

**MEETING OF THE
STATE BOARD FOR FINANCING WATER PROJECTS
Summary Minutes**

**Tuesday, January 25, 2011
9:30 AM
901 S. Stewart St., 2nd Floor Tahoe Room
Carson City, NV 89701**

Members Present:

Bruce Scott, Chairman
Brad Goetsch, Vice-Chairman
Lori Williams
Andrew Belanger
Steve Walker
Jennifer Carr, Ex-officio Member

Staff Attending:

Nhu Nguyen, DAG
Dave Emme
Adele Basham
Michelle Stamates
Daralyn Dobson
Kathy Rebert

Members Absent: none

A. INTRODUCTION AND ROLL CALL (Non Action)

At the invitation of Chairman Scott, Board members and others present introduced themselves.

B. APPROVAL OF MINUTES - September 14, 2010 MEETING (Action)

Motion: Mr. Walker moved to accept the minutes as written. The motion was seconded by Ms. Williams and passed unanimously.

C. DRINKING WATER STATE REVOLVING FUND PROGRAM

1. Discussion & Possible Approval of Revision 1 to the 2011 Priority List (Action)

Ms. Adele Basham discussed two changes to the 2011 Priority List originally approved by the Board on June 1, 2010. One change is the addition of a pre-application for water system improvements for Truckee Meadows Water Authority. The second is re-ranking on the list of Roark Estates which has been placed on a boil water order due to acute health risk. See **ATTACHMENT 1** for Revision 1 to the Year 2011 Priority List.

Mr. Walker recused himself saying he is compensated by Truckee Meadows Water Authority.

Motion: Mr. Goetsch moved to approve Revision 1 to the Year 2011 Priority List and a Resolution designated the "Revision 1 to Year 2011 Project Priority List, Drinking Water State Revolving Fund"; to approve the priorities for determining which water systems will receive money from the account of the revolving fund as required in Nevada Revised Statute 445A.265(3). The motion was seconded by Mr. Belanger.

Chairman Scott asked about public participation, to which Ms. Basham responded. Mr. Goetsch wanted the record to reflect that he is worried about the number of private systems on the priority

list and that those private systems may not be sustainable. His concern is that private systems will take the money as a one-time fix and then the system will fail, the burden falling on local government. He said the Board should give greater consideration in encouraging private systems to hook into municipal systems that are sustainable.

The vote was then taken on the Motion to approve and the motion passed, Mr. Walker abstaining.

2. Discussion & Possible Approval of Loan Commitments

Ms. Basham provided background and specifics on each of the recommended loan commitments and full details can be found on **ATTACHMENTS 2-6**. The following narrative on these proposed loans was given by Ms. Basham, unless denoted by another name.

a. Gold Country Water Company (Action)

Due to high levels of nitrates at well #1, an additional water source is needed. There are two viable options for which the cost is comparable: drill a new well or utilize the water source from the City of Winnemucca's airport water system. The final option has not yet been selected. The entire project is anticipated to cost \$705,000 which is proposed to be funded at 100%. Gold Country's financial information shows the company is capable of handling the loan. Staff recommendation is to approve a loan commitment from the loan fund of the DWSRF in the amount of \$705,000 for a term not to exceed 20 years and at an annual interest rate of 66% of the appropriate Bond Buyers Index at the time the loan contract is signed.

Mr. David Reuter, Gold Country Water Company, gave a little more information and answered some questions for the Board.

Ms. Williams asked for clarification how the money would be used. Mr. Walker said he felt one of the alternatives would be for the removal of the source of nitrogen and asked Mr. Reuter a few questions about septic systems and their proximities.

Mr. Goetsch said this may very well be just a temporary fix and suggested the alternative of becoming a part of Winnemucca's system and having Winnemucca upgrade and repair. Mr. Reuter explained the airport system is a remote system to Winnemucca's and that Gold Country does not want to be taken over by Winnemucca. Mr. Goetsch said this went back to his comments made earlier (in C1). The Board is responsible for public funds and he has a concern funds are used to fix private systems for a few years, only to ultimately be turned over to local governments when further problems occur. Some further discussion took place on sustainability of private systems and the ability for those systems to provide for capitalization and maintenance costs.

Mr. Belanger asked if an estimate had been made for an intertie with the City of Winnemucca. Mr. Reuter answered that an estimate had not been made and said the rate that would have to be paid for that wholesale water is not economical and passing the cost to the ratepayers would be substantially greater than current rates. A surcharge has been implemented to provide for repayment of the loan.

Chairman Scott pointed out this is a loan, not a grant and the Public Utilities Commission had earmarked for debt service the new surcharge the Company will be charging.

