KENNY C. GUINN Governor

MEMBERS Kim W. Gregory, Chairman Doug Carson Margaret Cavin Dennis K. Johnson Randy Schaefer Deborah Winningham Sheltra Michael Zech

## State Of Nevada



Reply To:

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STATE CONTRACTORS' BOARD

## MINUTES OF THE MEETING MAY 9, 2000

The meeting of the State Contractors Board was called to order by Chairman Kim Gregory at 8:37 a.m., Tuesday, May 9, 2000, State Contractors Board, Las Vegas, Nevada. Exhibit A is the Meeting Agenda and Exhibit B is the Sign In Log.

## **BOARD MEMBERS PRESENT:**

Mr. Kim Gregory – Chairman Mr. Doug Carson Ms. Margaret Cavin Mr. Randy Schaefer Mr. Michael Zech

### **BOARD MEMBERS ABSENT:**

Mr. Dennis Johnson Ms. Deborah Sheltra

#### **STAFF MEMBERS PRESENT:**

Ms. Margi Grein, Executive Officer
Mr. Robert Griffy, Legal Counsel (Haney, Woloson & Mullins)
Mr. Dennis Haney, Legal Counsel (Haney, Woloson & Mullins)
Mr. Hal Taylor, Legal Counsel
Ms Nancy Mathias, Licensing Administrator
Mr. George Lyford, Director of Special Investigations Unit
Mr. Rick Bertuzzi, Director of Investigations
Ms. Pat Potter, Licensing Supervisor
Mr. Gary Leonard, Investigator
Mr. Greg Mincheff, Investigator
Mr. Ron Ramsey, Investigator
Mr. Greg Welch, Investigator
Ms. Joyce Morris, Recording Secretary

## **OTHERS PRESENT:**

Cari Inkenbrandt, Court Reporter, CSR Associates of Nevada; Phyllis Macknight, Paralegal, Home Depot; Glen Quick, Operations Manager, Fisk Electric; Joyce Travis, Owner, Spectrum Painting; Larry and Carol Aebischer, Owner, Pacific Installation &

Service; Gary Levell, Owner, Gary's Plumbing; Ken Baker, Contract Monitor, Clark County School District; Kathy Menalko, Office Specialist II, Clark County School District; Rob Allen, Representative, Applied Metal; Kevin Kraft, President, Ozzie Kraft Pools; Gary Villani, NSPI, National; Russ Watters, President, Watters Aquatech Pools; Michael Heck, President, H P Media Group; Ted Schnoor, Central Permits, Clark County Building Department; Jack Wagoner, Owner, Grass Valley Homes; Bill DeMent, Owner, Grass Valley Homes; Bill DeMent, Owner, DeMent Concrete; Chris McCullough, Esq., Handy Man America; Mike McCall, Manager, Tele/Data; Lucky Miller, Owner, Lucky L. Miller; Brian Harris, Esq., Home Depot U.S.A.; Clarke Welbourne, Owner, Budget Signs Ltd.; Chad Rennaker, Owner, PacifiCap Construction; Kurt Jaeger, Owner, Budget Signs Ltd.; Johnny Skirvin, Owner, Woodpecker Construction; Debbie Corwin, Manager, Sturgeon Electric; Ken Sisco, Manager, Sturgeon Electric; Jeff Reading, Manager, Sturgeon Electric; Kelli Weaver, Bookkeeper, Concrete Accessories; Phillip Ammar, President, Western Concrete Cutting; John Staten, Owner, Staten Construction; Don Beury, Esq., Peter Buras; Edgar Lizarraga, Owner, West Coast Plastering; Frank Vuckovic, Secretary/Treasurer, Lloyds; Mike DeSilva, Division President, US Home; Jack Ayers, Owner, Ayers Signs; Keith Gregory, Esq., State Insulation & Drywall and Morley Investments & Construction Inc.; Michael Isley, Member, M K Shotcrete; Eric Givinn, President, Everclear; Joe Monteiro, President, A-1 Concrete Cutting; Martin Jaime, Owner M J Custom Interiors; Roger Deegan, Sales Rep., S P C; Bob Lisowski, General Manager, G & G Systems; Tom Innusi, President, Sterling Pools; Mary Foster, Owner, Caledonian Construction; Steve Morales, Home Depot; Greg Darling, Managing Member, Everyday Roofing Co., LLC; Robert Orlando; Jerry Scott, Co-owner, S & W Sealing and Striping; Harry Marquis, Esq., Len Acquisition Corporation; Kalani Hoo, Aqua Blue Pools; Joe Wheeler, Construction Zone; Greg Coats, Controller, Sierra Ready Mix: Clark Coberly, Vice President, California Pools; Foster Cannon, Manager, California Pools; Peter Gazsy, Mojave Pools; Chad Beesley, Mojave Pools; John LaBreche, President, Peak Pool Plastering; Elaine Silva, Complainant, Greg Skinner, Esq., M. Nielsen Corporation; Mark Nielsen, President, M. Nielsen Corporation; Jim Richards, Foreman, M. Nielsen Corporation; Magda Kispal, Complainant; Ken Wood, Consultant; Thomas Jackson, Sales Manager; Edgar A. Lizarraga.

#### \* \* \* \* \* \* \* \* \* \* \* \*

Ms. Grein stated that Loyd Mead, Mike Perko and Linc Dante had posted the agenda in compliance with the open meeting law on May 3, 2000, at the Sawyer State Building, Clark County Library, and Las Vegas City Hall. Additionally, the agenda had been posted in each office of the Board, Las Vegas and Reno, and on the Board's Internet web site.

