

KENNY C. GUINN
Governor

STATE OF NEVADA

REPLY TO:

MEMBERS

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

MINUTES OF THE MEETING
AUGUST 5, 2003

1. CALL TO ORDER:

The meeting of the State Contractors Board was called to order by Chairman Michael Zech at 8: 31 a.m., Tuesday, August 5, 2003, State Contractors Board, Reno, 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 W. Clark
Mr. Spiridon G. Filios
Mr. Jerry Higgins

BOARD MEMBERS ABSENT:

Mr. Randy Schaefer

STAFF MEMBERS PRESENT:

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

LEGAL COUNSEL PRESENT:

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

Ms. Mathias stated that Gary Leonard had posted the agenda in compliance with the open meeting law on July 30, 2003 at the Washoe County Court House, Washoe County Library, and Reno City Hall. The agenda was also posted in both offices of the Board, Reno and Henderson, and on the Board's Internet web page.

It was learned there were 23 items on the amended agenda, each item of an emergency nature.

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

B. UNFINISHED BUSINESS:

Ms. Grein informed the Board that she and Ms. Broussard will not be available for the September 23, Board meeting in Henderson and requested the Disciplinary Hearings be rescheduled

C. FUTURE AGENDAS:

Ms. Grein informed the Board that the Builders Association of Northern Nevada requested a meeting with the Board. The matter will be placed on the agenda at a future date.

2. APPROVAL OF MINUTES:

APPROVAL OF MINUTES OF JULY 22, 2003:

The Chairman called for a motion to approve the minutes of July 22, 2003.

It was moved and seconded to approve the minutes of July 22, 2003. THE MOTION CARRIED.

3. SUBCOMMITTEE REPORTS:

BLUE BOOK SUBCOMMITTEE:

Mr. Higgins informed the Board the changes for the Blue Book have been reviewed.

CONSTRUCTION MANAGEMENT SUBCOMMITTEE:

Ms. Grein stated the Architects Board would like to work with the Board regarding the Construction Management issue.

Mr. Higgins suggested the Construction Management Subcommittee meet with the Board of Engineers and the Architects after the NASCLA conference in September, 2003.

CLASSIFICATION/REGULATION SUBCOMMITTEE:

Ms. Cavin informed the Board that a public hearing concerning the C-5 classifications was held on August 4, 2003. Further hearings to streamline the classifications will be scheduled.

The remainder of the subcommittee reports were continued.

4. 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. THE MOTION CARRIED.

ARCHITECTURAL INTERIORS & CONSTRUCTION SERVICES, INC., (B-2 RESIDENTIAL & SMALL COMMERCIAL) NEW APPLICATION, RECONSIDERATION REQUESTING WAIVER OF EXAM

Ms. Stewart reported that Mr. Robinson had failed the trade exam 4 times, staff was recommending the application be withdrawn.

Robby J. Robinson, President of Architectural Interiors & Construction Services, Inc. was present. The Board informed Mr. Robinson that the license application (B-2 Residential & Small Commercial) was granted with a monetary limit of \$250,000, a bond of \$15,000 and waiver of the trade exam.

BOB BANG, (C-3 CABINETS & MILLWORK) NEW APPLICATION

Mr. Bob L. Bang, Owner of Bob Bang was present. The Board informed Mr. Bang that the license application (C-3 Cabinets & Millwork) was granted with a monetary limit of \$50,000, a bond of \$10,000 and contingent upon obtaining a line of credit for \$10,000.

MAIN ELECTRIC, (C-2 ELECTRICAL CONTRACTING) NEW APPLICATION, RECONSIDERATION REQUESTING WAIVER OF TRADE EXAM

Ms. Stewart reported that Mr. Main failed the trade exam 3 times. Applicant has been licensed in California since 1981, however, the electrical classification is not reciprocal at this time.

Mr. Reginald C. Main, Qualified Employee of Main Electric was present. The Board informed Mr. Main that the license application (C-2 Electrical Contracting) was granted with a monetary limit of \$50,000, a bond of \$5,000 and waiver of the trade exam.

