

# **Financial Assistance Guidelines**

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Las Vegas Valley Groundwater Management Program

**Table of Contents**

I.	Introduction.....	2
II.	Availability of Assistance .....	3
III.	Eligibility Requirements for Assistance .....	3
IV.	Required Agreements.....	4
V.	Capital Improvement Options.....	4
VI.	Eligible Costs.....	5
VII.	Limitations on Eligible Costs and Financial Assistance.....	6
VIII.	Funding Priorities.....	6
IX.	Community Wells .....	7
X.	Wells with Associated Permanent Water Rights .....	7
XI.	Disbursement of Financial Assistance .....	8
XII.	Other Financial Assistance.....	8
XIII.	Interpretation and Application .....	9
	Appendix – Means Test .....	10

# Financial Assistance Guidelines

## Las Vegas Valley Groundwater Management Program

### I. Introduction

In 1997, the State Legislature established the Groundwater Management Program (GMP) for the Las Vegas Valley. The four goals of the GMP are:

1. **Protection**--Support activities to protect the aquifer from contamination
2. **Management**--Improve management of the groundwater resources to prevent overdrafting
3. **Information**--Provide information about the aquifer, water conservation and rules governing groundwater wells in Southern Nevada to well users
4. **Cooperation**--Increase understanding and cooperation among groundwater users and agencies involved in groundwater

Under 1999 legislation, the Office of the State Engineer can revoke a temporary permit or require the user of a domestic well to connect to municipal water only if the two following conditions apply:

1. If any part of the well's place of use is within 180 feet of a municipal water line ("place of use" is generally defined as the property using a domestic well, or any of the multiple properties using a community well with a temporary permit).
2. If the well fails, which means it needs work that requires use of a drilling rig.

This standard only applies in a groundwater basin where temporary permits have been issued -- in this case, the Las Vegas Valley groundwater basin. If connection is required for any reason, the well cannot be retained for other uses, but must be permanently abandoned.

This document outlines the principal guidelines for the financial assistance to be offered to well users by the Southern Nevada Water Authority (SNWA) as part of the GMP. This financial assistance program incorporates standards contained in legislation passed by the Nevada Legislature N.R.S. (534.120), as well as recommendations made by the Advisory Committee for Groundwater Management and approved by the SNWA Board of Directors, as allowed by statute.

Financial assistance will take the form of funding that does not need to be repaid and may be provided for municipal connection, plugging and abandonment of unused wells and conservation incentive rebates.

Funding from the GMP will be available to provide financial assistance in the form of three (3) separate components:

1. Well conversion for mandatory and voluntary connections to a municipal water system, including plugging and abandonment of the well;
2. Plugging and abandonment of unused or abandoned wells (may include funding provided by the Office of the State Engineer); and
3. Conservation incentive rebates as offered and approved through the SNWA Resources Department, Conservation Division (funding may be limited).

## **II. Availability of Assistance**

The GMP will provide a financial assistance program to help eligible well users pay for mandatory and voluntary municipal connections, plugging and abandonment of unused wells and conservation incentive rebates. The SNWA will be responsible for implementing and managing the financial assistance program. The provision of financial assistance will be subject to available funding as determined by the SNWA. Sources of funding will be:

1. The annual groundwater management fee collected by the SNWA.
2. Any grant monies available through the State of Nevada Small Systems Grant Program.
3. Any other grants or program funds made available to the GMP, where appropriate.
4. Funding provided by the Office of the State Engineer specifically to plug and abandon unused wells that may pose a potential threat to the aquifer.

The financial assistance program will be governed by the rules outlined in Assembly Bill 408 of the 70th Nevada Legislature, as well as by program authorities given to the SNWA in Chapter 572, Statutes of Nevada 1997, as amended by Assembly Bill 347 of the 70<sup>th</sup> Nevada Legislature, and Assembly Bill 213 of the 72<sup>nd</sup> Nevada Legislature.

## **III. Eligibility Requirements for Grant Assistance**

For mandatory and voluntary connections, the financial assistance will be at least 50 percent and up to 85 percent of the eligible off-site costs. If the well user(s) meets the State's Means Test (*see Appendix A, N.R.S. 422.050*), the financial assistance will be increased to 100 percent of the eligible costs. In both instances, the assistance will not have to be repaid.

