
ASSEMBLY BILL NO. 20—COMMITTEE ON NATURAL RESOURCES

(ON BEHALF OF THE DIVISION OF ENVIRONMENTAL
PROTECTION OF THE STATE DEPARTMENT OF
CONSERVATION AND NATURAL RESOURCES)

PREFILED NOVEMBER 16, 2022

Referred to Committee on Natural Resources

SUMMARY—Revises provisions relating to water. (BDR 40-227)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to water; making various changes to provisions relating to the Account to Finance the Construction of Treatment Works and the Implementation of Pollution Control Projects; making various changes to provisions relating to the Account for the Revolving Fund and the Account for Set-Aside Programs; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under federal law, the Clean Water State Revolving Fund is established to assist states by providing financial assistance for various water infrastructure projects and projects for the control of water pollution. (33 U.S.C. §§ 1381 et seq.) Existing state law establishes the Account to Finance the Construction of Treatment Works and the Implementation of Pollution Control Projects to receive and distribute money from the Clean Water State Revolving Fund. (NRS 445A.120) **Sections 1-14** of this bill make various changes to provisions relating to the Account.

Existing law provides that a municipality or an interstate agency is eligible to receive assistance from the Account. (NRS 445A.140) **Section 4** of this bill defines “eligible recipient” to mean a legal entity that is eligible to receive assistance from the Account under federal law, including a municipality or an interstate agency. **Sections 5, 7, 8, 11, 13 and 14** of this bill make conforming changes to expand the entities eligible to receive assistance from the account to any eligible recipient. **Section 9** of this bill requires the regulations adopted by the State Environmental Commission to set forth the eligible entities in accordance with federal law.

Existing law: (1) charges the State Department of Conservation and Natural Resources with administering the Account; and (2) authorizes the Director of the



Department to take certain actions to impose and collect fees, employ expert services and issue bonds. (NRS 445A.130, 445A.140-445A.155) **Sections 8 and 11-14** transfer the responsibility for administering the Account to the Division of Environmental Protection of the Department and the Administrator of the Division. **Sections 2 and 3** of this bill define "Administrator" and "Division," respectively, and **section 27** of this bill repeals unnecessary definitions.

Section 6 of this bill makes conforming changes to indicate the proper placement of the new definitions into chapter 445A of the Nevada Revised Statutes.

Existing law sets forth certain limitations on the use of money in the Account. (NRS 445A.140) **Section 10** of this bill provides that, with certain exceptions, the money in the Account may be used only in accordance with federal law and requires the regulations adopted by the State Environmental Commission to prescribe the authorized uses of the money in the Account.

Existing state law provides that not more than 4 percent of each grant awarded may be spent to administer the Account. (NRS 445A.145) **Section 11** provides instead that not more than the amount or percentage authorized by federal law may be spent to administer the Account, provide technical assistance or for any other use authorized by federal law.

Existing federal law creates the Drinking Water State Revolving Fund to assist states with providing financial assistance for drinking water infrastructure projects, with certain set-asides to provide technical assistance, management and certain other assistance for projects. (42 U.S.C. § 300j-12) To receive and distribute money in accordance with federal law, existing state law creates: (1) the Account to Finance the Construction of Projects, known as the Account for the Revolving Fund; and (2) the account to fund activities, other than projects, authorized by the federal Safe Drinking Water Act, known as the Account for Set-Aside Programs. (NRS 445A.255) **Sections 15-20** of this bill make various changes to provisions relating to the Account for the Revolving Fund and the Account for Set-Aside Programs.

Existing federal law authorizes the Account for Set-Aside Programs to make loans and grants and to provide certain limited types of assistance to projects authorized by the Safe Drinking Water Act. (42 U.S.C. §§ 300f et seq.) Existing state law creates the Account for Set-Aside Programs in the Fund for the Municipal Bond Bank. (NRS 445A.255) **Section 15** provides instead that the Account for Set-Aside Programs is created in the Fund for Water Projects Loans to reflect that the Account may be used for certain project-related activities. **Section 25** of this bill makes a conforming change to create an exception to the general requirement that all revenues from certain lending projects be deposited in the Fund for the Municipal Bond Bank. **Sections 16 and 17** of this bill make changes to existing state law to provide that the Account for Set-Aside Programs may be used to make loans and grants in accordance with federal law.

Existing law sets forth certain limitations on the use of money in the Account for the Revolving Fund and the Account for Set-Aside Programs. (NRS 445A.275) **Section 18** of this bill provides that, with certain exceptions, the money in these accounts may be used only in accordance with federal law and requires the State Environmental Commission to adopt regulations prescribing the authorized uses of the money.

