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## **STATE CONTRACTORS BOARD**

### **MINUTES OF THE WORKSHOP BEFORE THE NEVADA STATE CONTRACTORS BOARD HELD AUGUST 25, 2005**

The workshop was called to order at 2:00 P.M. on Thursday, August 25, 2005 at the offices of the State Contractors Board, 2310 Corporate Circle, Henderson, Nevada and video-conferenced to the Reno office. Exhibit 1 is the Notice of Intent to Act Upon a Regulation and a copy of the proposed regulation.

#### BOARD MEMBERS PRESENT:

Jerry Higgins  
J. Brian Scroggins

#### STAFF MEMBERS PRESENT:

Ms. Margi Grein, Executive Officer  
Ms. Nancy Mathias, Licensing Administrator  
Laura Browning, Esq., Counsel

Ms. Grein explained the purpose of the workshop is to receive public comment on proposed amendments to Chapter 624 of the Nevada Administrative Code concerning consumer protection bonds for swimming pool and spa licensees and provide for a license classification for the installation of plumbing and gas lines.

Ms. Grein indicated that the notice of the workshop had been posted in compliance with NRS 233B at the Las Vegas City Hall, the Sawyer State Building, Clark County Library, Washoe County Courthouse, Washoe County Library, Reno City Hall and the offices of the State Contractors Board in Reno and Henderson.

Ms. Grein indicated that written comments had been received from Mike Springer, Esq. and Steve Treese.

Several members of the public were present to provide comments on the proposed regulation

Mr. Vassallo, Paragon Pools requested clarification on the applicability of the consumer protection bonds for contractors licensed more than five years. Ms. Grein explained that the provisions of the law and regulation applied to those contractors who have not been licensed five years. After five years, a contractor may request relief from the bond requirement. Mr. Vassallo also indicated that it may prove difficult to find carriers willing to write the \$400,000 bond. He also stated it was his understanding that the consumer protection bond was established to eliminate the need for payment and performance bonds and it was his opinion that the consumer protection bond requirement could be required as a disciplinary tool. It would be the Board's burden to prove the need for requiring the bond for contractors licensed more than five years.

Ms. Ginger Fareio requested clarification concerning how a contractor would be able to be relieved from the provisions of the regulation. Ms. Grein indicated that once a contractor meets the five year threshold, a request for relief of the bond requirement could be filed with the Board. Ms. Fareio also requested clarification on the bond requirements if someone purchased a pool company that had been relieved of the bond requirement. Ms. Browning indicated that if a new owner experienced problems, the Board could impose the requirements of a consumer protection bond.

Ms. Katherine Huddleston, Complete Contractor Services requested information as to when the new consumer protection bond would be required. Ms. Grein explained the process of hearing, adoption and filing of regulations with the Legislative Counsel bureau.

Mr. Peter Krueger, AMS, asked how the proposed bond amounts were determined and if the consumer protection bond is in lieu of payment and performance bonds. Ms. Grein indicated the proposed bond amounts were determined by staff and were simply a starting point. She anticipated receiving comments concerning the amounts.

Ms. Grein further indicated that the consumer protection bonds and the payment and performance bonds do not provide identical protection.

Mr Lin Wippel, Desert Springs Pools asked how the Board would determine whether the contractor was providing the appropriate consumer protection bond amounts. Ms. Mathias indicated that each contractor would supply an affidavit that would verify the aggregate value of contracts. Board personnel would evaluate information at the time of renewal of the contactors license.

Ms. Colleen Grande, Casa Grande Pools requested clarification on the applicability of consumer protection bonds for contactors without any disciplinary problems. Ms. Grein explained that those contractors not licensed more than five years would be required to post a consumer protection bond.

Richard Peel, Esq. requested clarification on how the Board would determine the requirement for a consumer protection bond for those contractors who have been licensed over five years and whether the consumer protection bond would be used as a form of discipline. He noted the provision for payment and performance bonds was left in the law by the legislature.

Keith Lee, Esq. noted that Section 14(3) of SB 434 sets forth the provision for relieving a contractor of the requirements of providing a consumer protection bond and also provides that the Board may require a contractor to comply with the consumer protection bond provision any time thereafter, if evidence is presented to the Board supporting the requirement.

Mr. Don Rowland inquired what the criteria would be to apply the bond for those licensees that had been relieved of the requirement. It was noted the Board would make the determination based on evidence on an individual basis.

Mr. Steve Treese asked if the provisions of the regulation apply to only licensees holding the full A-10 classification or to those licensees who only hold a sub classification. He also wondered if any grandfathering provisions may be used. Mr. Treese stated the importance of ensuring that safety certifications are required. Ms. Mathias indicated the provisions of the regulation would apply to all licensees performing work concerning a residential pool or spa and that details concerning qualifications, training and examinations have not yet been finalized and that an additional workshop and hearing would be held concerning those requirements.

Mr. Gary Vilani, APSP indicated his concern about the safety issues involved with the installation of plumbing and gas lines. It is his belief that all installers should be certified to perform the work.

Ms. Grein indicated that Clark County has certain restrictions concerning installation of gas lines and the Board would review those requirements prior to establishing qualifications and training requirements.

Since there were no other members of the public present to provide comments, Ms. Grein closed the workshop at 2:30 p.m. She indicated the comments would be summarized and presented to the Board. She also noted that a hearing will be conducted at a later date.

Respectfully submitted,

Jeanne Reynolds  
Recording Secretary

Approved:

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Margi A. Grein, Executive Officer