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MICHAEL ZECH

STATE CONTRACTORS BOARD

MINUTES OF THE MEETING JUNE 8, 2004

1. CALL TO ORDER:

Chairman Randy Schaefer called the meeting of the State Contractors Board to order at 8:21 a.m., Tuesday, June 8, 2004, State Contractors Board, Reno and Henderson, Nevada. Exhibit A is the Meeting Agenda and Exhibit B is the Sign-in Log.

BOARD MEMBERS PRESENT:

Mr. Randy Schaefer - Chairman
Ms. Margaret Cavin
Mr. David Clark
Mr. Spiridon G. Filios
Mr. Jerry Higgins
Mr. J. Brian Scroggins
Mr. Michael Zech

STAFF MEMBERS PRESENT:

Ms. Margi Grein, Executive Officer
Ms. Nancy Mathias, Licensing Administrator
Mr. George Lyford, Director of Investigations
Mr. Gary Hoid, Deputy Director of Investigations, Reno
Mr. Chris Denning, Deputy Director of Investigations, Henderson
Mr. Daniel Hammack, Acting Deputy Director of Investigations, Henderson

LEGAL COUNSEL PRESENT:

Ms. Laura Browning, Legal Counsel
Mr. Bruce Robb, Legal Counsel

It was moved and seconded to amend the agenda, adding applications 1 - 17 and to grant Jade Properties a continuance. **MOTION CARRIED.**

2. APPROVAL OF MINUTES: May 25, 2004

It was moved and seconded to approve the minutes of May 25, 2004. **MOTION CARRIED.**

3. EXECUTIVE SESSION:

a. EXECUTIVE OFFICER'S PROGRESS REPORT ON FY 2003-2004 PRIORITIES:

This matter was continued to the June 22, 2004 Henderson Board Meeting.

b. PROPOSED AND ADOPTED REGULATIONS:

1. DISCUSSION AND REVIEW OF LCB FILE R158-03 REGARDING PROCEDURES FOR SUBMITTING QUESTIONS OR DISPUTES ON CONSTRUCTION DEFECTS:

Ms. Grein reviewed with the Board the adopted regulation LCB File No. R158-03 and the consent form.

2. DISCUSSION AND REVIEW OF LCB FILE R022-04 REGARDING PROCEDURES FOR ADMINISTRATIVE CITATIONS AND ADMINISTRATIVE FINES:

Ms. Grein reviewed with the Board adopted regulation LCB File No. R022-04.

3. DISCUSSION AND ADOPTION OF LCB FILE NO. R052-04 REGARDING C-3 CARPENTRY CLASSIFICATION:

It was moved and seconded to adopt regulation R052-04. MOTION CARRIED.

4. DISCUSSION OF PROPOSED REGULATION LCB FILE NO. R106-04 REGARDING LICENSE APPLICATION REQUIREMENTS (NAC 624.590):

Ms. Grein reviewed with the Board proposed regulation LCB File No. R106-04 regarding license application requirements.

It was moved and seconded to accept the proposed language and notice the matter for a workshop and public hearing. MOTION CARRIED.

5. ADOPTION OF LCB FILE NO. R083-04 CHANGES TO THE C-8 (GLASS AND GLAZING) AND C-14 (STEEL REINFORCING AND ERECTION):

It was moved and seconded to adopt regulation R083-04. MOTION CARRIED.

6. CLASSIFICATION STATUS REPORT; DISCUSSION OF FURTHER PROPOSED CHANGES:

It was moved and seconded to accept the proposed language and notice the matter for a workshop and hearing. MOTION CARRIED.

c. DISCUSSION OF PROPOSED 2005 LEGISLATION:

It was moved and seconded to approve the proposed language to amend NRS 624 and submit the proposed legislative changes for 2005. MOTION CARRIED.

d. DISCUSSION AND ACTION REGARDING PROPOSED LEGISLATION REGARDING ADMINISTRATIVE FINES:

A review of the Bill Draft Requests submitted and a proposed amendment relating to the amount of administrative fines authorized was presented by Ms. Grein. Discussion ensued concerning a wording change to the BDR relating to disciplinary action taken for conviction of a crime.

