Joe Lombardo
Governor

Melissa Starr
Board Advisor

Katie Armstrong
Senior Deputy Attorney General

STATE OF NEVADA

Board Members:
Bruce Scott, *Chair*
Andrew Belanger, *Vice Chair*
Abigail Yacoben
Mike Workman
Jeremy Hutchings

Non-Voting Member:
Linh Kieu

Meeting Minutes

BOARD FOR FINANCING WATER PROJECTS

August 19, 2026

9:00 am

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

Held virtually using Microsoft Teams:
Meeting ID: 255 200 038 634 147

Members present:

Bruce Scott, Chair

Andrew Belanger, Vice Chair

Mike Workman

Abbe Yacoben

Jeremy Hutchings

Non-Voting Member present:

Linh Kieu

Legal counsel present:

Katie Armstrong, Deputy Attorney General

NDEP staff present:

Melissa Starr

Sheryl Fontaine

Chris Flores

Relinda Hawxhurst

Sara Murphy

Matthew Livingston

Daniel Morgan

Ross Cooper

Public present:

Larry Fry, President, Elk Point HOA

Kathy Packall, Treasurer, Elk Point HOA

Travis Smith, Utility Superintendent for Knight County (virtual)

Joe Davis, General Manager for the Water District (virtual)

Phil Schmith, District Manager for Pershing County Water Conservation District (virtual)

Phil Schmith, Manager of County Water Conservation, Pershing County

Aaron Gamble, Superintendent for Las Vegas Valley Water District (virtual)

Ben Martinsen, General Manager for Virgin Valley Water District (virtual)

Board for Financing Water Projects regular meeting

1) Call to order

Chairman Bruce Scott opened the meeting. Chairman Scott invited introductions from board members and the public.

2) Establish quorum

Chairman Scott established a quorum as the required number of board members were present.

3) Public Comment

There was no public comment.

4) Approval of Minutes – May 20, 2026, Meeting (For Possible Action)

No questions or comments from board or public. Board Member Belanger approved minutes. Board Member Workman seconded the motion.

5) Approval of Minutes – June 3, 2026, Meeting (For Possible Action)

No questions or comments from board or public. Board Member Yacoben approved minutes. Board Member Workman seconded the motion.

6) Capital Improvements Grant Program Update (Discussion)

Melissa Starr, Program Manager for the Nevada Division of Environmental Protection's (NDEP's), Office of Financial Assistance (OFA), reported that as of August 10, 2026, the Capital Improvements Grant Program held $17,403,414.33, with $32,240 reserved for administration and $17,568,912.11 committed to open projects. The program is currently over-committed by $557,737.78, which is expected to be resolved through Treasurer's interest earnings and potential project de-obligations. Chairman Scott asked how interest is received from the Treasurer's Office, and Chris Flores, accountant for OFA, explained that quarter three generated only $14 in interest, but quarter four is projected to yield just under $250,000. Ms. Starr noted total program proceeds are $17,700,229.18, with approximately $17 million remaining unspent. Chairman Scott requested that table columns be totaled in future reports. Ms. Starr also mentioned that a slide displaying project monitoring data was missing from the presentation. Ms. Flores added that nearly $300,000 had been drawn in the past week, including draws on three projects that previously had none, and staff are working with each entity to ensure funds continue moving. No additional comments or questions were raised by the Board or the public.

7) Drinking Water State Revolving Fund (DWSRF) Update (Discussion)

Ms. Starr reported that as of August 10, 2026, the Drinking Water SRF base fund held $148,080,491, with a required two-year debt service reserve, and $44,959,602 available in the federal treasury for drawdown. Total loan funds available in the base program are $206,829,563, with $142,748,271 already committed but not yet drawn. An additional $78,000 commitment on the agenda would bring total committed funds to $142,826,271 and total committed and potential loans to $155,647,020. For Emerging Contaminants, there is no state cash on hand, but $29,641,583 is available in the federal treasury, with a pending fiscal year (FY) 2026 appropriation of $7,921,000 for a total of $37,562,583 available for loans. Committed but undisbursed funds total $7,325,178, and projects in discussion amount to $29,385,000, resulting in total committed and potential loans of $36,710,178. For Lead Service Line grants, $25,212,000 is currently available, and the state has requested a $24,310,000 de-obligation from EPA, not yet reflected in the report. A portion of funding continues to support the lead service line inventory effort, and federal grants for FY2024 and FY2025 remain available. Across all funding pools, cash in state accounts totals $148,080,491, debt service reserves $6,764,250, federal treasury funds $99,813,185, and pending FY2026 appropriations $28,474,720, resulting in $269,604,146 available for loans. After board approval of today's agenda items, total commitments would be $150,151,449, with total potential commitments of $196,232,198.

