

**Executive Summary of Proposed Revisions to
Drinking Water State Revolving Fund (DWSRF)
Nevada Administrative Code (NAC 445A.6751-67644)**

Background

The 1996 Amendments to the Safe Drinking Water Act authorized the Drinking Water State Revolving Fund (DWSRF) to assist water systems finance the costs of infrastructure needed to protect public health. In 1997, the Nevada State Legislature passed legislation, which authorized the State Health Division to develop implement and administer the DWSRF program in Nevada. The 2003 Legislature passed legislation, which transferred the DWSRF from the Health Division to NDEP.

The proposed revisions to NAC 445A.6751 through NAC 445A.67644 make changes needed to reflect the change in administration of the program by NDEP. The proposed revisions also include mostly minor procedural changes to streamline the program. The regulations were written shortly after Nevada started the program in 1998. The program now has been operating for approximately 6 years and we have learned which parts of the regulation work well and which parts could be streamlined.

The DWSRF loans money, at or below market rates, to public water systems to fund projects that address public health and infrastructure needs. Nevada receives an annual capitalization grant from EPA of approximately \$8 million. To date, Nevada has received approximately \$64 million in grant funds and has loaned out approximately \$58 million for infrastructure projects.

Definitions Changes

- Delete “Board” (Board of Health)
- Add “Commission” (State Environmental Commission)
- “Environmental Assessment” prepared by applicant not division

- Add Median Household Income definition with provision that allows the division to determine an alternative method to the U.S. Census using the Intended Use Plan as the avenue for public review.

Changes through out Regulations:

- References to bureau (Bureau of Health Protection Services) changed to division.
- References to Board of Health changed to State Environmental Commission.
- Consistent terminology for median household income (MHI).
- Combine requirement for “Environmental Information Document” and “Environmental Assessment” into one required document.
- Minor procedural simplifications to provide flexibility for both the state and the loan applicants.

Substantive Changes:

Although many of the proposed changes are relatively minor and procedural in nature intended to streamline the DWSRF process, the following proposed changes are, in staff’s opinion, more substantive.

- Add replacement of aging infrastructure needed to comply with state regulations to eligible projects.
- Change definition of “Disadvantaged Community” from water system MHI 80% of county MHI to water system MHI 80% of state MHI.
- In developing the priority list of projects, remove integration of projects on existing priority with new projects. Every project will be required to submit a written request annually to be included on priority list. Projects will no longer be automatically carried over from year to year.
- Addition of maximum point value in project ranking for demonstrated illness, significant noncompliance, court-ordered compliance, state issued boil water order.

- Revise project priority ranking point structure so that an equal value is assigned for any violation of a drinking water standard regardless of contaminant.
- Add requirement to loan application to submit five years of financial projections including revenues and expenses.