

MEMBERS

MICHAEL ZECH
Chairman
DOUGLAS W. CARSON
MARGARET CAVIN
DAVID W. CLARK
SPIRIDON G. FILIOS
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STATE CONTRACTORS' BOARD

**MINUTES OF THE MEETING
JANUARY 7, 2003**

1. BOARD GOVERNANCE AND ADMINISTRATION CALL TO ORDER:

The meeting of the State Contractors' Board was called to order by Chairman Michael Zech 8:40 a.m., Tuesday, January 7, 2003, State Contractors' Board, Reno, Nevada. Exhibit A is the Meeting Agenda and Exhibit B is the Sign In Log. The meeting was videoconference to the Henderson office of NSCB.

BOARD MEMBERS PRESENT:

Mr. Michael Zech - Chairman
Mr. Douglas W. Carson
Ms. Margaret Cavin
Mr. David W. Clark
Mr. Spiridon G. Filios
Mr. Jerry Higgins
Mr. Randy Schaefer

BOARD MEMBERS ABSENT:

None

STAFF MEMBERS PRESENT:

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

LEGAL COUNSEL PRESENT:

Ms. Carolyn Broussard, In House Counsel
Mr. Bruce Robb, Legal Counsel

Ms. Grein stated that Gary Leonard had posted the agenda in compliance with the open meeting law on December 31, 2002 at the Washoe County Court House, Washoe County Library, and Reno City Hall. The agenda was also posted in both offices of the Board, Reno and Henderson, and on the Board's Internet web page.

It was learned there were 10 items on the amended agenda, each item of an emergency nature. In addition, S & N Builders License #37462 and 36298 was granted a continuance.

MR. CARSON MOVED TO HEAR THE AMENDED AGENDA.

MR. CLARK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

A. PLEDGE OF ALLEGIANCE:

B. APPROVAL OF MINUTES OF THE DECEMBER 16, 2002 BOARD HEARING:

The Chairman called for a motion to approve the minutes of December 16, 2002.

MR. HIGGINS MOVED TO APPROVE THE MINUTES OF DECEMBER 16, 2002.

MS. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED.

C. APPROVAL OF MINUTES OF THE DECEMBER 17, 2002 BOARD HEARING:

The Chairman called for a motion to approve the minutes of December 17, 2002.

MR. HIGGINS MOVED TO APPROVE THE MINUTES OF DECEMBER 17, 2002.

MS. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED.

D. UNFINISHED BUSINESS:

E. FUTURE AGENDAS:

This matter was continued to the January 28, 2003 Henderson Board meeting.

2. EXECUTIVE SESSION:

A. ASSIGNMENT OF COMMITTEE MEMBERS:

Ms. Grein reminded the Board that it was needed to select representatives for the Nevada Construction Industry Relations Committee (NCIRC) meeting on January 15, 2003.

MR. CLARK MOVED TO NOMINATE MR. MICHAEL ZECH, CHAIRMAN; AND JERRY HIGGINS TO REPRESENT THE BOARD AS COMMITTEE MEMBERS IN ADDITION TO MS. GREIN.

MS. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED.

B. RATIFICATION OF EXPENDITURES:

MS. CAVIN MOVED TO RATIFY EXPENDITURES.

MR. SCHAEFER SECONDED THE MOTION.

THE MOTION CARRIED.

C. CONTINUED DISCUSSION OF AG OPINION 2002-37:

The Board discussed selection of members to serve on the committee to study construction management. Mr. Robb informed the Board that Engineers & Land Surveyers Board would choose its committee members on January 9, 2003.

MS. CAVIN MOVED TO NOMINATE DAVID CLARK; DOUG CARSON AND JERRY HIGGINS TO SERVE AS COMMITTEE MEMBERS.

MR. SCHAEFER SECONDED THE MOTION.

THE MOTION CARRIED.

D. DELEGATION OF HEARING OFFICERS FOR FEBRUARY 11, 2003 AND FEBRUARY 25, 2003:

Mr. Carson was selected as Hearing Officer for the January 29, 2003 Disciplinary Hearings in Henderson.