Existing law prohibits the Administrator from spending more than a certain percentage of federal grants for administration, certain types of activities authorized pursuant to federal law and technical assistance to small water systems. (NRS 445A.280) **Section 19** of this bill instead prohibits the Administrator from spending more than the amount or percentage authorized by federal law for administering the account or certain programs authorized by federal law.



Section 20 revises the legislative findings and declarations to emphasize the importance of the Account for the Revolving Fund and the Account for Set-Aside Programs.

Existing law charges the Director of the Department of Business and Industry with overseeing the financing of water projects. (NRS 349.946) **Section 21** of this bill transfers this responsibility to the Director of the State Department of Conservation and Natural Resources. **Section 22** of this bill authorizes the State Environmental Commission to adopt regulations relating to the financing of water projects.

Existing law establishes the Board for Financing Water Projects which may not contain more than three voting members who are members of the same political party and not more than two members who are residents of the same county. (NRS 349.957) **Section 23** of this bill removes the requirement that not more than three members may be members of the same political party.

Existing law establishes a program to provide grants of money to purveyors of water and eligible recipients to pay for certain costs related to water conservation and capital improvements to water systems. (NRS 349.981) **Section 24** of this bill expands the list of eligible recipients and costs to include costs associated with abandoning an individual sewage disposal system and connecting the property formerly served to a community sewage disposal system, if the Division approves certain programs or projects for the protection of groundwater quality developed by the State or a local government.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 445A of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. *“Administrator” means the Administrator of the Division.*

Sec. 3. *“Division” means the Division of Environmental Protection of the State Department of Conservation and Natural Resources.*

Sec. 4. *“Eligible recipient” means a legal entity that is eligible to receive assistance from the Account in accordance with the provisions of the Clean Water Act, 33 U.S.C. §§ 1381 et seq., including, without limitation, a municipality or interstate agency.*

Sec. 5. NRS 445A.060 is hereby amended to read as follows:
445A.060 1. The Legislature finds that:

(a) The construction, rehabilitation, operation and maintenance of modern and efficient treatment works and other pollution control projects are essential for the protection and improvement of the waters of this State and the public health of the residents of this State; and

(b) The protection of the waters of this arid state justifies the State’s participation and assistance in a program which provides long-term financing to aid ~~municipalities and interstate agencies~~



eligible recipients in the construction of treatment works and the implementation of pollution control projects. The provisions of NRS 445A.060 to 445A.160, inclusive, *and sections 2, 3 and 4 of this act* shall be liberally construed to carry out the purposes of NRS 445A.060 to 445A.160, inclusive ~~[-], and sections 2, 3 and 4 of this act.~~

2. The Legislature declares that the creation of an Account to Finance the Construction of Treatment Works and the Implementation of Pollution Control Projects will enable the State to receive its maximum share of the federal money available pursuant to the Federal Water Pollution Control Act of 1972 (33 U.S.C. §§ 1251 et seq.) and ensure that the ~~{municipalities in this State and interstate agencies}~~ *eligible recipients in this State* receive federal money for treatment works and *projects and* programs for the control of pollution.

3. The Legislature finds and declares that any general obligation bonds or revenue bonds issued pursuant to NRS 445A.155 are necessary for the protection and preservation of the natural resources of this State and for the purpose of obtaining the benefits thereof, and constitutes an exercise of the authority conferred by the second paragraph of Section 3 of Article 9 of the Constitution of the State of Nevada.

Sec. 6. NRS 445A.065 is hereby amended to read as follows:

445A.065 As used in NRS 445A.060 to 445A.160, inclusive, *and sections 2, 3 and 4 of this act*, unless the context otherwise requires, the words and terms defined in NRS 445A.070 to 445A.115, inclusive, *and sections 2, 3 and 4 of this act* have the meanings ascribed to them in those sections.

Sec. 7. NRS 445A.125 is hereby amended to read as follows:

445A.125 1. The interest and income earned on money in the Account must be credited to the Account.

2. All payments of principal and interest on all loans made to ~~{a municipality or interstate agency}~~ *an eligible recipient* and all proceeds from the sale, refunding or prepayment of obligations of ~~{a municipality or interstate agency}~~ *an eligible recipient* acquired or loans made in carrying out the purposes of the Account must be deposited in the State Treasury for credit to the Account.

3. The ~~{Department}~~ *Division* may accept gifts, grants and bequests of money from any public or private source. The money must be deposited in the State Treasury for credit to the Account.

