

# PROPOSED REGULATION OF THE STATE CONSERVATION COMMISSION

## LCB File No. R081-12

EXPLANATION – Matter in *bold italic* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: NRS 548.160

A REGULATION relating to administration of Conservation Districts; providing minimum audit standards for the Conservation Districts as required pursuant to NRS 548.320(2); prescribing the date certain reports are required to be submitted in order for Conservation Districts to be eligible for any funding from the state; and providing other matters relating properly thereto.

**Section 1.** Chapter 548 of NAC is hereby amended by adding thereto the provisions set forth:

- 1. Pursuant to NRS 548.320 an audit of the books of each conservation district shall be performed on an annual basis. The requirements of the audit are as follows:*
  - (a) The minimum standard for an audit shall be the review of each conservation district's financial statements by the Commission, and the securing of the Commission's acceptance of the statements by its action, at the first meeting held by the Commission after September 30 of each year;*
  - (b) Each conservation district may have additional financial or performance audits completed by appropriate qualified professionals should they individually choose to do so and any costs involved are paid by the respective conservation district.*

**Section 2.** NAC 548.070 is hereby amended to read as follows:

**NAC 548.070** ~~["Division"]~~**"Program" defined.** (NRS 548.160) ~~["Division"]~~**"Program"** means the ~~Division of~~ Conservation District~~s~~ **Program** in the State Department of Conservation and Natural Resources.

**Section 3.** NAC 548.080 is hereby amended to read as follows:

**NAC 548.080 Filing of annual reports with** ~~Division~~**Program.** (NRS 548.160) Each conservation district shall file annual reports with the ~~Division~~**Program** which contain such information as the Commission may require.

**Section 4.** NAC 548.090 is hereby amended to read as follows:

1. The Commission, at a regular meeting, will request the ~~Division~~**Program** to review the records of each conservation district that are maintained by the ~~Division~~**Program** and advise the Commission concerning which conservation districts appear to be ~~in good standing~~**eligible**.

2. If it appears to the Commission that there is evidence that a conservation district is not ~~in good standing~~eligible:

(a) The Commission will request the ~~Division~~Program to notify the conservation district that there is evidence that it is ~~in good standing~~eligible; and

(b) The Commission will schedule the determination of the status of the conservation district for the next regularly scheduled public meeting of the Commission.

3. Upon receiving a notice from the ~~Division~~Program that there is evidence that it is not ~~in good standing~~eligible, a conservation district may respond to the Commission in writing within 60 days after receiving the notice or attend the determination hearing at the next regularly scheduled public meeting of the Commission, or both.

4. The Commission will make a final determination as to whether the conservation district is ~~in good standing~~eligible after it reviews the evidence and hears testimony at its next regularly scheduled public meeting.

5. If the Commission determines that a conservation district is not ~~in good standing~~eligible, it will:

(a) Place the conservation district on a list which makes it ineligible for grant programs administered by the Commission;

(b) Notify the Natural Resource Conservation Service that the conservation district is not in good standing; and

(c) Ask the conservation district if it wishes to be discontinued or consolidated with another conservation district. The Commission may assist the conservation district by following the procedures for discontinuance as set forth in NRS 548.530.

**Section 5.** NAC 548.100 is hereby amended to read as follows:

1. A conservation district that is determined not to be ~~in good standing~~eligible may petition the Commission at any time requesting a reevaluation of the determination.

2. The ~~Division~~Program shall review the status of all conservation districts that are ~~in good standing~~eligible at least annually and shall recommend to the Commission any actions that may be taken to assist a conservation district in the improvement of its status.

3. The Commission may find a conservation district to be ~~in good standing~~eligible after a public hearing is held during any regularly scheduled meeting of the Commission.

**Section 6.** NAC 548.110 is hereby amended to read as follows:

To be ~~in good standing~~eligible for a grant of money, a conservation district ~~must~~shall:

1. Hold regularly scheduled meetings of the governing board of the district.

2. Hold meetings at least ~~three~~two times each year, one of which must be an annual meeting.

*(a) The Commission shall count only one qualified meeting in any single month as one of the two required meetings to be found eligible for funding by the Commission.*

*(1) The meeting limitation pursuant to subsection 2(a) does not in any way preclude the ability of the governing board of the district to hold meetings as needed so long as the district is in conformance with Section 6 subsection 3 of this regulation.*

3. Properly give notice of each meeting, prepare an agenda and issue it in conformance with the requirements of Chapter 241 of NRS.

4. File the agenda for and the minutes taken at each meeting required by subsection 2 with the ~~[Division]~~*Program* within 30 working days after the meeting.

5. Hold an election of supervisors on one of the first 10 days of November in each even-numbered year and submit the results of the election to the Commission *by submitting them to the Program on or before* November 30 of that year.

6. Develop an annual work plan and budget and submit them to the Commission by *submitting them to the Program on or before* the first of June of each year *for the immediately upcoming fiscal year*.

7. Develop an annual report and financial report and submit them to the Commission by *submitting them to the Program on or before* September 30 of each year for the immediately preceding fiscal year.

**Section 7.** NAC 548.120 is hereby amended to read as follows:

1. The ~~[Division]~~*Program* shall report to the Commission at the first meeting of the Commission of each new fiscal year the conservation districts that are ~~[in good standing]~~*eligible* as of ~~[July 1]~~*September 30* of that year. A district that is not *determined [in good standing] to have completed the requirements set forth by the Commission in a timely manner* is not eligible to receive a grant of money *for that fiscal year*.

2. The Commission will review the annual budget *and the annual work plan* of each district ~~[in good standing]~~ to determine ~~[whether it complies]~~*compliance* with the intent of this chapter and Chapter 548 of NRS. If the budget *and work plan comply* ~~[complies]~~ with the intent of those chapters, *and the district has met the requirements of Section 6 in its entirety* the Commission will designate the district as eligible for a grant of money.

3. The Commission will equally distribute among the districts that have been designated as eligible for a grant of money pursuant to subsection 2 all available grants of money provided by legislative appropriation pursuant to paragraph (a) of subsection 1 of NRS 548.178 for the Commission's program of basic operating grants to conservation districts. A grant of money received by a conservation district is for the fiscal year ~~[or years]~~ for which it was granted. Any money which has not been committed for expenditure before July 1 of the fiscal year ~~[after the fiscal year or years]~~ for which the money was granted must be deducted from any grant awarded for ~~[that]~~*the ensuing* fiscal year.

4. The Commission may, pursuant to paragraph (b) of subsection 1 of NRS 548.178, distribute grants of money provided by sources other than legislative appropriation in such

amounts and subject to such conditions as the Commission determines appropriate to any conservation district which the Commission determines qualifies for a grant.