MR. SCHAEFER MOVED TO DELEGATE MS. CAVIN AS HEARING OFFICER FOR THE DISCIPLINARY HEARINGS AT THE FEBRUARY 11, 2003 BOARD MEETING IN RENO.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

MR. CARSON MOVED TO DELEGATE MR. CLARK AS HEARING OFFICER FOR THE DISCIPLINARY HEARINGS AT THE FEBRUARY 25, 2003 BOARD MEETING IN HENDERSON.

MR. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED.

In addition, the Triton Fence Re-Hearing is scheduled before the Board on January 29, 2003.

E. REVIEW OF PENDING OPEN COMPLAINT REPORTS:

Ms. Grein presented to the Board the open complaint reports for the Reno and Henderson Compliance and Special Investigations Unit.

The Board suggested using the Enforcement Advisory Committee (EAC) process to address the backlog of Industry Regulation cases.

F. DISCUSSION OF RESIDENTIAL RECOVERY FUND:

Ms. Grein provided the Board a status report on the Recovery Fund. She indicated 42 claims had been filed; eight claims denied, 21 hearings held with claims awarded and ten cases are pending.

Ms. Grein also informed the Board that the Residential Recovery Fund has reached the 150% balance allowed by law.

Mr. Zech requested the discussion regarding NRS 624.470 be continued to the Henderson Board Meeting on January 28, 2003.

G. LEGAL REPORTS:

A. CONTRACT FOR LEGAL SERVICES:

MR. SCHAEFER MOVED TO APPROVE THE CONTRACT FOR LEGAL SERVICES WITH ATTORNEY BRUCE ROBB.

MR. CLARK SECONDED THE MOTION.

THE MOTION CARRIED.

H. STRATEGIC PLANNING (CONTINUED FROM DECEMBER 16, 2002)

Ms. Grein presented topics to the Board for Strategic Planning to be discussed at the Henderson Board meeting on January 28, 2003.

3. STAFF UPDATES:

A. SIERRASAGE, LLC, LICENSE # 52571 – (CONTINUED FROM NOVEMBER 6, 2002 AND DECEMBER 4, 2002)

Mr. Craig Hamilton, Sierrasage, LLC; and Deputy Director of Investigations, Frank Torres were present.

Mr. Torres informed the Board concerning the status of the money owing complaints and indicated two suppliers have not yet been paid. Mr. Torres further reported that Sierrasage has indemnified the lien on the Pugh property.

The matter was continued to the January 28, 2003 Henderson Board meeting for a staff update.

B. CARPET WAREHOUSE & TILE, INC., LICENSE #45276 – (CONTINUED FROM DECEMBER 17, 2002)

Mr. Beaver informed the Board that an administrative meeting is scheduled January 11, 2003 and requested this matter be continued to the Henderson Board meeting on January 28, 2003.

The request for continuance was granted.

C. DENNETT BROTHERS CONSTRUCTION, LICENSE # 11862

DENNETT BROTHERS, INC., LICENSE # 17237

EMERALD DEVELOPMENT INCORPORATED, LICENSE # 24195 AND 24286 – (CONTINUED FROM DECEMBER 17, 2002)

Mr. Welch informed the Board of a scheduled Bankruptcy Hearing on January 23, 2003.

The Board directed the matter not to come back before them until there is substantial evidence to report.

D. MEDCO CONSTRUCTION, LICENSE # 32003

Mr. Mehdi Owliaie, President Medco Construction, Inc.; Mr. Brian Bugri, Representative for Mojave Electric; and Investigator Ron Ramsey were present.

Mr. Ramsey informed the Board that Bankruptcy Court information posted on the Internet show the Bankruptcy is still pending and that the requested Financial Statement has not been received. He further stated Mohave Electric was paid in full by a bond.

Mr. Brian Bugri informed the Board that Medco Construction, Inc., still owes Mojave \$10,000.00.

Mr. Owliaie stated the disciplinary action taken by the Board was against his B license, however, it should have been against his C license. He further stated the Bankruptcy has been dismissed and he will provide copies of the dismissal to the Board.

