

Meeting Minutes
BOARD FOR FINANCING WATER PROJECTS
January 24, 2023
9:00 am.

Great Basin Conference Room
901 South Stewart Street, 4th floor
Carson City, NV 89701

Held virtually using Microsoft Teams:
Meeting ID: 291 349 481 49

Members present:

Bruce Scott, Chair
Andrew Belanger, Vice Chair
Abigail Yacoben
Carl Ruschmeyer
Mike Workman

Public present:

Kathy Flanagan, Las Vegas Valley Water District
Annalise Porter, Las Vegas Valley Water District

Legal counsel present:

Katie Armstrong, Senior Deputy Attorney General

NDEP staff present

Jason Cooper
Elizabeth Kingsland
Kyle Casci
Sheryl Fontaine
Benjamin Miller
Charlie Wolf
Jennifer Carr

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 December 6, 2022 meeting

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

5) Assembly Bill 20

Jason Cooper, with the Nevada Division of Environmental Protection (NDEP), explained Assembly Bill 20 is being presented to the legislature for consideration and the bill impacts the Safe Drinking Water Revolving Fund, the Clean Water Revolving Fund, and the Board For Financing Water Projects makeup. The intention of this agenda item is to allow board discussion, comments, or suggestions to establish the direction the board in support of the bill.

Jennifer Carr, with the Nevada Division of Environmental Protection (NDEP), stated appreciation for the board's support of the bill and the letter drafted by personnel that could be used in support of the bill during the legislative process. Board members need to be careful as Governor's appointees to distinguish between advocacy and informing on a bill versus lobbying on a bill's behalf. She recommended a list of talking points would be beneficial for board members to have in case they were asked about the bill or testifying on bill's behalf to prevent from lobbying.

Chair Scott asked for suggestions on a positive approach for the board to take to provide support for the bill without becoming advocates or lobbyists of the bill. Ms. Carr responded when you advocate for passage instead of providing education on a bill can be interpreted as lobbying.

Katie Armstrong, the Senior Deputy Attorney General commented to be careful about being passionate about something versus providing the information and facts of why the bill is important and why it is supported by the board.

Chair Scott said it would be beneficial to board members if staff prepared a fact sheet of talking points to be able to show the board's support in a careful manner.

Board Member Yacoben commented a fact sheet would be very helpful to provide talking points of items the board supported in the bill and to assist in not crossing the line from supporting bill to lobbying for the bill.

Board Member Ruschmeyer implied support for the section in the bill regarding broadening the definition of board representation of voting members within the State.

Chair Scott remarked having two voting members as residents of the same county may not be a concern of a practical matter, as the division's recommendation to the Governor's office account for the diversity of members not representing the larger population counties.

Board Member Mike Workman provided support of Chair Scott's statement about voting members representation.

Ms. Carr clarified the primary change in that section of the bill is to remove the requirement of political party balance of the board members.

Chair Scott stated a good member of the board is not wearing their political credentials anywhere but is working for advocacy of the resource and the water system. He recalled a past event where a board member's change of political party resulted in that member not being able to be reappointed to the board.

Chair Scott inquired explanation what the change from municipal bond bank to funds for water project loans will mean. Mr. Cooper answered the program was originally required to silo cash from others its in its own budget account and track is separately. There is a State program called the Municipal Bond Bank which is managed by the Treasure's Office. An error was discovered in redlining the statures for consideration that the enterprise fund's actual name for revolving funds is water project loans. This change will properly identify the revolving fund into the proper enterprise fund and substantially not change anything, but it will provide statutory cleanup of the language.

Chair Scott asked for clarification regarding the proposed governing authority change in statute. Mr. Cooper responded the proposal is to ensure the Department of Conservation and Natural Resources is the governing authority in statute instead of the Department of Business and Industry.

