

**Meeting Minutes**  
**BOARD FOR FINANCING WATER PROJECTS**  
**April 28, 2021**  
**9:00 am.**

To be held virtually using Lifesize:  
<https://call.lifesizecloud.com/4155018>

**Members present:**

Bruce Scott, Chair  
Andrew Belanger, Vice Chair  
Christine Vuletich  
Carl Ruschmeyer  
Mike Workman  
Andrea Seifert, ex-officio member

**Legal counsel present:**

Katie Armstrong, Senior Deputy Attorney  
General

**NDEP staff present:**

Jason Cooper  
Sharada Maligireddy  
Kyle Casci  
Valerie King  
Elise Akers  
Jennifer Carr

**Public present:**

Kathy Flannagan, Las Vegas Valley Water  
District  
Matt Chorpening, Las Vegas Valley Water  
District  
Mao Fang, Las Vegas Valley Water District  
Michael Dishari, Las Vegas Valley Water  
District  
Joe Phillips, Sunrise Engineering  
Bill Sampson, Roark Estates  
Terry Johnson, Roark Estates  
Bill Reid, Roark Estates  
Nicole Goehring, Division of Water Resources  
Brian Gach, Forsgren Associates

## 1) Board for Financing Water Projects Regular Meeting

### 1) Call to order

Chair Bruce Scott opened the meeting and invited introductions from board members and those present in person and on the phone.

### 2) Introduction/establish quorum

Chair Scott established a quorum as all board members were present.

### 3) Public comment

There were no public comments.

### 4) Approval of minutes from the January 20, 2021 regular meeting

Board Member Mike Workman motioned to approve the minutes. The motion was seconded by Vice Chair Andrew Belanger. The motion carried unanimously.

### 5) Funding update for the Drinking Water State Revolving Fund (DWSRF)

Jason Cooper, with the Nevada Division of Environmental Protection (NDEP), gave an update on the Drinking Water State Revolving Fund (DWSRF). As of April 5, 2021, there was \$68,309,072.00 in the bank, with \$36,903,062.00 committed funds not yet disbursed. Mr. Cooper indicated staff was presenting commitment to the board in the amount of \$91,700.00. Over the next three years, the lowest cash balance would be \$58,617,652.00.

Mr. Cooper displayed projections for the next three years. DWSRF currently has \$612,060 available in principal forgiveness funding, with \$91,700 presented to the board today, leaving \$520,360 remaining. Mr. Cooper anticipates that with the approval of the 2021 grant, an additional \$3,268,140 in principal forgiveness funds would be available.

Vice Chair Belanger commented the America Water Works Association has been working to double the funds to the State Revolving Fund as part of the current infrastructure bill.

Chair Scott stated the amount of money being loaned out and paid back each year is increasing the cash balance forward. These funds should be used to improve water quality and water systems within Nevada, especially smaller water systems.

### 6) Funding update for the Capital Improvements Grant Program

Mr. Cooper stated as of April 8, 2021, there was \$2,756,833.98 in the bank, with \$15,319.57 reserved for administration, and \$2,308,356.60 for projects not yet disbursed. He said staff will be presenting a project to the Board in the amount of \$452,230, which will commit all available program funds.

Chair Scott asked if bonding authority was granted under a legislative act or issued through a request to the Treasurer's Office. Mr. Cooper responded legislative action is needed to be able to issue the bonds for the biennium. The Treasurer's Office needs direction from the legislature and approval from the Board of Finance to be able to issue bonds.

Vice Chair Belanger asked how the Infrastructure Bank Bill would interact with the funds available in the Capital Improvements Grants Program. Mr. Cooper answered the federal funds under the stimulus package available to the Nevada Infrastructure Bank will be directed through the Department of Treasury. He clarified that there have been no projects lined up through the State Treasurer's Office yet, so it was still too early to tell how the process will work.

## **7) Adoption of consent items: increased funding to Board-approved loans**

### **Roark Estates – [See staff report, Exhibit 7](#)**

Chair Scott stated that the proposed project for increased funding was straightforward as explained in the staff report.

Vice Chair Belanger motioned to approve consent item. The motion was seconded by Board Member Workman. The motion carried unanimously.

### **Project list for consideration**

#### **8) Las Vegas Valley Water District-Blue Diamond**

Vice Chair Belanger recused himself from discussion and voting on the project prior to it being presented.

Ms. Sharada Maligireddy and Ms. Elise Akers recommended the Board approve a \$452,230 grant commitment to Las Vegas Valley Water District for their Blue Diamond water system rehabilitation project. The money would replace pipes, expand water storage, and construct and equip a backup well. The estimated project cost was \$10,058,000.00, \$452,230 of which would come from the Capital Improvements Grant. The remaining \$13,934 would be funded by a combination of \$7,543,500 from the Army Corps of Engineers and \$2,062,270 from the water system.

Mr. Cooper commented this project is shovel-ready and that staff plan to come back to the Board in the fall for additional funding – pending approval from the legislature and Treasurer's Office to fund the program.