Ms. Grein informed the Board that all four of Respondent's licenses were considered in the disciplinary hearing.

The Board continued the matter for a staff update at the Henderson Board meeting on January 28, 2003. Respondent was requested to provide a current Financial Statement and Bankruptcy dismissal prior to that time.

4. APPLICATION HEARING:

S N S ENTERPRISES, LLC:

Licensing Analyst, Diana Wallace was sworn in.

No one from S N S Enterprises, LLC, was present.

The hearing was for the denial of the application for a contractor license pursuant to NRS 624.263; and NRS 624.265 (1) (a).

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

MS. CAVIN MOVED TO CLOSE THE MEETING TO THE PUBLIC IN ACCORDANCE WITH NRS 241.033 TO DISCUSS FINANCIAL MATTERS.

MR. HIGGINS SECONDED THE MOTION.

THE MOTION CARRIED.

The Financial Statement was discussed.

MS. CAVIN MOVED TO REOPEN THE MEETING TO THE PUBLIC.

MR. HIGGINS SECONDED THE MOTION.

THE MOTION CARRIED.

Ms. Wallace reviewed with the Board Douglas County Court documents concerning the status of Respondents child support payments.

MR. SCHAEFER MOVED TO DENY S N S ENTERPRISES, LLC. LICENSE APPLICATION.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

5. DISCIPLINARY HEARINGS – DEFAULT ORDERS:

A. ALBA CONSTRUCTION, LICENSE # 32878

No one from Alba Construction was present.

The hearing was for possible violations of NRS 624.3012 (2); NRS 624.3013 (3) pursuant to NRS 624.220 and 624.260 to 624.265; NRS 624.302 (5); and NRS 624.3013 (4).

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

MR. CARSON MOVED THAT THE BOARD FIND THE RESPONDENT IN DEFAULT AND ADOPT THE FILE AS FINDINGS OF FACT, CONCLUSIONS OF LAW AS SET FORTH IN THE ADMINISTRATIVE COMPLAINT; REVOKE LICENSE # 32878 ALBA CONSTRUCTION; TO REQUIRE FULL RESTITUTION TO THE DAMAGED PARTIES; AND RECOVER THE INVESTIGATIVE COSTS OF \$1,439.00 PRIOR TO CONSIDERATION OF FUTURE LICENSURE.

MR. CLARK SECONDED THE MOTION.

THE MOTION CARRIED.

**B. B M V BUILDERS, LICENSE # 20067
B M V BUILDERS INC., LICENSE #20068**

Mr. Barlow was present and requested a Hearing, since he was not aware of the charges and had not received the Notice of Complaint, which had been mailed to the address of record.

This matter was continued for a future Board Hearing date.

C. KENETI F. AFUHAAMANGO CONSTRUCTION, LICENSE # 49350

The hearing was for possible violations of NRS 624.3017(1); NRS 624.3013 (5) as set forth in NAC 624.700 (3) (a); NRS 624.3013 (5) as set forth NAC 624.640 (5); NRS 624.3015(1); and NRS 624.3013 (3) pursuant to NRS 624.520 (1).

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

MR. CARSON MOVED THAT THE BOARD FIND THE RESPONDENT IN DEFAULT AND ADOPT THE FILE AS FINDINGS OF FACT, CONCLUSIONS OF LAW AS SET FORTH IN THE ADMINISTRATIVE COMPLAINT; REVOKE LICENSE # 49350 KENETI F. AFUHAAMANGO CONSTRUCTION; TO REQUIRE FULL RESTITUTION TO THE DAMAGED PARTIES; AND RECOVER THE INVESTIGATIVE COSTS OF \$1,254.00 PRIOR TO CONSIDERATION OF FUTURE LICENSURE.

MR. CLARK SECONDED THE MOTION.

THE MOTION CARRIED.