It was learned there were 26 items on the amended agenda, each item of an emergency nature. Additionally, the regular agenda was amended as Landscapes by Tim had been continued by request.

## MS. CAVIN MOVED TO HEAR THE AMENDED AGENDA.

## MR. CARSON SECONDED THE MOTION.

## THE MOTION CARRIED.

Chairman Gregory called for a motion to approve the minutes of April 18 and 19, 2000.

# MR. CARSON MOVED TO APPROVE THE MINUTES OF APRIL 18 AND 19, 2000.

MS. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED.

## EXECUTIVE SESSION

The Executive Session was continued until later in the day.

## ADVISORY OPINIONS

1. **<u>FISK ELECTRIC</u>** - Licensing Requirements, CCTV System Desert Pines High School

Glen Quick, Operations Manager, Fisk Electric and Ken Baker, Contract Monitor, Clark County School District, were present for the advisory opinion.

The question was raised whether a full C-2 license would have the right to perform any or all of the work authorized by the subclassifications of the C-2 license. The Board opined that a contractor holding a C-2 license would be able to perform any and all work associated with that classification, and defined within NAC 624.200.

2. <u>NATIONAL SPA & POOL INSTITUTE</u> - Reconsideration of April 18, 2000 Advisory Opinion Regarding Scope of A-10 License

Gary Villani, Government Relations Committee Member of NSPI, Kevin Kraft, President, Ozzie Kraft Pools, and Ted Schnoor, Clark County Building Department, were present for the advisory opinion.

The National Spa and Pool Institute requested clarification on the advisory opinion of April 18, 2000 pertaining to the scope of work that can be performed by an A-10 contractor, specifically with respect to:

- A. Installation of gas lines
- B. Electrical work
- C. Masonry work and
- D. Patio covers or enclosures.

The Board opined as follows:

A. Installation of gas lines and plumbing

- 1) The installation of gas lines must be performed by a C1 or C1H contractor
- 2) Maintenance of pool heaters
  - a) Maintenance work from the source to the shut-off valve must be performed by a C1 or C1H contractor
  - Maintenance work past the shut-off valve could be performed by an A10 contractor
- 3) Domestic water connections requiring a back-flow device require a C1 or C1D contractor

- 4) Pool plumbing, i.e., supply and return from filtering systems to the pool could be performed by an A10 contractor
- B. Electrical work

All electrical work must be performed by a C2 contractor

C. Masonry work

The A10 contractor can only perform masonry work to the extent that it was incidental and supplemental to the pool construction.

D. Patio covers

The A10 contractor could modify an existing patio cover to the extent that it was necessary to accommodate the construction of the pool only.

The Board also cautioned, when required, certain portions of the work may be required to be subcontracted out to the appropriately licensed contractor by the permitting agency. In all instances, the permitting agency has the right to request more stringent requirements.

#### APPLICATIONS

The following motion closed the meeting to the public.

#### MR. CARSON MOVED TO CLOSE THE MEETING TO THE PUBLIC.

#### MR. SCHAEFER SECONDED THE MOTION.

#### THE MOTION CARRIED.

The meeting was then closed to the public pursuant to NRS 241.030 to discuss financial and other data, which is confidential under NRS 624.110(2).

<u>M J CUSTOM INTERIORS</u> (C3 – Carpentry) NEW APPLICATION, RECONSIDERATION

Martin Esquivel Jaime, owner, was present.

# MR. ZECH MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$20,000 AND A \$10,000 BOND.

#### MS. CAVIN SECONDED THE MOTION.

#### THE MOTION CARRIED.

**LUCKY L. MILLER** (B2 – Residential & Small Commercial) NEW APPLICATION, RECONSIDERATION

Lucky Miller, Owner, Lucky Miller, was present.

Mr. Miller had appeared before the Board on April 18, 2000 requesting reconsideration. At that time Mr. Lyford said he had requested records from Colorado concerning Mr. Miller's arrest in that state. Mr. Lyford supplied the Board with the records.

Ms. Mathias provided a summary of the complaints left unresolved at the time Mr. Miller's prior licenses were revoked, as well as construction related judgments.

Mr. Bertuzzi reported Mr. Miller was one of the first cases he encountered when he came to work for the Board and he had always found Mr. Miller to be very cooperative.

Mr. Miller was questioned about his bankruptcy, which was filed in 1992 and was then withdrawn. In 1998 Mr. Miller had to re-file. It was one bankruptcy, not two. The above-mentioned judgments, awarded to consumers for substandard work, had been discharged in the bankruptcy.

Mr. Miller stated if he was granted the license he would be doing small tenant improvements, kitchen remodeling, etc.

## MR. CARSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$100,000 AND A \$50,000 BOND.

#### MR. ZECH SECONDED THE MOTION.

#### THE MOTION CARRIED.

The Board also requested Mr. Miller provide a financial statement in one year upon renewal.

**STATE INSULATION AND DRYWALL** #40491 (C3d – Insulation) 45-DAY EXTENSION TO REPLACE QE

Keith Gregory, Esq. was present.

The new qualifier had passed the examination. A final extension was granted, not to exceed 45-days.

**MORLEY INVESTMENTS & CONSTRUCTION INC.** #39166 (C5 – Concrete Contracting) ONE TIME RAISE IN LIMIT

Keith Gregory, Esq. was present.

The Board granted the one time raise in limit of \$1,500,000, payment and performance bonds if required, for Phase III of the Valley View Project

## AYERS SIGNS UNLIMITED (C6b – Electrical Signs) NEW APPLICATION

Jack Ayers, Owner, was present. Mr. Ayers was notified that the license application had been approved with a \$50,000 limit and \$10,000 bond.

