

**FORM 4:
NEVADA STATE ENVIRONMENTAL COMMISSION SMALL BUSINESS IMPACT DISCLOSURE
PROCESS PURSUANT TO 233B "Nevada Administrative Procedures Act"**

The purpose of this Form is to provide a framework pursuant to NRS 233B.0608 for drafting and submitting a Small Business Impact Statement (SBIS) to the State Environmental Commission (SEC) and to determine whether a SBIS is required to be noticed and available at the public workshop. A SBIS must be completed and submitted to the Legislative Counsel Bureau for ALL adopted regulations.

Note: Small Business is defined as a "business conducted for profit which employs fewer than 150 full-time employees" (NRS 233B.0382).

To determine whether a SBIS must be noticed and available at the public workshop, answer the following questions:

1. Does this proposed regulation impose a direct and significant economic burden upon a small business? *(state yes or no. If no, please explain and submit the applicable documentation, which can also be addressed in #8 on the SBIS and simply referred to; and if yes, reference the attached SBIS)*

Yes. The Operator Certification program fee proposal may affect privately owned community and non-transient non-community water systems that pay for operator(s) license(s). All operators were contacted via email notification regarding the impact of the proposed fees. After multiple iterations of the proposed fee structure, comments received were either in acceptance or neutral regarding the proposed fee increases.

2. Does this proposed regulation restrict the formation, operation or expansion of a small business? *(state yes or no. If no, please explain and submit the applicable documentation, which can also be addressed in #8 on the SBIS and simply referred to; and if yes, reference the attached SBIS)*

No. Refer to #8 on SBIS application.

If **Yes** to either of question 1 & 2, a SBIS must be noticed and available at the public workshop.

FORM 4: SMALL BUSINESS IMPACT STATEMENT (NRS 233B.0609)
(Provide attachments as needed)

1. Describe the manner in which comment was solicited from affected small businesses, a summary of the response from small businesses and an explanation of the manner in which other interested persons may obtain a copy of the summary. (Attach copies of the comments received and copies of any workshop attendance sheets, noting which are identified as a small business.)

The Division has reached out to each facility owner/operator via email notification and public workshops to comment on proposed fee increases. Additionally, the fee increases have been posted on the Division's website.

2. The manner in which the analysis was conducted (if an impact was determined).

Comments from email responses and public workshops were analyzed to determine impact on small businesses. All responses received were in acceptance of proposed fee increase.

3. The estimated economic effect of the proposed regulation on small businesses:

Although the proposed amendment to fees would affect individual licensees, private water systems that pay for operator's license(s) would be affected.

a. Both adverse and beneficial effects:

The proposed increase of fees is relatively nominal compared to rate of inflation (17 years) on existing fees. However, the amended fees take into consideration actual FTE hours worked on each type of application. All operators were informed via emails regarding the proposed fee increases. All comments received were in acceptance of the proposed fees. In addition, a 3 year gradual increase of the fees was proposed to help alleviate financial burdens on affected parties. The increase in fees will aid in maintaining a robust regulatory program, in turn, becoming less reliant on uncertain federal grants.

b. Both direct and indirect effects:

Community and non-transient non-community water systems paying for their operator(s) license(s) would be directly impacted by the proposed fee increases. However, the fee increases are relatively nominal compared to the scale of operation and can be incorporated into their rate structure and/or the cost of business operations.

4. A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of the methods. (Include a discussion of any considerations of the methods listed below.)

The NDEP Operator Certification Program is funded by fees and federal grants. The fees, which have stayed flat since 2002, currently cover 39% of the program (2 FTE positions). The fees are not appropriately priced to reflect regulatory workload. Additionally, costs for acquiring and proctoring the exams has increased over the years, while our fees have remained unchanged. The proposed operator certificate fees will provide a supplemental source of revenue that is directly tied to regulatory workload and increased costs of exams. The proposed fees and added funds will enable to the Division to offset the uncertainty of federal grants and help bridge the gap between expenses and to ensure that the program is sustainable.

A. Simplification of the proposed regulation:

B. Establishment of different standards of compliance for a small business:

C. Modification of fees or fines so that a small business is authorized to pay a lower fee or fine:

One of the proposed methods the Division considered in reducing the impact on small systems, would be to give small water systems (Grade 1 or 2 operators) a 10% discount towards their testing fees. However, due to simplification, this method was not adopted.

5. The estimated cost to the agency for enforcement of the proposed regulation. (Include a discussion of the methods used to estimate those costs.)

The proposed amendment to the required amount of contact hours would increase the FTE time needed to review applications. Additional costs will be covered by the proposed application fee increase.

6. If this regulation provides for a new fee or increases an existing fee, the total annual amount the agency expects to collect and manner in which the money will be used.

It is anticipated that the proposed fees would generate approximately \$107,000 per year (after the 3 year step price increase finished) covering 65% of the program's costs. This amount is enough to cover 1 FTE out of the 2 FTE currently assigned to the program. This revenue would be used to offset the Division's costs for regulating the Drinking Water Operator Certification Program.

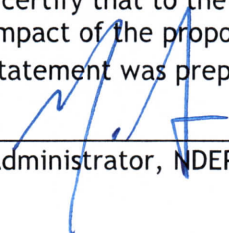
7. If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, provide an explanation of why such duplicative or more stringent provisions are necessary.

The proposed regulation does not include any provisions that duplicate or are more stringent than federal, State, or local regulatory requirements.

8. The reasons for the conclusions regarding the impact of a regulation on small businesses.

Only a small number of private water systems pay for their operator(s) license(s) fee. However, the fee increases are relatively nominal compared to the scale of operation and can be incorporated into their rate structure. In addition, all operators were contacted individually regarding the impact of the proposed fees. All comments received were in acceptance of the proposed fees.

I certify that to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on a small business and the information contained in this statement was prepared properly and is accurate.



Administrator, NDEP

12/1/17

Date

<http://www.leg.state.nv.us/Statutes/77th2013/Stats201314.html#Stats201314page2304>