During discussion, Board Member Andrew Belanger asked whether federal treasury funds require project approval before drawing down. Ms. Flores confirmed that drawdowns are expenditure based. Ms. Starr also presented principal forgiveness loan balances. For the base program, required principal forgiveness totals $76,786,620, with $37,789,035 already spent and $18,576,616 committed but not yet drawn. Including the $78,000 request and projects currently in discussion, the remaining authority for principal forgiveness is $28,681,363. For Emerging Contaminants, required principal forgiveness totals $29,926,860, including the expected FY2026 grant. After expenditures, commitments, and active discussions, the remaining authority is $2,462,860. For Lead Service Lines, required principal forgiveness is $14,038,500, with $3,875,000 committed for inventory work and a remaining authority of $10,163,500, noting this will change once the de-obligation is processed. Overall, required principal forgiveness across all funding types is $120,751,980, with $37,996,380 spent to date. Considering committed but undisbursed funds, the current agenda item, and active project discussions, remaining authority for principal forgiveness totals $41,307,723. No additional questions were raised by the Board or the public.

Drinking Water Projects for Consideration

8) Elk Point Country Club HOA (For Possible Action)

NDEP staff recommended approving a loan of up to $78,000 for the Elk Point Country Club Homeowner's Association (HOA) to prepare a Preliminary Engineering Report (PER). Matthew Livingston, Staff Engineer for OFA, presented the technical review, explaining that Elk Point's 1994–1995 residential connections rely on two treated groundwater wells with elevated uranium and increasing ion-exchange treatment issues. The PER will evaluate combining well water with a new surface water source and identify needed infrastructure, including metering, and potential system consolidation.

Ms. Flores delivered the financial review, noting Elk Point's finalized audits for fiscal years 2023–2025. As an HOA funded, unmetered system, the community used about 12 million gallons last year. The HOA maintains a capital reserve of approximately $667,000 and will submit an asset management plan before project completion.

HOA representatives President Larry Fry and Treasurer Kathy Packall confirmed financial details and discussed anticipated PER considerations such as long-term sustainability, surface water treatment, metering feasibility, and possible consolidation with neighboring utilities. President John Lanson confirmed the PER will evaluate these options.

With no further public comment, Board Member Belanger moved to approve Resolution D08-0826, Elk Point Country Club HOA Project Loan Commitment, in an amount not to exceed $78,000, with terms and conditions outlined in the resolution and staff report. Board Member Mike Workman seconded the motion. The motion carried unanimously.

Capital Improvement Grant Program Letters of Intent for Consideration

9) Moapa Valley Water District (For Possible Action)

NDEP staff recommended approving a Letter of Intent for the Moapa Valley Water District Supervisory Control and Data Acquisition (SCADA) Improvements Project. Mr. Livingston presented the technical review, noting the district's aging 20-plus-year-old SCADA system and the impending end of provider support. The upgrade would modernize the system, retain a reliable vendor, and replace or install more than 140 components across 38 sites.

Ms. Flores delivered the financial review, explaining that the project would be funded through Drinking Water SRF principal forgiveness and the Capital Improvements Grant, with DWSRF supplying 62% of the match and the Capital Improvements Grant the remaining 38%. Moapa Valley's finalized financials from FY 2021–2025 show full depreciation funding, qualifying the district for up to $2.5 million in principal forgiveness funding. The district is fully metered, financially stable, has raised rates 23.6% over five years, and maintains a June 2025 capital reserve of $859,106.

General Manager Joe Davis emphasized the critical need for SCADA reliability across the district's 26-mile system and detailed the timeline for the current provider's phase out. He also updated the Board on other active projects, including the Arrow Canyon well, a three-million-gallon tank, and ongoing leak detection work. Ms. Flores noted all three active projects completed their first draws in the past week.

Board members discussed grant scale percentages and clarified that the Letter of Intent allows the district to begin preliminary steps while not creating long-term obligations. With no public comment, Board Member Abbe Yacoben moved to approve Resolution G09‑0826, seconded by Board Member Belanger. The motion passed unanimously.

10) Virgin Valley Water District (For Possible Action)

NDEP staff recommended approving a Letter of Intent for the Virgin Valley Water District project. Mr. Livingston presented the technical review, noting that the district's 2023 Water Master Plan identified aging, leak-prone water lines D17 and D19 and valves that no longer fully close. The project will design replacements for 10-inch and 14-nch lines along Pioneer and Sand Hill Boulevards, connecting to prior improvement projects, and will include a meter upgrade and a new pressure-reducing valve station for the Virgin River Casino to improve reliability and support conservation.

