

Meeting Minutes
BOARD FOR FINANCING WATER PROJECTS
February 19, 2025
9:00 am.

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

Held virtually using Microsoft Teams:
 Meeting ID: 217 857 347 762

Members present:

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

Legal counsel present:

Katie Armstrong, Deputy Attorney General

NDEP staff present:

Jason Cooper
 Benjamin Miller
 Sheryl Fontaine
 Matt Livingston
 Chris Flores
 Hanna Bingham
 Daniel Morgan
 Ross Cooper
 Brandon Bishop
 Jamie Morgan

Public present:

Roy McDonald, Weed Heights Development
 Matt Martensen, Weed Heights Development
 Shawn Ruddell, Weed Heights Development
 Lee Grasseschi, Silver Knolls Mutual Water Company
 Tina Pope, Silver Knolls Mutual Water Company
 Jonathon Lesperance, Lumos & Associates
 Don Kalkoske, Humboldt County
 Michelle Hammond Allen, Humboldt County
 Brain Gach, Forsegren and Associates

1) Board for Financing Water Projects regular meeting

1) Call to order

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

2) Introduction/establish quorum

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

3) Public comment

Public comment made by Tina Pope stating concern over the federal freezing of funds under the current administration. Chair Scott stated how that is not an agenda item to get into for the board is not a political body. Ms. Katie Armstrong stated that there is a lot of litigation currently, the federal funding is being restrained, and that the board must wait to see what is going to happen in court. No other indication of public comment.

4) Approval of minutes from the November 13, 2024, regular meeting

Board Member Abigail Yacoben motioned to approve the minutes. The motion was seconded by Board Member Mike Workman. The motion carried unanimously.

5) Capital Improvements Grant Program Funding Update

[See staff report, Exhibit 5](#)

Jason Cooper, with the Nevada Division of Environmental Protection (NDEP) gave an update on the Capital Improvements Grant Program. As of February 5, 2025, \$319,709.96 in the bank, with \$22,465.32 reserved for administration, and \$266,225.17 committed to projects not yet disbursed. Treasurer's interest for Quarter 2 to end on December 31, 2024, had not been received. The Governor's Executive Budget is recommending \$33,900,000 to be approved this current Legislative Session.

6) Drinking Water State Revolving Fund (DWSRF) Update

[See staff report, Exhibit 6](#)

Mr. Cooper stated that the State Revolving Fund is open and that the programs on the federal level are currently being reviewed. During the last month the SRF grants were paused and were unable to draw \$119,000,000. The base and supplemental grant funds are now accessible but are currently under review. Mr. Cooper continued to state that it is an unknown situation of where the grants sit.

As of February 5th, the bank for DWSRF base program has \$128,524,922.21 in state control. Within the base program the DWSRF has committed \$159,890,082. Mr. Cooper proposed to the board \$741,190 be added to and continued to state that across the three different types of grants DWSRF is able to fund all including EC and LSL.

Mr. Cooper provided information on cash flows for the next four years about future funding. Assuming that Nevada keeps every grant, it was awarded and secure, but with no future federal grants are awarded, the end of year four \$41,023,433 is left.

Mr. Cooper reminded the board that the DWSRF was originally designed to be self-supporting. As well as that anything said in this update can be subject to change. Continually, Mr. Cooper goes on to state that our authority to issue Principal Forgiveness loans will still stand and state money can be used, and grant money will not be needed.

- If grant money is rescinded the state of Nevada will be able to fund the \$164,243,635 the DWSRF has committed to. In addition, based on the amount of PF loans awarded \$14,500,000 would have to be converted to traditional loans. Any changes will be updated as soon as possible.

Vice Chair Belanger voiced concern about obligations to provide Principal Loan forgiveness as a component of the program or changing the practice overall. My Cooper responded that the authority of the Principal Forgiveness loans is within the scope of the grant itself, but we can use any cash the state has access to distribute those funds and will grow because of repayments.

Board member Yacoben inquired about communities struggling to request their draws in a timely fashion. Mr. Cooper responded that communication to entities about timely draws has been addressed by staff.

7) Gardnerville Ranchos General Improvement District

[See staff report, Exhibit 8](#)

Nevada Division of Environmental Protection (NDEP) staff recommended the board approve a \$55,200 project loan commitment to the Gardnerville Ranchos General Improvement District for their Well 5 Arsenic Treatment PER and ER. Matthew Livingston presented the staff's technical recommendation; Chris Flores presented the staff's financial recommendation and Mr. Cooper presented the staff's loan condition recommendations. The estimated cost is \$55,200, which will be a principal forgiveness loan from the DWSRF, with a 20% match required on each disbursement. The PER must meet the conditions of the Rural Utilities Service Bulletin. The OFA will require scheduled planning meetings to maintain the established timeline.

Vice Chair Belanger commented that the water rates are low and questioned if the water rates fund the water system. Ms. Flores provides evidence that the rates do fund the system. Vice Chair Belanger suggested keeping the rates on an index approach.

