**Nevada**

Water and wastewater utilities in Nevada fall under several rate setting regulatory systems.

**Commission-Regulated Utilities**

The Nevada Public Utilities Commission (Nevada PUC) regulates the rates of private water and wastewater companies. The Nevada PUC does not regulate government-owned utilities, quasi-governmental bodies, or political subdivisions of the state.

Pursuant to Nevada Rev. Stat. § 704, the Nevada PUC must approve the rate schedules of the utilities that it regulates. Further, under Nev. Rev. Stat. § 704.120.1, the Nevada PUC has the authority to fix or order changes to rate schedules that it finds to be “unjust, unreasonable, or unjustly discriminatory.” However, Nev. Rev. Stat. § 704.110.14(b) states the Nevada PUC can authorize a “reduced rate” for low-income residential customers, after a hearing.

Thus, commission-regulated utilities are expressly permitted by statute to provide low-income customer assistance programs (CAPs) funded by rate revenues in the form of “reduced rates.”

**Noncommission-Regulated Utilities**

The Nevada PUC does not regulate utilities run by cities and counties, or those operated by water authorities and districts. The majority of cities in Nevada operate pursuant to municipal charters, and the remainder of cities and counties are subject to general law. In addition, Nevada has many unincorporated towns. Although they may have a local board, unincorporated towns receive most services and governance from their respective counties. Several statutes, including Nev. Rev. Stat. § 710.540 and § 244.366, authorize the establishment and operation of water and wastewater utilities by various government entities, and include general rate setting language. Additionally, Nev. Rev. Stat. § 244.3651 gives authority to the board of county commissioners of counties whose population is greater than 100,000 but less than 700,000 to establish by ordinance a program to provide financial assistance for customers in connecting to a public water or wastewater utility or disconnecting from a private water or wastewater company. The statute provides that the board “may accept gifts, grants and other sources of money” or issue bonds and other securities to finance such a program, implying but not explicitly mentioning that utilities may use rate revenues. Finally, the...
statute states that the board “may set forth conditions or limitations on any financial assistance provided pursuant to the program.” The addition of this express financial authorization for these specific counties suggests that low-income CAPs that would not fall under this provision may be deemed unlawful for cities and counties that operate under general law.

In sum, for cities operating pursuant to municipal charters, the ability to implement low-income CAPs funded by rate revenues could be limited or specifically permitted by such charters. Cities and counties operating under general law seeking to implement rate-funded CAPs could potentially face challenges based on a lack of express authority found in the statutes. Additionally, some government-owned utilities in Nevada, such as the Las Vegas Valley Water District and the Truckee Meadows Water Authority, were established through special acts of the state legislature. The ability of these noncommission-regulated utilities to provide low-income CAPs funded by rate revenues is therefore subject to their enabling legislation.

The U.S. EPA's 2016 compendium *Drinking Water and Wastewater Utility Customer Assistance Programs* highlights two government-owned water and wastewater utilities, in the city of Reno and the city of Henderson, that offer low-income CAPs, which appear to be funded by rate revenues.

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232. See *Galloway v. Truesdell*, 422 P.2d 237, 246 (Nev. 1967) (holding that the maxim expressio unius est exclusio alterius, the expression of one thing is the exclusion of another, is applied in Nevada).
233. For example, the *Las Vegas Valley Water District Act of 1947* establishes and provides regulations for the Las Vegas Valley Water District (LVVWD) with respect to rates and service.
234. For example, *Section 16 of the LVVWD Act of 1947* allows the LVVWD Board of Directors to fix reasonable rates that are sufficient to pay operating and maintenance expenses, general district expenses, principal and interest on all outstanding bonds, and any payments required to be made into any sinking fund for such bonds. LVVWD has interpreted this language to mean that it can set rates to cover only the cost of service; it therefore does not allow for cross-subsidization.
236. Both cities highlighted in the compendium operate pursuant to municipal charters.