It was moved and seconded to approve the proposed language to amend NRS 624 and submit the proposed legislative changes for 2005. MOTION CARRIED.

e. DISCUSSION AND ACTION REGARDING REQUEST FOR PROPOSALS FOR INDEPENDENT AUDIT CONTRACT:

This matter was continued to the June 22, 2004 Henderson Board Meeting.

f. DISCUSSION AND REVIEW OF PROPOSED LICENSE ASSISTANCE PROGRAM:

It was moved and seconded to approve the License Assistance Program. MOTION CARRIED.

g. DISCUSSION AND REVIEW OF PROPOSED BUSINESS STATUS REVIEW:

It was moved and seconded to proceed with the Business Status Review as outlined. **MOTION CARRIED.**

h. LEGAL REPORT ON PENDING CASES:

Ms. Browning and Mr. Robb provided a status report on pending cases.

i. DEPARTMENTAL REPORTS:

This matter was continued to the June 22, 2004 Henderson Board Meeting.

RESIDENTIAL RECOVERY FUND REPORT:

Ms. Grein provided a Summary Report on the Residential Recovery Fund and distributed packets of information to the Board members in response to an anonymous complaint received by two Board members. The complaint accused Ms. Grein and Mr. Lyford of improper handling of a Recovery Fund claim.

Ms. Grein gave an overview of NRS 624.400 to 624.560 and explained the two methods in which a claimant may obtain an award from the Residential Recovery Fund. Discussion ensued regarding the statutory authority for payment of a Judgment without a hearing under NRS 624.490 and NRS 624.510(3)(b). The evidence, facts and procedures used to process the case in question were reviewed and discussed. The Executive Officer provided the Board members with supporting documentation related to the processing and approval of payment of a court ordered judgment relating to the case in question.

The Board determined the claim was processed in compliance with applicable laws and established procedures of the Board, and the allegations in the anonymous complaint were without merit.

Mr. Lyford provided a summary of the initial investigation into the anonymous complaint.

It was moved and seconded for Board Counsel to forward the matter to the Offices of the Attorney General, for information and review. **MOTION CARRIED.**

j. DISCUSSION OF APPLICATION APPROVAL GUIDELINES:

It was moved and seconded to approve the application approval guidelines to include the discussed changes. **MOTION CARRIED.**

4. SUBCOMMITTEE REPORTS:

This matter was continued to the June 22, 2004 Henderson Board Meeting.

5. LEGISLATIVE REPRESENTATION:

SELECTION OF LEGISLATIVE REPRESENTATION:

Mr. Robb informed the Board of the requirements in NRS 622.230.

It was moved and seconded to retain the services of American Strategies. **MOTION CARRIED.**

6. APPLICATIONS:

a. 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.**

HORTON CONSTRUCTION LLC (C-3 CARPENTRY) NEW APPLICATION

Applicant was present.

It was moved and seconded to table this application for 60 days for personal indemnification of the license by the applicant. MOTION CARRIED.

TRINITY MASONRY (C-18 MASONRY) NEW APPLICATION

Applicant was present. The Board approved the application.

The Board reviewed the remainder of the applications on the agenda.

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

b. RATIFICATION OF LICENSE APPLICATIONS, CHANGES OF LICENSURE, REINSTATEMENTS OF LICENSURE:

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

7. NEW APPLICATION DENIAL HEARING:

TERRILL PAINTING SERVICE:

Applicant was present.

It was moved and seconded to approve the license application of Terrill Painting Service with a \$50,000.00 monetary limit and a bond of \$10,000.00 with certain conditions. MOTION CARRIED.

8. LICENSE APPLICATION DENIAL: (CONTINUED FROM MARCH 9, 2004)

JADE PROPERTIES:

This matter was continued.