H B G FLATIRON, INC., (A – GENERAL ENGINEERING) NEW APPLICATION

Mr. Bernie H. Herrmann, Vice President of H B G Flatiron, Inc. was present. The Board informed Mr. Herrmann that the license application (A – General Engineering) was granted with an unlimited monetary and a \$50,000 bond.

DESIGNER DOORS, INC., (C-14-C-I ORNAMENTAL METAL AWNINGS) NEW APPLICATION

Mr. Craig D. Polson, Chief Executive Officer of Designer Doors, Inc. was present. The Board informed Mr. Polson that the license application (C-14-C-I Ornamental Metal Awnings) was granted with a monetary limit of \$100,000 and a bond of \$10,000.

PERFORMANCE MECHANICAL, INC., (C-21B AIR CONDITIONING) CHANGE IN QUALIFIER, RECONSIDERATION WAIVER OF TRADE EXAM

Ms. Stewart reported that Mr. Agliolo was requesting waiver of the trade exam.

Mr. Brian L. Foster, President of Performance Mechanical, Inc. was present. The Board informed Mr. Foster that the license application was granted with waiver of the trade exam.

V T CONSTRUCTIONS, LLC., (A – GENERAL ENGINEERING) NEW APPLICATION, NAME SIMILARITY

Mr. Keith Gregory, Attorney for V T Constructions, LLC. was present. The Board informed Mr. Gregory that the license application (A – General Engineering) was granted with a monetary limit of \$2,000,000, bond of \$30,000 and a name change is not necessary.

K D T CONSTRUCTION & CONSULTING, LLC., (C-15A ROOFING) CHANGE IN QUALIFIER, RECONSIDERATION WAIVER OF TRADE EXAM

Mr. Jeffrey L. Bills, Manager of K D T Construction & Consulting, LLC., Mr. Anthony Cicchetti, of K D T Construction & Consulting, LLC. and Tamara Shaw, Attorney for K D T Construction & Consulting, LLC. were present. The Board informed Mr. Bills that the application was approved with Jeffrey L. Bills as the qualifier and waiver of the trade exam.

The remainder of the applications on the agenda were reviewed and discussion occurred on the following: Nos. 1, 2, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 92, 93, 94, 95, 96, 97, 98, 99, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125; and on the amended agenda: Nos. 1, 2, 3, 4,

5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 23.

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

5. EXECUTIVE SESSION:

B. DISCUSSION OF MASS MEDIA PROPOSAL:

Ms. Grein presented the Mass Media Proposal to the Board.

It was moved and seconded to have the Mass Media Proposal be included in the budget for fiscal year 2003-2004. **THE MOTION CARRIED.**

C. DISCUSSION OF CONTRACTOR FORUM ON AUGUST 21, 2003:

Ms. Grein presented the Board with Mr. Richard Peel's presentation outline for the Contractor Forum to be held on August 21, 2003.

D. CASH DISBURSEMENTS AND TRANSFER JOURNALS – 04/01/03 – 06/30/03:

It was moved and seconded to approve the Cash Disbursements and Transfer Journals for the period of April 1, 2003 – June 30, 2003. **THE MOTION CARRIED.**

F. DEPARTMENT REPORTS:

LICENSING DEPARTMENT REPORT:

Ms. Kathy Stewart presented the Board with the aging report for the Reno Licensing Department.

Ms. Mathias discussed the examination program with the Board.

The remaining items in the Executive Session were continued to the August 19, 2003 Henderson Board Meeting.

INFORMAL SETTLEMENTS:

GOODALE CONSTRUCTION, LICENSE NO. 51950

It was moved and seconded to accept the Stipulated Settlement Agreement. A one year letter of reprimand is to be placed in the Respondent's file. The Respondent is to pay an Administrative Fine of \$1,000 and reimburse the Board for Investigative Costs of \$1,000 within 60 days. **THE MOTION CARRIED. Mr. Higgins abstained.**

G K CONSTRUCTION, LICENSE NO. 16643

It was moved and seconded to accept the Stipulated Settlement Agreement. The Respondent is to pay an Administrative Fine of \$500 and reimburse the Board for

Investigative Costs of \$795 within 60 days. THE MOTION CARRIED. Mr. Higgins and Ms. Cavin abstained.

