

Nevada

CAPACITY DEVELOPMENT PROGRAM

Report to the Governor



Abstract

This report covers initiatives and accomplishments for State Fiscal Years 2024 through 2026 in fulfillment of the requirements of United States Codes Section 1420(c)(3) of the State Drinking Water Act to ensure protection of public health.



Nevada Division of Environmental Protection

Bureau of Safe Drinking Water and Office of Financial Assistance

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Our mission

To preserve and enhance the environment of the state in order to protect public health, sustain healthy ecosystems, and contribute to a vibrant economy.



NEVADA DIVISION OF
**ENVIRONMENTAL
PROTECTION**

Executive Summary

The Nevada Division of Environmental Protection (NDEP) works to make sure Nevadans and visitors have access to clean drinking water when served by public water systems. Efficient and effective management of water systems helps us accomplish that goal. It requires technical, managerial, and financial support, shared via a multi-layered approach that includes hands-on training, networking, financial support, and — when necessary — formal enforcement. This report summarizes our efforts to help water systems improve their capacity over the last three years.

The Safe Drinking Water Act (SDWA) requires NDEP to prepare a report for the Governor every three years. This report outlines our effectiveness in implementing our capacity development strategy¹. This strategy is Nevada's approach to improving capacity for water systems that do not have the necessary skills or resources to do so. By collaborating with

¹ Safe Drinking Water Act, Section 1420(c)(3)

contractors, partner agencies, and stakeholders, NDEP can continue to improve water systems across the state.

As building capacity evolves, so does the program. Businesses are learning to take ownership of their water systems and manage them responsibly. This process is ongoing; through continuing education and collaboration, NDEP will explore existing and alternative methods to engage the regulated community and create partnerships that protect public health.

Acronyms

AMP — Asset Management Plan

AWC — American Water College

BSDW — Bureau of Safe Drinking Water (NDEP)

CCR — Consumer Confidence Report

CEU — Continuing Education Units

CSWPP — Community Source Water Protection Plan

CWS — Community Water System

DWSRF — Drinking Water State Revolving Fund (Nevada)

EC – SDC — Emerging Contaminant Small, Disadvantaged Community

EPA — United States Environmental Protection Agency

ETT — Enforcement Targeting Tool (EPA)

GRR — Galvanized Requiring Replacement line

IJA — Infrastructure Investment and Jobs Act

ISWPP — Integrated Source Water Protection Program

IUP — Intended Use Plan (DWSRF)

MCL — Maximum Contaminant Level

NDEP — Nevada Division of Environmental Protection

NIFS — Nevada Infrastructure Finance System

NRWA — Nevada Rural Water Association

NTNC — Non-Transient Non-Community Water System

OFA — Office of Financial Assistance (NDEP)

PCS — Potential Contamination Sources

PFAS —Per- and Polyfluoroalkyl substances

PWS — Public Water System

RCAC — Rural Community Assistance Corporation

SDWA — Safe Drinking Water Act

SFY — State Fiscal Year

SUDC — Small Underserved and Disadvantaged Communities

SWAP — Source Water Assessment Program

TA — Technical Assistance

TMF — Technical, Managerial, and Financial

TNC — Transient Non-Community Water System

USDA — United States Department of Agriculture

WIIN — Water Infrastructure Improvements for the Nation Act

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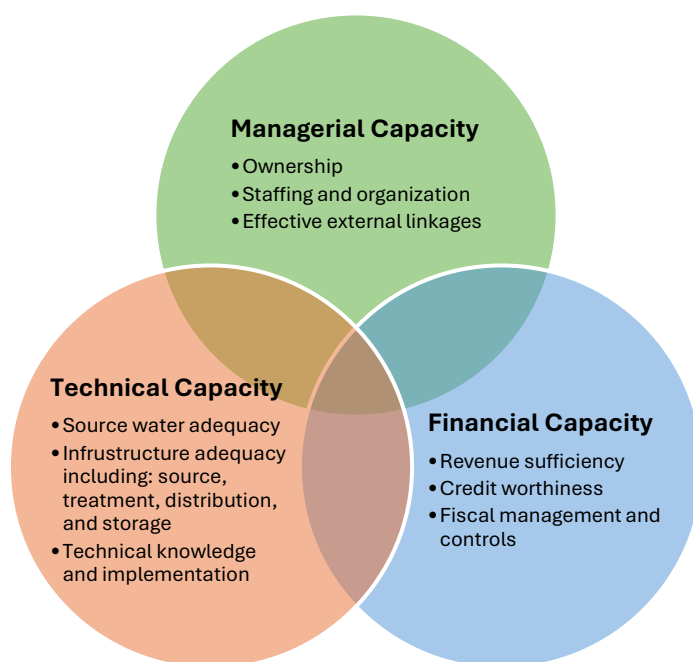
Introduction

The Safe Drinking Water Act (SDWA)² requires drinking water systems to maintain their capacity. States are also required to implement and monitor programs which enhance that capacity.

In the 1996 Amendments to the SDWA, Congress ratified a philosophy that a capable public water system (PWS) is better positioned to meet applicable standards and provide safe and reliable water service. Congress recognized that protecting the public’s drinking water supply requires ongoing vigilance when operating and maintaining PWS facilities.

The term “capacity development” was coined by Congress to describe capability. Capacity has three components: technical, managerial, and financial (TMF). Adequate performance in all three areas is necessary for a system to have “capacity.” Short- and long-term planning is critical to maintain capacity.

Figure 1. TMF capacity interrelationship (short- and long-term planning nexus)



² SDWA, Section 1452(a)(3)

Capacity development requirements

The SDWA requires that states develop and implement a strategy for PWSs to acquire and maintain TMF capacity³. Nevada's Drinking Water State Revolving Fund (DWSRF) is a federally capitalized loan program that helps qualifying PWSs finance the infrastructure needed to comply with the SDWA. States that fail to develop and implement capacity development programs could risk having up to 20 percent of their DWSRF allotment withheld.

Capacity development goals

1. To protect public health by ensuring consistent compliance with drinking water standards.
2. To enhance performance beyond compliance through measures that encourage efficiency, effectiveness, and service excellence.
3. To promote continuous improvement through monitoring, assessment, and strategic planning.

It is important to note that the DWSRF cannot financially assist systems that do not have the technical, managerial, and financial capability to ensure compliance with the requirements — unless the funding will lead to compliance.

The Nevada Division of Environmental Protection (NDEP) is responsible for updating the Governor and the public on progress made toward improving TMF capacity of PWSs in the state. This report will demonstrate how NDEP programs and activities support Nevada's capacity development goals. The report will be made available to the public on the NDEP website and distributed via NDEP's Listserv.