PUBLIC COMMENT:

Mr. Robert Portnoff requested licensing information on Peak Plastering.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned by Chairman Schaefer at 10:27 a.m.

Respectfully Submitted,

Melinda Mertz, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

Randall Schaefer, Chairman

ADJUDICATING BOARD MEMBER: DAVID CLARK

9. DISCIPLINARY HEARING: (CONTINUED FROM MAY 25, 2004)

DREAMSCAPES, INC., LICENSE NO. 50814

Licensee was not present.

Hearing Officer Clark Revoked license number 50814, Dreamscapes, Inc. for failure to comply with the Decision and Order dated April 30, 2004.

ADJUDICATING BOARD MEMBER: JERRY HIGGINS

10. DISCIPLINARY HEARING: (CONTINUED FROM FEBRUARY 10, 2004)

NORTHERN CALIFORNIA INLAND MATERIALS, LICENSE NO. 43728

Licensee was present with counsel, Greg Dyer, Esq.

Hearing Officer Higgins dismissed all charges against Northern California Inland Materials, license number 43728.

11. DISCIPLINARY HEARING: (CONTINUED FROM MAY 4, 2004)

MORETTI ROOFING SERVICES, LICENSE NO. 52799

Licensee was present.

Hearing Officer Higgins found respondent Scott Daniel Moretti, dba Moretti Roofing Services, license number 52799 guilty of NRS 624.3017(1), workmanship and NRS 624.3013(5), per NAC 624.700(3), failure to comply with the Notice to Correct. Mr. Moretti was ordered to pay restitution to the homeowner in the amount of \$2,418.00. Investigative costs were assessed in the amount of \$1,558.00 to be paid within 90 days from June 8, 2004 or license number 52799, Moretti Roofing Services will automatically be suspended.

12. DISCIPLINARY HEARING: (CONTINUED FROM MAY 4, 2004)

GENERAL BUILDERS, INC., dba AMERICAN GENERAL DEVELOPMENT, LICENSE NO. 22816

GENERAL BUILDERS, INC., dba SILVER STATE POOLS, LICENSE NO. 22816A

Licensee was present with counsel, David Reese, Esq.

Hearing Officer Higgins continued this matter to the August 10, 2004 Reno Board Meeting.

ADJUDICATING BOARD MEMBER: MARGARET CAVIN

13. DISCIPLINARY HEARING:

L I BARELA CONCRETE, LICENSE NO. 14322

Licensee was not present.

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

Hearing Officer Cavin found respondent Louis Ignacio Barela, dba L I Barela Concrete, license

number 14322 guilty of NRS 624.3012(2), failure to pay; NRS 624.3013(3), failure to establish financial responsibility; NRS 624.302(5), failure or refusal to respond to a written request and dismissed the charge of NRS 624.3013(5), per NAC 624.640(3), failure to notify the Board of an address change. License number 14322, L I Barela Concrete was Revoked. Mr. Barela was assessed a fine of \$500.00 per cause of action totaling \$1,500.00. Investigative costs were assessed in the amount of \$1,259.00. Mr. Barela is required to pay full restitution to the damaged parties and reimburse the Board for fines and investigative costs, plus any expenses that may be paid out of the Residential Recovery Fund prior to consideration of future licensure.

14. DISCIPLINARY HEARING:

JESS ARNDELL CONSTRUCTION COMPANY, INC., LICENSE NOS. 9369B AND 9369C

Licensee was present with counsel, Mark Simons, Esq.

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

A letter from Gregory Carry, CPA dated May 28, 2004, requesting an extension of time to provide the financial statement was entered into the record as Exhibit 2.

A letter from James Crippen, architect, dated February 22, 2004, was entered into the record as Exhibit A.

Hearing Officer Cavin continued this matter for 60 days to allow the licensee the opportunity to make the repairs at the Stokely residence and to provide a current financial statement.

15. DISCIPLINARY HEARING:

WEST RIDGE HOMES, INC., LICENSE NO. 25326

Licensee was present with counsel, Chris McKenzie, Esq.