Motion: Ms. Williams moved to approve the project and the funding of \$705,000 and approve a resolution designated the "1-2011 Gold County Water Company Project Loan Commitment Resolution" to approve a loan commitment for the purpose of financing certain water projects. Mr. Walker seconded the motion. Motion passed by majority with Mr. Goetsch voting "Nay".

C. 2. b. Round Hill General Improvement District (GID) - (Action)

Chairman Scott recused himself from discussion and voting on this agenda item because of work he is doing related to water rights.

The proposed project includes a new 500,000 gallon storage tank, new, high efficiency booster pumps, and BMP retrofit (required by TRPA). The existing storage tank is in need of repair or replacement and in addition, the tank does not meet seismic design standards. Staff recommended approval of a loan commitment from the loan fund of the DWSRF in the amount of \$1.2 million for a term not to exceed 20 years and at an annual interest rate of 66% of the appropriate Bond Buyers Index at the time the loan contract is signed.

Mr. Greg Reed, General Manager for Round Hill, was in attendance and told the Board that the GID had been working on the project for a couple years and had obtained land on which to put the tank. Capacity will be increased as a result of this larger tank. Mr. Reed also answered a couple questions from Board members.

Motion: Mr. Walker moved to approve a loan amount of \$1.2 million to Round Hill General Improvement District via a resolution designated the "1-2011 Round Hill General Improvement District Project Loan Commitment Resolution" to approve a loan commitment for the purpose of financing certain projects. The motion was seconded by Mr. Goetsch and passed by majority, with Chairman Scott abstaining.

c. Douglas County - Zephyr Water Utility District (Action)

The Zephyr Water Utility District (ZWUD) is owned and operated by Douglas County who acquired the water system from a private company in 1991 after condemnation proceedings. The proposed project is to replace old, failing pipelines; 28 leaks have occurred since 2001. The proposed project also includes replacing both ozone generators in the treatment plant. One of the ozone generators failed and due to the age of the generators, replacement parts are not available.

Ms. Basham went on to say ZWUD is a financially viable operation with the ability to meet the cost of continuing operation and maintenance. In October 2010 the Douglas County Commission approved rate increases which are based on budgeted costs to sufficiently fund operation and debt service. Staff recommended approval of a loan commitment for \$1,000,000 to Douglas County for the Zephyr WUD for a term not to exceed 20 years and an annual interest rate of 66% of the appropriate Bond Buyers Index at the time the loan contract is signed.

Mr. Carl Ruschmeyer, representing Douglas County, was introduced by Ms. Basham and he offered to answer any questions for the Board. Mr. Ruschmeyer answered a few questions for Board members regarding leakage problems.

Ms. Williams asked if consideration had been given to utilize one distribution system instead of the dual system. Mr. Ruschmeyer answered that the design of the project would incorporate the dual system into one system.

At this point, Mr. Walker recused himself.

Mr. Goetsch asked Mr. Ruschmeyer to encourage the engineers on the project to use adequate-sized pipe to minimize future failures.

Ms. Carr advised the Board they would likely see this system again because it doesn't address the LT2 compliance, the deadline of which is 2014. Mr. Ruschmeyer said the design allows for future additions for LT2 compliance.

Motion: Ms. Williams moved the Board approve a loan in the amount of \$1,000,000 and adopt resolution designated the "1-2011 Douglas County Zephyr Water Utility District Project Loan Commitment Resolution" to approve a loan commitment for the purpose of financing certain projects. Mr. Goetsch seconded and the motion passed, Mr. Walker abstaining.

d. Searchlight (Action)

Mr. Belanger recused himself from this agenda item.

Las Vegas Valley Water District (LVVWD) owns and operates the Searchlight Water System, having taken ownership in 2002. This project consists of rehabilitating existing facilities. Specifically, video inspections of the two wells to determine feasibility for repair of one of the two and repair of one of the two storage tanks which was constructed without cathodic protection and has started showing signs of corrosion. It is proposed the tank be drained for inspection, evaluation, and recoating of the interior surface. A galvanic cathodic protection system will be designed and installed.

In August 2006 this Board approved a grant in the amount of \$2.5 million for improvements. BLM identified Issues with Areas of Critical Environmental Concern and finalization of an Environmental Assessment delayed completion of improvements. In September 2010, NDEP notified LVVWD that there were insufficient state grant funds to cover the remaining \$1.6 million in grant obligation. The state grant program is able to cover \$1.2 million. The District has evaluated the water infrastructure needs of Searchlight and has requested a \$400,000 DWSRF principal forgiveness loan.