- Visit [Water System Capacity Development | NDEP](#)

Capacity development considerations for Nevada

Public water system management in Nevada is an ever-changing landscape. The arid climate, remote communities, and economic structure present unique considerations for capacity development. New regulations, aging infrastructure, workforce development, and a variety of other factors also impact the ability of a PWS to operate at a level of capacity that demonstrates long-term sustainability.

In response, NDEP has implemented the state's Capacity Development Program. The focus of the program is to ensure all PWSs comply with safe drinking water regulations and use a forward-thinking approach to protect public health. To build TMF capacity, NDEP prioritizes

³ Nevada's current Strategy was approved by EPA on July 10, 2023

its resources — sometimes leveraging the resources of others — to help PWSs adapt to changing circumstances while also maintaining compliance with SDWA requirements.

NDEP has taken steps to broaden its approach to building PWS capacity. Part of that effort includes partnering and networking with other stakeholders to deliver safe drinking water through responsible and sustainable methods.

NDEP partners in capacity development

Federal partners:

- Bureau of Land Management
- Bureau of Reclamation
- Federal Emergency Management Agency/ Homeland Security
- Indian Health Services
- Bureau of Reclamation
- U.S. Environmental Protection Agency
- U.S. Department of Agriculture - Rural Development
- U.S. Department of Housing and Urban Development
- Indian Health Services
- Division of Emergency Management
- Cadmus Group

State and Local partners:

- Nevada Office of Emergency Management
- Northern Nevada Public Health
- Southern Nevada Health District
- Central Nevada Health District
- Nevada Health Authority
- Nevada Department of Agriculture
- Public Utilities Commission
- Governor's Office of Economic Development
- Division of Water Resources
- State Historic Preservation Office
- Division of State Parks
- Division of State Lands
- Department of Transportation
- Housing Division

- Department of Education
- Department of Corrections
- Department of Veterans Services

Technical assistance providers:

- Rural Water and Wastewater Association of Nevada (2026)
- Rural Community Assistance Corporation
- Resource Concepts, Inc.
- Eastern Research Group
- Farr West Engineering, Inc.
- Nevada Rural Water Association (until April 2024)
- Broadbent & Associates, Inc.

The Rural Community Assistance Partnership provided a workshop “Balancing Customer Needs, System Capacity, and Regulatory Expectations” on December 17, 2025, to strengthen financial and operational decision-making for water systems and their governing boards. NDEP intends to use the tools provided in this webinar to assist water facilities as part of our Technical Assistance (TA) assistance programs.

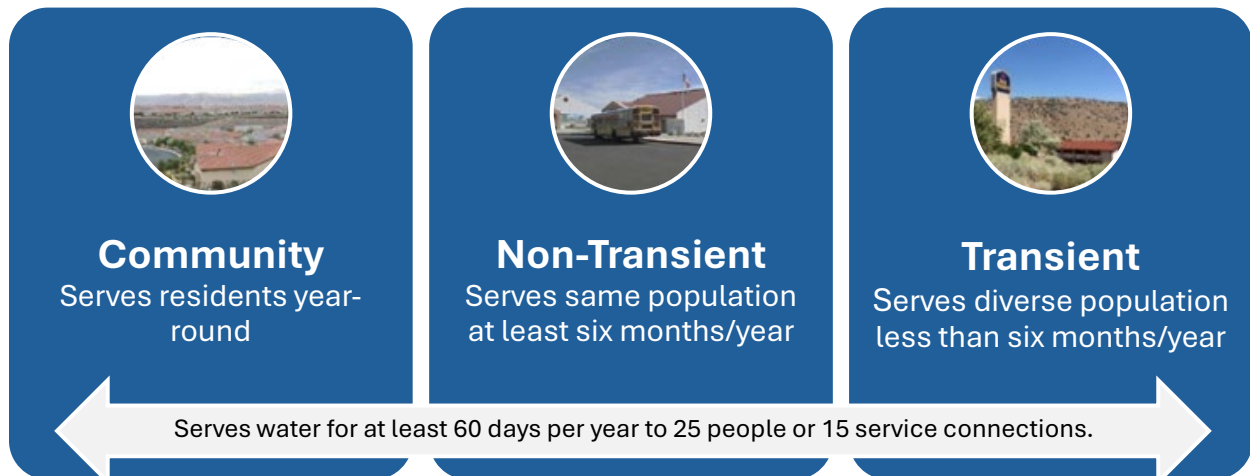
What is a public water system?

A public water system provides water for human consumption through pipes or other constructed conveyances to at least 15 service connections or serves an average of at least 25 people for at least 60 days per year. A public water system may be publicly or privately owned.

The United States Environmental Protection Agency (EPA) and state agencies categorize PWS into three main types:

1. **Community Water System (CWS):** Supplies water to the same population year-round, such as towns or municipalities.
2. **Non-Transient Non-Community Water System (NTNC):** Regularly serves at least 25 of the same people at a fixed location for at least six months per year, such as schools, factories, or hospitals.
3. **Transient Non-Community Water System (TNC):** Provides water to locations where people do not remain for long periods, such as gas stations or campgrounds.

Figure 2. Types of public water systems



NDEP oversees approximately 589 PWSs with diverse service populations. These systems include:

- 194 Community Water Systems
- 160 Non-Transient Non-Community Water Systems
- 235 Transient Non-Community Water Systems

Compliance with laws and regulations requires a multi-faceted approach. Many regulated water systems are not in the primary business of supplying water; rather, their business requires that they have water for drinking and hygiene purposes. It is critical NDEP provides routine communication and support to help these businesses understand what it means to be a regulated and viable water system.

Figure 3. Distribution of Nevada public water system types



Nevada's Strategy

Nevada's Capacity Development Strategy provides PWSs with the resources needed to deliver safe and reliable drinking water. NDEP supports the state by providing systems with management training, financial and technical assistance, and helping communities with local planning initiatives. NDEP has a comprehensive approach to identify and prioritize PWSs with the greatest need. Specific programs have been developed to determine what type of support is most effective for an individual system.

This allows NDEP to provide meaningful and cost-effective assistance using a combination of staff, contractors, and external partners. This capacity development report highlights efforts to further the Capacity Development Program in accordance with the Capacity Development Strategy Objectives submitted by NDEP on March 16, 2022, and approved by EPA on July 10, 2023. When working to update the prior strategy, a comprehensive survey of our stakeholders was completed. Responses to the survey indicated that the existing strategy largely targeted their primary needs and therefore few updates to the strategy were required. NDEP's Office of Financial Assistance (OFA), and Bureau of Safe Drinking Water (BSDW) — as well as the Rural Community Assistance Corporation (RCAC), the current contracted TA provider — contributed to this report.