#### **BUDGET SIGNS LTD.** (C6b - Electrical Signs) NEW APPLICATION

Clark Welbourne and Kurt Jaeger, Owners, of Budget Signs Ltd. were present. Mr. Welbourne and Mr. Jaeger were notified that the license application had been approved with a \$25,000 limit and \$5,000 bond.

Indemnification of the license and the one time raise in limit were explained to Mr. Welbourne and Mr. Jaeger.

<u>HANDY MAN AMERICA</u> (B2 – Residential & Small Commercial) NEW APPLICATION AND NAME SIMILARITY

Chris McCullough, Esq. was present. Mr. McCullough was notified that the license application had been approved with a \$500,000 limit and \$\$15,000 bond. The name as applied for was granted.

LLOYDS REFRIGERATION INC. (C1A – Boilers) NEW LICENSE SUBCLASSIFICATION, WAIVER OF TRADE EXAM

Frank Vuckovic, Secretary/Treasurer of Lloyds Refrigeration Inc. was present. Mr. Vuckovic was notified that a C1a license, not a C1 license, had been approved with an unlimited amount, a \$50,000 bond, and waiver of the trade exam.

<u>M K SHOTCRETE LLC</u> (C11 – Spray Mixtures Containing Cement) NEW APPLICATION

Michael Isley, Member, was present. Mr. Isley was notified that the license application had been approved with a \$25,000 limit and \$5,000 bond.

## **PACIFICAP CONSTRUCTION SERVICES LLC** (C3 – Carpentry) NEW APPLICATION

Chad Rennaker, Managing Member, Pacificap Construction Services LLC, was present. The application was tabled for a new financial statement.

## **SPECTRUM PAINTING** (C4 – Painting & Decorating) NEW APPLICATION

Joyce Travis, Owner, Spectrum Painting, was present. Ms. Travis was notified that the license application had been approved with a license limit of \$30,000 and \$5,000 bond based on the current financial statement.

## **<u>STATEN CONSTRUCTION</u>** (B2 – Residential & Small Commercial NEW APPLICATION

John Staten, Owner, Staten Construction was present. Mr. Staten was notified that the license application had been approved with a license limit of \$50,000 and a \$5,000 bond with a bid letter.

## WESTERN CONCRETE CUTTING (C5 - Concrete Contracting) NEW APPLICATION

Phillip Ammar, President, Western Concrete Cutting was present. Tabled for 60 days for the financial statement of the corporation.

**WOODPECKER CONSTRUCTION** (B2 – Residential & Small Commercial) NEW APPLICATION

Johnny Skirvin, Owner, Woodpecker Construction was present. Mr. Skirvin stated additional funds had been added to his working capital. Indemnification was discussed. The application was tabled pending submittal of a new financial statement.

<u>A – 1 CONCRETE CUTTING</u> #26880 (A8, 16 – Seal/Stripe Asphaltic Surfaces; Paving Streets, Driveways, Lots) – BROADENING OF CLASSIFICATION

Joseph Peter Monteiro, President, A - 1 Concrete Cutting was present. Mr. Monteiro was notified the broadening of the license to include the A-12 and A-13 subclassifications had been approved.

<u>DEVCO INCORPORATED</u> #24117 (B2 – Residential & Small Commercial) INACTIVE STATUS

Brian Harris, Esq. was present. The Board granted inactive status to the license.

HOME DEPOT USA INC. #38686 (B2 – Residential & Small Commercial) CHANGE IN QUALIFIER

HOME DEPOT USA INC. #38686 (B2 – Residential & Small Commercial) 60-DAY EXTENSION

Brian Harris, Esq. and Phyllis Macknight, Paralegal, were present. The Board approved the change in qualifier making Gale Neuburger the new qualified employee for Home Depot. Separately a 60-day extension to replace their qualified employee was granted.

<u>GRASS VALLEY HOMES</u> #41185 (B2 – Residential & Small Commercial) RECONSIDERATION BOARD DECISION

**<u>GRASS VALLEY HOMES</u>** #41224 (A9, 21 – Piers & Foundations; Fencing & Guardrails to Include Decks) RECONSIDERATION BOARD DECISION

John Wagoner, Owner, Grass Valley Homes, and Gregory Corn, Esq. were present. Mr. Corn explained the mitigating circumstances surrounding Mr. Wagoner's bankruptcy. Mr. Corn stated that the bankruptcy was medical related, and it was not the intent to discharge any construction related debt. He also stated Mr. Wagoner would be willing to keep his bonds in place for as long as necessary.

The matter was tabled for 30 days for a post petition financial statement showing the status of the company after the bankruptcy filing along with a list of the debts owed by the construction company.

LEN ACQUISITION CORPORATION ((B2 – Residential & Small Commercial) NEW APPLICATION, REQUESTING WAIVER OF 30 DAYS BOARD DECISION

Michael DeSilva, President, Len Acquisition Corporation, and Harry Marquis, Esq. were present. An unlimited license was approved with a \$50,000 bond requirement, and waving the 30 days. The approval was based on the representation that the new entity would honor the outstanding complaints of US Homes along with all warranty items.

It was mentioned the name had been changed back to US Homes Corporation. The Board advised them to obtain a name change application and return it as soon as possible.

## MR. CARSON MOVED TO REOPEN THE MEETING TO THE PUBLIC.

## MR. ZECH SECONDED THE MOTION.

## THE MOTION CARRIED.

Review of the remaining applications was postponed until later in the day.

#### DISCIPLINARY HEARINGS

#### COBBLESTONE PAVING #44134 & 44135 - DISCIPLINARY HEARING

#### EXCLUSIVE ROCKSCAPES #44133 - DISCIPLINARY HEARING

John Corrado Richard, owner, Cobblestone Paving and Exclusive Rockscapes, was not present. Neither was legal counsel or anyone else present to represent the Licensee.

