

## REGULATION SUMMARY

### PETITION TO THE NEVADA BOARD FOR FINANCING WATER PROJECTS FOR ADOPTION, FILING AMENDMENTS OR REPEAL OF REGULATIONS

**1. Name, address, telephone number, and signature:**

Nevada Department of Conservation and Natural Resources  
Division of Environmental Protection  
901 South Stewart Street, Suite 4001  
Carson City, Nevada 89701-5249  
(775) 687-4670

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Jason B. Cooper, Administrative Services Officer 3  
Office of Financial Assistance  
(775) 687-9531  
[j.cooper@ndep.nv.gov](mailto:j.cooper@ndep.nv.gov)

**2. Specific type of petitioner (individual, partnership, corporation, government agency, or other) and the exact occupation or business, including a description of the occupation or business if necessary:**

- a. The Nevada Division of Environmental Protection (NDEP), which is a division of the Nevada Department of Conservation and Natural Resources (NDCNR) of the State of Nevada. The Office of Financial Assistance (OFA) advises the Board for Financing Water Projects (Board) and the Board's regulations. This program provides grants to purveyors of water, eligible recipients, and governing bodies as authorized by NRS 349.981. This support has provided the last needed funding to complete a project that would provide safe drinking water to our residents and visitors.

**3. Exact and specific nature of changes sought, including delineation of the regulations, statutory provisions of Commission decisions involved. May include a statement of the written term or substance of the proposed regulatory action, or a description of the subjects and issues involved:**

Nevada Revised Statutes (NRS) 349.981 established a program to provide grants to purveyors of water, eligible recipients, and governing bodies. NRS 349.982 establishes the Board for Financing Water Projects shall administer

the program and shall adopt regulations necessary for that purpose.

The proposed changes are to address key areas of the regulations for the program. Specifically, the proposed changes:

- (a) Streamlining the application process
- (b) Codifying various board policies
- (c) Adding in requirements for governing boards
- (d) Make a few housekeeping amendments.

**4. A statement of the need for and purpose of the proposed regulations:**

Changes to the Nevada statutes governing the program have occurred since the regulations were last reviewed and adopted in 2006. Additionally, the great recession that began in 2007 had altered the operating structure and changed the need to a less formal process for awarding grants.

- (a) Streamlining the application process
  - (i) Current regulations require a two-step process whereby an applicant must first submit a letter of intent and obtain approval from the Board before proceeding to a loan application. Then, the loan application needs to be reviewed and approved. The proposed process would streamline this application process to just a grant application that the Division of Environmental Protection would review and present to the Board for approval at the regularly scheduled meetings. This proposed process would streamline the application process into the already existing structure that exists with the Drinking Water State Revolving Fund and reduce processing time and cost for the applicants.
  - (ii) Sections: 9, 11, 12, 13, 25, 26, 27
- (b) Codifying various board policies
  - (i) The Board has developed various policies within its authority in NRS 349.982. These proposed regulation changes are to convert the following policies into regulation:
    - 1. Alternative Funding (Sec. 9, 11 & 17)
    - 2. Capital replacement reserves (Sec. 12 & 17)
    - 3. Construction, Engineering, and Contingency (Sec. 11)
    - 4. Fiscal Sustainability Plan (Sec. 16 & 17)
    - 5. Length of Grant (Sec 17 & 19)
    - 6. Scale to determine grant amount (Sec. 17)
    - 7. Sufficient water rates. (Sec. 12)
    - 8. Water meters (Sec. 9 & 17)
- (c) Adding in regulations for governing boards
  - (i) The Nevada Legislature added water resource plans as an eligible project to governing bodies during the 2019 legislative session. This is to add in the regulatory requirements for participation in the program.
  - (ii) Sections: 3, 9, 11, 13

- (d) Making various housekeeping amendments
  - (i) Proposed changes include removal of redundant language, adding definitions, updating flow of process, and ensuring consistency with other NAC sections that relate to the program.
  - (ii) Sections: 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24

**5. A Statement of the:**

**a. Estimated economic effect of the regulation on the business which it is to regulate:**

The Capital Improvements Grant Program can fund community water systems that are publicly owned, and noncommunity water systems that are also publicly nonprofit. Therefore, private, for profit, water systems are not eligible to receive funding from the program. Additionally, no private businesses are regulated by the regulations.

**b. Estimated economic effect on the public:**

The public receives a benefit when a drinking water system receive a grant from the Capital Improvements Grant Program. The program is designed to be the last funding resource to help ensure the project is complete. No economic effect is anticipated at this time.

**c. Estimated cost by the agency for enforcement of the proposed regulation:**

The proposed changes would not have a significant impact on OFA's ability to enforce program requirements.

**6. A description of any regulations for other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency:**

The proposed regulations do not overlap or duplicate other state or Federal Regulations.

**7. If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions. The statement must include the specific citation of the federal statute or regulation requiring such adoption:**

The program is designed to be the last funding resource to help ensure the project is complete. The Board for Financing Water Projects has been very clear over the history of the program that they must ensure that grantees of the program remain viable. Therefore, additional requirements to obtain funding are proposed in the regulations to codify

previously issued board policies with governing participation in the program. These requirements are having sufficient rates in place to operate, having installed and operating water meters, developing a fiscal sustainability plan, and maintaining a capital replacement reserve account.

8. **If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used:**

The regulation is not proposing a new fee at this time.