Sec. 8. NRS 445A.130 is hereby amended to read as follows:

445A.130 1. The ~~{Department}~~ *Division* shall : ~~[-, with the approval of the Office of Finance:]~~

(a) Use the money in the Account for the purposes set forth in 33 U.S.C. §§ 1381 et seq.



(b) Determine whether ~~[publicly owned treatment works]~~ *eligible recipients* which receive money or other assistance from the Account comply with the requirements set forth in 33 U.S.C. §§ 1381 et seq.

2. The ~~[Department]~~ *Division* may : ~~[- with the approval of the Office of Finance:]~~

(a) Enter into an agreement with the Federal Government for the acceptance of grants of money for the Account.

(b) Provide services relating to the preparation of any plan or report concerning the Account.

(c) Perform or cause to be performed by a nonprofit organization or any other eligible recipient under 33 U.S.C. §§ 1381 et seq. through an interagency agreement, subgrant, contract or memorandum of understanding any programs, projects or activities authorized pursuant to 33 U.S.C. §§ 1381 et seq.

Sec. 9. NRS 445A.135 is hereby amended to read as follows:

445A.135 The Commission shall adopt regulations to carry out the provisions of NRS 445A.060 to 445A.160, inclusive. *The regulations adopted by the Commission must, without limitation, set forth the entities that are eligible to receive assistance in accordance with 33 U.S.C. §§ 1381 et seq.*

Sec. 10. NRS 445A.140 is hereby amended to read as follows:

445A.140 1. Except as otherwise provided in NRS 445A.145, money in the Account , *including, without limitation, repayments of principal and interest on loans, and interest and income earned on money in the Account,* may be used only ~~to:~~

~~—(a) Make loans at or below the market rate to municipalities or interstate agencies for the construction of treatment works and the implementation of pollution control projects.~~

~~—(b) Buy or refinance at or below the market rate the debt obligations of municipalities or interstate agencies if:~~

~~——(1) The project for which the obligations were incurred meets the requirements of 33 U.S.C. §§ 1251 et seq.; and~~

~~——(2) The debt obligations were incurred and construction of the project began after March 7, 1985.~~

~~—(c) Guarantee or purchase insurance for local obligations if such action would improve access to the credit markets or reduce the rate of interest.~~

~~—(d) Secure the sale of bonds issued by the State if the net proceeds from the sale of those bonds are deposited in the Account.~~

~~—2. A municipality or interstate agency which requests a loan or other financial assistance must demonstrate that it has complied with the provisions of]~~ *in accordance with* 33 U.S.C. §§ 1381 et seq.



2. *The regulations adopted by the Commission pursuant to NRS 445A.135 must prescribe, in accordance with federal law, the authorized uses of the money in the Account.*

Sec. 11. NRS 445A.145 is hereby amended to read as follows:
445A.145 1. The ~~Director~~ **Administrator** shall not:

(a) Spend more than ~~{4 percent of each grant awarded}~~ *the amount or percentage authorized pursuant to 33 U.S.C. §§ 1381 et seq.* to administer the Account ~~{}~~ *, provide technical assistance or for any other use authorized pursuant to federal law;* or

(b) Use any money generated pursuant to NRS 445A.155 for the costs of administering the Account unless authorized by the Legislature.

2. The ~~Director~~ **Administrator** may ~~{, with the approval of the Office of Finance,}~~ impose and collect a fee from each ~~{municipality or interstate agency}~~ *eligible recipient* which receives a loan or other financial assistance from the Account. The fee must be used to defray the costs of administering the Account.

3. If the ~~Director~~ **Administrator** imposes a fee, the Commission shall adopt regulations establishing the amount of the fee required to be collected pursuant to subsection 2.

Sec. 12. NRS 445A.150 is hereby amended to read as follows:

445A.150 The ~~Director~~ **Administrator** may ~~{, with the approval of the Office of Finance,}~~ employ any legal, fiscal or other expert services necessary to carry out his or her duties pursuant to NRS 445A.060 to 445A.160, inclusive ~~{}~~ *, and sections 2, 3 and 4 of this act.*

Sec. 13. NRS 445A.155 is hereby amended to read as follows:

445A.155 1. The ~~Director~~ **Administrator** may ~~{, with the approval of the Office of Finance,}~~ authorize the State Treasurer to issue, sell or deliver general obligation bonds of the State or revenue bonds if viable to support the purposes of the Account.