While NRWA disbanded in 2024, a new iteration, Rural Water and Wastewater Association of Nevada, has formed and is expected to be under contract with NDEP beginning calendar year 2027.

Nevada's implementation strategies

Personnel and management:

- Development of best practices for workforce development
- Training on PWS responsibilities for boards and management staff
- Garnering feedback on Operator Certification testing resources
- Conducting virtual outreach to monitor PWSs between inspections
- Streamlining the application process for DWSRF Funding

Financial sustainability:

- Additional training on the costs of service for a particular system
- Coordinating to address obstacles to funding system needs
- Capacity surveys that target Asset Management Plans (AMP), levels of service, and community outreach for cost of service
- Development of rate structures to cover operations, maintenance, debt service, and reserve requirements

PWS characteristics:

- Physical and managerial consolidation coordination
- Support redundancy and security projects
- Board training on engagement with operators and the public
- Capacity surveys to target unique technical issues

Planning:

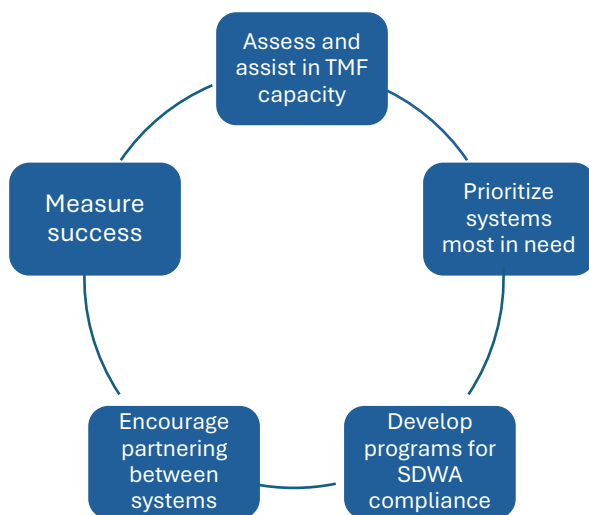
- Increase Priority List scores for systems with developed AMPs
- Require AMPs for projects receiving principal forgiveness funding
- Require AMPs for new water systems; for PWSs constructed after October 1, 1999, require AMPs every five years
- Include questions on AMPs in capacity surveys

Source water quality and quantity:

- Increase outreach to water systems on Water Conservation Plans and Source Water Protection Plans
- Encourage projects in the DWSRF program that support redundancy for water sources and treatment
- Include question on source water quality and capacity in capacity surveys
- Coordination meetings to discuss consolidation for long-term capacity

How does NDEP assess and prioritize systems?

Figure 4. Nevada capacity development strategy objectives

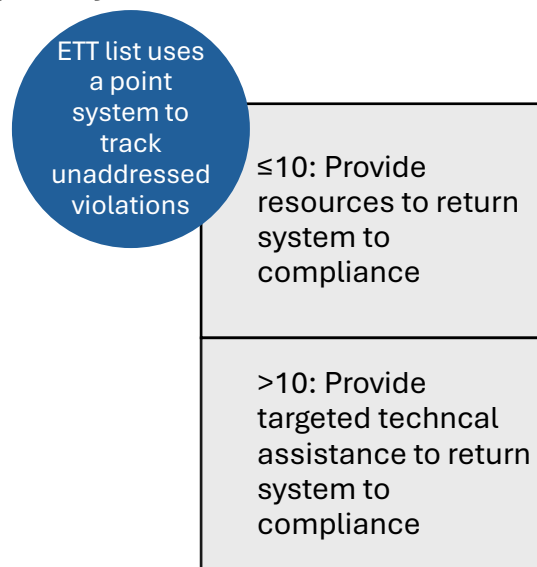


NDEP uses capacity assessments to measure the strengths and weaknesses of a water system. These assessments are conducted by third-party contractors to determine where to focus funding and technical assistance, and to prioritize systems most in need. With this information, NDEP staff and TA providers identify appropriate strategies to help PWSs deal with their challenges.

PWS regulatory compliance oversight is another routine process that enables staff to assess and prioritize assistance. NDEP currently utilizes multiple reporting mechanisms to help identify water systems facing challenges. Some of these reporting mechanisms include:

- Routine water system monitoring results
- Site inspections
- Non-compliance reports / certified operator status reports
- EPA's Enforcement Targeting Tool (ETT)
- EPA's Strategic Performance Measures

Figure 5. EPA's Enforcement Target Tool point system



EPA's quarterly ETT statistics provide measurable data on compliance for all types of water systems, as well as a mechanism to prioritize TA. Approximately 14 percent of PWSs face compliance challenges, so NDEP staff and TA providers work hard to address their needs.

How does NDEP use focused technical assistance?

Once NDEP understands the needs of PWSs, our contract TA providers can coordinate with the local system to address specific needs. Assistance can take multiple forms, including hands-on training and collaboration with the system to target their specific needs. NDEP's other external partners also have the capability to provide TA, which is leveraged by the state to maximize support for small water suppliers, extending NDEP's financial resources and reach.

NDEP contracts with TA providers to offer critical TMF capacity development at no cost to the systems. Three TA vendors, – Nevada Rural Water Association (NRWA), Rural Communities Assistance Corporation (RCAC), and Resource Concepts Inc. (RCI) – were in place during the first year of the reporting period.

Between State Fiscal Years (SFYs) 2024 and 2026, TA providers, with assistance and coordination from BSDW, made a concerted effort to address common deficiencies and strengthen the technical capacity of PWSs throughout Nevada. Their assistance focused on such areas as regulatory compliance, distribution system operation and maintenance,

treatment processes, operator training, and other technical and operational challenges identified within PWSs. BSDW helped identify areas of need and coordinated technical assistance efforts, while the vendors provided hands-on assistance, training, and subject-matter expertise to help systems better understand regulatory requirements, identify and correct operational deficiencies, and develop the knowledge and skills necessary to independently operate and maintain their systems. This coordinated approach not only addressed immediate deficiencies but also supported the long-term sustainability and reliability of PWSs by strengthening their technical capacity to provide safe and reliable drinking water.

While NRWA disbanded in 2024, a new iteration, Rural Water and Wastewater Association of Nevada, has formed and is expected to be under contract with NDEP beginning calendar year 2027. In SFY 2023, OFA initiated a new Notice of Funding Opportunity that resulted in two sub-grant agreements to provide TA for SFYs 2024-2025. The sub-agreement with RCAC was then amended to continue to provide TA for SFYs 2026-2027.