Board Member Workman motioned to approve Resolution D07-0225 Gardnerville Ranchos General Improvement District Project Loan Commitment. The motion was seconded by Vice Chair Belanger. The motion carried unanimously.

8) Silver Knolls Mutual Water Company

[See staff report, Exhibit 9](#)

NDEP staff recommended the board approve an additional funding increase of \$410,000 for project loan commitment to the Silver Knolls Mutual Water Company, to their arsenic

treatment project. Mr. Livingston presented the staff's technical recommendation; Ms. Flores presented the staff's financial recommendation and Mr. Cooper presented the staff's loan condition recommendations. The resolution as stated is to increase the full amount to not exceed \$1,090,623. 100% of the principal will be forgiven based on further re-evaluations on the project to be considered disadvantaged.

Board Member Yacoben asked when the last time the project costs were received was and if those projected costs are firm. Brain Gach with Forsegren and Associates stated in October 2024 and that contingency has been added to be firm on a cost timeline. Mr. Cooper added that they have confirmed with Silver Knolls that the bidding schedule is correct.

Board Member Seifert inquired how long the project will take to bid to finish the project. Mr. Gach stated that the bid documents are already prepared. Board Member Seifert directs her question to Mr. Cooper asking if any amendments must be made before moving forward with the bid. Mr. Cooper stated that there are no amendments to be made, funding is already available.

Board Member Seifert stated that EPA is pushing to issue formal enforcement with any water systems that have been out of compliance with the arsenic rule for an extended period of time. Mr. Gauch stated a timeline of 6 months to finish this project.

Tina Pope with Silver Knolls inquired about punishment if these timelines are not met. Board Member Seifert responded that noncompliance could result in formal enforcement of a legal process and the running annual average of arsenic must be below 10.

Board Member Yacoben motioned to approve Resolution D08-0225 Silver Knolls Mutual Water Company Project Loan Commitment. The motion was seconded by Board Member Workman. The motion carried unanimously with Chair Scott abstaining.

9) Humboldt County

Nevada Division of Environmental Protection (NDEP) staff recommended the board approve to amend Resolution D8A-1222 to a total amount not to exceed \$712,230 for Humboldt County for their Nitrate Well Project. This modification would change the scope of the existing funding and adjust the amount that would be available for the project, a loan contract can be committed to accommodate the county's current needs. Mr. Livingston presented the staff's technical recommendation; Ms. Flores presented the staff's financial recommendation and Mr. Cooper presented the staff's loan condition recommendations. The revised commitment is now \$712,230 from the original resolution of \$1,350,000. With 100% of the loan is to be forgiven.

Michelle Hammond Allen with Humboldt County stated that the revision of the loan speaks to setbacks due to the property initially targeted for the project becoming unavailable. Now there is hope of gaining appraisal for a new location to be used for Well Five. Chair Scott commented on how Humboldt County has set a great example for helping the mission with smaller water systems.

Vice Chair Belanger motioned to approve Resolution D09-0225 Humboldt County Project Loan Amendment. The motion was seconded by Board Member Workman. The motion carried unanimously.

10) Town of Jackpot

Nevada Division of Environmental Protection (NDEP) staff recommended the board approve a \$423,760 project loan commitment for the Town of Jackpot for their Well and Tank Rehabilitation

Design. Mr. Livingston presented the staff's technical recommendation; Ms. Flores presented the staff's financial recommendation and Mr. Cooper presented the staff's loan condition recommendations. The estimated cost is \$423,760, which will be a principal forgiveness loan from the DWSRF.

Board Member Seifert stated that the Bureau of Safe Drinking Water has a \$158,240 subgrant issued for this project from the WIIN Small Underserved Disadvantaged Communities Grant Funding with expiration date June 30th, 2025.

Chair Scott questioned the timing for the implementation of the water meter, the funding, and if it acquires additional funding. Shawn Berg with the Town of Jackpot virtually stated that for now the funding is to get the study complete and additional funding will be added at the time of the project itself for water meters. Mr. Cooper stated that staff are aware of the need for meters and this project.

Board Member Workman motioned to approve Resolution D09-0225 Town of Jackpot Project Loan Amendment. The motion was seconded by Vice Chair Belanger. The motion carried unanimously.

11) Weed Heights Development

Nevada Division of Environmental Protection (NDEP) staff recommended the board approve a \$500,000 project loan commitment to the Weed Heights Development for their Back Up Power Supplies. Mr. Livingston presented the staff's technical recommendation; Ms. Flores presented the staff's financial recommendation and Mr. Cooper presented the staff's loan condition recommendations. The estimated cost is \$500,000, which will be a principal forgiveness loan from the DWSRF.

Board Member Yacoben addressed Chair Scott if it is appropriate to ask the district to fund depreciation with this project. Mr. Cooper stated that funding depreciation can be added to the loan condition.

Roy McDonald project coordinator for Weed Heights stated that the system is getting brought up to standards while having to deal with power fluctuations, funding depreciation will be happening in the future.

