



# CONTRACTORS STATE LICENSE BOARD

## BOARD MEETING MINUTES

### Board Meeting Minutes

#### DAY 1

#### A. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM, AND CHAIR'S INTRODUCTION

Board Chair Susan Granzella called the meeting of the Contractors State License Board (CSLB) to order at 9:00 a.m., Wednesday, September 22, 2021, at the Contractors State License Board and via public webcast.

A quorum was established. Board Secretary Diana Love led the Board in the Pledge of Allegiance.

#### Board Members Present

Susan Granzella, Chair

Kevin Albanese

Frank Altamura, Jr.

Rodney Cobos

Miguel Galarza

Don Giarratano

Diana Love

Michael Mark

Jim Ruane

Johnny Simpson

Nancy Springer

Mary Teichert

David De La Torre had an excused absence.

#### CSLB Staff Present

David Fogt, Registrar

Tonya Corcoran, Chief Deputy Registrar

Jessie Flores, Deputy Chief of Enforcement

Michael Jamnetski, Chief of Legislation

Heather Jones, Executive Staff

Mike Melliza, Chief of Administration

Justin Paddock, Chief of Licensing

Stacey Paul, Budget Manager

Jason Perez, Chief of Information Technology

#### DCA Staff Present

Jason Hurtado, Legal Counsel



**B. PUBLIC COMMENT SESSION FOR ITEMS NOT ON THE AGENDA AND FUTURE AGENDA ITEM REQUESTS**

Jason Paulson, roofing contractor, spoke about his concern with the C39 mandatory workers compensation requirements and his concerns regarding current proposed legislation to require workers compensation for all contractors.

California Solar and Storage Association Executive Officer Bernadette Del Charo discussed concerns regarding the Board's July 27 decision to restrict the C-46 classification from installing battery energy storage systems. She asked the board to agree to an immediate stay to the decision and any related bulletins.

Jennine Cotter, a C-46 solar and battery energy storage contractor (C46), said she has installed BESS for over two decades with 230 contracts in 2021. She stated she has one certified electrician on her staff. She asked that her employees be allowed to continue to install battery energy storage systems.

Gary Gerber, who designs and installs battery/energy solar systems and has 80 employees, urged the board to reconsider the July 27 BESS decision. He said many solar installers are going to lose their jobs because of not being a certified electrician. He said he is unable to find any certified electricians he can hire and rarely do certified electricians have battery energy solar experience.

Meghan Stimmer, from Solar Hut, asked the board to allow C-46 contractors, like her business, to continue to install battery energy storage systems.

Registrar David Fogt thanked all public members who made comments at the meeting.

DCA Legal Counsel Jason Hurtado stated that the Board was served with a lawsuit on September 17, 2021. He recommended that the Board hold a special closed session meeting within the next week to discuss the allegations for the Board to make an informed decision.

Board Member Kevin Albanese agreed with Board counsel Hurtado to hold the meeting.

**C. PRESENTATION OF CERTIFICATES OF RECOGNITION – MAY INCLUDE ORAL PRESENTATIONS COMMEMORATING ACHIEVEMENTS AND SERVICE OF CSLB STAFF**



### Board Member Augie Beltran

Board Chair Granzella thanked Board Member Augie Beltran for his outstanding seven years of service to the Board, California consumers and the construction industry. She noted Board Member Beltran was appointed by the Senate Rules Committee in January 2014 as a “public member” of the Board and was reappointed in May 2017 and again in June of 2021. Board Member Beltran began his construction career as a carpenter apprentice in 1989, and he spent many years in various facets of the construction industry. He has served on several government boards since 1997. Board Member Beltran has brought his wealth of expertise to every committee of this board, including repeatedly serving as the legislative committee chair, vice chair, and Board Chair in 2016-2017.

Board Chair Granzella mentioned Board Member Beltran recently retired from his long-time role as President and Director of Public and Governmental Relations for the Northern California Carpenters Regional Council. She said he has always been a passionate advocate for consumer protection, workers’ rights, and contractor compliance with public works contracting requirements.

Board Member Beltran was presented with a plaque for his dedication to the Board.

