

Permanent Regulation - Informational Statement

A Permanent Regulation Related to Environmental Programs

Legislative Review of Adopted Permanent Regulations as Required
by Administrative Procedures Act, NRS 233B.066

State Environmental Commission Permanent No: R155-22P

The Nevada State Environmental Commission (SEC) offers the following informational statement in compliance with Nevada Revised Statute (NRS) 233B.066.

1. Need for Regulation

The Bureau of Safe Drinking Water (BSDW) last updated its fee schedule for engineering plan review and annual water system permits under R194-03, adopted on January 22, 2004. In the last 18 years, the complexity of the program has grown while fees have remained stagnant. The fees support the drinking water staff and are not commensurate with the increased regulatory workload, inspection travel costs, resource needs, training needs, and staffing levels, necessary to meet regulatory requirements and reasonable review turnarounds.

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.

2. A description of how public comment was solicited, a summary of public response and an explanation of how other interested persons may obtain a copy of the summary.

The Division held one hybrid (in-person and virtual) public workshop for R155-22P on November 3, 2022. The public was invited to participate in person in the Bryan Building at 901 South Stewart Street in Carson City, Nevada and in the NDEP offices in Las Vegas at 375 East Warm Springs Road. NDEP also provided the option to attend the workshop virtually. The workshop was held to present the substance of, and receive public comment on, the proposed regulation. There were approximately 13 members of the public that attended the workshop, either in-person or virtually.

The Legislative Counsel Bureau published its draft, R155-22P, in the Nevada Register on October 5, 2022. The Division accepted written comments on R155-22P up to November 9, 2022. During the workshop, BSDW received one verbal comment from a public

water system in agreement with the proposed increase; however, the commenter did not agree with the proposed annual 3% increase at the discretion of the Director of the Department of Conservation and Natural Resources. The same water system asked the BSDW to streamline the engineering plan review process for better efficiency and turn-around times. No written comments were received for this petition.

The SEC held a hybrid regulatory hearing on December 14, 2022, to consider possible action on R155-22P. The SEC posted its public notice, which included a link¹ and instructions to access R155-22P and pertinent documents and information supporting the regulation, for the regulatory meeting at the State Library in Carson City, at Division offices located in both Carson City and Las Vegas, at all county libraries throughout the state, and to the SEC email distribution list. The SEC also posted the public notice at the Division of Minerals in Carson City, at the Department of Agriculture, on the LCB website, on the Division of Administration website, and on the SEC website.

The SEC also published the public notice in the Las Vegas Review Journal and Reno Gazette Journal newspapers once a week for three consecutive weeks prior to the SEC regulatory meeting.

3. The number of persons who attended the SEC Regulatory Hearing:

- (a) Attended December 14, 2022, hearing: 57 (approximately)
- (b) Testified on this Petition at the hearing: 2

1. Andrea Seifert, on behalf of the Nevada Division of Environmental Protection
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- (c) Submitted to the agency written comments: 0

4. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation of how other interested persons may obtain a copy of the summary.

¹ <https://sec.nv.gov/meetings/sec-regulatory-meeting-december-14-2022>

Comments were solicited from affected businesses through one public workshop and at the December 14, 2022, SEC hearing as noted in number 2 above.

5. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The Commissioners unanimously adopted R155-22P with NDEP proposed edits. The regulation was adopted with changes because the public and the SEC were satisfied with the proposed amendments.

6. The estimated economic effect of the adopted regulation on the business which it is to regulate and on the public.

Regulated Business/Industry. The regulatory amendments in R155-22P are expected to increase costs for annual operating permits and engineering plan reviews for public water systems. The increase will depend on the size of the water system.

Public. The economic effects of the regulatory amendments in R155-22P may be passed on to the water system customers. These are expected to range from \$0.12 to \$24.00 per year.

7. The estimated cost to the agency for enforcement of the adopted regulation.

Enforcing Agency. The regulatory amendments proposed in R155-22P are not expected to result in any additional costs to the Division.

8. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

The proposed amendments in R155-22P do not overlap or duplicate other state or government agencies.

9. If the regulation includes provisions which are more stringent than a federal regulation, which regulates the same activity, a summary of such provisions.

The regulatory amendments in R155-22P are not more stringent than existing federal regulations.

10. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The new fee schedules are expected to 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).

The increased fees will support additional training, new software and hardware, travel costs for water system inspections, and additional temporary and permanent staffing to address engineering project submittals, new federal regulations, and existing regulations that require additional resources to address implementation gaps.