6. APPLICATIONS: (CLOSED MEETING PURSUANT TO NRS 624.030)

MS. CAVIN MOVED TO CLOSE THE MEETING TO THE PUBLIC IN ACCORDANCE WITH NRS 241.033 TO DISCUSS FINANCIAL MATTERS.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

BIGHORN ENERGY SERVICES, (C-2 ELECTRICAL CONTRACTING) NEW

APPLICATION, NAME SIMILARITY

Mr. James D. Paulk, Manager of Bighorn Energy Services was present. The Board informed Mr. Paulk that the license application (C-2 Electrical Contracting) was granted with a monetary limit of \$300,000.00 and a bond of \$15,000.00.

VILLAGE SMITH LLC, (B-1, 2, 3, PRE-MANUFACTURED HOUSING, RESIDENTIAL AND SMALL COMMERCIAL, SPECULATIVE BUILDING) NEW APPLICATION, REQUEST OF WAIVER OF TRADE EXAM

Mr. James A. Smith, Manager of Village Smith LLC was present. The Board informed Mr. Smith that the license application (B-1, 2, 3, Pre-Manufactured Housing, Residential and Small Commercial, Speculative Building) was granted with a monetary limit of \$50,000.00 and a bond of \$5,000.00 and the trade exam to be waived.

PALMER ELECTRIC, INC., (C-2 ELECTRICAL CONTRACTING) RAISE IN LIMIT

Mr. Phillip W. Palmer, President of Palmer Electric, Inc., was present. The Board informed Mr. Palmer that the raise in limit application for (C-2 Electrical Contracting) was granted for \$3,000,000.00 and a bond of \$30,000.00.

The following applications on the agenda were reviewed and discussed: Nos. 1,2,3,4,5,13,14,15,18,20,26,27,28,31,33,34,36,39,48,49,50,52,54,55,67,69,74,77,83,87, 92,93,95,99,102,106,107,111,113,115,122,123,125,128,129,131,133,135,138,140,142, 143,144,145,155,158.

The applications on the amended agenda were reviewed and discussed: Nos. 1,2,3,4,5,7,8,9,10.

MS. CAVIN MOVED TO REOPEN THE MEETING TO THE PUBLIC.

MR. HIGGINS SECONDED THE MOTION.

THE MOTION CARRIED.

MS. CAVIN MOVED TO RATIFY ALL APPLICATIONS NOT SPECIFICALLY DISCUSSED IN CLOSED SESSION AS RECOMMENDED BY STAFF.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

7. PUBLIC COMMENT (DISCUSSION ONLY)

Mr. Gary P. LaChasse, stated his license was revoked in April, 2002 and asked the Board what he needs to do to become re-licensed.

The Board informed Mr. LaChasse that he will need to apply for a new license.

8. ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned by Chairman Zech at 12:12 p.m.

ADJUDICATING BOARD MEMBER: MARGARET CAVIN.

9. DISCIPLINARY HEARING:

S & N BUILDERS, LICENSE # 37462 AND 36298

This matter was continued to the February 11, 2003 Board meeting in Reno.

10. DISCIPLINARY HEARING:

KAUFFMANN CONSTRUCTION, LICENSE # 10382 – (CONTINUED FROM NOVEMBER 6, 2002 AND DECEMBER 4, 2002)

Mr. Dyke F. Kauffmann, Owner of Kauffmann Construction Co.; Jay and Robin Beesemyer, Homeowners; John Bronder, Blakely Johnson & Ghushn, Inc., Engineering and Architecture; David Carlson, Aqua Hydrogeologic Consulting; and Director of Investigations George Lyford were sworn in.

The hearing was for possible violation of NRS 624.3017 (1).

The Civil Engineering report by John Bronder was entered into the record as Exhibit # A.

The Hydrogeologic report by David Carlson was entered into the record as Exhibit # B.

Additional photos were entered into the record as Exhibit # 2.

Mr. Bronder and Mr. Carlson stated their qualifications for the record. Mr. Bronder and Mr. Carson both indicated that the source of the water in the crawl space could not be determined, however, it was their opinion that a French drain system along the foundation of the home may alleviate the problem.

Mr. Beesemeyer stated he feels he still does not have a clear answer to this problem.

MS. CAVIN FOUND TO DISMISS ALL CHARGES.

Respectfully Submitted,

Diana V. Alvarado, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

Michael Zech, Chairman