Strategy Implementation and Successes

NDEP uses a targeted approach to develop TMF capacity for PWSs. These efforts help systems protect public health and reach sustainable long-term compliance with the SDWA. NDEP strategies are based on several key tools and measures, which are outlined below. Also included are several examples of projects that highlight the success of these strategies.

Personnel and management

This implementation strategy addresses the need to attract and maintain staff to meet water quality and quantity requirements for the system. This strategy also addresses operators' difficulties with passing certification tests, employee turnover and retention, lack of prospective employees, improvements in training, managerial support for staff, and navigating the Drinking Water SRF application process. The following elements have been implemented to address this strategy over the reporting period:

Workforce development

Many water utilities throughout Nevada experience issues recruiting new operators as the workforce is aging to retirement. One opportunity to address this issue is to provide training for potential operators on drinking water operator exam material.

Specifically, Nevada identified areas of the drinking water operator exams that frequently show low scores; this information was then provided to TA providers to implement in their training courses. In addition, through the Operator Certification Program Forum meeting, Nevada is directly talking to drinking water facilities to get feedback on what operator workforce development assistance they have identified as being most beneficial to their communities; these needs can be incorporated into future assistance provided by the state.

Many Nevada operators begin their careers without any college experience; therefore, meeting the post-secondary education requirement, which is first introduced at Grade 3, can present a significant barrier to advancement. As operators prepare for higher certification levels, they also face increasingly complex exam content and need training that both meets the academic requirement and helps them succeed on the exam.

Through the Nevada Operator Water and Wastewater Forum, operators shared concerns about the American Water College (AWC) training website. AWC offered popular Grade 3 and Grade 4 exam-preparation courses, but these courses did not meet the minimum length required for post-secondary education provided by an International Association for Continuing Education and Training certified organization.

BSDW coordinated directly with AWC to address both the course-length requirement and operator feedback. In state fiscal year (SFY) 2024, AWC expanded its training modules by adding additional instructional material, increasing the overall course duration and making the courses eligible for post-secondary credit. This successful collaboration allowed for Nevada operators to continue receiving high-quality, exam-focused training while also meeting the educational requirements needed to progress to higher certification levels.

As a separate effort, BSDW continues to partner with the U.S. Department of Veterans Affairs through the Drinking Water Operator Certification Program. This program allows BSDW to provide veterans taking the Nevada Drinking Water Operator Certification Exam with financial assistance to cover licensing costs.

BSDW partnered with the U.S. Department of Veterans Affairs in SFY 2026. Military occupational specialty experience continues to be an invaluable asset for PWSs throughout Nevada. For SFY 2026 the operator certification program received over 100 veteran applications. Information and resources are available on Nevada's Drinking Water Operator Certification Program website.

Training and outreach

The Nevada Operator Certification Program set a key objective for SFY 2026: expand training opportunities focused specifically on Nevada’s drinking water policies, programs, and regulatory requirements. To meet this goal, the program partnered with technical staff from BSDW to design and deliver state-specific training directly to operators and water system personnel.

Beginning in SFY 2026, the program launched biannual virtual training sessions, ensuring broad accessibility for operators across Nevada. Two courses were offered:

- Monitoring and Reporting – held on September 20, 2025
- Consumer Confidence Report Revisions – held on June 30, 2026

More than 165 participants attended these sessions, benefiting from the direct guidance, practical tips, and regulatory insights provided by BSDW staff. Because the Operator Certification Program served as the training provider, attendees were also able to earn continuing education units (CEUs) applicable toward certification renewal.

By offering these courses in-house, the Operator Certification Program achieved two major outcomes:

1. Improved access to CEUs through free, Nevada-specific virtual training
2. Strengthened communication between operators, water systems, and state regulatory representatives

This approach ensures that operators receive training tailored to Nevada’s unique regulatory landscape while fostering stronger relationships between the regulated community and state oversight programs.

Nevada works to keep compliance rates high by providing outreach and training to operators. The state uses monies from the Public Water System Supervision Program grant and the 10% set-aside funds from DWSRF for these efforts. BSDW also provides technical assistance, suggestions, and recommendations to operators through frequent telephone contact and through the sanitary survey (inspection) process.

Our TA providers offer operator training throughout the state. Figure 6 highlights the training provided during the previous and current reporting periods. These training sessions are provided at no cost in an effort to help PWSs meet their individual capacity development needs.

Figure 6. Number of systems receiving technical assistance by category during the 2024 through 2026 triennial reporting periods



Streamlining the application process

The Nevada Infrastructure Finance System (NIFS) is available online to DWSRF borrowers. This system allows water systems to manage their applications from the initial pre-application submission to the closure of the loan contract. NDEP staff and TA providers offer direct assistance to borrowers on SRF program requirements as well as navigating the NIFS system. NDEP’s website also provides detailed help guides to navigate NIFS. The feedback from our borrowers on the use of NIFS for application submission and managing their loan contracts has been extremely positive.

Financial sustainability

This implementation strategy addresses the financial needs of drinking water systems for operations, maintenance, debt service, and Capital Reserve Accounts. This includes understanding obstacles to funding system needs; cost of services to operate a water system; and community outreach and coordination between technical assistance providers, drinking water systems, and NDEP. The following elements have been implemented to address this strategy over the reporting period:

Funding coordination

Nevada recognizes that addressing needs associated with infrastructure deficiencies is critical to continue to keep the state's water free from waterborne disease and outbreaks attributable to public drinking water systems. Furthermore, a large proportion of Nevada's PWSs are very small systems that often find it hard to identify and take advantage of various federal and state funding resources.

To address this challenge, a collaboration meeting, Infrastructure for Nevada Communities, is held on a quarterly basis and includes regulatory agencies, technical assistance providers and funding partners. These meetings help to target individual systems' technical assistance needs, funding infrastructure deficiencies, and to identify the most suitable funding source or partner for each system. Participating agencies include OFA, BSDW, NDEP's Bureau of Water Pollution Control, the Public Utilities Commission, the Governor's Office of Economic Development, United States Department of Agriculture (USDA) Rural Development, NRWA, and RCAC.

Increasing access to available funding

During the 2023 legislative session, Assembly Bill 20 was enacted. This bill expanded funding options for drinking water systems by allowing the use of DWSRF set-aside funds for loans and grants. Although this funding was not allocated for SFY 2024-2025, the state's Capital Improvements Grant Program was expanded to allow funding to be used for well abandonment and connecting a property to a municipal water system. NDEP will continue to increase awareness for this potential use in future years.