Chair Scott said with federal legislation becoming a little more compatible it might benefit projects for management and execution through this board and as a way of streamlining the process. Projects for example include septic tank removals, domestic well conversions to municipal systems, ground water issues in smaller systems. Anything that staff could do or identify to make the program more efficient and user friendly for consumers to assist in receiving money to do projects to project completion would be strongly supported by the board. Mr. Cooper responded staff has been working on streamlining our physical processes and removing the paperwork process. The application process has been streamlined by developing a new computer program called the Nevada Infrastructure Financial System which has benefited both borrowers and staff. The Legislative Commission recently approved our regulation changes that cleaned up some of the drinking water regulation language. One change reduces the timeline from 30 days to 15 days on the environmental review.

Chair Scott commented staff is working hard to improve efficiency of the program.

Board Member Yacoben stated support of the streamline operations staff has developed.

Board Member Ruschmeyer asked if the intention of the changes in legislation is to maximize the money available to the program and broaden definitions so the money can be distributed according to a water system's need. Mr. Cooper responded we have discovered in statutes where Nevada's statutes are stricter than the federal statutes for the programs, so this will align the statutes together.

Then, we can ensure the programs are being utilized to the full extent Congress allows them to be used, and it gives us the opportunity to fund more entities and ability to do more innovative projects.

Board Member Ruschmeyer commented that information is a talking point that could be used as more educational versus lobbying. Also, the priority list can be used to show needs within the State and why more funding is needed and that we can provide more funding if the eligible projects and borrowers definition is broadened. Mr. Cooper mentioned the current priority list would be expanded with more projects as the result of eligible recipients and projects being expanded in Nevada's statutes.

Board Member Ruschmeyer inquired if there is a section changing the definition of municipality to recipient. Mr. Cooper answered there is a section in the bill that will require the State Environmental Commission to adopt into regulations the definition of recipient. Municipalities will be defined in state statute the same way it is defined in the federal statutes. There are other types of projects that an eligible recipient other than a municipality could receive funding for which is a piece the statutes missed when originally written. The State statutes were focused on funding municipalities which are typically wastewater treatment plants or publicly owned treatment work projects, but the federal statutes can fund an eligible recipient that is trying to address a non-point source project. The intention is to not narrow it down in the statutes, but to put into the regulations to provide more flexibility if things change.

Ms. Carr stated that a majority of the proposed changes are related to the Clean Water State Revolving Fund not the Drinking Water State Revolving Fund. Traditionally septic to sewer conversion were only an option for Drinking Water funding when the Division required a community to covert from septic to sewer. The change requested will permit the board for financing water projects to consider projects develop their own program instead of just the Division requiring it.

Mr. Cooper commented the state statutes do not give us authority to provide loans out of our set aside program. Set asides are when we receive a federal capitalization grant for the drinking water program allows us to set aside a portion of money to do technical assistance work, administration, public outreach, and operator support. There is another part of the set aside that allows for loans. Septic to sewer conversions are currently eligible for funding in the drinking water set asides as it is considered a source. This language change will enhance the statutes allowing us to do loans for septic to sewer conversions and well abandonments out of the set asides.

Andrea Seifert, with the Bureau of Safe Drinking Water asked if staff had maintained a record of requests received of septic to sewer requests for funding that led to this change. Mr. Cooper responded the septic to sewer conversion need is great statewide, but this change has been driven by entities who have applied for funding but do not meet the definition of municipality.

Ms. Seifert commented it might be beneficial to provide the board information of projects that were not eligible for funding due to the limitations of the current statute's language.

Board Member Yacoben requested examples of previous ineligible projects and the consequences for those projects not being able to be funded to add to the board's fact sheet. Mr. Cooper answered that is something staff could work to accomplish.

Board Member Yacoben motioned to ask staff to prepare a fact sheet of changes in the proposed legislation and addition of projects the board had not seen, and the potential impacts of those projects not being funded caused. The motion was seconded by Board Member Workman. The motion passed with Vice Chair Belanger abstaining.

Mr. Cooper clarified staff will be preparing a fact sheet of projects that were unable to be brought to the board and the potential impacts of those projects not being funded. Then, the fact sheet will be provided to the board members prior to start of the Legislature.

Ms. Carr remarked there is an executive order in place to report to the Governor's office by May 1st that requires all regulations to be reviewed and a report that proposes eliminations of unnecessary regulations.

6) Adjourn the Board for Financing Water Projects meeting

The board meeting adjourned at 9:58 am.