### Board Comments

Board Member Kevin Albanese thanked Board Member Beltran for his time and his partnership.

Board Member Nancy Springer thanked him for his mentorship and availability, and resources and commitment that supported the Board, staff and consumers.

Board Member Johnny Simpson echoed Nancy’s comment and said he appreciated what Board Member Beltran has provided to the industry.

Board Member Diana Love thanked Board Member Beltran for his time and the leadership he has provided to CSLB.

Board Member Mary Teichert thanked him for his involvement in the Board.

Board Member Michael Mark said he appreciated Board Member Beltran for all his hard work and commitment to the Board.



Board Chair Granzella thanked Board Member Beltran for his leadership and commitment to the Board and California.

Board Member Beltran thanked everyone for their kind words, and he thanked Registrar Fogt for his amazing work and mentioned he is the best registrar CSLB has had. He also thanked Chief of Legislation Michael Jamnetski for his hard work.

#### Staff Comment

Registrar Fogt thanked Board Member Beltran for sharing his knowledge, responsiveness, and ability to “open doors” for CSLB to construction industry leaders.

Chief of Legislation Michael Jamnetski thanked Mr. Beltran for his assistance with the legislative process and his mentorship.

#### Industry Expert Recognition

Board Chair Granzella recognized two of CSLB’s finest industry experts, Jeff Schulte and Leonard Nielson.

##### Jeff Schulte

Board Chair Granzella thanked Jeff Schulte for his 23 years work in CSLB’s industry expert program who began servicing swimming pool and spas in 1972 while in high school, working after class and on weekends. Servicing swimming pools and adding repairs enabled him to obtain a bachelor’s degree in geology and qualify for a C-53 swimming pool license in 1989 and subsequently added the C-27 landscaping and B general building classifications.

Board Chair Granzella mentioned that Mr. Schulte was watching the proceeding and asked her to convey his gratitude to the Board and CSLB staff for the opportunity to serve his profession. On behalf of the Board and CSLB enforcement team, she thanked Mr. Schulte for his accessibility and commitment to consumer protection and the professionalism of the construction industry.

##### Leonard Nielson

Board Chair Granzella recognized Leonard Nielson who became licensed as General Building Contractor (B) at the age of 22 (License. No. 319269) and subsequently added the C-10 Electrical Classification and was licensed for over 45 years. Board Chair Granzella noted Mr. Nielson helped establish the Habitat for Humanity East Bay/Silicon Valley license (706051) serving as an Officer from its issuance on May 5, 1995 through August 8, 1997.

In 1995, he was one of the first admitted to the Industry Expert Program and conducted his first inspection the first year the program was created. She said Mr. Nielson’s work



as an expert was on an altruistic level. She said Mr. Nielson had completed over 669 inspections and hearings since CSLB automated records in 2012, meaning it's quite possible he has completed over one thousand in his 26 years of service as an Industry Expert.

Board Chair Granzella said that regrettably Mr. Nielson passed away last month. She took the opportunity to express the Board's appreciation to Mr. Nielson's family members, who were watching, for his dedication and service to California consumers, the building industry, and to the CSLB.

The Board took a moment of silence in honor of Mr. Nielsen.

## **D. LEGISLATION**

### **1. Update Discussion on Previously Considered 2021 Pending Legislation**

Board Chair of Legislation Jim Ruane explained there are six bills on the agenda. As the Legislature has recessed until January 3, 2022, these bills are included for the Board's information and update only.

#### **a. AB 107 (Salas) Licensure: Veterans and Military Spouses**

Chief Jamnetski updated the Board on the bill, requiring CSLB to create temporary licenses for spouses of active-duty military recently transferred to California.

Board Member Springer asked how many licenses this may affect. Chief Jamnetski explained CSLB cannot quantify the impact but said that military spouse legislation in the past has resulted in no applications in the last five years.

#### **b. AB 246 (Quirk) Contractors – Disciplinary Actions**

Chair Ruane explained AB 246 is a CSLB-sponsored bill that would make a licensed contractor's unlawful dumping of construction debris a cause of disciplinary action against the contractor. The Board has a support position on this bill. Chief Jamnetski updated the Board that the Governor signed the bill, and it takes effect January 1, 2022.