OFA holds listening sessions each year to update water systems, consultants, and the public on the available State Revolving Fund loans for the next year. The listening sessions inform potential borrowers on the types of entities and projects that are eligible to apply for funding. The sessions also provide information on available funding, including principal forgiveness dollars; updates to the Project Priority Lists; Priority List ranking changes; disadvantaged and affordability criteria; and recent changes to loan interest rates, security, and incentives.

Federal appropriations for DWSRF require Nevada to use a percentage of its grant funds to provide additional subsidies to "disadvantaged communities." These include forgiveness of principal, negative interest loans, grants, or any combination of these. Per SDWA 1452(d)(3), Nevada has a "disadvantaged community" designation to address low-income areas that have infrastructure deficiencies that pose a health threat. Forty projects were awarded principal forgiveness funding under our State definition, totaling \$37.2 million between SFY 2024-2026.

Table 1. Principle forgiveness funding by type

Type	Number of projects	2024-2026 principal forgiveness funding
Water treatment	5	\$ 10,762,935
Consolidation	1	\$ 2,500,000
Water source	2	\$ 898,800
Water storage	7	\$ 7,593,445
Water transmission	11	\$ 12,276,479
Planning and design	12	\$ 1,506,543
Meters	2	\$ 1,682,039
Total number of projects and funding	40	\$ 37,220,241

To demonstrate fiscal sustainability, PWSs must have water rates in place that adequately support the current and future operations, maintenance, debt service, and reserves of the system. Sufficient water rates structures are also necessary to seek funding support from DWSRF. Rate structures are addressed through rate studies, which must be supported by water systems' boards and governing bodies. Nevada provides free TA to PWSs to complete rate studies and board trainings.

The Water Infrastructure Improvements for the Nation (WIIN) Act provides federal grants to address health-based violations in Small, Underserved, and Disadvantaged Communities (SUDC). NDEP applied for two grants for the Federal Fiscal Years 2022 and 2024, which waived the match requirement. NDEP was ultimately awarded \$1,274,020. Four public water system projects are currently being provided with WIIN grant funds:

Table 2. Current PWS projects

PWS name	County	Population	Project
Town of Jackpot	Elko	1,240	Water capacity evaluation, and tank design and construction
Mountain City Water and Sewer	Elko	30	New chlorinator and building
C Valley MHP	Nye	54	Engineering plans for approval of construction
Baker Water and Sewer	White Pine	85	Development of a public drinking water system to the Lehman Creek residential area

PWS Characteristics

This implementation strategy addresses the challenges and opportunities that individual systems face due to unique geographic, geological, socio-economic, and infrastructure conditions. Capacity surveys are used to identify specific challenges such as water pressures, sanitary survey deficiencies, water loss, and backflow prevention. This strategy also addresses the need to train board members in public participation and engagement with system operators. The following elements have been implemented to address this strategy over the reporting period.

Vulnerability Assessment Program

The 2020 Vulnerability Assessment Program, implemented during SFY 2021, is an update to the 2003 Source Water Assessment Program (SWAP). The 2003 SWAP, in turn, has its roots in the original Vulnerability Assessment Program (approved by the EPA in 1995), which was performed during the initial permitting process of a PWS.

The Vulnerability Assessment Program promotes the protection of drinking water sources from contamination while reducing monitoring costs. The program teaches PWS operators to identify potential contamination sources (PCS) and evaluate risks.

Vulnerability assessments include:

- Locating sources
- Identifying potential sources of contaminants within a 3,000-foot radius of wells/springs
- Evaluating source water susceptibility to contamination
- Reviewing prior sampling results

Based on initial assessment of the source water vulnerability determination, a PWS may qualify for chemical monitoring relief, in the form of a waiver, (inorganic chemicals, synthetic organic chemicals, cyanide, dioxin, and 2026 Nevada Annual Capacity Development Report asbestos) as approved by the EPA in 1995. Eligible PWSs are also required to provide updates to the assessment data and apply for waiver renewals every three years.

Water supply sources at low risk of contamination do not need to be monitored as frequently, which saves money. The Vulnerability Assessment Reports note PCSs and rank them based on their potential to adversely affect a water supply source. Currently, 224 PWSs qualify for chemical monitoring waivers.

Found systems

On occasion, water systems meet PWS criteria and require permitting without knowing that their system is subject to SDWA regulatory requirements enforced by NDEP. When such systems are discovered and operating without a permit, they are called “found systems.”

Based on the frequency of discoveries of found PWS, NDEP started a unique program in SFY 2016, which has been showcased nationally in the drinking water regulatory sector. The “Found Systems Program” investigates these types of PWSs, providing technical, managerial, and financial assistance to help protect consumer health and ensure these PWSs comply with the appropriate regulatory programs. NDEP works with these found systems by either issuing permits or helping consolidate them with an existing PWS. If the potential PWS does not meet the criteria to qualify as a PWS, but shows potential to qualify in the future, that system is placed on a continuous verification list for future outreach.

During the current reporting period, thirteen systems were discovered operating without a permit and were successfully brought into the Found Systems Program. Additionally, seven PWS were removed from Found System status and inactivated. Of those seven, three consolidated with other systems, while the remaining four closed permanently. The four permanently closed systems were returned to the continuous verification list for future outreach.

During SFY 2026, a total of twenty-seven unpermitted PWS received TA through NDEP, Northern Nevada Public Health, the Southern Nevada Health District, and a TA contract provider, RCAC.

Sanitary surveys

A sanitary survey is a routine inspection of a drinking water system’s facilities, operations, and records. These inspections are a review of the PWS’s documents and infrastructure; they provide an opportunity for regulators to assess needs or require improvements to TMF capacity.

EPA defines eight elements that must be reviewed during each sanitary survey:

1. **Source** The raw water’s susceptibility to contamination. (Technical capacity)
2. **Treatment** The design, operation, and maintenance of water treatment plants. (Technical capacity)
3. **Distribution system** The design, operation, and maintenance of distribution systems. (Technical capacity)

4. **Finished water storage** The design, operation, and maintenance of finished water storage facilities. (Technical capacity)
5. **Pumps** The design, operation, and maintenance of water supply pumping facilities. (Technical capacity)
6. **Monitoring and reporting** The water system's conformance with regulations based on review of water quality monitoring plans and system records. (Managerial capacity)
7. **Management and operation** The current overall performance and long-term viability in meeting water quality standards. (Managerial capacity)
8. **Operator certification** Discussion and calculations during each inspection to ensure that operators are certified at the required grade. (Technical and Managerial capacities)

Compliance with Safe Drinking Water Act

Over the reporting period, 78 percent of Nevada's PWSs reported no violations. Of the 589 regulated PWSs in Nevada, only three percent reported long-term violations and 19 percent of systems reported short-term violations. When a violation is reported, BDSW works closely with TA providers to bring the PWS back into compliance.