2. If the ~~Director~~ **Administrator** authorizes the issuance of those bonds, the State Treasurer may:

(a) Sue and be sued to establish or enforce any right arising out of a project receiving financial assistance or of any state securities issued pursuant to this authorization;

(b) Acquire and hold municipal securities, and exercise all of the rights of holders of those securities;

(c) Sell or otherwise dispose of municipal securities and assets acquired in connection with those securities, unless limited by any agreement which relates to the securities;

(d) Make contracts and execute all necessary or convenient instruments;

(e) Accept grants of money from the Federal Government, the State, any agency or political subdivision, or any other person;



(f) Adopt regulations relating to projects receiving financial assistance and the administration of those projects;

(g) Employ for ~~himself or herself~~ *the Administrator* or for any ~~municipality or interstate agency,~~ *eligible recipient* any necessary legal, fiscal, engineering and other expert services in connection with projects receiving financial assistance and with the authorization, sale and issuance of state securities and municipal securities;

(h) Enter into agreements and arrangements consistent with NRS 445A.060 to 445A.160, inclusive, *and sections 2, 3 and 4 of this act* concerning the issuance of state securities and the purchase of municipal securities; and

(i) Undertake other matters which ~~he or she~~ *the Administrator* determines to be necessary or desirable to accomplish the purposes of NRS 445A.060 to 445A.160, inclusive ~~[-]~~, *and sections 2, 3 and 4 of this act.*

3. Before any bonds are issued pursuant to this section, the State Board of Finance must certify that sufficient revenue will be available in the Account to pay the interest and installments of principal as they become due.

4. The money in the Account that is available for the payment of the interest and installments of principal on the bonds must be pledged as the primary source for the payment of the bonds. The full faith and credit of the State may be pledged.

Sec. 14. NRS 445A.160 is hereby amended to read as follows:

445A.160 1. The Commission shall adopt regulations relating to the environmental review process required by 33 U.S.C. §§ 1381 et seq.

2. Each ~~municipality or interstate agency,~~ *eligible recipient* which receives money from the Account shall prepare an environmental assessment which complies with the regulations adopted by the Commission and submit it to the ~~Department~~ *Division* for review.

3. The ~~Department~~ *Division* shall review each such assessment.

Sec. 15. NRS 445A.255 is hereby amended to read as follows:

445A.255 1. The Account to Finance the Construction of Projects, to be known as the Account for the Revolving Fund, is hereby created in the Fund for Water Projects Loans.

2. The account to fund activities ~~[-, other than]~~ *and* projects, authorized by the Safe Drinking Water Act, to be known as the Account for Set-Aside Programs, is hereby created in the Fund for ~~the Municipal Bond Bank.~~ *Water Projects Loans.*



3. The money in the Account for the Revolving Fund and the Account for Set-Aside Programs may be used only for the purposes set forth in the Safe Drinking Water Act.

4. All claims against the Account for the Revolving Fund and the Account for Set-Aside Programs must be paid as other claims against the State are paid.

5. The faith of the State is hereby pledged that the money in the Account for the Revolving Fund and the Account for Set-Aside Programs will not be used for purposes other than those authorized by the Safe Drinking Water Act.

Sec. 16. NRS 445A.260 is hereby amended to read as follows:

445A.260 1. The interest and income earned on money in the Account for the Revolving Fund and the Account for Set-Aside Programs must be credited to the Account for the Revolving Fund and the Account for Set-Aside Programs, respectively.

2. All payments of principal and interest on all loans made to a public water system and all proceeds from the sale, refunding or prepayment of obligations of a public water system acquired or loans made in carrying out the purposes of the Account for the Revolving Fund *or the Account for Set-Aside Programs* must be deposited in the State Treasury for credit to the Account for the Revolving Fund ~~or~~ *or the Account for Set-Aside Programs, respectively.*

3. The Division may accept gifts, appropriations from the State General Fund, contributions, grants and bequests of money from any public or private source. The money so accepted must be deposited in the State Treasury for credit to the Account for the Revolving Fund, or the Account for Set-Aside Programs, and can be used to provide money from the State to match the federal grant, as required by the Safe Drinking Water Act.

4. Except as otherwise provided in subsection 5, only federal money deposited in a separate subaccount of the Account for the Revolving Fund, including repayments of principal and interest on loans made solely from federal money, and interest and income earned on federal money in the Account for the Revolving Fund, may be used to benefit public water systems not governmentally owned.

5. In addition to the sources described in subsection 4, the proceeds of state securities that are solely secured by and solely payable from one or more of the sources set forth in subsection 4 may be used to benefit public water systems not governmentally owned.