Ms. Flores delivered the financial review, stating the project will be funded through the Capital Improvements Grant with local matching funds, qualifying for 51% Capital Improvements Grant funding. Virgin Valley's audited FY 2021–2025 financial statements show strong stability, full depreciation funding, full metering, and rate increases scheduled through 2027. The asset management plan was updated in November 2025, and the district maintains a substantial capital reserve of $31.5 million as of June 30, 2026.

Ben Martinsen, General Manager for Virgin Valley Water District, participated virtually, thanked the Board, and reported continued progress on previously allocated funds and Environmental Protection Agency grant work. He also noted the district operates six arsenic treatment plants and is constructing a seventh in Lincoln County expected online by the end of 2026.

Board Member Belanger moved to approve Resolution G10-0826, Virgin Valley Water District Letter of Intent Approval, as required by Nevada Administrative Code (NAC) 349.485, with terms and conditions as outlined in the staff report and resolution. The motion was seconded by Board Member Workman and carried unanimously.

11) Pershing County Water Conservation District (For Possible Action)

NDEP staff recommended approving a Letter of Intent for the Pershing County Water Conservation District Pit Dam Replacement Project. Mr. Livingston presented the technical review, explaining that Pit Dam, built in 1913, is in poor condition and at the end of its design life. The dam is essential for delivering water to 17,038 irrigated acres near Lovelock, and failure during a flood would halt water deliveries until temporary diversion measures could be installed. The project would fully replace the dam to ensure long-term reliability.

Ms. Flores provided the financial review, noting the project will use Capital Improvements Grant funding with a United States Department of Agriculture (USDA) loan – underwriting up to $4 million – for the match. The project qualifies for 75% Capital Improvements Grant funding. Audited FY2021–2025 financials show one-time losses in FY2024 and FY2025, which have been incorporated into the FY2026–2027 budget. Rates increased 3.9% in May 2026, and the district maintains a compliant capital reserve of about $705,000. A fiscal sustainability plan will be required after project completion.

Phil Schmith, District Manager for Pershing County Water Conservation District, attended virtually, thanked the Board and emphasized the importance of replacing the century old structure. Chairman Scott highlighted past support for irrigation projects statewide and noted the significance of upgrading critical infrastructure during ongoing drought conditions.

With no further Board or public comments, Board Member Workman moved to approve Resolution G11-0826, Pershing County Water Conservation District Letter of Intent Approval, as required by NAC 349.485, with terms and conditions outlined in the staff report and resolution. Board Member Yacoben seconded the motion, and it passed unanimously.

12) Nye County – Gabbs Water System (For Possible Action)

NDEP staff recommended approving a Letter of Intent for the Nye County – Gabbs Water System project. Mr. Livingston presented the technical review, explaining that Gabbs' system includes two wells, pumping stations, transmission mains, a 500,000-gallon tank, and distribution piping serving 156 metered connections. A 2025 PER identified major issues with water loss, fire flow, and regulatory compliance. The project will replace undersized distribution piping – particularly small diameter lines in North and South Gabbs – and upsize mains to meet standards, reduce leaks, improve fire flow, strengthen system sustainability, and lessen contamination risks.

Ms. Flores provided the financial review, noting the project will use Drinking Water SRF principal forgiveness and Capital Improvements Grant funds, with DWSRF covering 28% of the match and the Capital Improvements Grant 72%. Audited FY2021–2025 financials show stability. Rates approved in 2022 include annual increases through 2027, by 2026, the rates will have risen by 209%. The system's asset management plan was updated in July 2026, and its capital reserve meets requirements, with a balance of about $72,000.

Travis Smith, Utility Superintendent, participated virtually and thanked the Board. He described ongoing challenges from undersized piping and frequent leaks, compounded by long travel distances for staff. Chairman Scott and Board Member Belanger emphasized the importance of SRF support for small rural communities. Mr. Smith confirmed the system's treatment currently consists solely of chlorination.

With no further Board or public comment, Board Member Yacoben moved to approve Resolution G12-0826, Nye County – Gabbs Water System Letter of Intent Approval, as required by NAC 349.485, with terms and conditions outlined in the staff report and resolution. Board Member Workman seconded the motion, and it passed unanimously.