**c. AB 569 (Grayson) Contractors: civil penalties: letters of admonishment**

Chair Ruane explained AB 569 is a CSLB-sponsored bill that increases the maximum civil penalty CSLB can assess against a contractor for most violations to \$8,000 and to \$30,000 for specified violations. It also authorizes CSLB to issue a Letter of Admonishment for more than one violation at a time. The Board has a support position on this bill. Chief Jamnetski updated the Board that the Governor has signed the bill. Implementation requires CSLB to update civil penalty regulations.

**d. AB 830 (Flora) License Qualifier Requirements**

Chief Jamnetski updated the board on late amendments to this bill, which expands the definition of the “supervision and control” requirement all contractor qualifiers must adhere to in their businesses, to ensure practical compliance with modern large business realities.

**e. SB 607 (Min and Roth) CSLB Fees/Proposed Bond Increase**

Chair Ruane explained SB 607 includes CSLB’s necessary fee statutory increase to give the Board the ability to meet its approved budgetary spending authority and maintain a spending reserve over the next four or five years. The bill also includes an increase of the contractor license bond from \$15,000 to \$25,000. The Board took a support position on the bill at its June 2021 meeting. Chief Jamnetski updated the Board that it was presented to the Governor on September 17 and is awaiting the Governor’s action. In addition, he said Board staff is ready to implement the fee changes January 1, 2022, if the bill is signed.

**f. SB 757 (Limon) Solar Energy Systems Improvements Consumer Protection**

Chair Ruane said SB 757 provides additional protections for consumers who contract for the installation of solar energy systems. The Board took a support position on the bill at its June 2021 meeting. Chief Jamnetski stated that SB 757 was presented to the Governor on September 3 and it’s awaiting signature”

**2. Update, Discussion, and Possible Action on Previously Considered 2021 Pending Legislation**

Chair Ruane noted the next five agenda items for discussion relate to the Board’s regulatory rulemaking. The first two items (items (a) and (b)) relate to rulemakings the Board has recently authorized staff to commence. The next two items (items (c) and (d)) also relate to rulemakings the Board has authorized staff to commence; however, the authorization was given in 2017. He said Chief



Jamnetski will explain that the items need to be addressed again. The last item (item (e)) is a new item the Board has not yet considered.

Chair Ruane introduced Dani Rogers, Department of Consumer Affairs Attorney assigned to assist CSLB with regulatory rule making.

Ms. Rogers stated she looks forward to continuing to assist the Board and is available to answer any regulatory questions.

**a. Review, Discussion, and Possible Action to Amend or Adopt Title 16, California Code of Regulations Sections 832 (Specialty Contractors Classified) and 832.49 (Class C-49 – Tree and Palm Contractor)**

Chair Ruane explained that the Board authorized staff to commence rulemaking in June 2019 to create a new “specialty” contractor license from the current “limited specialty” tree service classification. Chief Jamnetski said the Board already approved the language and authorized Board staff to initiate the rulemaking process, and the rulemaking package is currently under final review by the Department of Consumer Affairs. He said that no comments were received during the public comment period, and the Board is now being asked to authorize the completion of the rulemaking process. Chair Ruane read the staff recommendation that became the motion for this item.

**MOTION:** Because no adverse comments were received during the 45-day comment period, authorize the Registrar to adopt the proposed regulations at Title 16, California Code of Regulations sections 832 (Specialty Contractors Classified) and 832.49 (Class C-49 – Tree and Palm Contractor) as filed with the Office of Administrative Law for public notice, take all steps necessary to complete the rulemaking process, and make any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

Kevin Albanese moved; Michael Mark seconded. The motion carried unanimously, 12–0.

**YEA:** Susan Granzella, Kevin Albanese, Frank Altamura, Rodney Cobos, Miguel Galarza, Don Giarratano, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

**NAY:** None

**ABSENT:** David De La Torre

**b. Review, Discussion, and Possible Action to Adopt Title 16, California Code of Regulations Section 825.5 (C-47 – General Manufactured Housing Contractor Initial Installer Training Requirement)**

Chair Ruane explained that the Board authorized staff to commence rulemaking in July 2020 to create an additional application requirement for C-47 Manufactured Housing contractors to ensure compliance with federal law. Chief Jamnetski said that this item is similar to the previous item in that the Board already approved the language and authorized Board staff to initiate the rulemaking process, and the Board is now being asked to authorize the completion of the rulemaking process. No comments were received during the public comment period, and the rulemaking package is currently under final review by the Office of Administrative Law. Chair Ruane read the staff recommendation that became the motion for this item.