Staff recommended the Board approve a loan commitment from the loan fund of DWSRF funds in the amount of \$400,000 to LVVWD for Searchlight. Since the project is eligible for additional subsidy as specified in Nevada's Intended Use Plan, 100% of the principal will be forgiven.

Mr. Jordan Bunker, LVVWD, was present and participated in a discussion with the Board for clarification of how the funds will be used and what will be accomplished in regard to production and drinking water compliance. Mr. Bunker clarified the \$400,000 will be used to improve the water system sustainability by rehabilitating one of the tanks and a well.

During public comment, Mr. Bert Bellows, NDEP Bureau of Safe Drinking Water asked if the two new wells will supplant current production from the two existing wells. Mr. Bunker explained that since growth projections and associated revenue in Searchlight did not pan out, the scope of the project was changed. One of the new production wells was eliminated, therefore, one of the rehab wells will be a principal or backup well.

Motion: Mr. Walker moved the Board approve a loan for \$400,000 from the DWSRF fund, 100% of the principal forgiven via resolution designated the "1-2011 Las Vegas Valley Water District Searchlight Project Loan Commitment Resolution" to approve a loan commitment for the purpose of financing certain projects. Ms. Williams seconded the motion which passed by majority. Mr. Belanger abstained from the vote.

e. Walker Lake General Improvement District (Action)

This proposed project is to tie-in two residential properties with the Walker Lake GID as part of the consolidation to the Walker Lake Apartments and Cliff House water systems. NDEP received loan

applications from each of the two residential property owners and Walker Lake GID has agreed to sponsor the two property owners. The proposed loan will cover the connection cost.

Staff recommended approval of a loan commitment from the loan fund of the DWSRF in the amount of \$20,000 to Walker Lake GID. Since the project is eligible for additional subsidy as specified in Nevada's Intended Use Plan, 100% of the principal will be forgiven.

Mr. Mark Nixon from Walker Lake GID was present to answer any questions the Board may have had.

Motion: Mr. Belanger moved the Board adopt resolution designated the "1-2011 Walker Lake General Improvement District Project Loan Commitment Resolution" to approve a loan commitment in the amount of \$20,000 for the purpose of financing certain projects with the understanding this loan will be a (100%) principal forgiveness loan. Ms. Williams seconded and the motion passed unanimously.

D. CAPITAL IMPROVEMENTS GRANT PROGRAM (Non Action)

Mr. Dave Emme presented information relating to this agenda item. Mr. Emme said that immediately following the September 2010 Board meeting, staff was notified the State's debt capacity would not permit allocation of bond funds to the Capital Improvements Grants Program for the foreseeable future. Eleven projects were outstanding with obligations of over \$14 million; the staff worked quickly to develop a plan to provide for the orderly and indefinite suspension of the grants program and that plan is outlined in the table in the Board's packet (see **ATTACHMENT 7** for the table). Staff looked at existing obligations and then each project in detail to determine what the actual project need was and to come up with a figure to close out each of the projects at some reasonable level. Funds were allocated as best they could be and staff looked at those projects where there were opportunities to explore other sources of funding; either the DWSRF or funds through USDA. Staff was able to close the shortfall between the project need and available cash by providing or arranging for substitute funding.

Mr. Emme said that staff assigned to this program was shifted to the SRF programs; there is enough work to do in those programs to support their positions. A 5% contingency was set aside to provide for Board member salaries and per diem and to provide a small amount of funding in case of an emergency. He confirmed for Mr. Walker all projects will be able to be completed with the plan that staff devised.

Chairman Scott recognized staff for an excellent job as well as the funding assistance provided by USDA.

E. BOARD COMMENTS - (Non Action)

Chairman Scott asked if Mr. Emme or anyone had heard anything about the Board for Financing Water Projects being one of the boards referred to in the Governor's statement regarding eliminations. Mr. Emme answered that this Board has a statutory obligation to hear the Drinking Water SRF and there is nothing in the budget that affects this Board's existence. As far as he knows it isn't slated for elimination or consolidation.

Chairman Scott asked Ms. Basham to discuss scheduling of future meetings. Ms. Basham said that in the future, when there are enough agenda items, she will schedule a meeting. In the event of an emergency or necessity, a meeting or conference call could be scheduled.

Mr. Goetsch requested an agenda item for the next meeting to look at the success of previous projects the Board has funded and to discuss policy and issues. He asked staff to provide

information for the Board to review and evaluate whether those projects were successful in achieving sustainability. He also said he would like to look at rates charged by those systems to see if they are building capitalization.