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

A letter from the Respondent to the homeowner dated April 9, 2004, was entered into the record as Exhibit A.

Hearing Officer Cavin found respondent West Ridge Homes, Inc., Peter Matthew Beekhof, Jr., President, license number 25326 guilty of NRS 624.3017(1), workmanship and dismissed the charges of NRS 624.3013(3), per NAC 624.700(3), failure to comply with a Notice to Correct; NRS 624.3016(6), failure to provide disclosures; NRS 624.3013(5), per NAC 624.640(5), failure to include license number and monetary limit on contract; and NRS 624.3013(5), pursuant to NRS 624.520(1), failure to provide Recovery Fund notice. Mr. Beekhof was assessed a fine of \$500.00 to be paid within 60 days from June 8, 2004 or license number 25326, West Ridge Homes, Inc. will automatically be suspended.

16. DISCIPLINARY HEARING:

FIORI CORPORATION, LICENSE NO. 20135

FIORI CORPORATION, LICENSE NO. 20720

Licensee was present.

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

Hearing Officer Cavin found respondent Fiori Corporation, Donald Maurice Fiori, President and Dean Fiori, Vice President, license numbers 20135 and 20720 guilty of one count of NRS 624.3017(1), workmanship; one count of NRS 624.3013(3), failure to establish financial responsibility; one count of NRS 624.3013(5), pursuant to NRS 624.520(1), failure to provide Recovery Fund notice; one count

of NRS 624.3013(5), per NAC 624.640(5), failure to include license limit on contracts. Ms. Cavin held the remaining causes of action in abeyance for six months. Mr. Fiori is to complete the repairs on the Lent residence and provide a personal financial statement and indemnify the license within 45 days from June 8, 2004.

This matter was continued to the August 10, 2004 Reno Board Meeting.

17. DISCIPLINARY HEARING:

McCLELLAND BUILDERS & EXCAVATION, LICENSE NO. 39374A

Licensee was present with counsel, John Griffin.

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

A letter from Respondent to Gary Leonard, Board investigator, dated January 25, 2004, was entered into the record as Exhibit A.

Hearing Officer Cavin found respondent David Brian McClelland, dba McClelland Builders & Excavation, license number 39374A guilty of NRS 624.3017(1), workmanship; NRS 624.3013(5), per NAC 624.700(3), failure to comply with a Notice to Correct; NRS 624.3013(5), per NAC 624.640(5), failure to include license number and limit on contracts; NRS 624.3015(2), bidding or contracting in excess of limit; NRS 624.3013(5), pursuant to NRS 624.520(1), failure to provide Recovery Fund notice; NRS 624.301(5), failure to comply with the terms of the contract; NRS 624.3011(1)(a), departure from plans and specifications; and NRS 624.3011(1)(b)(1), violation of building laws. Mr. McClelland is to have subcontractors complete the repairs at the Mills residence within 45 days from June 8, 2004 or license number 39374A, McClelland Builders & Excavation will automatically be Revoked. Mr. McClelland was assessed a fine of \$250.00 for the third and fourth causes of action and a fine of \$500.00 for the first, second, fifth, sixth, seventh and eighth causes of action totaling \$3,500.00. Investigative costs were assessed in the amount of \$1,799.00. Fines and costs are to be paid within 90 days from June 8, 2004 or license number 39374A, McClelland Builders & Excavation will automatically be Revoked.

18. DISCIPLINARY HEARING:

CASCADE CONSTRUCTION, INC., LICENSE NO. 26022A

Licensee was present with counsel, Paul Matteoni, Esq.

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

A photo of the water heater at the Kerr residence was entered into the record as Exhibit 2.

The Respondent's new contract was entered into the record as Exhibit A.