The provision of financial assistance in excess of 85 percent is being implemented pursuant to the authority granted to the SNWA in Section 14, subsections 4 and 5, of Chapter 572, Statutes of Nevada 1997, as amended by Assembly Bill 347 of the 70<sup>th</sup> Nevada Legislature and Assembly Bill 213 of the 72<sup>nd</sup> Nevada Legislature.

The Means Test shall be whether the property owner qualifies for any of the programs set forth under the definition of public assistance pursuant to NRS 422.050. The burden for providing evidence of receipt of public assistance will reside with the property owner.

Eligible costs and financial assistance will be limited as described in Section VII, Limitations on Eligible Costs and Financial Assistance. Any costs in excess of the financial assistance will be the responsibility of the property owner.

In the instance of a voluntary well closure due to health or safety, and State grant funds are to be used in conjunction with GMP funding, GMP funding will be limited to established limits and customers responsibilities will remain as detailed in the Guidelines. Other funding may be used in addition to the GMP funding to cover the costs associated with construction necessary beyond 180 feet and any other associated costs including, but not limited to, additional permitting, construction, design, etc.

To be considered for financial assistance for voluntary connection to a municipal water system well owners or certain well users\* must currently have use of one of the following well or permit types:

- Domestic well (domestic well defined as in N.R.S. 534.180)
- Community or quasi-municipal well (revocable or temporary permit)
- Commercial, agricultural, or industrial (revocable or temporary permit)

To be considered for financial assistance, the well user must be in good standing in terms of payments of the annual groundwater management fee collected by the SNWA.

\*Note: Well user place of use must be listed as a legal point of use for the well through a domestic use or a permitted revocable use. In the case of wells or well users with permanent water rights, see Section X.

#### **IV. Required Agreements**

All applicants for financial assistance must agree to the abandonment of the well as a condition for receiving financial assistance. Prior to approval of any financial assistance, the property owner must sign the appropriate easement, application for financial assistance, and other agreements required by SNWA and the applicable purveyor. Approval of any financial assistance under the GMP shall be contingent on receipt of such signatures. Failure to allow access to the well for plugging and abandonment after award of financial assistance will require repayment to the Program of all awarded grant monies and to comply with any water purveyor requirements such as installation of a backflow device, etc. The well owner is responsible for obtaining legal standing for the use of groundwater from the Office of the State Engineer.

## **V. Capital Improvement Options**

The SNWA may elect to issue a master contract to perform all or part of any connections funded under this financial assistance program. If a master contract is issued, the SNWA may use the cost criteria in the awarded contract to develop standardized rates for making the estimates cited in Section VI, Eligible Costs.

Off-site capital improvements may be performed by one of the following parties, at the option of the well user:

- A private contractor chosen by the well user. Reasonable and customary costs will be considered for determining actual financial assistance awards. The applicant may be required to provide three (3) itemized estimates for off-site costs by licensed, bonded contractors in order to establish the off-site grant award total.
- The SNWA master contractor, if such a contractor is established by the SNWA.
- The applicable water purveyor.

On-site construction is the responsibility of the property owner in each instance. A financial assistance grant of \$500.00 is provided per approved property.

## **VI. Eligible Costs**

Only parcels that contain a dwelling unit or commercial business, as recorded by the County Assessor, which is occupied and presently supplied by water from a well will be considered by the SNWA for financial assistance, subject to the guidelines contained herein. Vacant parcels will not be eligible for financial assistance. Domestic wells with more than one connection (that is, an illegal connection for additional residences or buildings) will be eligible for financial assistance for connection only to the residence or building identified as the legal connection to the well.

### Mandatory Connections

Unless otherwise noted in these guidelines, eligible costs will include capital improvements, fees, and charges related to connection of the dwelling unit or structure to the nearby municipal water line. This will include off-site improvements from the municipal water line to the property line and any local or regional connection fees and charges associated with the required connection. On-site improvements from the meter box at the property line to the on-site connection point on the property are the responsibility of the property owner and are awarded a \$500.00 grant.