Mr. Goetsch also said he would like to explore consolidations and connection of small, private systems and the question of providing money to independent systems. Some Board discussion took place regarding water issues and failures of small, independent systems.

There was Board discussion with staff regarding the type of information staff would be able to gather and provide to the Board.

Mr. Walker said he agreed there is value in reviewing and measuring success of projects. Mr. Walker suggested staff gather and provide available data and a workshop item be put on the agenda for a Board meeting.

Chairman Scott invited Ms. Michelle Stamates to address the Board. Mr. Walker asked if Ms. Stamates had been out looking at projects and touring. Ms. Stamates shared a brief status on the Humboldt River and the Indian Hills/Douglas County projects. She also said other projects were going well.

Ms. Carr told the Board about her participation in a workgroup looking at the EPA Capacity Development Program and she said they are looking at what states had learned over the last ten years, what states are doing well, what challenges they have, and what best practices from various organizations might be used as models for the future. There will be a report forthcoming which she will share with the Board to give them an idea of national struggles and what educational opportunities are available.

F. PUBLIC COMMENTS - (Non Action)

None.

Meeting was adjourned at 11:44 am.

ATTACHMENTS

- ATTACHMENT 1: Revision 1 Year 2011 Priority List
- ATTACHMENT 2: Loan Commitment Summary and Resolution, Gold Country Water Company
- ATTACHMENT 3: Loan Commitment Summary and Resolution, Round Hill GID
- ATTACHMENT 4: Loan Commitment Summary and Resolution, Douglas County - Zephyr Water Utility District
- ATTACHMENT 5: Loan Commitment Summary and Resolution, Searchlight
- ATTACHMENT 6: Loan Commitment Summary and Resolution, Walker Lake GID
- ATTACHMENT 7: Capital Improvements Grant Program Project Summary Sheet

ATTACHMENT 1

Revision 1 Year 2011 Priority List

Revision 1 Year 2011 Priority List

Board for Financing Water Projects Summary Drinking Water State Revolving Fund January 2011

GENERAL

The Nevada Division of Environmental Protection administers the Drinking Water State Revolving Loan Fund (DWSRF) under the Nevada Revised Statutes (NRS) 445A.200 to 445A.295, inclusive. The development of the Priority List of projects is an integral part of the DWSRF program and is required by both federal and state regulation. Only those projects on the Priority List will be considered for possible funding. NRS 445A.265, subsection 3, requires the Board for Financing Water Projects approve the Priority List.

DISCUSSION

Nevada uses a ranking system to prioritize the order in which eligible projects will be financed (NAC 445A.67566 to NAC 445A.67574, inclusive). In general, priority is given to projects that facilitate compliance with national primary drinking water regulations applicable to public water systems under Section 1412 of the Safe Drinking Water Act. The priority ranking system, described generally below, is described in detail in NAC 445A.67569. Projects are ranked into the following four classes, listed in order of priority.

1. Significant health risks;
2. Primary and secondary drinking water standards;
3. Infrastructure replacement; and
4. Refinance of existing debt.

Points are assigned, as specified in NAC 445A.67569, to address different problems within a class. The initial ranking number is multiplied by the ratio of the State median household income to the public water system median household income.

If two or more water projects within the same class have the same final rank number, the water project that is associated with the service area with the highest population is ranked higher.

Revision 1

This Board approved the Year 2011 Priority List on June 1, 2010. Since the 2011 List was approved, NDEP has received new pre-applications for water system improvements for the projects identified in the table on the next page.

NEW PROJECTS	DESCRIPTION
Truckee Meadows Water Authority	Highland canal water quality, security and public safety improvements

In addition, since the Board approved the 2011 Priority List, Roark Estates has been issued a boil water order because of a loss of system pressure. Roark lost their only production well last August and has been receiving trucked water since. A boil water order issued by the health authority is considered an acute health risk; therefore, Roark was moved to number 1 on the proposed Revision 1 to the 2011 Priority List (Attachment A). Projects that meet the U.S. Environmental Protection Agency's definition of "green" are highlighted in green.

Public Participation

Federal regulations require that the priority ranking process go through a public review process. State regulations require that NDEP hold a public workshop which was held in Carson City on January 19, 2011. The proposed revised list and notice of the workshop was sent to all systems with projects on the list and posted on NDEP's web site.

RECOMMENDATION

It is recommended that the Board for Financing Water Projects approve Revision 1 to the Year 2011 Priority List. A resolution to that effect is attached.

