

KENNY C. GUINN
Governor

STATE OF NEVADA



MEMBERS

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DOUGLAS W. CARSON
MARGARET CAVIN
DAVID W. CLARK
SPIRIDON G. FILIOS
JERRY HIGGINS
RANDY SCHAEFER

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STATE CONTRACTORS BOARD

MINUTES OF THE MEETING FEBRUARY 25, 2003

1. CALL TO ORDER

Chairman Michael Zech called the meeting of the State Contractors Board to order at 8:50 a.m., Tuesday, February 25, 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
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. Dennis Haney, Legal Counsel (Haney, Woloson & Mullins)
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 February 19, 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 18 items on the amended agenda, each item of an emergency nature.

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

Chairman Zech called for a motion to approve the minutes of February 10, 2003 and February 11, 2003.

It was moved and seconded to approve the minutes of February 10, 2003 and February 11, 2003. THE MOTION CARRIED.

3. LEGISLATIVE DISCUSSION: (TELECONFERENCED BETWEEN RENO AND HENDERSON)

a. DISCUSSION AND ACTION ON PROPOSED AMENDMENT TO NRS 624.470 AND 624.480:

Ms. Grein reviewed with the Board the proposed amendment to BDR 54-502, which will amend NRS 624.480 by adding a new section: "2. The provisions of NRS 624.480 apply to contracts entered into on or after October 1, 1999." Ms. Grein requested a motion to approve the proposed amendment.

It was moved and seconded to approve the proposed amendment to BDR 54-502. THE MOTION CARRIED.

b. DISCUSSION OF PROPOSED CONSTRUCTION DEFECT LEGISLATION:

Mr. Buzz Harris of American Strategies was present and provided the Board with an update on legislative bills, which may affect the Board. Weekly reports are provided to Ms. Grein and the Board members, in addition to updates at each Board meeting.

c. REVIEW OF BDR 54-406:

Ms. Lori Ashton of S.W. Regional Council of Carpenters discussed with the Board bill draft 54-406. The bill contained language regarding the Board's authority to suspend licenses.

It was moved and seconded to recommend the word "may" replace "shall" as it relates to the Boards authority to suspend the contractor's licenses. THE MOTION CARRIED.

4. HARRIS AND ASSOCIATES: (STATUS REPORT AND ACTION)

Mr. Dennis Haney informed the Board that he had discussed this matter with Harris and Associates counsel and Mr. Haney recommended that the Board direct staff to close case without prejudice.

It was moved and seconded to authorize staff to close this case without prejudice. THE MOTION CARRIED.

6. EXECUTIVE SESSION:

a. DELEGATION OF HEARING OFFICERS PURSUANT TO NRS 624.140:

MARCH 24, 2003: Mr. Randy Schaefer, Mr. Jerry Higgins and Mr. Spiridon Filios were designated the committee to hear the Recovery Fund hearings.

MARCH 25-26, 2003: Mr. Doug Carson was designated as the Hearing Officer for the March 25-26, 2003 Las Vegas Hearings.

MARCH 31, 2003: Mr. Spiridon Filios was designated as Committee Chairman for the Enforcement Advisory Committee meeting.

APRIL 8, 2003: Ms. Margaret Cavin was designated as the Hearing Officer for the April 8, 2003 Reno Hearings.

APRIL 22, 2003: Mr. Randy Schaefer was designated as the Hearing Officer for the April 22, 2003 Las Vegas Hearings.

b. CONFIRMATION OF BOARD DECISION REGARDING CASE #L-0009-067-W (ORF vs. CORONADO HOMES):

Ms. Grein informed the Board that this matter had been discussed on February 11, 2003. Ms. Grein requested that the Board restate their motion for the record.

It was moved and seconded to concur that the investigation be re-opened and consideration for a Recovery Fund claim based upon the file review and concurrence of Ms. Broussard and Mr. Robb. THE MOTION CARRIED.

c. DISCUSSION OF TRADE ASSOCIATION PROGRAMS:

Ms. Grein provided a list of Trade Associations' scheduled meetings and informed the Board that she would be attending several of the meetings.