EPA's quarterly Strategic Performance Measures are focused on ensuring a CWS is in compliance with health-based standards. Health-based standards address acute and chronic non-compliance. The number of Nevadans receiving compliant water remains over 98 percent.

Table 3. Community water system statistics for health-based violations

State Fiscal Year	Percentage of Complaint CWSs	Percentage of population receiving compliant water
2024	92.23%	99.7%
2025	84.97%	98.7%
2026	85.05%	98.2%

The recent decrease in compliance percentage is primarily due to the implementation of new requirements, including the Lead and Copper Rule Improvements and Lead Service Line Inventory. In addition, changes to BSDW processes have resulted in Ground Water Rule and treatment technique violations being identified and issued more consistently. While these changes have lowered the reported compliance percentage, they reflect improved compliance oversight rather than a decline in drinking water quality. CWSs not compliant with the health-based standards are prioritized for TA.

Planning

This implementation strategy addresses a system's ability and desire to prepare for future needs. Boards, managers, and the public often do not fully plan for continued system sustainability. This strategy identifies the need to provide training and technical assistance to help with public outreach, board training, and managerial involvement in the planning process. This will help PWSs sustain their levels of service and address capacity needs necessary to apply for DWSRF loans. The following elements have been implemented to address this strategy over the reporting period:

Asset Management Plan

An AMP is a planned and systematic method of managing and monitoring all the required physical components of a mechanical system and the desired level of service for a community. A PWS that uses an AMP can make capital improvements, maintain its level of service, sustain its infrastructure, and acquire long-term funding and critical assets. AMPs are now federally required as part of the Capacity Development Strategy. PWSs see AMPs as a key element for them to maintain, improve, and elevate their services and reliability.

As part of the annual DWSRF Intended Use Plan (IUP), AMPs are required for systems receiving principal forgiveness loans for infrastructure projects from the DWSRF program. Loan applicants must certify as part of the loan contract that the recipient has, or will develop, an AMP prior to the final draw on the loan and will re-evaluate the plan every five years. These reports will help educate managers and users of the system about the cost of their water system. Nevada's TA providers can develop the AMPs as a free service for our borrowers. The development of AMPs for PWSs has exponentially increased as result of the new federal requirements and resulting SRF requirements.

Capital Reserve Accounts

In another effort to develop fiscal responsibility to address current and future needs, the annual DWSRF IUP also requires principal forgiveness loan recipients to set aside funds in a reserve account for capital replacement. These funds are critical for water facilities to be able to replace capital assets in the future.

Use of authority and resources for implementation

Statutory updates

Nevada's Legislature meets from February to June in odd numbered years. During this reporting period, the Legislative session began in February 2023 and 2025 and met through June 2023 and 2025, respectively. Relevant revisions to state law included:

- Senate Bill 43: a modification to allow the Administrator of the Division of Environmental Protection to designate a district board of health to issue permits or administer and enforce public water system law, effective June 9, 2025. A new district board of health will need to apply for the designation and demonstrate capability. The law provides for periodic reviews of the ongoing capability and a process to revoke the designation. Regulations for administering the law are being drafted.
- Assembly Bill 104: establishes the Nevada Voluntary Water Rights Retirement Program; a statewide initiative aimed at conserving water by allowing groundwater rights holders to voluntarily retire groundwater rights in areas where water use exceeds long-term water availability. It also creates the Account for Retiring Water Rights, a dedicated fund within the Department of Conservation and Natural Resources, that will be used to purchase and retire groundwater rights. Once retired, these rights are permanently removed from use, helping stabilize aquifers and protect natural ecosystems.
 - Visit [Nevada passes two bills to preserve the state's groundwater | TNC](#)
- Assembly Bill 96: establishes Heat Mitigation Plans for Las Vegas and Reno. This requires Clark County and Washoe County to include heat mitigation plans as part of their long-term land use and development planning. The law requires those plans to include strategies to reduce heat impacts in the community, including expanding public cooling spaces, improving access to drinking water, encouraging cool building practices and increasing shade over paved areas through structures or drought-tolerant trees.

Source water quality and quantity

“Source water” in Nevada means an untreated source of water used to supply drinking water to the public. Source water includes groundwater before it is pumped out by a well, or surface water flowing in a spring, river, or tributary before being diverted to a treatment plant. Groundwater aquifers are critical resources in Nevada. Most public water systems in the state rely solely on wells for their water supplies; however, a few larger communities also rely on springs, creeks, lakes, rivers, and reservoirs. Source water protection areas are also referred to as wellhead protection areas, drinking water protection areas, and sometimes vulnerability assessment areas.

This implementation strategy is focused on a system’s need to manage the water quality and quantity needs of their communities. This strategy is addressed primarily through education, public outreach, and conservation efforts. Protecting water at its source

ensures communities have a sustainable water supply. The following elements have been implemented to address this strategy over the reporting period.

Integrated Source Water Protection Program

Public water systems and local communities throughout Nevada are working to protect drinking water supplies from contamination. The state assists them through the multi-faceted Integrated Source Water Protection Program (ISWPP). Though the program is voluntary, NDEP believes that effective source water protection must be developed and administered by the community in conjunction with local water suppliers. A local plan, referred to as Community Source Water Protection Plan (CSWPP), is a long-term commitment on the part of the community to protect its drinking water sources from becoming contaminated or polluted by various land use activities.

Nevada's Source Water Protection Program encourages cooperation and aligned efforts with other state and federal entities to provide communities with resources for their plans. National Rural Water Association's Source Water Protection works with NDEP in developing ISWPPs and meeting the criteria of both programs in plan development.

At the close of SFY 2026, cumulative source water protection efforts resulted in:

- Coordination of Wellhead Protection Programs for small communities.
- Educational opportunities for operators and schools.

Consolidation

Another method for systems to protect their water sources is through a physical or managerial consolidation with a neighboring water system. Financial benefits of the consolidation of water systems include reducing costs, achieving greater economies of scale through shared services, and increasing a system's access to funds through new partnerships. Through the Nevada DWSRF program, systems addressing capacity deficiencies through physical or managerial consolidations are now evaluated as disadvantaged communities. Some communities in Nevada are declining in population and too far away from another system to physically consolidate. While these systems must operate on their own, the possibility of managerial consolidating remains. NDEP hopes to utilize solutions like this to assist other disadvantaged systems with their capacity needs.