NSCB Investigators Linc Dante, Greg Welch, and Roy Schoonmaker; Kelli Weaver, Concrete Accessories; Betty Ruark, State Board of Architecture; and Gregory Coats, Controller, Sierra Ready Mix LLC, were sworn in.

The notice of hearing and complaint, dated April 7, 2000 and consisting of pages 1-30, had been sent certified mail to the address of record. The return receipt was received with an illegible date.

The hearing was for possible violation of NRS 624.3012(2), willful or deliberate failure by any licensee or agent or officer thereof to pay any money when due for any materials or services rendered in connection with his operations as a contractor; NRS 624.3016(1), any fraudulent or deceitful act committed in the capacity of a contractor; NRS 624.3011(1) (C) (1), willful or deliberate disregard and violation of the building laws of the state or of any political subdivision thereof; NRS 624.3013(3), failure to establish financial responsibility pursuant to NRS 624.220 and 624.260 to 624.265, inclusive, at the time of renewal of the license or at any other time when required by the board; NRS 624.3018(2), the performance by any firm of any act or omission constituting a cause for disciplinary action, likewise constitutes a cause for disciplinary action against any licensee who is a member, officer, director or associate of firm, and who participated in such prohibited act or omission.

The notice of hearing was entered into the record as EXHIBIT 1.

The current status of license #44134 is suspended for no bond. License #44235 is inactive, not renewed and license #44133 is inactive, not renewed.

Kelli Weaver of Concrete Accessories testified that Mr. Richard had purchased materials from them in the amount of \$4,096.08 and had paid for the materials at the time of purchase with five different checks. In each case, the checks were returned by the bank marked "Non-Sufficient Funds". To this date, Concrete Accessories has not been paid. Ms. Weaver testified there had been no explanation for the returned checks. She also stated Mr. Richard had been in the store and purchasing items on a cash basis. She believes he was purchasing items for Exclusive Rockscapes.

Mr. Coats of Sierra Ready Mix LLC testified that the returned checks from Mr. Richard had subsequently been paid through the private property owners. Mr. Richard still has an outstanding balance of \$726.00 for an unpaid invoice.

Mr. Welch testified that he had received a call from Wayne Collodi, the architect of record for the project. Mr. Collodi explained to Mr. Welch that his plans had been removed from the Clark County Building Department. His stamp and seal had been removed from the plans and the plans had been resubmitted under Cobblestone Paving's license under the contractor's exemption.

Betty Ruark, Investigator for the State Board of Architecture, testified this offense is a violation of Chapter 623 to remove a seal from an architect's set of plans and resubmit them to the building department without authorization. Ms. Ruark stated there was an

admission of guilt on Mr. Richard's part and that he has not paid the fine to the Architect's Board.

Mr. Dante testified that on two separate occasions certified letters were sent to each of Mr. Richard's companies requesting financial statements and none was ever received.

Mr. Schoonmaker reported a criminal investigation had been opened against Exclusive Rockscapes with regard to engaging in business with an unlicensed contractor.

The evidentiary was closed.

## MR. CARSON MOVED TO ACCEPT THE FILE AND TESTIMONY AS FORMAL FINDINGS OF FACT, CONCLUSIONS OF LAW.

#### MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

MR. CARSON MOVED TO FIND LICENSE #44134, AND #44135, COBBLESTONE PAVING, AND #44133, EXCLUSIVE ROCKSCAPES, IN VIOLATION OF ALL CHARGES.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

Penalty phase.

MR. CARSON MOVED TO REVOKE LICENSE #44134 AND #44135, COBBLESTONE PAVING, AND #44133, EXCLUSIVE ROCKSCAPES, AND TO REQUIRE FULL RESTITUTION TO ALL DAMAGED PARTIES, AND TO RECOVER THE INVESTIGATIVE COST OF \$3,021.37 PRIOR TO ANY CONSIDERATION OF FUTURE LICENSURE IN THE STATE OF NEVADA.

MR. ZECH SECONDED THE MOTION.

#### THE MOTION CARRIED.

#### AQUA BLUE POOLS #32761 - DISCIPLINARY HEARING

NSCB Investigator Bob Macke; Shawn Marino; Walter Welty, Aqua Blue Pools; Kalani Hoo, Aqua Blue Pools; Don Beury, Esq., representing complainant Peter Burras were present.

The notice of hearing and complaint, dated March 13, 2000 and consisting of pages 1-47, had been sent certified mail. The return receipt was dated March 15, 2000.

The hearing was for possible violation of NRS 624.3012(2), willful or deliberate failure by any licensee or agent or officer thereof to pay any money when due for any materials or services rendered in connection with his operations as a contractor; NRS 624.3013(5), as set forth in NAC 624.700(3)(a), NAC 624.640(5), and NAC 624.6958(1), and (2)(i)(I), (2)(I), (n) and (o), failure in any material respect to comply with the provisions of this chapter or the regulations of the board; NRS 624.3015(1), acting in the capacity of a contractor beyond the scope of the license; NRS 624.3016(5), as set forth in NRS 597.719(1)(d)(h) and (I) and NRS 597.719(2), failure to comply with NRS 597.713, 597.716 or 597.719 or any regulations of the board governing contracts for the construction of residential pools and spas; NRS 624.3017(1), workmanship

which is not commensurate with standards of the trade in general or which is below the standards in the building or construction codes adopted by the city or county in which the work is performed.

The notice of hearing and continued hearing were entered into the record as EXHIBIT 1.