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

1. CLASSIFICATIONS:

Ms. Nancy Mathias provided information concerning proposed classification changes and stated that public hearings would be scheduled in the near future.

2. PROPOSED AMENDMENT TO NAC 624.010 "PROFESSIONAL FEE" CONSTRUED (NRS 624.020, 624.100)

Mr. Jerry Higgins stated that Mr. Carson, Mr. Clark and himself met with the Engineers and Architects Boards regarding the licensing requirements of Construction Managers and indicated their desire to participate in any Contractors Board hearings. Mr. Higgins suggested that Mr. Robb draft the wording for the regulation.

It was moved and seconded that Mr. Bruce Robb and Mr. Dennis Haney work with the Executive Subcommittee on drafting language to define Construction Managers. THE MOTION CARRIED.

e. DISCUSSION INFORMATIONAL CONTRACTOR FORUMS:

Ms. Grein provided a proposed agenda for informational seminars. The seminars are planned for April 2, 2003 in Las Vegas and April 8, 2003, in Reno. The registration form is included in the newsletter. Board Members were provided a copy of the proposed agenda for the forum and requested to provide the Executive Officer with any suggestions or changes.

f. STRATEGIC PLANNING: (CONTINUED FROM 2/11/03)

1. REVIEW AND DISCUSS FY 2002-2003 PRIORTIES AND GOALS

Mr. Chip Lisman, IT Technician, provided information concerning costs of upgrading communication lines for the video conferencing equipment.

It was moved and seconded to authorize the installation of a T1 line for the audio and video equipment. THE MOTION CARRIED.

Ms. Mathias provided a status report on the "Requirement Study" being performed by the Department of Information Technology, for the new database system.

g. VOTE OF CONFIDENCE ON EXECUTIVE OFFICER:

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

7. DEPARTMENT REPORTS:

a. PUBLIC EDUCATION – OVER VIEW OF PUBLIC RELATIONS PROGRAM:

Ms. Sonya Ruffin, Public Relations, provided an update on the Public Relations Program including, media public service announcements, job management kits, the winter edition of the newsletter and the enhanced distribution of information concerning the Residential Recovery Fund.

b. HUMAN RESOURCES – STATUS REPORT:

Mr. Bart Thurgood, Human Resources, provided a status report.

8. SUBCOMMITTEE REPORTS:

This matter was continued.

9. PERSONNEL SESSIONS: (CONTINUED FROM 1/28/03 AND 2/11/03)

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

10. FINANCIAL INTERVIEW:

A TEAM CONSTRUCTION SERVICES, LICENSE #51053

Mr. James Travis, Owner of A Team Construction Services and Ms. Pat Potter, Licensing Supervisor were sworn in.

Ms. Potter stated that the Board had tabled this matter on February 10, 2003.

It was moved and seconded to approve the renewal of license #51053, A Team Construction Services; to grant a new license to A Team Construction Services; the new license will have a \$50,000 monetary limit and a \$5,000 bond. THE MOTION CARRIED.

11. APPLICATION INTERVIEW:

CONCORDIA HOMES OF NEVADA, INC.

Ms. Gidget Graham, President of Concordia Homes of Nevada, Inc. and Ms. Pat Potter, Licensing Supervisor were sworn in.

Ms. Potter informed the Board that this matter had been tabled on January 28, 2003 due to the Boards concern regarding pending lawsuits and unresolved complaints involving the current licensee.

Ms. Graham stated that they were not trying to get out of the lawsuits, they want to change the name of the corporation and the new entity will indemnify the old license.

It was moved and seconded to approve the license application, Concordia Homes

of Nevada, Inc., contingent upon the revision of the application. **THE MOTION CARRIED.**

12. 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. THE MOTION CARRIED.