Mr. Cooper confirmed on recommendation to staff to see isolation in the operations of the water system financials, a fully funded depreciation account, and to see meters installed. Board Member Seifert addressed the need for an update of the Asset Management Plan. Mr. Cooper responded that there is a need for a plan every 5 years and will consider what is being asked for in review for each system.

Board Member Yacoben motioned to approve Resolution D011-0225 Weed Heights Development Project Loan Commitment. The motion was seconded by Vice Chair Belanger. The motion carried unanimously.

12) Language Access Plan (LAP)

Senate Bill 318, signed into law during the 2021 Nevada Legislative Session, requires all state agencies to create a Language Access Plan (LAP) to improve access to government services, programs, and information for Nevadans with Limited English Proficiency (LEP).

Mr. Cooper proposed a plan for adoption that will assist communities to receive information in the language they may understand, already reviewed by Ms. Katie Armstrong. Mr. Cooper opens a discussion on the topic and Board Member Yacoben seconds the adoption of the LAP.

- NDEP will post the LAP for 60 days for public comment. The NDEP will present the LAP on May 21, 2025, Board meeting for adoption and will transmit the LAP to the Governor's Office on the Boards behalf. In addition to preparing the necessary budget adjustments to ensure funds are available to satisfy the requirements in the policy.

13) Capital Improvements Grant Program

Mr. Cooper outlined the five projects in justification for support of the \$33,900,000 potential confirmation in the Governor's Executive Budget Recommendation. Mr. Cooper recommends splitting the issuance of the authorization between two years.

Mr. Cooper opened the floor for discussion. Vice Chair Belanger confirms when the split could happen and clarifying on the commitments for these projects or letters of intent. Mr. Cooper stated if the \$33,900,000 is approved, with board approval, staff will send out a list of projects attached to the request and send off to the Treasurys office.

Mr. Cooper asked for board approval to preapprove projects with a letter of intent based on the current NACs including a resolution statement that staff should be requesting support for the bonding of the project. Board Member Yacoben expressed concern about lessening flexibility for forcing this timeline. Mr. Cooper responded that if it is only one bond issue that could limit flexibility between projects.

Vice Chair Belanger stated that communities could feel a push to get the letters of intent done as another opportunity for projects.

Mr. Cooper continues to state that Director Settlemeyer is encouraging the Board to consider more language in the grant contracts to ensure funds are spent timely, or provide authority to manage the cash quickly, should the project experience delays. This will protect the program against arbitrage or lack of support for more funding

Mr. Cooper recommended grant funding agreements would only be for a three-year timeframe, with extensions only granted by the Board under certain circumstances. Requiring recipients to agree to a draw timeline at the beginning that becomes binding in the contract.

- Staff recommend presenting letters of intent at the May board meeting in time to approve loan applications in August of all conditions upon actual authority and issuance of bonds.
- Resolutions moving forward include language that allow the director to make modifications and requiring contracts to attach timelines and if not adhering as outline by the contract you will be back in front of the board.

Ms. Armstrong will review and present a draft policy in May, for consideration that will allow to present the same project in the board meeting if the system needs to. If possible two different agendas with adjournment.

Chair Scott expressed how maps or locations are becoming more restrictive on graphics in the staff report. Ms. Armstrong responded with the confirmation of yes, it is restrictive due to the Patriot Act and executive order in 2022.

14) Legislative Discussion

Mr. Cooper brought to the boards attention two bills being introduced in the current Legislative Session.

Assembly Bill (A.B.)104 Revises Provisions Relating to Water.

- Adding more work to the boards list of projects and to not change the bond cap of \$125,000,000. There is proposal to remove the language of purveyors of water by requiring everybody who gets funding from Capital Grant Program to be subject to a scale, the language states that it is still mean not median.

Senate Bill (S.B.)78 Revises Provisions Relating to boards, commissions, councils and similar bodies.

- Mr. Cooper stated that the board annually needs to justify the board's existence and may need to work with the Board Chair when those requests come through.

Vice Chair Belanger speaks to Assembly Bill 104. Section 16 of the bill does not contemplate if any funding will go to water right retirement or conversions but an authorized use of program funds. If the department decided to ask for funding for those programs in the future. Not just Capital Grant Program to have the match but all the pieces of that bill have that same match requirement. All projects that come before the board will have that the applicant provide a match. Raising the cap has been discussed but avoiding a trip to the money committee and finding a place where that could raise to \$150,000,000.

Mr. Cooper also stated that staff may want to look at percentages of scale if all purveyors of water would fall within a similar scale, comparable criteria but different metrics.

15) Board comments

Chair Scott commented on the conversion of septic tanks to sewer. A benefit from the resource side in several ways and economically for Clark County, a progressive process. Glad to see it from a large picture water conservation perspective.

16) Public comment

There were no public comments.

17) Adjourn the Board for Financing Water Projects meeting

The board meeting adjourned at 11:27 am.

2) ATTACHMENTS