DEFAULT ORDERS:

EXCEL BUILDERS & DEVELOPMENT, LICENSE NO. 48770

No one from Excel Builders & Development was present. The hearing was for possible violations of NRS 624.3017 (1); NRS 624.3013 (5); as set forth in NAC 624.700 (3) (a); NRS 624.3013 (5) as set forth in NAC 624.640 (5); NRS 624.3015 (1); NRS 624.3011 (2); and NRS 624.3013 (5) pursuant to NRS 624.520 (1).

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

It was moved and seconded to find Respondent Excel Builders & Development, Cary J. Hibbard, Owner, license number 48770, in Default and adopt the Findings of Fact and Conclusions of Law as set forth in the Administrative complaint. License number 48770, Excel Builders & Development, was Revoked. Mr. Hibbard is required to pay full restitution to the damaged parties and reimburse the Board for Investigative Costs of \$1,933, plus any expenses that may be paid out of the Residential Recovery Fund prior to consideration of future licensure. THE MOTION CARRIED.

SAPPER CONSTRUCTION CO., LICENSE NO. 19645

No one from Sapper Construction was present.

The hearing was for possible violations of NRS 624.3012 (2); NRS 624.302 (5); NRS 624.3013 (5) as set forth in NAC 624.640 (5); and NRS 624.3013 (3).

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

It was moved and seconded to find Respondent Sapper Construction Co., Eugene H. Sapper, Chairman of the Board, David Sapper, President, E S Sapper, Vice President and Steven R. Sapper, Secretary, license number 19645, in Default and adopt the Findings of Fact and Conclusions of Law as set forth in the Administrative complaint. License number 19645, Sapper Construction Co., was Revoked. The Respondent's are required to pay full restitution to the damaged parties and reimburse the Board for Investigative Costs of \$1,779, plus any expenses that may be paid out of the Residential Recovery Fund prior to consideration of future licensure. THE MOTION CARRIED.

6. ACCEPTANCE OF THE HEARING OFFICER'S REPORT:

VISION CRAFT HOMES, INC., LICENSE NO. 45953

It was moved and seconded to accept Hearing Officer David Clark's report for the re-hearing of Vision Craft Homes, Inc., license number 45953. THE MOTION CARRIED.

7. BOARD DECISION – SIERRASAGE, LLC., LICENSE NO 52571 MOTION TO DISMISS INDIVIDUALLY NAMED RESPONDENT'S AND TO BIFURCATE PROCEEDINGS:

Mr. Rudolph W. Rheinschild, Manager of Sierrasage, LLC, and Ms. Denise Serverson, Attorney for Rudolph W. Rheinschild were present.

**It was moved and seconded to deny the Motion to Dismiss Individually Named Respondent's and to Bifurcate the Proceedings.
THE MOTION CARRIED.**

8. DISCIPLINARY HEARING - UPDATE:

SIERRASAGE, LLC., LICENSE NO. 52571 (CONTINUED FROM OCTOBER 1, 2002, OCTOBER 22, 2002, NOVEMBER 6, 2002, DECEMBER 4, 2002, JANUARY 7, 2003, JANUARY 28, 2003, FEBRUARY 11, 2003, MARCH 11, 2003, APRIL 8, 2003, MAY 6, 2003, JUNE 3, 2003, JUNE 17, 2003, JULY 8, 2003 AND JULY 22, 2003.)

Rudolph W. Rheinschild, Manager of Sierrasage, LLC.; Greg L. Rawlings, Manager of Sierrasage, LLC.; Investigator Gary Hoid; and George Lyford, Director of Investigations were present.

Mr. Lyford provided the Board with a status update on all outstanding complaints filed against Sierrasage, LLC. Mr. Lyford stated Sierrasage, LLC. accounts payables have increased to approximately \$1.8 Million Dollars, the available cash is approximately \$300,000.

Mr. Hamilton stated the accounts payable increase is due to construction activity in progress. Mr. Hamilton further stated Sierrasage, LLC. is abiding by all payment agreements and workmanship issues are being completed.

This matter was continued until August 19, 2003 for final disposition.

9. DISCIPLINARY HEARING:

SOLANO DEVELOPMENT COMPANY, LTD., LICENSE NO. 50086 (CONTINUED FROM JUNE 3, 2003.)