Counsel for Aqua Blue Pools stated that the complaint's third, fourth and fifth cause of action filed by Peter & Daphne Burras currently have a case in Justice Court, Department Two, before Judge Smith regarding the issues that are discussed in the complaint presently before the board. The trial has been set for June 28, 2000. It was requested the third, fourth and fifth cause of action be continued until after the trial as most of the issues will be corrected or addressed in the Justice Court proceedings.

Mr. Beury, counsel for Mr. and Mrs. Burras, objected to the continuance and requested that all the causes be heard together as they are all relevant. He also stated that Mr. Burras was terminally ill and wanted to get this matter resolved as soon as possible.

Mr. Taylor reported that the first cause of action is being dismissed. The second cause of action has been resolved by the parties involved. The sixth cause of action has been paid and is closed as invalid. In regard to the seventh, eighth and ninth cause of action, on or about February 14 or 15, 2000, Greg Welch was contacted by a representative of Aqua Blue Pools inquiring as to what could be done to make their contracts in compliance with the law. After correspondence back and forth, the contracts are now in compliance.

Mr. Taylor felt the appearance of Mr. and Mrs. Burras was important in the presentation of the case and therefore felt the matter should be continued.

Mr. Gregory stated the hearing would be continued until the next Las Vegas meeting on May 23, 2000. He requested counsel advise the Board as soon as possible if Mr. Burras would not be able to attend the meeting.

#### CALIFORNIA COMMERCIAL POOLS INC. d/b/a CALIFORNIA POOLS AND SPAS #19277 DISCIPLINARY HEARING

NSCB Investigator Greg Mincheff, Clark Coberly, Vice President, California Pools; Foster Cannon, Manager, California Pools; Mike Yoder, Complainant, were present.

The notice of hearing and complaint, dated April 6, 2000, consisting of pages 1-18, had been sent certified mail to the address of record. The return receipt was dated April 11, 2000.

The hearing was for possible violation of NRS 624.3017(1), workmanship which is not commensurate with standards of the trade in general or which is below the standards in the building or construction codes adopted by the city or county in which the work is performed; NRS 624.3013(5), as set forth in NAC 624.700(3)(a), NAC 624.6958(1), and (2)(I)(I), (2)(1), (n) and (o), and NAC 624.640(5), failure in any material respect to comply with the provisions of this chapter or the regulations of the board; NRS 624.3016(5), as set forth in NRS 597.719(h) and (I) and NRS 597.719(2), any fraudulent or deceitful act committed in the capacity of a contractor.

Mr. Coberly did not realize the extent of the hearing process and formally requested the matter be continued until his attorney could be present.

With the Board's consent, Mr. Gregory granted the continuance until the June 20, 2000 meeting in Las Vegas.

TROYJEN INC. d/b/a MONTEREY POOLS #29145 and #43887 DISCIPLINARY HEARING

NSCB Investigators Bob Macke, Greg Welch and Linc Dante; Louis s, Owner, Monterey Pools; Mary Hertig, Complainant; David Brom, Complainant were present.

The notice of hearing and complaint, dated April 8, 2000, consisting of pages 1-68, was sent certified mail. No return receipt had been received.

An amended complaint, dated April 18, 2000, consisting of pages 1-89 had been sent certified mail. No return receipt was received. The amended complaint was hand delivered by Investigator Greg Welch on April 27, 2000.

A second amended complaint was hand delivered by Investigator Greg Welch on May 8, 2000.

The hearing was for possible violation of NRS 624.3011(1) (C) (1), willful or deliberate disregard and violation of the building laws of the state or of any political subdivision thereof; NRS 624.3012(2), willful or deliberate failure by any licensee or agent or officer thereof to pay any money when due for any materials or services rendered in connection with his operations as a contractor, when he has the capacity to pay or when he has received sufficient money therefor; NRS 624.3013(3), failure to establish financial responsibility pursuant to NRS 624.220, NRS 624.260 and NRS 624.265, failure in any material respect to comply with the provisions of this chapter or the regulations of the board; NRS 624.3016(5), as set forth in NRS 597.716(3), NRS 597.719(2) and NRS 597.719(3), failure to comply with NRS 597.713, 597.716 or 597.719 or any regulations of the board governing contracts for the construction of residential pools and spas.

The current status of the licenses is suspended, no bond (#29145) and suspended, no qualifier (#43887).

The stipulation was signed by Mr. Toomin.

The notice of hearing, first amended complaint and second amended complaint were entered into the record as <u>EXHIBIT 1.</u>

Mr. Toomin agreed all the charges were accurate with the exception of number three. He felt the Nick Tancredi cause of action should not have been in the complaint. He stated he believed the complaint had been withdrawn. Mr. Taylor replied it was not a workmanship issue, merely providing the proper contract documents. Mr. Toomin also stated that on Mr. Brom's complaint, there was an issue regarding Prestige Gunnite not gunniting the pool properly. He stated they were paid for the work and should have made remuneration for the mistakes which was not done. He also questioned the validity of Mrs. Hertig's statement regarding the permit. He stated he believed a permit was pulled. Mr. Toomin gave an account of the events that led up to his present circumstances. He stated he is filing for bankruptcy.

Mr. Brom stated he had to pay off two liens on his home, one to Davis Concrete in the amount of \$4,908.00 and the other to Vinzant's Plastering in the amount of \$2,041.50. Mrs. Hertig also stated she had a lien placed on her home.

The evidentiary was closed.

## MR. ZECH MOVED TO FIND TROYJEN INC. d/b/a MONTEREY POOLS, LICENSE #29145 AND #43887, IN VIOLATION OF ALL CHARGES.

#### MS. CAVIN SECONDED THE MOTION.

#### THE MOTION CARRIED

Penalty phase.