13) Las Vegas Valley Water District – Blue Diamond Water System (For Possible Action)

NDEP staff recommended approving a Letter of Intent for the Las Vegas Valley Water District – Blue Diamond Water System project. Chairman Scott noted that Board Member Belanger would abstain. Mr. Livingston presented the technical review, explaining that the Blue Diamond system needs urgent upgrades to address storage capacity, water loss, fire protection, and regulatory compliance. The project will replace or relocate about 4,710 feet of water mains and service laterals into public rights-of-way, meet the 1,500 gallons per minutes fire-flow standard, replace standpipes with hydrants, build a new 3630-zone pumping station, and demolish and replace existing storage tanks to increase total storage to 600,000 gallons. In addition, residents in the 3630 and 3530 pressure zones have extremely limited fire flow.

Ms. Flores provided the financial review, noting Blue Diamond is managed within the Las Vegas Valley Water District's (LVVWD) financial system. Although Blue Diamond's own reserve account is currently negative due to upgrades, LVVWD holds sufficient capital reserves – approximately $728 million – and has a true cash-on-hand position of roughly 833 days after accounting for unrestricted investments. LVVWD is fully metered, adjusts rates regularly, and updated its most recent rate on January 1, 2026. It provided a 10-year asset management plan in 2017 and will need to submit an updated version before project completion.

Mr. Ross Cooper, Environmental Scientist for OFA, clarified that Blue Diamond is a consecutive connection system receiving all source water from a private well owned by CertainTeed. Aaron Gamble, Superintendent for Las Vegas Valley Water District added that recent system issues have caused significant water loss, underscoring the need for improved storage and fire protection. Staff noted that while Blue Diamond qualifies for 28% Capital Improvements Grant funding because of Army Corps of Engineers matching funds, LVVWD is requesting 25%, and the Army Corps of Engineers grant is still at the Letter-of-Intent stage.

With no further board or public comments, Board Member Workman moved to approve Resolution G13-0826, Las Vegas Valley Water District – Blue Diamond System Letter of Intent Approval, as required by NAC 349.485, with terms and conditions outlined in the staff report and resolution. Board Member Yacoben seconded the motion. The motion passed with four votes in favor and one abstention from Board Member Belanger.

15) 2027 Meeting Schedule (Discussion)

Ms. Starr noted for the record that there was an error on the agenda. The meeting moved from agenda item 13 directly to item 15 because item 14 was not listed. This clarification was made for the record.

Moving on to agenda item 15, Ms. Starr presented the proposed 2027 meeting schedule and corresponding loan application due dates. The schedule follows the same pattern as calendar year 2026, with meetings held on the third Wednesday of the first month of each quarter. She requested the Board's consideration and approval of the proposed schedule.

Chairman Scott requested that the schedule be emailed to all board members for reference. Board members were asked to identify any conflicts or questions, though none were raised. It was noted that the meeting schedule has historically been consistent and workable for members.

No additional board comments or public comments were offered.

16) Board Comments (Discussion)

Board Member Hutchings thanked staff for their work, stating that the meeting materials were easy to locate and download, and commended the staff for their clear and organized preparation. Staff expressed appreciation for the feedback.

Chairman Scott also expressed interest in increasing staff outreach to communities, noting that staff transitions in recent years have limited these opportunities. Chairman Scott stated that periodic visits to rural areas could be beneficial, as these communities often face unique challenges. Outreach efforts could help educate local systems and support the distribution of available funding, including recent bond funds. Board Member Workman and Board Member Yacoben agreed with Chairman Scott.

Chairman Scott emphasized the rising costs of infrastructure improvements and the importance of helping communities complete upgrades promptly. Chairman Scott referenced earlier comments about the high cost of isolated water systems and highlighted the Board's role in supporting functional water systems and adequate fire protection statewide.

Chairman Scott also noted the importance of maintaining strong financial oversight. Many systems approach the board with little or no reserves, and the Board must balance affordability for ratepayers with financial stability. Chairman Scott stated that oversight should ensure proper spending and support long-term financial improvement.

17) Public Comments (Discussion)

NDEP staff agreed with comments and concerns of Board and will work with the Board and staff to make site visits more regular. Mr. Cooper responded that they appreciated the Board's support for increased outreach and noted that staff have already been working toward this goal. He stated that over the past two years, staff have completed more than 50 project site visits, ranging from Topaz Ranch Estates to Moapa and Virgin Valley, and including a visit to Gabbs. He agreed that there is no substitute for direct interaction in the field.

18) Adjourn

Meeting is adjourned at 11:34 AM.

Attachments

Attachments and materials utilized during August 19, 2026, board meetings are available on the board website or by clicking here.