Sec. 17. NRS 445A.265 is hereby amended to read as follows:

445A.265 1. The Division shall:



(a) Use the money in the Account for the Revolving Fund and the Account for Set-Aside Programs for the purposes set forth in the Safe Drinking Water Act.

(b) Determine whether public water systems which receive money or other assistance from the Account for the Revolving Fund or the Account for Set-Aside Programs comply with the Safe Drinking Water Act and regulations adopted pursuant thereto.

2. The Division may:

(a) Prepare and enter into required agreements with the Federal Government for the acceptance of grants of money for the Account for the Revolving Fund and the Account for Set-Aside Programs.

(b) Bind itself to terms of the required agreements.

(c) Accept grants made pursuant to the Safe Drinking Water Act.

(d) Manage the Account for the Revolving Fund and the Account for Set-Aside Programs in accordance with the requirements and objectives of the Safe Drinking Water Act.

(e) Provide services relating to management and administration of the Account for the Revolving Fund and the Account for Set-Aside Programs, including the preparation of any agreement, plan or report.

(f) Perform, or cause to be performed by the Nevada Rural Water Association or other persons, agencies or organizations through interagency agreement, subgrant, contract or memorandum of understanding, set-aside programs pursuant to 42 U.S.C. § 300j-12 of the Safe Drinking Water Act.

(g) Make loans or grants from the Account for Set-Aside Programs to borrowers for set-aside programs that meet the requirements of 42 U.S.C. § 300j-12 of the Safe Drinking Water Act.

3. The Division shall not:

(a) Commit any money in the Account for the Revolving Fund for expenditure for the purposes set forth in NRS 445A.275; or

(b) Establish the priorities for determining which public water systems will receive money or other assistance from the Account for the Revolving Fund,

↳ without obtaining the prior approval of the Board for Financing Water Projects.

Sec. 18. NRS 445A.275 is hereby amended to read as follows:

445A.275 1. Except as otherwise provided in NRS 445A.260 and 445A.280, money in the Account for the Revolving Fund, including repayments of principal and interest on loans, and interest and income earned on money in the Account for the Revolving Fund

~~it may be used only to:~~



~~—(a) Make loans at or below the market rate to public water systems for the construction of projects.~~

~~—(b) Buy or refinance at or below the market rate the obligations of public water systems if:~~

~~—(1) The project for which the obligations were incurred complies with the Safe Drinking Water Act and regulations adopted pursuant thereto; and~~

~~—(2) The obligations were incurred after July 1, 1993.~~

~~—(c) Guarantee or purchase insurance for local obligations, including nongovernmental debt or municipal debt, if the action would improve access to credit or reduce the rate of interest applicable to the obligation.~~

~~—(d) Arrange for the sale of state securities, including state securities issued to provide money from the State to match the federal grant, as required by the Safe Drinking Water Act, if the net proceeds from the sale of those state securities are deposited in the Account for the Revolving Fund.~~

~~—(e) Provide or guarantee loans or as a source of reserve and security for leveraged loans, except that repayments of interest on loans, and interest and income earned on money in the Account for the Revolving Fund, may be used to secure the sale of state securities or otherwise be pledged to provide money from the State to match the federal grant, as required by the Safe Drinking Water Act.~~

~~—2. Money} and money~~ in the Account for Set-Aside Programs may be used only ~~[to fund set-aside programs authorized by]~~ **in accordance with** the Safe Drinking Water Act. Money in the Account for Set-Aside Programs may be transferred to the Account for the Revolving Fund pursuant to the Safe Drinking Water Act.

[3.] 2. A public water system which requests a loan or other financial assistance must demonstrate that it has:

(a) Complied with the Safe Drinking Water Act and regulations adopted pursuant thereto; or

(b) Agreed to take actions that are needed to ensure that it has the capability to comply with the Safe Drinking Water Act and regulations adopted pursuant thereto.

[4.] 3. Funding from the Account for the Revolving Fund may not be given to an existing public water system unless it has the technical, managerial and financial capability to ensure compliance with the Safe Drinking Water Act and regulations adopted pursuant thereto. A new public water system, to receive such funding, must demonstrate that it has the technical, managerial and financial capability to ensure compliance with the Safe Drinking Water Act and regulations adopted pursuant thereto.