### Voluntary Connections

Eligible costs will include capital improvements, fees, and charges related to connection of the dwelling unit or structure to the nearby municipal water line. This will include off-site improvements from the municipal water line to the property line and local or regional connection fees and charges associated with the connection. On-site improvements from

the meter box at the property line to the on-site connection point on the property are the responsibility of the property owner and are awarded a \$500.00 grant. Costs that are not included in voluntary financial assistance awards include, but are not limited to, temporary water service, emergency connection fees, “5-year no cut” fees, etc.

In all cases, the SNWA will plug and abandon the well at no cost to the well user(s).

#### Eligible Service Size

Eligible service size for connection is determined by existing well type or duty as follows:

- Domestic wells – up to a 1” service line
- Community or quasi-municipal well – up to a 1” service line per residence
- Quasi-municipal well (over 12 connections) – up to a 1” service line per residence
- Commercial, agricultural, or industrial - service connection size will be determined by SNWA and purveyor considering land use

Oversizing of service size higher than those detailed above will not be eligible for financial assistance. All additional fees and charges will be the responsibility of the applicant.

### **VII. Limitations on Eligible Costs and Financial Assistance**

For mandatory connections, eligible costs for off-site improvements will be limited to the costs estimated by the applicable purveyor, SNWA, or SNWA designated contractor; or, if the well user elects to use a private contractor, the private contractor’s bid quote, whichever is lower.

For voluntary connections, eligible costs for off-site improvements will be limited to the costs associated with up to 180 feet of off-site improvements, using the cost estimate provided by the applicable purveyor, SNWA, or SNWA designated contractor; or, if a private contractor is used, the private contractor’s bid quote, whichever is lower.

For both mandatory and voluntary connections, reimbursement for eligible on-site improvement costs will be limited to \$500 per approved connection.

To facilitate the calculation of off-site and on-site improvement costs, the SNWA through the actions of its General Manager or her designee may develop additional guidelines based on local purveyor costs and experience, and use those guidelines for managing this element of the financial assistance program.

### **VIII. Funding Priorities**

All financial assistance under these guidelines is subject to available funding as determined by the SNWA. In the event funding is not available, financial assistance will not be provided. In the event limited funding is available for financial assistance and multiple requests for assistance are made, SNWA will provide financial assistance to mandatory connections first, and then to voluntary connections.

These priorities notwithstanding, financial assistance for any connection will be at the discretion of the SNWA. In determining whether a potential connection receives assistance, the SNWA may consider factors such as well location (whether the well is in an area of aquifer concern), water quality, individual hydrologic concerns, the need to maintain adequate funding within the GMP to assist with potential mandatory or emergency connections, and any other relevant issues.

The SNWA will determine the areas of aquifer concern on the basis of existing data, discussions with the Office of the State Engineer, and any other factors relevant to aquifer control, as determined by the SNWA General Manager or her designee with the overall goal of groundwater management.

## **IX. Community Wells**

In the event a community well with both developed and vacant parcels is required to connect to municipal water, only the developed parcels will be eligible for financial assistance. Any costs associated with the future connection of the vacant parcels will be paid by the parcel owners at the time the parcels are developed, and at the connection rates in effect at the time of connection.

In the case of a voluntary connection of a community well with a revocable permit, the property owners of all the developed parcels using the well must agree to connect to municipal water and abandon the well in order to qualify for financial assistance.

Reimbursement of eligible costs for community well connections will be subject to the conditions outlined in Section XI, Eligible Costs. The allocation of appropriate fees, construction costs, and any other charges due to a conversion from a community well to municipal service will be determined by meter size and whether the same meter size is chosen by all the parcels receiving a physical connection to the municipal water line.

If the same meter size is chosen by all the parcels, the fees, costs, and other charges that apply to the well's place of use will be prorated among the parcels receiving a physical connection to the municipal water line. If any of the parcels select another meter size, that parcel will be allocated appropriate additional fees, costs, or other charges apply to the meter size chosen by the applicant.

Application of frontage fees shall be in accordance with the rules, regulations, ordinances, and policies of the applicable purveyor. Any potential for refunds of frontage fees will be retained by the purveyor.

## **X. Wells with Associated Permanent Water Rights**

Wells with associated permanent water rights will be eligible for grant funding under the GMP as a voluntary conversion and are not subject to a mandatory conversion under N.R.S. 534.120. There are three options available to well users with associated non-revocable water rights that opt for a voluntary conversion:



Option 1: The permit owner may negotiate a sale or transfer of all non-revocable rights directly with any municipal water purveyor in the Las Vegas Valley in exchange for a connection to the municipal system. GMP funding will not be used in this option.