MR. ZECH MOVED TO REVOKE THE LICENSES OF TROYJEN, INC. d/b/a MONTEREY POOLS, #29145 AND #43887; FULL RESTITUTION BE MADE TO ALL PARTIES AND INVESTIGATIVE FEES OF \$5,901.30 PAID PRIOR TO ANY CONSIDERATION OF FUTURE LICENSURE IN THE STATE OF NEVADA.

#### MR. CARSON SECONDED THE MOTION

#### THE MOTION CARRIED.

#### MOJAVE POOLS #46460 DISCIPLINARY HEARING

#### MOJAVE HOMES #46461 DISCIPLINARY HEARING

NSCB Investigator Greg Mincheff, Peter Gazsy, Partner, Mojave Pools and Mojave Homes, Frederick Chad Beesley, Partner, Mojave Pools and Mojave Homes, and Elaine Silva, Complainant, were present.

The notice of hearing and complaint, dated April 6, 2000, consisting of pages 1-20, had been sent certified mail. The return receipt was dated April 14, 2000.

The hearing was for possible violation of NRS 624.3017(1), workmanship which is not commensurate with standards of the trade in general or which is below the standards in the building or construction codes adopted by the city or county in which the work is performed; NRS 624.3013(5), as set forth in NAC 624.700(3)(a), failure in any material respect to comply with the provisions of this chapter or the regulations of the board; NRS 624.3018(2), the performance by any partnership of any act or omission constituting a cause for disciplinary action likewise constitutes a cause for disciplinary action against any licensee who is a member of such partnership, and who participated in such prohibited act or omission.

The notice of hearing was entered into the records as EXHIBIT 1.

The current status of the license is active.

The stipulation was signed.

Ms. Silva testified she had purchased a home in Pahrump and included in the purchase was a pool in the amount of \$12,000. Ms. Silva described the pool as being an inground pool with a vinyl liner measuring approximately 38" x 16", 3 ½" to 8 ½" in depth. Ms. Silva has experienced numerous problems with the pool. Among them, wet ground around the pool that had not been landscaped. Ms. Silva stopped using her automatic water fill to determine whether it was a water leak or whether the water was coming from another source. Two to three inches of water were being lost each day. Walls began heaving in; holes have appeared in the liner; the bottom of the pool is like a washboard; the pool cannot be cleaned properly; the vinyl is pulling away from the tracking around the top of the pool, etc. Ms. Silva stated she cannot drain the pool because she was advised the outside pressure would be greater than the inside pressure. This has been an ongoing problem for about three years with no resolution. Ms. Silva reported she had faxed a document to the State Contractors Board from two other contractors in Pahrump who work on vinyl pools. This was entered into the record

as <u>EXHIBIT 2.</u> One estimate from Out of the Way Pool Company to repair the stairs and the water leak was in the amount of \$8,750. Ms. Silva spoke with Amber Pools and was advised there was no hope for the pool. Amber Pools would not attempt to repair the pool because of the sidewalls being destroyed, the fact that the wood has been wet for four years and, most likely, the dirt around the pool would have to be removed and require totally new construction. To do so would amount to approximately \$18,000 to \$20,000.

Ms. Silva had spoken to Mr. Beesley many times over the years, and he assured her that he would stand behind his work, that the problems would be corrected. Ms. Silva stated Mr. Beesley and Mr. Gazsy came out to her property last spring, emptied the pool and made superficial repairs to the pool. The walls were sanded down and straightened out, caulking was applied around the steps that were tilted in, and nailed tracking down that had come loose. Within two weeks, the tracking was pulling away from the sides of the pool again. Ms. Silva called Mojave Pools and advised them the pool was doing the same thing as before.

Mr. Mincheff, Investigator, confirmed he had visited the site and this was a valid complaint. Corrective notices had been sent. Mr. Mincheff also reported that on August 16, 1999, a notice to correct had been sent and on August 31, 1999, a letter was received from the contractor stating he did not believe the problem was his and would like to the board to hear this matter. On September 3, 1999, the final notice to correct was sent to the contractor.

Mr. Beesley testified Ms. Silva did have a problem with the pool. The pool was drained and punctures in the liner were discovered, one being the size of a half-dollar. The liner was patched from underneath and supposedly this type of patch should cause no further leaking. A vermiculite coating was applied to the bottom of the pool; ¼" packing foam was applied to the treated wood walls which were then secured. Mr. Beesley then stated Ms. Silva did call him approximately two weeks after the corrective work and said the pool was leaking again. Mr. Beesley told Ms. Silva he felt it was a plumbing problem. Mr. Beesley also stated the pool was built four years ago and that Ms. Silva had notified him three years later there was a problem. Mr. Beesley felt he was no longer responsible.

Ms. Silva reported the walls of the pools first started swelling in the spring of 1997. She reported it to the contractor, but received no satisfaction from the pool builder. She first reported the problems to the general contractor, as Ms. Silva didn't have the name and phone number of the pool contractor.

Mr. Taylor questioned Ms. Silva regarding the fact that during the first year she only dealt with the general contractor in reporting problems on pool. Ms. Silva testified that the general contractor could verify her claims of reporting the various problems that had arisen with the pool.

Mr. Gregory then requested the general contractor be contacted and brought before the board to hear his testimony. The hearing was continued to May 23, 2000.

APPLICATIONS (Continued)

MR. ZECH MOVED TO CLOSE THE MEETING TO THE PUBLIC.

MS. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED.

MARY J. FOSTER (A7 – Excavating & Grading) NEW APPLICATION RECONSIDERATION

Mary Jane Foster, Owner, Mary J. Foster, was present. Ms. Foster explained she had just received her Master's Degree and had incurred student loans.