4. *The Commission shall adopt regulations which must prescribe, in accordance with federal law, the authorized uses of the money in the Account for the Revolving Fund and the Account for Set-Aside Programs.*

Sec. 19. NRS 445A.280 is hereby amended to read as follows:
445A.280 1. The Administrator shall not:

(a) Spend more than ~~[4 percent of the federal grant for a set-aside program]~~ *the amount or percentage authorized for [administration] administering the Account for the Revolving Fund and the Account for Set-Aside Programs* pursuant to 42 U.S.C. § ~~[300j-12(g)(2)]~~ *300j-12* of the Safe Drinking Water Act; *or*

(b) Spend more than ~~[10 percent of the federal grant]~~ *the amount or percentage authorized for [a] set-aside [program for activities authorized] programs* pursuant to 42 U.S.C. § ~~[300j-12(g)(2)]~~ *300j-12* of the Safe Drinking Water Act . ~~[if matched equally by the State;~~

~~— (c) Spend more than 2 percent of the federal grant for a set-aside program for technical assistance to small water systems pursuant to 42 U.S.C. § 300j-12(g)(2) of the Safe Drinking Water Act; or~~

~~— (d) Spend more than 15 percent of the federal grant for a set-aside program for activities authorized pursuant to 42 U.S.C. § 300j-12(k) of the Safe Drinking Water Act.]~~

2. The Administrator may impose and collect a fee from each public water system that receives a loan or other financial assistance from the Account for the Revolving Fund or the Account for Set-Aside Programs. The fee must be used to defray the costs of administering the Account for the Revolving Fund or the Account for Set-Aside Programs.

3. If the Administrator imposes a fee pursuant to subsection 2, the Commission shall adopt regulations establishing the amount of the fee to be collected.

Sec. 20. NRS 445A.290 is hereby amended to read as follows:

445A.290 1. *The Legislature finds and declares that:*

(a) *The construction, rehabilitation, operation and maintenance of modern and efficient drinking water systems are essential for the public health of the residents of this State.*

(b) *The protection of the waters in this arid State justifies the participation and assistance of the State in a program which provides long-term financing to eligible recipients for the construction and improvement of drinking water infrastructure and set-aside programs. The provisions of NRS 445A.200 to 445A.295, inclusive, shall be liberally construed to carry out the purposes of NRS 445A.200 to 445A.295, inclusive.*

(c) *The creation of the Account for the Revolving Fund and the Account for Set-Aside Programs will enable the State to*



receive the maximum share of the federal money available to the State pursuant to the Safe Drinking Water Act and ensure that eligible recipients in this State receive federal money for the construction of drinking water infrastructure and set-aside programs.

2. The Legislature finds and declares that any state securities issued pursuant to this section are necessary for the protection and preservation of the property and natural resources of this State and for the purpose of obtaining the benefits thereof, and their issuance constitutes an exercise of the authority conferred by the second paragraph of Section 3 of Article 9 of the Constitution of the State of Nevada.

~~[2-]~~ 3. The Administrator may authorize the State Treasurer to issue, sell or deliver state securities as general obligations or secured by pledged revenue if viable to carry out the purposes of the Account for the Revolving Fund, or to provide money from the State to match the federal grant as required by the Safe Drinking Water Act.

~~[3-]~~ 4. If the Administrator authorizes the issuance of state securities, the State Treasurer may:

(a) Sue and be sued to establish or enforce any right arising out of a project receiving financial assistance or of any state securities issued pursuant to this authorization;

(b) Acquire and hold municipal securities, and exercise all of the rights of holders of those securities;

(c) Sell or otherwise dispose of municipal securities and assets acquired in connection with those securities, unless limited by any agreement which relates to the securities;

(d) Make contracts and execute all necessary or convenient instruments;

(e) Accept grants of money from the Federal Government, the State, any agency or political subdivision thereof, or any other person;

(f) Adopt financial regulations relating to projects receiving financial assistance and the administration of those projects;

(g) Employ for ~~himself or herself~~ *the Administrator* or for any public water system, any necessary legal, fiscal, engineering and other expert services in connection with projects receiving financial assistance and with the authorization, sale and issuance of state securities, and the purchase of municipal securities or nongovernmental debt;

(h) Enter into agreements and arrangements consistent with NRS 445A.200 to 445A.295, inclusive, concerning the authorization, sale and issuance of state securities and the purchase of municipal securities or nongovernmental debt;



(i) Require, as appropriate to secure a nongovernmental debt, enhancements of credit or the pledge of any variety of collateral or other types of security, such as corporate or personal guarantees; and

(j) Undertake other matters which ~~he or she~~ *the Administrator* determines to be necessary or desirable to accomplish the purposes of NRS 445A.200 to 445A.295, inclusive.

~~[4.]~~ 5. The money in the Account for the Revolving Fund which is available for the payment of the interest and installments of principal on the state securities must be pledged as the primary source for the payment of the state securities. The full faith and credit of the State may be pledged as additional security for the payment of the state securities.