ARTSCAPE LAS VEGAS, INC., (C-5 CONCRETE CONTRACTING) NEW APPLICATION, RECONSIDERATION – NAME SIMILARITY

Mr. Michael Anderson, Qualified Employee, was present. The Board informed Mr. Anderson that the name Artscape Las Vegas, Inc. was approved.

THE LARSON COMPANY, (A-22 DESIGNATED FOR ARTIFICIAL ROCK WORK AND B-2 RESIDENTIAL AND SMALL COMMERCIAL) NEW APPLICATIONS

Ms. Haydee Dumbrigue, law clerk for counsel for The Larson Company, was present. The Board informed Ms. Dumbrigue that they wished to speak with the applicants regarding financial matters and a financial interview would be scheduled.

STARVING PAINTERS, (C-4 PAINTING AND DECORATING) NEW APPLICATION – RECONSIDERATION

Mr. Adam Patasky, Owner of Starving Painters, was present. The Board informed Mr. Patasky that the license application (C-4 Painting and Decorating) was approved with a monetary limit of \$10,000 and a bond of \$2,000 with a financial statement on renewal.

CLIMATEC, INC., (C-2 A,E ELECTRICAL WIRING; SIGNAL SYSTEMS) NEW APPLICATION, NAME SIMILARITY – RECONSIDERATION OF CLASSIFICATION

Mr. Terry Keenen, Secretary of Climatec, Inc., was present. The Board informed Mr. Keenen that the license classification would be changed to a C-21 b, the trade exam would be waived and the bond would be \$30,000. Mr. Keenen was advised that a properly licensed C-2 contractor must be hired to perform any electrical work.

SUNBELT ENTERPRISES, (B GENERAL BUILDING) NEW APPLICATION, NAME SIMILARITY/REQUESTING WAIVER/BOARD DECISION

Mr. Ken Bauman, Qualified Employee for Sunbelt Enterprises, and Mr. Jeff Silver, counsel for Sunbelt Enterprises were present. The Board informed Mr. Bauman that the license application (B – General Building) was granted with an unlimited monetary limit, a bond of \$50,000, the trade exam is waived, but the business name will need to be changed. Mr. Bauman requested the name Sunbelt Nevada and was granted it by the Board.

The remainder of the applications on the agenda were reviewed and discussion occurred on the following: Nos. 4-23, 26-33, 35-39, 41-43, 57, 62-69, 84-91, 94-107, 109, 110; and on the amended agenda: Nos. 1-18

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

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

13. CONTINUED HEARING:
CARPET WAREHOUSE & TILE, INC., LICENSE #45276 – (CONTINUED FROM 12/17/02)

Investigator Troy Beaver informed Mr. Schaefer that the Respondent stated that all repairs were completed and an onsite meeting had been scheduled for March 6, 2003.

Mr. Schaefer requested that Investigator Beaver work with the contractor if the repairs were not to his satisfaction and to bring case back at the next Las Vegas Board meeting.

14. INFORMAL SETTLEMENTS:

R.C. WILLEY HOME FURNISHINGS, LICENSE NOS. 54758, 54759, 54760

It was moved and seconded to accept the Stipulated Settlement Agreement; that Respondent pay an Administrative Fine of \$1,000 and reimburse the Board for Investigative Costs of \$512 within 30 days; and a one year letter of reprimand to be placed in Respondent's file. THE MOTION CARRIED.

HELIX ELECTRIC, INC., LICENSE #32177

It was moved and seconded to accept the Stipulated Settlement Agreement; that Respondent pay an Administrative Fine of \$1,000 and reimburse the Board for Investigative Costs \$447 within 30 days; and a one year letter of reprimand to be placed in Respondent's file. THE MOTION CARRIED.

15. SUMMARY SUSPENSION:

THE ISLAND COMPANY, LICENSE # 35356

Ms. Nancy Mathias, Licensing Administrator, informed the Board that the Qualified Partner for The Island Company, Mr. Shirley Alcorn, had passed away August 29, 2000 and the license had been fraudulently renewed by forging Mr. Alcorns signature on the annual renewals.