**MOTION:** Because no adverse comments were received during the 45-day comment period, authorize the Registrar to adopt the proposed regulation at Title 16, California Code of Regulations section 825.5 (C-47 – General Manufactured Housing Contractor Initial Installer Training Requirement) as filed with the Office of Administrative Law for public notice. Take all steps necessary to complete the rulemaking process and make any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

Nancy Springer moved; Rodney Cobos seconded. The motion carried unanimously, 12–0.

**YEA:** Susan Granzella, Kevin Albanese, Frank Altamura, Rodney Cobos, Miguel Galarza, Don Giarratano, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

**NAY:** None

**ABSENT:** David De La Torre

**c. Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Sections 858.1 (Blanket Performance and Payment Bond Requirements) and 858.2 (Application for Approval of Blanket Performance and Payment Bond)**

Chair Ruane said this item related to a regulatory rulemaking the Board authorized staff to commence in 2017. The Board's 2017 motion included proposed changes to other regulations were already completed separately or will be discussed under the next agenda item.



**MOTION:** Withdraw the 2017 motion in relation to CCR sections 858.1 and 858.2, and approve a new motion for this proposal. Approve the proposed regulatory text for CCR sections 858.1 and 858.2, authorize the Registrar to take all steps necessary to pursue the rulemaking through the CCR section 100 procedures, and make any non-substantive changes to the text and/or rulemaking package as needed throughout the process. Alternatively, if deemed necessary by the Department of Consumer Affairs or the Business, Consumer Services, and Housing Agency, initiate the regular rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process, and if approved by the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency, set the matter for a hearing if preferred or requested. If no adverse comments are received during the 45-day comment period, authorize the Registrar to adopt the proposed regulations at CCR sections 858.1 and 858.2 as filed with the Office of Administrative Law for public notice and take all steps necessary to complete the rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

Kevin Albanese moved; Mary Teichert seconded. The motion carried unanimously, 12-0.

**YEA:** Susan Granzella, Kevin Albanese, Frank Altamura, Rodney Cobos, Miguel Galarza, Don Giarratano, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

**NAY:** None

**ABSENT:** David De La Torre

**d. Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend Title 16, California Code of Regulations Section 872 (Disclosure of General Liability Insurance) and Repeal Section 872.1 (Checklist for Homeowners) and/or Make Non-substantive Rule 100 Changes to Sections 872 (Disclosure of General Liability Insurance) and 872.1**

Chair Ruane said this item arises out of the same 2017 Board motion that we just discussed in the previous agenda item. Chief Jamnetski provided the technical background for this proposed rulemaking and specific changes to the proposal.

**MOTION:** Withdraw the 2017 motion in relation to CCR section 872 and approve a new motion for this rulemaking proposal. Approve the proposed regulatory text for CCR sections 872 and 872.1, authorize the Registrar to take all steps necessary to pursue the rulemaking through the CCR section 100 procedures, and make any non-substantive changes to the text and/or rulemaking package as needed throughout the process. Alternatively, if deemed necessary by the



Department of Consumer Affairs or the Business, Consumer Services, and Housing Agency, initiate the regular rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process, and if approved by the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency, set the matter for a hearing if preferred or requested. If no adverse comments are received during the 45-day comment period, authorize the Registrar to adopt the proposed regulations at CCR sections 872 and 872.1 as filed with the Office of Administrative Law for public notice and take all steps necessary to complete the rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

### Board Member Comments

Chair Granzella asked how section 100 rulemaking work and when this tool can be used. Regulatory Counsel Dani Rogers explained the section 100 process, and assessed this proposal is likely to succeed under this section.