Over SFY 2024-2026, three systems were consolidated into larger public water systems.

Resiliency

The DWSRF has supported drinking water systems throughout the state in addressing the resiliency of their water systems by providing loans and principal forgiveness funding for projects that improve redundancy, water storage, water delivery, and water treatment systems.

Capacity Development Challenges

Nevada water systems are currently managing a number of challenges that are expected to persist in future reporting cycles. To tackle these challenges, Nevada will continue efforts to address technical, managerial, and financial sustainability throughout the state. Addressing these challenges will require partnerships, funding collaborations, outreach, and technical assistance.

Current and future challenges of Per- and Polyfluoroalkyl Substances (PFAS)

2026



2026: There is currently uncertainty about, and a reluctance to comply with the PFAS Rule in the regulated community. This has been brought about by EPA's proposed rules to rescind drinking water regulations for PFHxS (perfluorohexanesulfonic acid), PFNA (perfluorononanoic acid), HFPO-DA (hexafluoropropylene oxide dimer acid, commonly known as GenX), and the Hazard Index mixture of these three PFAS compounds as well as PFBS (perfluorobutanesulfonic acid). Additionally, there is also a proposal to allow a PWS to request a two-year extension of the deadline to comply with the National Primary Drinking Water Regulations maximum contaminant levels (MCLs) for PFOS (perfluorooctane sulfonate) and PFOA (perfluorooctanoic acid).

2027-2029



2027 - 2029: With the Public Comment period ending July 20, 2026, a decision on the finalized PFAS Rule and compliance deadline extension are not expected until late 2026 or 2027.

Technical challenges

Supply chains and costs

To safely manage and operate facilities that protect drinking water quality, reliable supply chains are critical. Over the past reporting cycle, supplies necessary for treating, maintaining, repairing, and building water facilities have had long lead times and significantly escalated costs. NDEP bridges the gap between national supply chains and PWSs through direct outreach, coordinating with system operators to acquire necessary treatment chemicals (such as water disinfectants). These supply chain issues have resulted in delays in implementing projects intended to provide safe drinking water to Nevada communities. Supply chain issues and expenses will continue to be a challenge to drinking water systems throughout the state.

Lead service line inventories

By October 16, 2024, PWSs were required to submit an inventory of their service line materials and identify them as either lead, galvanized requiring replacement (GRR), unknown, or non-lead. Nevada has received inventories from all Public Water Systems required to submit one. The service line identification process created challenges, as service lines cross onto private property and into historical buildings. Infrastructure Investment and Jobs Act (IIJA) funding was available through contracts managed by the Nevada DWSRF program to help support Nevada communities with the development of these inventories.

PWSs are required to submit an updated inventory, including information about connector material, to NDEP by November 1, 2027. Any system with a lead, GRR, or unknown service line in the updated inventory will also be required to submit a replacement plan by that date, describing how they will replace all lead and GRR within 10 years and how they will identify their unknown service lines. Funding to assist PWSs with the updated inventory and replacement plan is limited.

Managerial challenges

Personnel

Most drinking water systems across the state have expressed concerns about retaining and recruiting sufficient staff to operate and maintain their facilities. One issue expressed is that a large percentage of the operator workforce is nearing retirement age. This creates issues with having sufficient personnel to run facilities, as well as a loss of knowledge and experience. In the upcoming reporting period, NDEP will work with TA providers on different

strategies to address workforce development, including creating apprenticeship and internship programs.

Financial challenges

Technical Assistance

Passage of the IIJA resulted in a significant increase in federal funds for Nevada that have broadened the TA programs at both the federal and state levels through SFY 2026. This additional funding was a benefit to addressing drinking water capacity development throughout the state. Nevada's goal is to ensure the highest priority needs are addressed, without overlapping assistance providers. Identifying and tracking the various TA providers through multiple funding sources creates challenges. Many of the TA providers have multiple sources of federal funding; just a portion of that funding is managed by the state directly. Along with the complexities of trying to understand and manage multiple funding sources, each funding source has different directives, and other agencies, such as USDA Rural Development, also have federal dollars for similar types of assistance.

Technical Assistance providers managed and coordinated by Nevada:

1. Rural Community Assistance Corporation
2. Rural Water and Wastewater Association of Nevada (in 2027)
3. EPA and RCAC Environmental Finance Centers
4. EPA Contractor Assistance for Lead Service Line Surveys
5. EPA Contractor Assistance for Enforcement
6. EPA Contractor Assistance for Compliance
7. Cadmus Group

Funding coordination

The IIJA has provided infrastructure funding for drinking water facilities, with an emphasis on addressing SUDCs (additional funding also came to the states through the WIIN Act).

The IIJA funding targeted two major concerns:

- Addressing emerging contaminants
- Replacing lead service lines

The funding is provided to Nevada PWSs through IIJA, OFA, and BSDW. These funds are distributed over a five-year period and managing them effectively is a continuing effort. In addition, coordinating these funds with other partner agencies — such as the Community Development Block Grant Program and the USDA Rural Development — creates an additional layer of complexity in addressing the highest priority projects in the state.

Congressionally Directed Spending

Project-level congressionally directed spending has reduced base grants given to Nevada for the last several years. The reduction in base grants has created cascading impacts to drinking water facility funding and program management over time. Reduced base funding for the Nevada SRF program reduces capital available for drinking water loans, as well as reducing funding available to support NDEP staff in OFA and BSDW who manage the SRF program. This reduced base funding also takes away resources that create partnerships with our TA providers, who remain a critical element of our programs. The IIJA has provided sufficient funding to support all program needs currently, but IIJA funding ends after federal fiscal year 2026.

Financial sustainability

Nevada has a number of very small communities in the state with very few residents to support their water systems. They often have critical water infrastructure needs and are unable to develop affordable rate structures to properly operate and maintain their system. Therefore, even in cases where Nevada is able to support the system upgrades through principal forgiveness loans, the system struggles to maintain TMF sustainability for their system. In the future, Nevada hopes to explore technical and financial support to study managerial and physical consolidation options with other public or private water utilities.

Success Stories



Operator Training

Challenge

On May 15, 2024, EPA announced revisions to the Consumer Confidence Report (CCR) Rule, effective in 2027. Some community water system operators and owners expressed concerns about understanding the new requirements.

Solution

BSDW staff developed and delivered CCR Rule Revision training. The session offered operator credits and was held June 30, 2026, at the close of the 2026 CCR cycle.

Result

Operators and system owners are now better informed and prepared to meet the new CCR Rule Revision requirements in the next reporting cycle.