Mr. Rudolph W. Rheinschild, Manager, Solano Development Company, LTD.; Mr. Greg Rawlings, Managing Member, Solano Development Company, LTD.; Mr. Don Enemark, Solano Development Company, LTD.; Mr. Leonard Harmon, Homeowner; Mr. Robert Silva, Homeowner; Ms. Colleen Goldsmith, Homeowner; Ms. Elaine MacKenzie, Homeowner; Mr. Don Kreibich, Homeowner; Mr. Joseph Maez, Homeowner; Ms. Renee Verrier, Homeowner; Mr. Scott Groves, Owner of Groves Fisher; Ms. Carol Dorn, Credit Manager of R-Supply; Mr. Kent Holman, Owner Holman & Associates; and Investigator Gary Hoid were sworn in. Mr. Jim Spoo, Attorney for Solano Development Company, LTD was also present.

Mr. Robb advised that on June 13, 2003 the Board dismissed causes of action 2, 4, 6 and found Respondent in violation of the 1st, 3rd, 7th, 8th 9th, 10th and 25th causes of action.

Mr. Robb informed the Board that Mr. Spoo filed a Motion to Dismiss or reconsider the 25th cause of action.

**It was moved and seconded to deny the Motion.
THE MOTION CARRIED.**

The hearing was for possible violations of NRS. 624.3017 (1); NRS 624.3013 (5) as set forth in NAC 624.700 (3) (a); NRS 624.3013 (5) pursuant to NRS 624.520 (1); NRS 624.720 (2); NRS 624.3012 (2); NRS 624.3013 (3); NRS 624.3013 (4); NRS 624.3013 (2); NRS 624.3011 (1) (a); NRS 624.600 (1) (a) (b); NRS 624.302 (6); NRS 624.3018 (2); NRS 624.301 (5); NRS 624.3012 (3); NRS 624.301 (1) (3) (4) (5); and NRS 624.3016 (1)

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

Solano Development Company, LTD., stipulated to the 1st, 3rd, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 42nd and 43rd causes of action.

Mr. Harmon, Mr. Silva, Ms. Goldsmith, Ms. MacKenzie, Mr. Kreibich, Mr. Maez, Ms. Verrier, Mr. Naas, testified some items in the Notice's to Correct are still outstanding. Each homeowner stated that James Williams and Gary Davidson of Sierrasage, LLC are currently working to resolve their workmanship issues.

Mr. Groves testified Respondent has not made any payments to Groves Fisher. His company is currently owed \$370,000.

Mr. Hoid testified he validated the workmanship and money owing complaints and issued the Notice's to Correct. Mr. Hoid further testified the workmanship does not meet the standards of the industry, some items are completed and Respondent is working on completing the remaining workmanship items.

Mr. Spoo stated Solano Development Company, LTD denies the allegation in the 13th cause of action.

**It was moved and seconded to dismiss the 13th cause of action.
THE MOTION CARRIED.**

Ms. Dorn of R Supply testified Respondent still owes her company a balance of \$6,386.71.

Mr. Holman of Holman & Associates, Inc., testified Respondent still owes his company a balance of \$165,914 and they are working with Mr. Enemark and Mr. Rheinschild in an effort to resolve this matter.

Mr. Naas testified he is still owed a refund of \$18,700 for upgrades to his home.

Mr. Spoo stated Mr. Naas will be paid in full on or before August 11, 2003 from an escrow account and Respondent will provide Mr. Naas with escrow instructions and the identity of the escrow account.

Mr. Spoo stated Respondent denies the allegations set forth in the 40th, and 41st causes of action. Mr. Spoo requested the Board defer the penalty phase of the hearing to give the Respondent an opportunity to resolve the complaints.

The evidentiary portion of the hearing was closed.

**It was moved and seconded to refer this matter to Formal Findings of Fact and Conclusions of Law, and continue this matter to the August 19, 2003 Board Meeting in Henderson for final disposition.
THE MOTION CARRIED.**

10. PUBLIC COMMENT:

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

11. ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned by Chairman Michael Zech at 12:04 p.m.

Respectfully Submitted,

Tammy Stewart, Recording Secretary

APPROVED:

Margi A. Grein, Executive Officer

Michael Zech, Chairman