Member Diana Love asked for clarification on written consumer estimates. Chief Jamnetski explained that because a statute was repealed, the written consumer estimate requirement was removed. Registrar Fogt explained the consumer remains protected because the resulting home improvement contract must be in writing, and estimates have not been an issue with CSLB consumer filed complaints. Chief Jamnetski concluded by stating that he is currently working on a legislative proposal to revise and simplify the home improvement contract statutes.

Kevin Albanese moved; Rodney Cobos seconded. The motion carried unanimously, 12–0.

**YEA:** Susan Granzella, Kevin Albanese, Frank Altamura, Rodney Cobos, Miguel Galarza, Don Giarratano, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

**NAY:** None

**ABSENT:** David De La Torre

**e. Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Section 884 (Assessment of Civil Penalties)**



Chair Ruane explained the Board was just updated on the passage of AB 569 this year, a CSLB-sponsored bill which raised specified civil penalties. As a result of that bill, he said it will be necessary to update CSLB regulations. Chief Jamnetski provided the technical background for this proposed rulemaking and the specific changes to the proposal.

**MOTION:** Approve the proposed regulatory text for CCR section 884, authorize the Registrar to take all steps necessary to pursue the rulemaking through the CCR section 100 procedures, and make any non-substantive changes to the text and/or rulemaking package as needed throughout the process. Alternatively, if deemed necessary by the Department of Consumer Affairs or the Business, Consumer Services, and Housing Agency, initiate the regular rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process, and if approved by the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency, set the matter for a hearing if preferred or requested. If no adverse comments are received during the 45- day comment period, authorize the Registrar to adopt the proposed regulations to CCR section 884 as filed with the Office of Administrative Law for public notice and take all steps necessary to complete the rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

Mary Teichert moved; Diana Love seconded. The motion carried unanimously, 12-0.

**YEA:**, Susan Granzella, Kevin Albanese, Frank Altamura, Rodney Cobos, Miguel Galarza, Don Giarratano, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

**NAY:** None

**ABSENT:** David De La Torre

## **E. LICENSING**

### **1. Licensing and Testing Program Update**

Licensing Committee Chair Miguel Galarza provided remarks on his new role as Licensing Committee Chair and on licensing statistics.

Board Chair Granzella asked for an update on the renewals. Chief Paddock reported CSLB renewals are processing in less than three weeks. He explained that applications can be processed online for most contractors who have one qualifier on the license.



## **2. Update and Discussion on CSLB Administered Surveys**

Licensing Chair Galarza briefly commented on two annual surveys the examination development unit conducts: One for license applicants and the other for consumers that have filed a complaint with CSLB's enforcement division.

He stated he is pleased by the positive numbers from license applicants in this report and asked Registrar Fogt to speak about the consumer survey.

Registrar Fogt explained that due to CSLB financial limitations the enforcement program was not fully funded. He said positions have been left vacant, complaint referrals to arbitration were restricted, and use of CSLB's industry expert program was curtailed. Registrar Fogt expressed optimism that financial resources will be available in 2022 to fund all Enforcement programs, and complainant satisfaction will return to previous levels.

## **F. ENFORCEMENT**

### **1. Enforcement Program Update**

Enforcement Committee Chair Rodney Cobos, noted as of July 2021, the pending caseload is 3,932, just shy of the optimum maximum caseload that can be handled timely with current staffing. The Enforcement Division bore much of the budget reduction burden during FY 2020/21 and currently has 19 total vacancies including five Consumer Service Representatives (CSRs) and seven Special Investigators. Upon budget approval, the Enforcement Division plans to commence hiring with an initial focus on the recruitment of CSRs.

## **G. EXECUTIVE**

### **1. Review and Possible Approval of June 3, 2021, and July 27, 2021, Board Meeting Minutes and February 4, 2021, Enforcement and Legislative Committee Meeting Minutes**

Member Mark asked for an edit to the board secretary election vote, specifically that he did not vote but that he abstained. The Board agreed to make this amendment.

**MOTION:** To approve the June 3, 2021, Board Meeting Minutes with Michael Mark's amendment, Jim Ruane moved; Diana Love seconded. The motion carried, 12-0.