It was moved and seconded to summarily suspend License #35356, The Island Company. THE MOTION CARRIED.

16. DISCIPLINARY HEARING- DEFAULT ORDERS:

a. DWELLINGS CONSTRUCTION CO., LICENSE #41699

No one from Dwellings Construction Co. was present.

Investigator Troy Beaver was sworn in.

The hearing was for possible violation of NRS 624.3012(3); NRS 624.3013(4); and NRS 624.3013(3).

The Hearing File was entered into the record as Exhibit 1.

Investigator Beaver testified that he had validated the money owing complaint against Respondent. Investigator Beaver further testified that Respondent has not furnished a current financial statement and his license was suspended July 17, 2001, for failure to maintain a bond.

The evidentiary portion of the hearing was closed.

It was moved and seconded to find the Respondent in default and adopt the Findings of Fact Conclusions of Law as set forth in the Administrative complaint;

revoke license #41699, Dwellings Construction Co.; to require full restitution to the damaged parties; and recover the Investigative Costs of \$1,469 plus any expenses that may be paid out of the Residential Recovery Fund prior to consideration of future licensure. THE MOTION CARRIED.

b. ALLIED HOMES CORPORATION, LICENSE #46245

No one from Allied Homes Corporation was present.

Investigator Ron Ramsey was sworn in.

The hearing was for possible violation of NRS 624.3015(2) 51 times; NRS 624.3013(5); NRS 624.302(6); NRS 624.3016(7); NRS 624.3016(8); and NRS 624.3013(5).

Ms. Broussard advised the Board that proper notice had been served on Mr. Hossien Mahinpey at his address of record with the Board. Additionally, Investigator Ron Ramsey had personally provided notice to Mr. Mahinpey at his personal residence.

The Hearing File was entered into the record as Exhibit 1.

Investigator Ramsey testified that he had investigated the complaint against the Respondent and discovered that Respondent had contracted 49 times to build homes in excess of Respondent's license limit and contracted to do business with two contractors in excess of his license limit.

The evidentiary portion of the hearing was closed.

It was moved and seconded to find the Respondent in default and adopt the Findings of Fact Conclusions of Law as set forth in the Administrative complaint; revoke license #46245, Allied Homes Corporation; to require full restitution to the damaged parties; and recover the Investigative Costs of \$3,886 plus any expenses that may be paid out of the Residential Recovery Fund prior to consideration of future licensure. THE MOTION CARRIED.

Mr. Schaefer abstained.

17. APPLICATION HEARINGS:

FLOOR TECH (C-16A COVERING FLOORS)

Ms. Karen Ashe, Owner of Floor Tech; Mr. John Philips, Qualified Employee of Floor Tech; Ms. Teresa Tofell, Licensing Analyst; Criminal Investigator Jim Porter; and Criminal Investigator Dan Hammack were sworn in.

The hearing was for denial of license application pursuant to NRS 624.263(2)(h)(m) and NRS 624.265.

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

Investigator Porter testified regarding the background of Ms. Karen Ashe.

Investigator Hammack testified regarding the background of Mr. John Philips.

Ms. Ashe presented the Board with character references, which were entered into the record as Exhibit 2.

Ms. Ashe and Mr. Philips responded to questions from the Board regarding their background.

Mr. Howard Meadow, Ms. Emma Taylor and Mr. Tim Ganey testified to the character of Ms. Ashe and Mr. Philips.

It was moved and seconded to approve the license application (C-16 Finishing Floors) with a monetary limit of \$20,000 and a bond of \$2,000 with a financial statement on renewal and applicant must change business name. THE MOTION CARRIED.

Ms. Ashe stated she would like the name to be Nevada Floor Tech, which was approved by the Board.

18. APPLICATION HEARING:

SCOTT McCLURE (C-26A KITCHEN & LABORATORY EQUIPMENT)

Mr. Scott McClure, Owner of Scott McClure and Licensing Analyst Teresa Tofell were sworn in.