Option 2: The permit owner may sell the non-revocable rights to a willing buyer and apply the proceeds of the sale to the costs of the connection. GMP funding will not be used in this option.

Option 3: The permit owner may withdraw the non-revocable permit through petition to the Nevada Division of Water Resources, Office of the State Engineer. Upon withdrawal by the State Engineer, eligibility for GMP grant funding may be established. Upon approval for grant funding all conditions apply as detailed for a voluntary conversion. If connected under the GMP, the well will be plugged and abandoned by the GMP.

## **XI. Disbursement of Financial Assistance**

If the applicable purveyor or an SNWA master contractor performs the construction, the capital improvement costs, fees, and charges will be reimbursed directly to the purveyor or contractor by the SNWA. Potential frontage fee refunds may not be used to collateralize a loan to build the water service.

If the well user employs a private contractor, arrangements will be made among the well user, private contractor, purveyor, and SNWA for reimbursement of the applicable assistance amounts. The SNWA will not provide progress payments on work performed by a well user's private contractor.

In addition, before any money is reimbursed to the customer opting to use the services of a private contractor, proof of work completion must be provided to the SNWA by an agent of the municipal water service provider. Work conducted on improvements that will become part of the purveyor's water system, maintained by the purveyor, shall not be considered as complete until inspected and approved by the purveyor.

## **XII. Other Financial Assistance**

In the interest of protection of groundwater resources the SNWA may provide plugging and abandonment of unused wells, at no charge to the well owner, upon application. In coordination with the Office of the State Engineer, unused wells that may be a potential threat to the groundwater resources may be identified and grant funding may be provided to the contractor of SNWA's selection on behalf of the well owner or property owner for the plugging and abandonment. All approvals for financial assistance for plugging and abandonment will be at the discretion of SNWA.

In coordination with the Advisory Committee for Groundwater Management, the SNWA may offer conservation incentives to well users. Applications and approvals for awards may be limited and offered incentives will be at the discretion of the SNWA.

### **XIII. Interpretation and Application**

Implementation of the Financial Assistance Guidelines are the responsibility of the SNWA Grant Administrator. Inquiries from well users to member purveyor agencies should be directed accordingly to the SNWA. The SNWA General Manager will have the power of discretion in the interpretation and application of these guidelines. This discretion shall be exercised based on reasonable judgement and with full documentation, which will accomplish the intent of the guidelines and support the goals of groundwater management and aquifer protection set forth by the Las Vegas Valley Groundwater Management Program. Any actions taken by the SNWA General Manager under this item will be documented for the benefit of the Advisory Committee on Groundwater Management and the SNWA Board of Directors.

## Appendix A – Means Test

The means test to qualify for 100 percent financial assistance, as described and limited in the preceding guidelines, shall be whether the well user receives public assistance under any of the programs set forth in the following section of Nevada Revised Statutes, Chapter 422, Administration of Welfare Programs:

*NRS 422.050 “Public assistance” defined. [Effective June 30, 1999.] “Public assistance” includes:*

- 1. State supplementary assistance;*
- 2. Temporary assistance for needy families;*
- 3. Medicaid;*
- 1. Food stamp assistance;*
- 2. Low-income home energy assistance;*
- 3. The program for child care and development; and*
- 4. Benefits provided pursuant to any other public welfare program administered by the welfare division pursuant to such additional federal legislation as is not inconsistent with the purposes of this chapter.*

*[Part 12a:327:1949; added 1951, 296; A 1953, 333] — (NRS A 1959, 518; 1975, 1007; 1981, 1909; 1993, 2059; 1995, 724; 1997, 1237, 2233, 2615, effective June 30, 1999)*

As noted in the financial assistance guidelines, the burden for providing evidence of receipt of this public assistance shall reside with the well user or property owner. The provision of financial assistance in excess of 85 percent has been implemented pursuant to the authority granted to the SNWA in Section 14, subsections 4 and 5, of Chapter 572, Statutes of Nevada 1997, as amended by Assembly Bill 347 of the 70<sup>th</sup> Nevada Legislature, and Assembly Bill 213 of the 72<sup>nd</sup> Nevada Legislature.