Hearing Officer Cavin found respondent Cascade Construction, Inc., James Addison Stockman, President, license number 26022A guilty of NRS 624.3013(5), per NAC 624.640(5), failure to include license number and limit on contracts; NRS 624.3013(5), pursuant to NRS 624.520(1), failure to provide Recovery Fund notice; NRS 624.3016(6), failure to provide disclosures and dismissed the charges of NRS 624.3017(1), workmanship; NRS 624.3013(5), per NAC 624.700(3), failure to comply with a Notice to Correct; NRS 624.3013(3), failure to establish financial responsibility; NRS 624.3011(1)(a), departure from plans and specifications; and NRS 624.3011(1)(b)(1), violation of building laws. A One-Year Letter of Reprimand will be placed in Mr. Stockman's license file.

19. DISCIPLINARY HEARING:

BRIGHT HOMES, LICENSE NO. 42564

Licensee was present with counsel, Jerry Snyder, Esq.

The Board Hearing File was entered into the record as [Exhibit 1](#).

A letter dated May 17, 2004 from George Lyford to Jerry Snyder was entered into the record as [Exhibit 2](#).

Five photos taken by Christopher Parkhurst were entered into the record as [Exhibit 3](#).

Copies of e-mails between Christopher Parkhurst and Bright Homes regarding the cabinets were entered into the record as [Exhibit 4](#).

A copy of a bid for the repair and/or replacement of the cabinets from Heart of the Home for \$19,505.39 was entered into the record as [Exhibit 5](#).

A copy of a bid for the repair and/or replacement of the cabinets from Aaron Wellesley for \$11,858.19 was entered into the record as [Exhibit 6](#).

Respondent's financial information was entered into the record as [Exhibit A](#).

A list of building permits obtained by the Respondent was entered into the record as [Exhibit B](#).

A letter from Christopher Parkhurst to Bright Homes dated February 16, 2004 was entered into the record as [Exhibit C](#).

A faxed copy of the Board's Notice to Correct dated December 1, 2003 signed off by Kimberly Parkhurst was entered into the record as [Exhibit D](#).

Hearing Officer Cavin found respondent, Bright Homes, Cavin E. Bright, President, license number 42564 guilty of NRS 624.3017(1), workmanship; NRS 624.3013(5), per NAC 624.700(3), failure to comply with a Notice to Correct; NRS 624.3013(3), failure to establish financial responsibility; NRS 624.3013(5), per NAC 624.640(5), failure to include license number and limit on contract; NRS 624.3013(5), pursuant to NRS 624.520(1), failure to provide Recovery Fund notice; and NRS 624.3016(6), failure to provide required disclosures. Mr. Bright was ordered to reimburse Mr. Parkhurst \$24,000.00, by cashiers check, within 15 days from June 8, 2004 or license number 42564, Bright Homes will automatically be suspended. Mr. Bright was assessed a fine of \$500.00 for the first, second, third, fourth and sixth causes of action and a fine of \$100.00 for the fifth cause of action totaling \$2,600.00. Investigative costs were assessed in the amount of \$1,384.00. Fines and costs are to be paid within 60 days from June 8, 2004 or license number 42564, Bright Homes will automatically be suspended. Mr. Bright is to furnish a current financial statement within 15 days from June 8, 2004 or license number 42564, Bright Homes will automatically be suspended.

20. DISCIPLINARY HEARING - DEFAULT ORDER:

J K CONSTRUCTION, LICENSE NO. 52827

Licensee was not present.

The Board Hearing File was entered into the record as [Exhibit 1](#).

Hearing Officer Cavin found respondent James William Keller, dba J K Construction, license number 52827, in Default and adopted the Findings of Fact and Conclusions of Law as set forth in the Administrative complaint. License number 52827, J K Construction, was Revoked. Mr. Keller is required to pay full restitution to the damaged parties and reimburse the Board for Investigative Costs of \$2,322.00, plus any expenses that may be paid out of the Residential Recovery Fund prior to consideration of future licensure.

21. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned by Adjudicating Board Member Cavin at 4:56 p.m.

Respectfully Submitted,

Melinda Mertz, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

David Clark, Adjudicating Board Member

Jerry Higgins, Adjudicating Board Member

Margaret Cavin, Adjudicating Board Member