**YEA:**, Susan Granzella, Kevin Albanese, Frank Altamura, Rodney Cobos, Miguel Galarza, Don Giarratano, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert



**NAY:** None

**ABSENT:** David De La Torre

**MOTION:** To approve the July 27, 2021, Board Meeting Minutes. Diana Love moved; Michael Mark seconded. The motion carried unanimously, 12–0.

**YEA:** Susan Granzella, Kevin Albanese, Frank Altamura, Rodney Cobos, Miguel Galarza, Don Giarratano, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

**NAY:** None

**ABSENT:** David De La Torre

## 2. Registrars Report

Registrar Fogt proposed a tentative final meeting of the year in the second week of December. He provided a summary of a battery storage workshop that staff held the week of September 13. He also summarized his attendance at the 2021 National Association of State Contractors Licensing Agencies Executive Committee meetings and conference, where he agreed, with Chair Granzella's consent, to have California join a pilot project on a national contract database.

## 3. Budget Update

Budget Manager Stacey Paul provided an update on the Board's budget. She reported final year-end expenditures and revenue for fiscal year (FY) 2020-21: fiscal year-end expenditures were \$65 million, which is 92 percent of CSLB's budget authority; and final revenue was \$73 million, which is up by 13.4 percent from the prior year.

Ms. Paul reported that the Governor's Budget for current FY 2021-22 is \$73 million, with authorized positions of 430. She provided an update to the fund condition showing \$3.7 million in reserves at year-end. She reported the Board exceeded the reduction savings goal with a final savings of \$10.5 million.

### Board Member Comments

Board Member Kevin Albanese asked if the projected revenue for FY 2022-23 includes the potential fee increase. Ms. Paul reported the current projections do not include the fee increase. She projected the fee increase would add \$20 million annually to the Board's revenue.



Board Chair Granzella asked when the 9 percent pay cut to state employees would be given back and reflected in the budget. Ms. Paul addressed her concerns by explaining that the pay cut occurred in FY 2020-21, and the \$3 million in savings was placed back in the budget for the current year.

#### **4 Administration Update**

Board Chair Granzella explained where the Administration Update was in the packet and waived presentation of the item in the interest of time.

#### **5. Information Technology Update**

Board Chair Granzella explained where the Information Technology Update was in the packet and waived presentation of the item in the interest of time.

**The Board took a 10-minute recess.**

#### **6. Strategic Planning Session**

The Department of Consumer Affairs' SOLID Planning Solutions briefly presented the Board with information on the strategic planning process and then facilitated the goal-setting process for the Board for licensing and testing, enforcement, legislation, public affairs, and executive areas.

### **H. CLOSED SESSION**

Pursuant to Government Code Section 11126(a)(1) the Board Moved into Closed Session to Conduct an Evaluation of the Performance of the Registrar.

### **ADJOURNMENT**

Board Chair Granzella recessed the meeting at approximately 5:40 p.m.



**DAY 2**

**A. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM, AND CHAIR'S INTRODUCTION**

Board Chair Susan Granzella called the meeting of the Contractors State License Board (CSLB) to order at 9:02 a.m., Thursday, September 23, 2021, at the Contractors State License Board and via public webcast.

A quorum was established. Board Vice Chair Mary Teichert led the Board in the Pledge of Allegiance.

California Board Members Present

Susan Granzella, Chair  
Frank Altamura, Jr.  
Rodney Cobos  
Miguel Galarza  
Don Giarratano

Michael Mark  
Diana Love  
Johnny Simpson  
Nancy Springer  
Mary Teichert

David De La Torre, James Ruane and Kevin Albanese had excused absences.

CSLB Staff Present

David Fogt, Registrar  
Tonya Corcoran, Chief Deputy Registrar  
Jessie Flores, Deputy Chief of Enforcement  
Michael Jamnetski, Chief of Legislation  
Heather Jones, Executive Staff  
Mike Melliza, Chief of Administration  
Justin Paddock, Chief of Licensing  
Stacey Paul, Budget Manager  
Jason Perez, Chief of Information Technology

DCA Staff Present

Carrie Holmes – Deputy Director of Board and Bureau Relations

Nevada Board Members

Margaret Cavin, Board Member  
Bryan Coward, Board Member  
Joe Hernandez, Board Member  
Jan Leggett, Board Member  
Steve Menzies, Board Member



Boyd Martin, Board Member

Nevada Staff

Margi Grein, Executive Officer  
Paul Rozario, Director of Investigations  
Nancy Mathias, Chief of Licensing  
Timothy Geswein, Board Counsel

Carrie Holmes, DCA's Deputy Director of Board and Bureau Relations, welcomed the Nevada Board Members. She also thanked the Board for making the meeting safe, despite the circumstances, and acknowledged Nancy Springer's service on the Board.