The license application was approved with a limit of \$10,000 and a \$2,000 bond with a bid letter and financial statement upon renewal.

The one time raise in limit was explained to Ms. Foster.

<u>**H P MEDIA GROUP</u>** (C2d,e – Amplifying Systems; Signal Systems) NEW APPLICATION</u>

Michael Heck, President, H P Media Group, was present. Mr. Heck was notified that the license application had been approved with a \$200,000 limit and \$10,000 bond.

**EDGAR A. LIZARRAGA** (C17 – Lathing & Plastering) NEW APPLICATION RECONSIDERATION

Edgar .A. Lizarraga, President, Edgar A. Lizarraga, and Thomas Jackson, Jr., Professor of Business, Community College, were present. Mr. Jackson stated he would be investing money in the business. Mr. Lizarraga had been a student of Mr. Jackson's and attested to his character.

The license application was approved with a \$15,000 limit and \$5,000 bond contingent upon receipt of a corrected application showing the actual name of the business (West Coast Plastering) and confirmation the additional moneys from Mr. Jackson have been deposited into the bank account.

<u>APPLIED MECHANICAL INC.</u> (C21 – Refrigeration & Air Conditioning) NEW APPLICATION NAME SIMILARITY

The license application was approved with a \$200,000 limit and \$10,000 bond. The request to use the name Applied Metal Systems Inc. was denied due to a name similarity.

MR. ZECH MOVED TO REOPEN THE MEETING TO THE PUBLIC

MS. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED.

#### DISCIPLINARY HEARING

#### M. NIELSEN CORPORATION #36244 - DISCIPLINARY HEARING

Mark Nielsen, President, M. Nielsen Corporation; NSCB Investigator Gary Leonard; Ken Wood, Consultant; Magda Kispal, Complainant, were sworn in. Greg Skinner, Esq., M. Nielsen Corporation, was identified.

The stipulation was signed.

The notice of hearing and complaint, dated March 4, 2000 and consisting of pages 1-92, had been sent certified mail. The return receipt was dated March 7, 2000.

The notice of continued hearing, dated March 29, 2000, had been sent certified mail, and the return receipt was dated March 31, 2000.

A response had been filed in the matter, and Counsel was present with the Respondent.

The hearing was for possible violation of NRS 624.3011 (1) (a), willful and prejudicial departure from or disregard of plans or specifications in any material respect without the consent of the owner or his authorized representative and the person entitled to have the particular construction project or operation completed in accordance with the plans and specifications; NRS 624.301 (1), abandonment without legal excuse of any construction project or operation engaged in or undertaken by the licensee as a contractor; NRS 624.3015 (2), bidding to contract or contracting for a sum for one construction contract or project in excess of the limit placed on the license by the board; and NRS 624.3013 (5), failure in any material respect to comply with the provisions of this chapter or the regulations of the board as required by NAC 624.640 (5), each licensee shall include in all bids he submits or contracts he enters into for construction work within this state, the number of his license and monetary limit placed upon his license, and NAC 624.321 (2), a general building contractor shall provide in writing to the owner of a single-family residence with whom he has contracted, a notice that a person described in subsection 1 may record a notice of lien upon the residence of the owner and any building, structure and improvement thereon pursuant to the provisions of NRS 108.226.

The hearing notice was entered into the record as EXHIBIT 1.

Mr. Taylor stated the license was a B2 license with a limit of \$750,000. The residence in question was a custom home in the Tahoe area. The total cost of the home was \$1,892,850. Mr. Taylor then recapped what evidence would be presented to each of the charges.

Mr. Taylor then questioned Magda Kispal, who testified that on or about August 21, 1998, she had entered into a contract with the Respondent for the construction of a home in Incline Village. The total construction price of the home was \$1,892,850. To date, \$426,210.91 had been paid. The home was not yet completed. There came a time when problems with the home manifested themselves. Hereafter, Ms. Kispal described the problems in detail, some of which had resulted in red tags from the Washoe County Building Department.

A structural engineering report, pages 34-46 of the hearing notice was referenced. Mr. Taylor commented that a response had been received from the Respondent indicating that Ms. Kispal had approved the changes. Ms. Kispal answered she had never approved the changes, nor was she given an opportunity to approve them as the changes had been made without her input. She only learned of the changes when she received change orders within a period of three weeks in the month of April when huge amounts of money was billed to her. In addition, the contractor failed to supply Ms. Kispal with the invoices to substantiate the charges.

Mr. Skinner then questioned Ms. Kispal regarding her on-site visits to the project, and the discussions that occurred during those visits. Ms. Kispal said that at no time did Mr. Nielsen ask her to visit the job site to discuss changes in the plans, he merely called her to come view the progress of the project, and he never discussed his license limit with her.

Mr. Skinner objected to the admission of documents, dismissing them as irrelevant and adding he did not believe there was a red tag issue on the complaint. The Board did not concur with Mr. Skinner, and the following documents were entered into the record: <u>EXHIBIT 2</u>, a photograph submitted by Ms. Kispal, and <u>EXHIBIT 3</u>, a red tag order from the Washoe County Building Department,

When testifying, Mr. Leonard explained the layout of the project. He also testified that Ken Wood had met with staff from the structural engineer on the project (Gabbart & Wood Construction Engineering) to review the item after Mr. Nielsen had left the project. The engineering report had been prepared after Mr. Leonard's visit to the site. Mr. Leonard next validated the complaint as represented in the hearing notice, noting the differences to the plans.