The hearing was for denial of the license application pursuant to NRS 624.263.

Ms. Broussard informed the Board that a current financial statement had recently been received by the Board.

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

Ms. Tofell testified that respondent had provided a financial statement dated August 2002 which did not support the license limit requested, however the new financial statement, dated February 2003 supported the issuance of a license.

Mr. McClure stated that he only wanted a \$50,000 license limit.

It was moved and seconded to approve Scott McClure license application (C-26A Kitchen & Laboratory Equipment) with a monetary limit of \$50,000 and a bond of \$5,000. THE MOTION CARRIED.

19. ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned by Chairman Zech at 1:39 p.m.

20. PUBLIC COMMENT:

No one from the general public was present to speak for or against any items on the agenda.

21. ADJUDICATING BOARD MEMBER: DAVID W. CLARK

22. DISCIPLINARY HEARING: (CONTINUED FROM DECEMBER 17, 2002)

TODD LEMLEY CONSTRUCTION, LICENSE #50646

No one from Todd Lemley Construction was present.

Investigator Jim Ables was sworn in.

The hearing was for possible violation of NRS 624.3017(1); NRS 624.3013(5), as set forth in NAC 624.700(3); and NRS 624.3013(3).

The Hearing File was entered into the record as Exhibit 1.

Ms. Broussard advised Hearing Officer Clark that Investigator Ables had visited the Johnson residence Monday, February 24, 2003 and had taken photos. The photos were entered into the record as Exhibit 2.

Investigator Ables testified that he had investigated the workmanship issues and issued a Notice to Correct. Respondent has completed all items except items 4, 5, and 6 on the Notice to Correct. Investigator Ables further testified that Respondent has not complied with the request to furnish a current financial statement.

The evidentiary portion of the hearing was closed.

Hearing Officer Clark found to give Respondent 30 days to complete the items on the Notice to Correct to Investigator Ables satisfaction; to produce a current financial statement; to reimburse the Board for Investigative Costs of \$2,319; if Respondent does not comply the license will automatically be revoked.

23. DISCIPLINARY HEARING: (CONTINUED FROM DECEMBER 17, 2002)

MORENO ELECTRIC, LICENSE #46505

Mr. Rafael Moreno, Owner of Moreno Electric and Investigator Jim Ables were sworn in.

The hearing was for possible violation of NRS 624.3011(1)(b)(4) and NRS 624.3013(3).

The Hearing File was entered into the record as Exhibit 1.

Investigator Ables testified that a letter from the Division of Industrial Relations dated February 19, 2003, had been received on February 21, 2003, informing the Board that the Respondent had paid the fine and penalty in full. This letter was entered into the record as Exhibit 2. Investigator Ables further testified that Respondent had not complied with the request to furnish a current financial statement.

Mr. Moreno produced a financial statement dated February 18, 2003, which was entered into the record as Exhibit 3.

Licensing Supervisor Pat Potter was sworn in. Ms. Potter validated the financial statement and informed Hearing Officer Clark that it did not support the license limit. Ms. Potter stated that there was also a financial statement for a company called Moreno Electric, Inc.

Mr. Moreno stated that he had formed a corporation with the help of a friend. The corporation information from the Secretary of State was entered into the record as Exhibit 4.

Hearing Officer Clark advised the Respondent to decide if he wants to do business as a corporation or keep it as a sole proprietorship.

Hearing Officer Clark found to reduce the license limit of Moreno Electric, license #46505, to \$100,000 and to give Respondent 60 days to get his business in order or the license will be suspended.

24. DISCIPLINARY HEARING:

THE BOTTOM LINE, LICENSE #25606

Mr. Joseph Scott, Owner of The Bottom Line requested a continuance, which was granted by the Board.

ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned by Adjudicating Board Member Clark at 2:32 p.m.

Respectfully Submitted,

Melinda Mertz, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

Michael Zech, Chairman