related to the applicant.)

Troy Scott was present for the hearing.

Exhibit 1 is the Board Notice of Hearing.

It was moved and seconded to continue the hearing for 30 days to allow the applicant to resubmit information or to allow the applicant to withdraw the application. MOTION CARRIED.

9. NEW APPLICATION DENIAL HEARING

RAMS CONCRETE

Juana Rodriguez Arellano, Manager/Proposed CMS Qualifier

Jose Ramos-Armenta, Manager/Proposed CMS and Trade Qualifier

(Portions of this hearing may be closed to the public in accordance with NRS 624.110 (2) to discuss certain financial data related to the applicant.)

Juana Rodriguez Arellano and Jose Ramos-Armenta were present for the hearing with Counsel Scott Jamison, Esq.

It was moved and seconded to continue the hearing at the request of the applicant. MOTION CARRIED.

10. NEW APPLICATION DENIAL HEARING

MAGIC SCAPE LLC

Filberto V. Cordova, Managing Member/Proposed Qualified Individual

(Portions of this hearing may be closed to the public in accordance with NRS 624.110 (2) to discuss certain financial data related to the applicant.)

Filberto Cordova was present for the hearing with Counsel Jeff Spencer, Esq.

Mr. Leggett disclosed that both Mr. Spencer and Mr. Cordova have done work for him in the past.

Exhibit 1 is the Board Notice of Hearing.

It was moved and seconded to table the application for 30 days to allow the applicant to obtain requested documentation from the applicant's bankruptcy attorney. If the information provided addresses staff's concern, the applicant's request may be approved at staff level. MOTION CARRIED.

11. NEW APPLICATION DENIAL HEARING –

SET N STONE TILE & MARBLE LLC.

Ryan Blake Jones, Manager/Proposed Qualified Individual

(Portions of this hearing may be closed to the public in accordance with NRS 624.110 (2) to discuss certain financial data related to the applicant.)

Ryan Jones was present for the hearing with Counsel Chris Phillips, Esq.

Exhibit 1 is the Board Notice of Hearing.

Exhibit A are two Answers submitted by the applicant, which were received by the Board on August 2, 2019 and April 29, 2019.

It was moved and seconded to approve license classification C-20 (Tiling) with a \$10,000 monetary limit, \$2,000 bond, and personal indemnification from Ryan Jones. MOTION CARRIED.

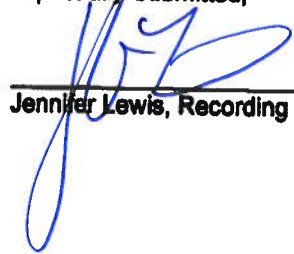
12. PUBLIC COMMENT:

There was no one present to offer public comment.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned by Chairman Kent Lay at 11:40 a.m.

Respectfully Submitted,



Jennifer Lewis, Recording Secretary

APPROVED:


Margi A. Grein, Executive Officer
Kent Lay, Chairman