

Assembly Bill No. 198—Committee on Government Affairs

CHAPTER.....

AN ACT relating to water systems; establishing a program of grants for capital improvements required of certain water systems; authorizing the issuance of general obligation bonds to support the purposes of the program; requiring redemption of those bonds through the consolidated bond interest and redemption fund; and providing other matters properly relating thereto.

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

Section 1. Chapter 349 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 9, inclusive, of this act.

Sec. 2. As used in sections 2 to 9, inclusive, of this act, unless the context otherwise requires:

1. "Board" means the board for financing water projects created pursuant to NRS 349.957.

2. "Community water system" means a public water system which:  
(a) Has 15 or more service connections; or  
(b) Serves 25 or more persons,  
at places which are intended for year-round occupancy.

3. "Costs of capital improvements to community water systems and non-transient water systems" means the costs traditionally associated with capital improvements to such systems and includes costs associated with the:

(a) Consolidation of existing systems; and  
(b) Transfer and connection of a public water system to a system owned by a purveyor of water or a public utility.

4. "Fund" means the fund for grants to certain purveyors of water.

5. "Nontransient water system" means a public water system that regularly serves 25 or more of the same persons for more than 6 months per year, but which is not a community water system.

6. "Public water system" has the meaning ascribed to it in NRS 445.376.

7. "Purveyor of water" means a political subdivision engaged in the business of furnishing water, for compensation, to persons within the political subdivision.

Sec. 3. There is hereby established a program to provide grants of money to purveyors 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 board of health pursuant to NRS 445.361 to 445.399, inclusive, or made necessary by the Safe Drinking Water Act (42 U.S.C. §§ 300f et seq.) and the regulations adopted pursuant thereto.

Sec. 4. 1. The board shall administer the program and shall adopt regulations necessary for that purpose.

2. The regulations must provide such requirements for participation in the program as the board deems necessary.

3. The board may, by regulation, impose an administrative fee which must be collected from each recipient of a grant from the fund. If such a fee is imposed, all revenue derived from the fee must be used to defray the costs of

administering the fund and the expenses of the board in administering the program.

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**Sec. 5. 1.** Grants may be made to purveyors of water under the program only for those community and nontransient water systems that are in operation and publicly owned on the effective date of this act.

2. In making its determination of which purveyors of water are to receive grants, the board shall give preference to those purveyors of water whose public water systems regularly serve fewer than 6,000 persons.

3. Each recipient of a grant shall provide, from a source other than the State of Nevada, an amount of money for the same purpose. The board shall develop a scale to be used to determine that amount, but in no case may the recipient be required to provide an amount less than 15 percent or more than 75 percent of the amount of the grant. The scale must be based upon the average household income of the customers of the recipient, and provide adjustments for the demonstrated economic hardship of those customers, the existence of an imminent risk to public health and any other factor that the board determines to be relevant.

4. Except as otherwise provided in subsections 1 and 2, the determination of which purveyors of water are to receive grants is solely within the discretion of the board.

**Sec. 6. 1.** The fund for grants to certain purveyors of water is hereby created.

2. Except as otherwise provided by subsection 3 of section 4 of this act, the money in the fund must be used only to make grants in furtherance of the program.

3. All claims against the fund must be paid as other claims against the state are paid.

**Sec. 7.** All money received for the fund from:

1. The issuance of bonds pursuant to section 8 of this act; or
2. Any other source,

must be deposited with the state treasurer to the credit of the fund. The interest and income earned on the money in the fund, after deducting any applicable charges, must be credited to the fund.

**Sec. 8.** The state board of examiners shall issue general obligation bonds of the State of Nevada in the face amount of not more than \$25,000,000 to support the purposes of the program. The net proceeds from the sale of the bonds must be deposited in the fund. The bonds must be redeemed through the consolidated bond interest and redemption fund.

**Sec. 9. 1.** The provisions of NRS 349.150 to 349.364, inclusive, which are not inconsistent with the provisions of sections 2 to 9, inclusive, of this act, apply to the bonds issued pursuant to section 8 of this act.

2. The provisions of NRS 349.935 to 349.956, inclusive, and 349.961 do not apply to the program or to any grants made or bonds issued pursuant to section 8 of this act.

**Sec. 10.** The legislature finds and declares that the issuance of bonds pursuant to section 8 of this act is necessary for the protection and preservation of the natural resources of this state and for the purpose of obtaining the benefits thereof, and that the 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.

**Sec. 11.** This act becomes effective upon passage and approval.