Executive Officer Margi Grein called to order the Nevada State Contractors Board. She provided an update on the Nevada Board's annual budget, new licenses issued, PSI testing sites, licensing by endorsement, and enforcement statistics.

Registrar David Fogt gave an update on the Board's current budget, incoming applications and license renewals, workers' compensation insurance exemptions, transferring to PSI examination sites, and reciprocity agreements.

**B. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA AND FUTURE AGENDA ITEM REQUESTS**

No public comments.

**C. JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD (NSCB)**

**1. Discussion Regarding CSLB and NSCB Operational and Structural Comparison**

Registrar Fogt gave an overview on California's General Building Contractor classification and confirmed that many applicants employed in the residential remodeling field lacked the framing/rough carpentry experience to qualify for the General Building classification.

He said the board sponsored legislation to create a residential remodeling classification to reduce unlicensed practice and provide a pathway for licensure for handypersons and residential remodeling contractors.



He said staff used Nevada’s similar classification as an example to craft legislation for the new B-2 Residential Remodeling classification, which allows applicants who don’t have framing/rough carpentry experience to qualify for a contractor’s license.

Nevada Board Member Boyd Martin said Nevada needs to consider creating a classification for the smaller scope of work.

Board Member Nancy Springer mentioned that part of the Board’s effort was to license more of the underground economy. She also noted that, like the Nevada Board, California might need to look at additional specialty classifications to keep up with new technology.

Board Chair Granzella asked Licensing Chief Justin Paddock to explain the parameters that were put into place for the new B-2 Residential Remodeling classification.

Chief Paddock stated that he was excited about the new classification and about not having to turn applicants away that have experience performing small residential projects. However, he explained there are work limitations to the new classification, among them is a restriction on performing electrical or plumbing behind the wall.

Board Member Springer asked the Nevada Board to clarify what the B-3 classification is.

Nevada Chief of Licensing Nancy Mathias explained that the B-3 classification is for someone who owns property and who builds on their property with the intent to sell. She stated that not many applicants apply for this classification.

**2. Discussion on Comparison of Nevada and California General Building Contractor**

The General Building contractor comparison was discussed under C.1 above.

**3. Solar Industry Discussion**

**a. Residential Solar Enforcement Update**

Executive Officer Margi Grein stated that with the increase of federal and state programs focused on renewable energy, Nevada continues to receive more



interest in residential solar installations. As a result, Nevada has closely monitored trends related to enforcement activities over the last few years.

Director of Investigations Paul Rozario discussed Nevada enforcement efforts. He also explained that new restrictions have been placed on the solar industry and recent legislation has been passed to better protect the public regarding solar installations.

Registrar Fogt stated that within the last few years, the Board has received an average of over 1,000 complaints a year related to solar installation. He said most of the complaints can be settled, however, some complaints are due to misrepresentation or fraud. Registrar Fogt also indicated that the Governor's budget appropriated a \$5 million restitution fund to assist financially injured solar customers.

Nevada Board Member Joe Hernandez stated that he believes it's both the Nevada and California Boards' duties to educate consumers, so they know their rights regarding purchasing a solar system.

Board Member Springer agreed with Nevada Board Member Hernandez and mentioned the success of CSLB's Senior Scam Stopper<sup>SM</sup> meetings.

Board Member Simpson asked how Nevada pursues the contractor for reimbursement. Nevada Board Member Hernandez said that Nevada contractors fund a residential recovery fund through the licensing process, and then the Board goes back afterward to recover the money if possible. If that is not possible, the Board uses a state collection agency to try to retrieve the money.

