Form #4

Small Business Impact Disclosure and Statement

Approved 5-2-2014

NEVADA
STATE ENVIRONMENTAL COMMISSION

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)*

No. The proposed fee increases do not appear to impose a significant burden to small business relative to doing business and general economic inflation factors. Small businesses that have their own source of water and are permitted by the Bureau of Safe Drinking Water will experience an increase in annual permit fees of approximately $49-$99 per year. Engineering plan reviews are not a routine requirement, and the fee increases are typically a nominal expense compared to the design and construction of the capital improvements.

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. The proposed regulation revisions to engineering plan review fees and annual water system operation permit fees do not restrict the formation, operation, or expansion of a small business.

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.)*

BSDW will invite all permitted public water systems to participate in the fee increase workshop. A summary of the workshop will be provided and Form 4 will be updated as necessary.

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

BSDW Engineering Branch researched what counties, cities, and surrounding state agencies charge to review public water system projects. Upon review, it was determined that BSDW engineering review fees are substantially lower than what other state agencies charge. The revised engineering review fees are similar to what surrounding states charge for similar reviews. BSDW used $79/hr for a professional engineer rate and multiplied it by the average time it takes to review different water system facilities. Numbers were rounded to the nearest hundred dollar.

Annual permit fees were calculated by multiplying current fees by the consumer price index increase since 2004, with an average of 3% increase per year.

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

Plan review fees will only impact a small business if modifications and/or expansions are made to the design of the drinking water infrastructure. There will be a 60% increase in permit fees, and for small businesses this will be an increase over three years from $270 to $369 (increase of $99) or $120 to $164 (increase of $44), depending on the type of public water system.

a. Both adverse and beneficial effects:

Adverse: There will be a nominal increase in cost to own and operate a public water system.
Beneficial: Maintain adequate staffing to perform plan reviews more timely and maintain trained and knowledgeable staff to provide assistance to the public water systems.

b. Both direct and indirect effects:

Direct economic impact will be a 60% increase in permit fees. When a plan review is needed to modify a water system, an increase in plan review fees may occur.
No indirect effects are anticipated.

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.)*

BSDW took the proposed fee increases for community and non transient non community water systems and reduced the fees by 40% for transient water systems. Transient water systems are considerably smaller than non transient water systems and most would be considered a small business. The permit fees are increasing gradually over the next 3 years.

A. Simplification of the proposed regulation:

The proposed regulation revisions restructure engineering plan review fees and include a raise in the fees. The revisions also raise the annual water system permit fees.

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

None.

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

It is proposed that transient water systems pay 40% less in engineering plan review fees than non-transient water systems and continue to pay less for the annual permit to operate than community public water systems.

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

None.

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.

If passed, the new fee schedules will generate approximately $757,207 in revenue annually between the engineering review and annual permit to operate fees:

1) Based on current engineering project trends, the proposed engineering review fee structure will generate approximately $153,207 in annual revenue (an approximate increase of $100,000).
2) Based on a 60% increase in permit fees, the proposed fees will generate approximately $604,000 in annual revenue (an approximate increase of $225,000).

This money will be used to support new temporary and permanent staff positions and technical training, computer software and hardware, and increased workload to address new regulatory requirement and development in the state. The program is also working to ensure fiscal sustainability in the event discretionary federal grant fund programs (including those from the Department of Energy) are reduced in future years. These grant programs are not mandated by yearly Congressional appropriations and may be subject to re-programming based on future federal administration priorities and funding limitations.

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

The proposed amendments do not overlap with any other State or federal regulations.

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

The fee increase is necessary for BSDW to obtain new positions due to increased workloads and regulatory requirements, provide adequate training for staff, cover increased travel costs, and ensure there is money available in the event public water system grants from the federal government are reduced. Additional workload is being experienced due to increases in engineering plan submittals and new federal regulations. New regulatory requirements are associated with Lead and Copper Rule Revisions, Per- and Poly-fluoroalkyl Substances (PFAS) new rule, and Consumer Confidence Rule Revisions.

Furthermore, BSDW has not seen a fee increase for engineering plan reviews and annual operating permits for public water systems since 2003 and has relied on grants that may not be available into the future.

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

6/30/2022
Date

Supporting Documents

Attach copies of the comments received and copies of any workshop attendance sheets, noting which are identified as a small business.

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