Sec. 21. NRS 349.938 is hereby amended to read as follows:

349.938 “Director” means the Director of the *State* Department of ~~[Business]~~ *Conservation* and ~~[Industry]~~ *Natural Resources* or any person within the *State* Department of ~~[Business]~~ *Conservation* and ~~[Industry]~~ *Natural Resources* designated by the Director to perform duties in connection with a water project or the issuance of bonds.

Sec. 22. NRS 349.946 is hereby amended to read as follows:

349.946 The Director has all the powers necessary to accomplish the purposes set forth in NRS 349.935 to 349.961, inclusive. These powers must be exercised for the health, safety, convenience, prosperity and welfare of the inhabitants of this state. The ~~[Director]~~ *State Environmental Commission* may adopt such regulations as are necessary to carry out the provisions of NRS 349.935 to 349.961, inclusive.

Sec. 23. NRS 349.957 is hereby amended to read as follows:

349.957 1. The Board for Financing Water Projects is hereby created. The Board consists of one ex officio member and five members appointed by the Governor.

2. The Governor shall appoint to the Board:

(a) One member who is a representative of the county with the largest population in the State;

(b) One member who is a representative of the county with the second largest population in the State; and

(c) Three members who are representatives of counties in the State whose populations are less than 100,000,

➤ of whom one member is knowledgeable in the field of municipal finance and the remaining members are knowledgeable in the fields of planning , ~~[and the]~~ development ~~[and reclamation]~~ *or the management* of water resources.

3. The Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural



Resources, or a person ~~he or she~~ *the Administrator* designates, shall serve ex officio as a nonvoting member of the Board.

4. Not more than ~~three~~ *two* voting members of the Board may be ~~members of the same political party, and not more than two may be~~ residents of the same county.

Sec. 24. NRS 349.981 is hereby amended to read as follows:

349.981 1. There is hereby established a program to provide grants of money to:

(a) A purveyor of water to pay for costs of capital improvements to publicly owned community water systems and publicly owned nontransient water systems required or made necessary by the State Environmental Commission pursuant to NRS 445A.800 to 445A.955, inclusive, or made necessary by the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq., and the regulations adopted pursuant thereto.

(b) An eligible recipient to pay for the cost of improvements to conserve water, including, without limitation:

- (1) Piping or lining of an irrigation canal;
- (2) Recovery or recycling of wastewater or tailwater;
- (3) Scheduling of irrigation;
- (4) Measurement or metering of the use of water;
- (5) Improving the efficiency of irrigation operations; and
- (6) Improving the efficiency of the operation of a facility for the storage of water, including, without limitation, efficiency in diverting water to such a facility.

(c) An eligible recipient to pay the following costs associated with connecting a domestic well or well with a temporary permit to a municipal water system, if the well was in existence on or before October 1, 1999, and the well is located in an area designated by the State Engineer pursuant to NRS 534.120 as an area where the groundwater basin is being depleted:

(1) Any local or regional fee for connection to the municipal water system.

(2) The cost of any capital improvement that is required to comply with a decision or regulation of the State Engineer.

(d) An eligible recipient to pay the following costs associated with abandoning an individual sewage disposal system and connecting the property formerly served by the abandoned individual sewage disposal system to a community sewage disposal system, if the Division of Environmental Protection requires the individual sewage disposal system to be abandoned and the property upon which the individual sewage disposal system was located to be connected to a community sewage disposal system pursuant to the provisions of NRS 445A.300 to 445A.730, inclusive, or any regulations adopted pursuant thereto:



(1) Any local or regional fee for connection to the community sewage disposal system.

(2) The cost of any capital improvement that is required to comply with a statute of this State or a decision, directive, order or regulation of the Division of Environmental Protection.

(e) *An eligible recipient to pay the following costs associated with abandoning an individual sewage disposal system and connecting the property formerly served by the abandoned individual sewage disposal system to a community sewage disposal system, if the Division of Environmental Protection approves a program or project for the protection of groundwater quality developed by the State or a local government that provides for the abandonment of an individual sewage disposal system and the connection of the property upon which the individual sewage disposal system was located to a community sewage disposal system pursuant to the provisions of NRS 445A.300 to 445A.730, inclusive, or any regulations adopted pursuant thereto:*

(1) Any local or regional fee for connection to the community sewage disposal system.