Board Member Workman questioned if the additional funding could be rolled in now or if it had to be approved later. Mr. Cooper answered it was better to approve the additional funding after funds had been approved and made available to the grant program.

Board Member Christine Vuletich asked about the timeline for the project. Mao Fang, with Las Vegas Valley Water District, responded that replacing the pipeline would take place first, and that the design of that project was 90 percent complete. Mr. Fang said the entire project is intended to be completed in five years.

Chair Scott commended Las Vegas Valley Water District for assisting Blue Diamond with funding to be able to improve their water system. He asked for clarification on the Board's policy for future replacement of infrastructure by a borrower. Mr. Cooper answered that when a borrower comes forward requesting funding, they must follow all Board policies – which include funding a capital reserve account and preparing and providing a copy of their fiscal sustainability plan – before their project is presented to the Board. He added that for this contract, there was an additional contingent requirement of the grant application with the Army Corps of Engineers that must be finalized prior to the NDEP contract being finalized.

Matt Chorpening, with Las Vegas Valley Water District, stated the Blue Diamond residents have been made aware that rate changes are going to take place to fund this project. He added that part of the rate process going forward will be funding the reserve account requirement.

Board Member Carl Ruschmeyer motioned to approve Resolution G08-0421 Las Vegas Valley Water District, Blue Diamond Water System Upgrade Project Grant Commitment. The motion was seconded by Board Member Workman. The motion carried unanimously, with Vice Chair Belanger abstaining from the vote.

## **Capital Improvement Grant policies**

### **9) Deputy Attorney General Board Policy Update**

Deputy Attorney General Katie Armstrong presented information on how irrigation projects and septic-to-sewer conversion projects relate to the grant scale. Assembly Bill 237 (1999) added \$10 million for the sole purpose of funding conservation projects for irrigation districts. This would eliminate competition with smaller water companies for funding. Nevada Revised Statute 349.981 states grant recipient determination is at the Board's discretion and approval. Nevada Revised Statute 349.982 authorizes the Board to create regulations to administer the grant program. Regarding septic-to-sewer conversion projects, Senate Bill 200 (2003) authorizes grants to pay costs associated with connections to community sewage disposal systems. The Board is not tied to using the pro rata share of the scale for either irrigation projects or septic-to-sewer conversion projects by statute.

Board Member Ruschmeyer commented that there are several communities across the State that are candidates for septic-to-sewer conversion funding if they chose to proceed with the project.

Vice Chair Belanger said that septic-to-sewer conversion is a big focus in southern Nevada currently, but it is a statewide issue that needs to be addressed in the future. He asked if there are implications in the clean water program to septic systems and water quality that can authorize funding. Mr. Cooper responded that there has been discussion with EPA on how septic-to-sewer conversion projects can be funded in both the drinking water and clean water programs. However, there is limited principal forgiveness funds available, so an entity would need to take out a loan for the project.

Jennifer Carr, with NDEP, commented that Assembly Bill 146 (2021) adds legislative intent to protect Nevada's water quality of ground water and drinking water. The bill directs State regulations to be written for the source water protection program related to public water systems, which include septic systems.

Chair Scott requested that if an application comes forward related to water conservation or septic-to-sewer conversion, the staff report will include the legislative intent of initial concepts regarding funding of those projects.

## Other items

### 10) DWSRF Water System Survey update

Mr. Cooper presented information on the Drinking Water System Survey, which was sent out recently. There were 866 surveys sent out and only 68 responses received. The project cost needs of those who responded indicated that:

- 46 were under \$1,000,000
- 15 were between \$1,000,000 and \$10,000,000
- 7 were more than \$10,000,000

Mr. Cooper said that some program successes indicated on the response were:

- Principal forgiveness eligibilities
- Loan terms and repayment
- Interest rates
- Staff support
- Draw processing

He added that some program challenges included:

- Historic Preservation (SHPO) consultations,
- Davis Bacon wage requirements
- American Iron and Steel requirements
- Application process
- Understanding federal and State requirements

Mr. Cooper stated staff is preparing guidance documents and a new computer system to address and provide better understanding of those challenges.

Board Member Workman inquired if there has been discussion with the SHPO personnel to find ways to better streamline the process with borrowers. Mr. Cooper responded that SHPO is currently down in office personnel, but Ms. Maligireddy has worked with them to improve streamlining processes, and that strides have been made.

Chair Scott asked for a brief outline of what systems do not qualify for the Drinking Water State Revolving Fund program. Mr. Cooper answered the water systems that can be funded by the drinking water program are community water systems, both publicly owned and privately owned, non-community water systems that are publicly owned, and non-profit systems.

### 11) Board comments

Board Member Vuletich thanked staff and board members for providing information on the Board's responsibilities and historic legislation.

**12) Public comment**

There were no public comments.

**13) Next board meeting**

Mr. Cooper and the board members agreed to schedule the next board meeting July 27, 2021 at 2:00 pm.

**14) Adjourn the Board for Financing Water Projects meeting**

The board meeting adjourned at 10:40 am.

**2) ATTACHMENTS**