Mr. Skinner questioned Mr. Leonard. He asked Mr. Leonard if, in his presence at one the meetings on the premises, Ms. Kispal had acknowledged some of the changes to the plans as being acceptable. Mr. Leonard replied he did not recall any such discussion.

Mr. Wood testified how he had become involved in the construction issue. He said it was after Mr. Nielsen had left the project. Mr. Wood explained that Gabbart & Wood was the original engineer on the project. Mr. Wood, along with another general contractor, had reviewed the house to the plans, noting the differences. Mr. Wood stated that, to his knowledge, the owner had never approved the changes. In a meeting with Ms. Kispal, Mr. Leonard, and Mr. Nielsen, the inappropriateness of the changes was discussed. Mr. Nielsen said he would look into the matter and make the necessary changes, but he never did. Thereafter, he ceased to return to the job site. He had no knowledge as to whether Mr. Nielsen was terminated.

Mr. Skinner referenced a deposition Mr. Wood had given a week ago. Mr. Skinner asked Mr. Wood if there was anything in the deposition that he now wanted to change. Mr. Wood answered no. Referencing page 56 of the hearing notice, Mr. Skinner pointed out that Mr. Wood had said he had no opinion if Mr. Nielsen had abandoned the project. Mr. Wood replied that he only was certain that Mr. Nielsen did not come back to attempt any corrections.

Mr. Carson requested correspondence from Nielsen Corp. to Ms. Kispal regarding the change orders. Mr. Gregory pointed out that the contract was a cost plus contract. There was no reason to deviate from the drawings unless a mistake was made in the process. He, too, asked for further documentation.

In response, Mr. Skinner stated that the owner would not speak to the architect of record, therefore, certain changes occurred, but the plan had been for the architect to red line the plans prior to rough framing. He added that both the architect and Nielsen were going into litigation with the owner. After further discussion, Mr. Nielsen answered he did not have any written evidence to substantiate the changes.

Mr. Gregory asked Mr. Skinner if his client had any documentation explaining why his client entered into three projects to build something beyond the limit of his license. Mr. Skinner replied no.

Due to time constraints, the hearing was continued until May 23, 2000. All parties were requested to provide written documentation to substantiate the items discussed.

#### APPLICATIONS (Continued)

#### MS. CAVIN MOVED TO CLOSE THE MEETING TO THE PUBLIC.

MR. ZECH SECONDED THE MOTION

THE MOTION CARRIED.

**DEMENT CONCRETE LLC** (C5a – Concrete Pouring) NEW APPLICATION

Bill DeMent, owner, was present. Mr. DeMent was notified that the license application had been approved with a \$250,000 limit and \$15,000 bond.

#### **EVERYDAY ROOFING COMPANY LLC** (C15a – Roofing) NEW APPLICATION

Greg Darling, Managing Member, Everyday Roofing Company LLC was present. Mr. Darling was notified the license application had been approved with a \$20,000 license limit and \$5,000 bond.

**PACIFIC INSTALLATION AND SERVICE INC.** C26b – Building Accessories and Specialties) NEW APPLICATION, RECONSIDERATION BOARD DECISION

Larry Aebischer, owner, Pacific Installation and Service was present. Mr. Aebischer was notified the license application had been approved with a \$50,000 license limit and \$5,000 bond.

<u>S & W SEALING AND STRIPING</u> (A8 – Seal/Stripe Asphaltic Surfaces NEW APPLICATION

Jerry Scott, co-owner, S & W Sealing and Striping was present. Mr. Scott was notified that the license application had been approved with a \$30,000 limit and \$5,000 bond.

The remainder of the applications on the agenda were reviewed and discussion occurred on the following: Nos. 1, 3-5, 7, 9-10, 12, 16, 18, 25, 27-28, 37, 48, 54, 57, 63, 77, 94, 120-122, 125-126, 128, 131, 133-135, 140, 142, 153-154, 160, 166, 168, 171, 174, 189, 191; and on the amended agenda: Nos. 2-4, 6, 11-12, 14-16, 19, 21-22, 26.

## MR. ZECH MOVED TO REOPEN THE MEETING TO THE PUBLIC.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

EXECUTIVE SESSION

**EXECUTIVE OFFICER'S QUARTERLY REPORT** – 3/31/00 (ATTACHMENT)

FINANCIAL REPORTS – 3/31/00

MR. CARSON MOVED TO ACCEPT THE EXECUTIVE OFFICER'S QUARTERLY REPORT AND THE FINANCIAL REPORT.

MR. SCHAEFER SECONDED THE MOTION.

THE MOTION CARRIED.

#### CONSIDERATION OF PROPOSED BILL DRAFT REQUESTS

Ms. Grein distributed copies for Board consideration of four proposed bill draft requests for submittal to the 2001 legislative session regarding changes to NRS. 1. Recovery Fund. 2. Bidders Preference. 3. Background Investigations. 4. General Housekeeping Bill.

The Board recommended submitting the proposed bill draft requests and revise the language as needed at a later date, and to consider Ms. Grein's two recommendations prior to the final submission of the bill draft requests.

#### **APPOINTMENT OF PENSION TRUSTEES**

# MR. ZECH MOVED TO APPOINT MR. SCHAEFER AND MR. GREGORY AS THE PENSION TRUSTEES.

#### MR. CARSON SECONDED THE MOTION.

#### THE MOTION CARRIED.

Ms. Grein recommended that Mr. Carson sign pension disbursement checks in the Las Vegas area.

#### PUBLIC COMMENT

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

There being no further business to come before the Board, the meeting was adjourned by Chairman Gregory at 4:30 p.m.

Respectfully Submitted,

APPROVED:

Joyce Morris, Recording Secretary

Margi A. Grein, Executive Officer

Kim Gregory, Chairman