(2) *The cost of any capital improvement that is required to comply with a statute of this State or a decision, directive, order or regulation of the Division of Environmental Protection.*

(f) An eligible recipient to pay the following costs associated with ~~connecting~~ *abandoning* a well *and connecting the property formerly served by the well* to a municipal water system, if the quality of the water of the well fails to comply with the standards of the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq., and the regulations adopted pursuant thereto:

(1) Any local or regional fee for connection to the municipal water system.

(2) The cost of any capital improvement that is required for the water quality in the area where the well is located to comply with the standards of the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq., and the regulations adopted pursuant thereto.

~~((f))~~ (g) A governing body to pay the costs associated with developing and maintaining a water resource plan.

2. Except as otherwise provided in NRS 349.983, the determination of who is to receive a grant is solely within the discretion of the Board.

3. For any construction work paid for in whole or in part by a grant provided pursuant to this section to a nonprofit association or nonprofit cooperative corporation that is an eligible recipient, the provisions of NRS 338.013 to 338.090, inclusive, apply to:

(a) Require the nonprofit association or nonprofit cooperative corporation to include in the contract for the construction work the



1 contractual provisions and stipulations that are required to be
2 included in a contract for a public work pursuant to those statutory
3 provisions.

4 (b) Require the nonprofit association or nonprofit cooperative
5 corporation to comply with those statutory provisions in the same
6 manner as if it was a public body that had undertaken the project or
7 had awarded the contract.

8 (c) Require the contractor who is awarded the contract for the
9 construction work, or a subcontractor on the project, to comply with
10 those statutory provisions in the same manner as if he or she was a
11 contractor or subcontractor, as applicable, engaged on a public
12 work.

13 4. As used in this section:

14 (a) "Eligible recipient" means:

15 (1) A political subdivision of this State, including, without
16 limitation, a city, county, unincorporated town, water authority,
17 conservation district, irrigation district, water district or water
18 conservancy district.

19 (2) A nonprofit association or nonprofit cooperative
20 corporation that provides water service only to its members.

21 (b) "Governing body" has the meaning ascribed to it in
22 NRS 278.015.

23 (c) "Water resource plan" means a water resource plan created
24 pursuant to NRS 278.0228.

25 **Sec. 25.** NRS 350A.190 is hereby amended to read as follows:

26 350A.190 1. ~~[AHH]~~ *Except as otherwise provided in NRS*
27 *445A.255, all* revenues from lending projects must be deposited in
28 the Fund for the Municipal Bond Bank in the State Treasury, which
29 is hereby created as a special revenue fund.

30 2. Any revenue from lending projects which is in the Fund
31 must be applied in the following order of priority:

32 (a) Deposited into the Consolidated Bond Interest and
33 Redemption Fund created pursuant to NRS 349.090 in amounts
34 necessary to pay the principal of, interest on and redemption
35 premiums due in connection with state securities issued pursuant to
36 this chapter.

37 (b) Deposited into any reserve account created for the payment
38 of the principal of, interest on and redemption premiums due in
39 connection with state securities issued pursuant to this chapter, in
40 amounts and at times determined to be necessary.

41 (c) Paid out for expenses of operation and maintenance.

42 (d) On July 1 of each odd-numbered year, to the extent of any
43 uncommitted balance in the Fund, deposited in the State General
44 Fund.



1 **Sec. 26.** 1. Any administrative regulations adopted by an
2 officer or an agency whose name has been changed or whose
3 responsibilities have been transferred pursuant to the provisions of
4 this act to another officer or agency remain in force until amended
5 by the officer or agency to which the responsibility for the adoption
6 of the regulations has been transferred.

7 2. Any contracts or other agreements entered into by an officer
8 or agency whose name has been changed or whose responsibilities
9 have been transferred pursuant to the provisions of this act to
10 another officer or agency are binding upon the officer or agency to
11 which the responsibility for the administration of the provisions of
12 the contract or other agreement has been transferred. Such contracts
13 and other agreements may be enforced by the officer or agency to
14 which the responsibility for the enforcement of the provisions of the
15 contract or other agreement has been transferred.

16 3. Any action taken by an officer or agency whose name has
17 been changed or whose responsibilities have been transferred
18 pursuant to the provisions of this act to another officer or agency
19 remains in effect as if taken by the officer or agency to which the
20 responsibility for the enforcement of such actions has been
21 transferred.

22 **Sec. 27.** NRS 445A.085 and 445A.090 are hereby repealed.

23 **Sec. 28.** This act becomes effective upon passage and
24 approval.

TEXT OF REPEALED SECTIONS

445A.085 “Department” defined. “Department” means the
State Department of Conservation and Natural Resources.

445A.090 “Director” defined. “Director” means the
Director of the State Department of Conservation and Natural
Resources.