Registrar Fogt briefly explained the Board's \$5 million solar restitution program and said that that up to \$1 million of the total could be used to administer the fund.

Nevada Director Rosario explained the provisions of recently passed SB 303 (Brooks & Spearman) regarding down payments on a solar contract.

Board Member Michael Mark asked the Nevada Board if salespersons are tied to the specific license, as in California. Executive Officer Grein said a salesperson is tied to the solar license.



**b. License Classification Review**

Executive Officer Grein said Nevada limits the installation of residential solar systems used to produce electricity to their electrical classification, either using the C-2 Electrical license or C-2 subcategory G for photovoltaic license.

Registrar Fogt stated that the Board currently has a specific C-46 classification to install solar. Additional classifications that can install solar include the C-10 Electrical, B General Building, and under specified conditions, the A-General Engineering.

**c. Legislative Changes**

Executive Officer Grein gave additional information on SB 303 (Brooks & Spearman). She said this bill is intended to heighten consumer protection, standardize business practices, and allow for greater enforcement of residential solar projects.

Nevada’s Legal Counsel Tim Geswein further explained the requirements included in SB 303 (Brooks & Spearman) bill apply to any residential solar photovoltaic contracts.

Registrar Fogt spoke about pending California solar bill that will clarify that a residential solar energy system is “home improvement,” and progress payment restrictions and the requirement a registered salesperson must be tied to a specific licensed contractor apply. He said this is necessary to provide consumer protection.

Nevada Director Rozario stated that Nevada also has had issues in the past with complaints about salespeople, but regulations are in place so that a contractor will be held accountable if issues arise.

Executive Officer Grein and Nevada Legal Counsel Geswein discussed the process to get SB 303 (Brooks & Spearman) passed.

Nevada Director Rozario also spoke about the penalties and violations included within the bill.

**4. Proactive Enforcement: Multi-State NASCLA Stings**

Executive Officer Grein and Registrar Fogt gave an update on sting and sweep operations.



Registrar Fogt spoke about the recent National Association of State Contractors Licensing Agency (NASCLA) multi-state sting and sweep operations and looking at illegal advertisements to provide consumer protection.

Executive Officer Grein talked about Nevada's sweep operations, and Nevada Director of Investigations Rozario spoke about NASCLA and shared Nevada's sting operations and enforcement highlights.

Deputy Chief of Enforcement Jessie Flores discussed the work that is involved in stings and criminal investigations and discussed how information is shared with Nevada and vice versa.

Board Member Springer commended both Boards on their hard work and joint effort in all the enforcement sting operations.

## **5. COVID-19 Process Improvements**

Executive Officer Grein gave a brief update on the changes that the Nevada Board made during the pandemic, including virtual meetings for outreach programs and disciplinary proceedings. Licensing Chief Mathias also spoke about streamlining the licensing process online for applications and renewals to make sure contractors were able to submit documents quickly so they could continue to work. She also mentioned adding evening sessions for testing to accommodate their backlog.

Chief Deputy Registrar Tonya Corcoran spoke about how COVID changed – and continues to change – the way the California Board works. She mentioned having daily strategy meetings to talk about improvements for the Board. These included evening sessions for testing, along with opening conference rooms for additional test sites, procuring laptops for staff for remote working, making the call center virtual, using kiosks for payments when the offices were closed, and providing remote enforcement training.

Board Member Springer commended the California Board staff on how they have adapted and stepped up during the pandemic.

Nevada Board Member Hernandez spoke about Nevada's Business Assistance Program and commended the Nevada staff on keeping the program running for consumers during these challenging times.

Chief Paddock spoke briefly on the monthly virtual license applicant workshops that the CSLB provides and how successful they are in helping future applicants



provide answers to their questions. Future meetings will also have Spanish-speaking staff members online to help.

**ADJOURNMENT**

Chair Granzella adjourned the meeting at approximately 11:55 a.m.

Signature on file  
\_\_\_\_\_  
Susan Granzella, Chair

\_\_\_\_\_  
Date

Signature on file  
\_\_\_\_\_  
David Fogt, Registrar

\_\_\_\_\_  
Date



**CSLB**

BOARD MEETING MINUTES