

Meeting Minutes
BOARD FOR FINANCING WATER PROJECTS
May 15, 2024
9:30 am.

Bonnie Conference Room
901 South Stewart Street, 1st floor
Carson City, NV 89701

Held virtually using Microsoft Teams:
Meeting ID: 252 682 820 088

Members present:

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

Public present:

Owen Wurgler, Shaw Engineering
Jordan Bunker, Las Vegas Valley Water District
Kathy Flanagan Las Vegas Valley Water District
Rich Easter, Las Vegas Valley Water District
Chauncey Chau-Duong, Las Vegas Valley Water District

Legal counsel present:

Katie Armstrong, Deputy Attorney General

NDEP staff present:

Jason Cooper
Benjamin Miller
Joshua Cerda
Sheryl Fontaine
Danilo Dragoni
Matt Livingston
Chris Flores
Marcy McDermott
Kyle Casci

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 24, 2024 regular meeting

Vice Chair Andre Belanger motioned to approve the minutes. The motion was seconded by Board Member Abigail Yacoben. The motion carried unanimously with Board Member Carl Ruschmeyer abstaining.

5) Election of Board Chair and Vice Chair

Board Member Mike Workman motioned to retain Bruce Scott as Chair and Andrew Belanger as Vice Chair. The motion was seconded by Board Member Yacoben. The motion carried unanimously.

6) Capital Improvements Grant Program Update

[See staff report, Exhibit 6](#)

Jason Cooper, with the Nevada Division of Environmental Protection (NDEP), stated as of May 13, 2024, there was \$5,976,435.75 in the bank, with \$18,808.02 reserved for administration, and \$5,504,210.84 committed to projects not yet disbursed. The Governor's office and administration have expressed concern that bond proceeds are being managed and spent effectively to avoid IRS audits. There are 3 projects that are having funds de-obligated back to the program, and an estimated \$4,556,824 will need to be committed to projects and spent by December 7, 2024. Staff is focusing on realigning funding of existing projects receiving principal forgiveness funding to capital improvement funds.

Board Member Yacoben had to leave the meeting during this discussion.

7) De-obligation of GP2105 Las Vegas Valley Water District- Blue Diamond Water System

Mr. Cooper commented that this agenda item had been removed as Las Vegas Valley Water District requested the balance of funds be de-obligated prior to the meeting.

8) Drinking Water State Revolving Fund (DWSRF) Update

[See staff report, Exhibit 8](#)

Mr. Cooper gave an update on the Drinking Water State Revolving Fund (DWSRF). As of April 29, 2024, there was \$163,004,428.31 in the bank, with \$27,019,888 committed funds not yet disbursed. Over the next three years, the lowest cash balance would be \$42,138,224. The program received approval to offer up to \$100 million at a 1% interest rate and borrowers have expressed interest in taking advantage of that incentive.

Chair Scott questioned if it was allowable in the program guidelines for an entity to be able to purchase a large quantity of meters for purposes of warehousing and replacing meters and extending metering policies within the entity. Mr. Cooper responded it is something staff is looking at in addition to the projects that are currently replacing meters within their project.

Vice Chair Belanger questioned if the program changes approved by the Board of Finance have had an increase in interest from borrowers. Mr. Cooper answered there has been positive feedback from borrowers on the programs changes made and potential projects have been added to the priority list because of the changes.

9) Approval of the Nevada Drinking Water Priority List- Effective May 2024

[See staff report, Exhibit 9](#)

Mr. Cooper gave a presentation outlining the Drinking Water State Revolving Fund (DWSRF) Project Priority List Effective May 2024 ranking criteria. The ranking reflects the policies and goals of NDEP regarding the use of the DWSRF.

Mr. Cooper began by discussing how projects are ranked:

- **Class 1:** Address demonstrated illnesses that are attributed to a public water system. These projects are for significant non-compliance, such as court-ordered compliance issues and acute health risks as defined by NDEP and the Environmental Protection Agency (EPA).
- **Class 2:** Address systems with chronic contaminants.
- **Class 3:** Address rehabilitation of a deteriorated system.
- **Class 4:** Address systems that need refinancing. These projects incurred debt after July 1, 1993 and followed federal requirements.

Review of projects on the priority list, project readiness to proceed, and bypassing projects on the priority list

Mr. Cooper gave a presentation on reviewing projects on the DWSRF Priority List, project readiness to proceed, and bypassing projects on the priority list. Mr. Cooper noted that applicants must be on the priority list to receive funds. Once applicants are on the list, they are left on the list until their projects are complete in case additional funding is needed.

The priority list currently has 195 projects with a total estimated cost of \$1,059,103,454.

Board Member Workman motioned to approve the Nevada Drinking Water Priority List Effective May 2024. The motion was seconded by Vice Chair Belanger. The motion carried unanimously.

10) Weed Heights Development Change of Scope

[See staff report, Exhibit 10](#)

Mr. Cooper recommended the board approve a resolution to approve a change of scope to Weed Heights Development for the rehabilitation and upgrading to meet OSHA requirements of four system storage tanks.

Vice Chair Belanger motioned to approve Resolution D09-0524 Weed Heights Development Project Loan Commitment. The motion was seconded by Board Member Workman. The motion carried unanimously.

Mr. Cooper proposed to the board in future staff reports to allow staff the ability to allow a project to use additional project funds left over to be used for control devices, SCADA, cyber security or physical security that addressed the asset within the project.

Vice Chair Belanger stated support of allowing staff the ability to make that funding decision if it did not exceed the approved project amount.

Board Member Workman and Board Member Ruschmeyer agreed that providing staff the flexibility to make that decision made sense.

11) Drinking Water State Revolving Fund (DWSRF) Resolution to Add Funds

[See staff report, Exhibit 11](#)

Mr. Cooper presented a resolution to amend previously approved Board resolution D09-0622. This amendment to D09-0622 provides for:

- Increasing the amount from \$2,000,000 to \$2,500,000 that NDEP may commit. This aligns with the maximum amount a system may receive as outlined in the current intended use plan.
- Allowing NDEP to also increase funding for planning and design only loans, should unforeseen circumstances arise that would not have been planned for in advance.
- A commitment from the Board that NDEP is under no obligation to increase the amounts within Board approved resolutions under this authority, and may, at NDEP's discretion, bring the project back to the next regularly scheduled Board meeting for additional funding consideration.
- All other sections of resolution D09-0622 remain unchanged.

Vice Chair Belanger motioned to approve the resolution D10-0524 NDEP Amended Authority to Change Drinking Water Revolving Fund Contracts Under Certain Situations. The motion was seconded by Board Member Ruschmeyer. The motion carried unanimously.

12) Board comments

There were no board comments.

13) Public comment

Mr. Cooper stated the next board meeting will be June 26, 2024.

14) Adjourn the Board for Financing Water Projects meeting

The board meeting adjourned at 10:50 am.

2) ATTACHMENTS