Partnership

BSDW, Certified Operators



SUDC Emergency Funding for Tolas Mobile Home Park

Challenge

A treatment system failure left Tolas Mobile Home Park unable to produce drinking water that meets the SDWA arsenic MCL.

Solution

BSDW is assisting with treatment system repairs through WIIN SmarT Grant Program funding.

Result

The project will restore reliable arsenic treatment, return the system to compliance with the SDWA MCL, and ensure continued delivery of safe drinking water to Tolas residents.

Partnership

State of Nevada, Federal Government



Canyon GID

Challenge

Canyon GID, a small disadvantaged community in Storey County, has water quality that exceeds the Maximum Contaminant Levels (MCLs) for PFAS. To meet the water quality

standards, the water system has completed a pilot study to determine the best available treatment method and associated preliminary engineering report. The next phase of the project is for design and construction of the plant. The community does not have the financial means to pilot treatment medias, design, and construction of a treatment facility that provides safe drinking water to its residents.

Solution

BSDW, in partnership with NDEP's Office of Financial Assistance and the EPA, is able to allocate federal grants to conduct potential treatment methods and pay for the design and construction of a treatment system that will remove PFAS to levels below the MCLs.

Result

Once constructed, the community will have safe and compliant drinking water.

Partnership

State of Nevada, Federal Government



Additional Postsecondary Education

Challenge

In FY24, AWC offered Grade 3 and 4 exam preparation courses that did not meet Nevada's minimum requirement of 36 hours for post-secondary education credit. Operators found the courses useful for exam preparation but wanted them to also count toward education requirements.

Solution

BSDW collaborated with AWC, highlighting regulatory requirements and requesting additional course material so operators could both prepare for exams and earn post-secondary education credits.

Result

AWC revised its curriculum and expanded course hours to meet Nevada's requirements. The updated trainings better support operators pursuing higher certification.

Partnership

BSDW, AWC



Lead and Copper Rule Revisions – Service Line Inventories

Challenge

EPA's 2021 Lead and Copper Rule Revisions required all water systems to identify the material of every service line by October 16, 2024. Completing a full inventory is a major undertaking, especially for small systems with limited staff and resources.

Solution

BSDW worked with OFA and EPA to secure funding for TA providers to help smaller systems complete their service line inventories. Systems that missed the initial deadline were offered additional support to return to compliance.

Result

BSDW has received service line inventories from all systems required to submit one.

Partnership

OFA, RCAC, TA Providers (Sunrise Engineering, CDM Smith, PG Environmental), EPA Region

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PFASs

Challenge

Nevada PWS must comply with EPA's PFAS Monitoring Rule by 2029. Initial monitoring identified 14 PWS with PFAS exceedances, and private wells may also be affected.

Solution

BSDW completed initial monitoring, provided interim home treatment for PWS customers, offered financial assistance for Preliminary Engineering Reports and treatment design, and coordinated PFAS testing for private wells.

Result

Through EC-SDC grant funding, 144 PWS have been sampled for PFAS to assess statewide contamination and support compliance ahead of the 2029 deadline.

311 households served by PWS with PFAS exceedances have received countertop reverse osmosis units as interim treatment.

One PWS completed a PER identifying cost-effective long-term PFAS solutions and is now designing treatment plant upgrades using Emerging Contaminant-Small, Disadvantaged Communities (EC-SDC) funding.

Northern Nevada Public Health and Southern Nevada Health District have received EC-SDC subgrants to test private wells for PFAS.

Partnership

EC-SDC Grant, Resource Concepts Inc., Broadbent & Associates, Southern Nevada Health District, Northern Nevada Public Health



WIIN SUDC Funding for New Water System Service Lines – Lehman Creek

Challenge

The Lehman Creek Residential Area currently lacks an adequate potable water supply.

Solution

A new public water system is under development, including two wells, transmission pipelines, a storage tank, distribution pipelines, and associated infrastructure.

- View the [Lehman Creek groundbreaking announcement on Facebook](#).

Result

Three entities partnered to fund this significant project. WIIN SmarT funding will support later phases, including installation of residential water service connections.

Partnership

- WIIN SUDC Funding – \$438,480
- SRF Funding – \$2,500,000
- American Rescue Plan Act Funding – \$3,944,000

The Future: 2027 to 2029

As the Nevada Capacity Development Program has grown, lessons learned have resulted in a program that continues to evolve and better serve the needs of Nevada’s PWSs. The goal is to empower local communities, operators, boards, and businesses to take ownership and be proactive in managing their drinking water systems for long-term sustainability. These goals can be achieved with several on-going efforts NDEP plans to implement over the next three years:

Personnel and management:

- Workforce development for the next generation of operators, managers, board members, and staff
- Through TA assistance, identify workforce development issues and needs in at least 50 communities throughout the state
- Support TA providers in the development of internship and apprenticeship programs to bring new operators into the workforce
- Continue to gather information on capacity development needs through the Nevada Operator Certification Forum meeting and other outreach opportunities to support new programs/initiatives
- Continue to support operator training and outreach through TA Assistance
- Increase board and staff training as workforce changes
- Continue development of operation and emergency plans

Fiscal sustainability:

- Continue to support the development and updates of rate studies to provide a basis for long-term financial sustainability of water systems
- Work with TA providers to help develop innovative practices to support infrastructure improvements and on-going operations, maintenance, and asset reserve accounts for very small communities
- Increase outreach for funding options available for TA and project implementation

- Utilize TA assistance and principal forgiveness funding to help support the development of sustainable water systems

PWS characteristics:

- Coordinate and partner with the Federal Emergency Management Agency for funding emergency repairs to water facilities as needed
- Continue to prioritize TMF assistance and project funding assistance based on risk to human and environmental health
- Continue efforts to train operators, boards, and staff on PWS responsibilities
- Continue networking with stakeholders and communicating with systems on resource sharing, partnerships, and consolidation
- Continue to support communities in addressing issues identified in PWS Vulnerability Assessment Plans

Planning:

- Through vendor assistance, offer training on public outreach, board training and managerial involvement in planning processes
- Increase development of asset management plans and capital reserve accounts
- Continue to utilize or conduct sanitary surveys and capacity surveys, as needed, to determine current system needs
- Support communities with understanding and addressing cybersecurity vulnerabilities

Source water quality and quantity:

- Continue to encourage consolidations of systems through principal forgiveness loans and networking
- Work to develop CSWPPs in all counties and potentially individual PWSs
- Continue to update of existing source water protection plans
- Utilize targeted fundings sources to address emerging contaminants throughout the state
- Support efforts to develop lead and copper inventories throughout the state with TA and capital funding