RESOLUTION

A RESOLUTION DESIGNATED THE “REVISION 1 TO YEAR 2011 PROJECT PRIORITY LIST, DRINKING WATER STATE REVOLVING FUND”; TO APPROVE THE PRIORITIES FOR DETERMINING WHICH WATER SYSTEMS WILL RECEIVE MONEY FROM THE ACCOUNT OF THE REVOLVING FUND AS REQUIRED IN NEVADA REVISED STATUTES 445A.265(3).

WHEREAS, the Nevada Division of Environmental Protection is authorized pursuant to NRS 445A.200 to 445A.295, inclusive, to establish procedures for the administration of the Drinking Water State Revolving Fund; and

WHEREAS, the Drinking Water State Revolving Fund Program Guidelines promulgated by the United States Environmental Protection Agency require that the State establish a priority list of public water system projects eligible for funding from the Drinking Water State Revolving Fund and seek public review and comment on the priority list; and

WHEREAS, NRS 445A.265(3) requires that the Division of Environmental Protection shall not establish the priorities for determining which public water systems will receive money from the account for the revolving fund without obtaining the prior approval of the Board for Financing Water Projects; and

WHEREAS, the Nevada Division of Environmental Protection may at any time after receiving approval from the Board for Financing Water Projects revise the ranking of a water project in accordance with NAC 445A.67567; and

WHEREAS, the Nevada Division of Environmental Protection has provided notice and has held a workshop for public comments on its proposed priority system on January 19, 2011 in Carson City; and

WHEREAS, no substantive comments, suggestions or recommendations were received at the workshops from the public;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD FOR FINANCING WATER PROJECTS OF THE STATE OF NEVADA:

Section 1. This Resolution shall be known as and may be cited by the short title of the “Revision 1 to the Year 2011 Priority List Resolution.”

Section 2. Based on its review of the information and recommendation submitted to the Board concerning the Revision 1 to the Year 2011 Priority List, the Board hereby makes the following findings of fact in support of its determination to approve the revised priority list:

(a) The Nevada Division of Environmental Protection has provided public notice of the Revision 1 to the Year 2011 Priority List;

(b) The Nevada Division of Environmental Protection has held a workshop for public review and comment of the priority list;

(c) The Nevada Division of Environmental Protection has received no substantive comments from the public.

Section 3. In connection with its findings of fact set forth in Section 2 of this Resolution, the Board has determined, and does hereby declare, that it approves the Revision 1 to the Year 2011 Priority List of public water system projects eligible for funding by the Drinking Water State Revolving Fund.

Section 4. The Revision 1 to the Year 2011 Priority List included as Attachment A to this resolution and by reference incorporated herein is a true and correct copy filed with the Board for Financing Water Projects by the Nevada Division of Environmental Protection.

Section 5. This resolution shall be effective on its passage and approval.

PASSED, ADOPTED AND SIGNED January 25, 2011.

Chairman
Board for Financing Water Projects

Attest:

Adele Basham, Technical Assistant

ATTACHMENT 2

Loan Commitment Summary and Resolution, Gold Country Water Company

Gold Country Water Company Loan Commitment

Board for Financing Water Projects Summary Drinking Water State Revolving Fund January 2011

Applicant: Gold Country Water Company
Project: Water System Improvements
Total Cost: \$705,000

GENERAL

The Nevada Division of Environmental Protection (Division) administers the DWSRF under the Nevada Revised Statutes (NRS) 445A.200 to 445A.295, inclusive. One of the requirements of the NRS pertaining to the DWSRF is that the Division shall not “commit any money in the account for the revolving fund for expenditure...without obtaining the prior approval of the board for financing water projects” (NRS 445A.265, subsection 3).

Gold Country Water Company is located five miles south of Winnemucca and serves the Gold Country Estates, portions of Thomas Canyon Acres, Grass Valley Elementary School, the LDS Church and the Baptist Church. Gold Country’s water system was constructed in 1981 by B, C and D Enterprises (Baum, Calder and Dufurrena families) to serve Gold Country Estates subdivision. The Baum family was the operator of the water system until December 31, 2001 when it was sold to Mark Foree, George Shaw and Kirk Peterson (one third ownership percentage each). George Shaw died in 2005 but his family still retains one-third ownership of the water company.

CURRENT SYSTEM

Water is provided from two wells, both 16 inches in diameter, with a combined design capacity of 1300 GPM and an average daily production capacity of 1100 GPM. Both wells can pump either directly into the distribution system or into the ground level storage tank. There is one 285,000 gallon welded steel tank. Booster pumps draw from the ground level tank and pump into the system via pressure switches connected to a 1,000 gallon hydropneumatic tank. Well #1 and the booster pump station have backup power from a diesel generator which operates automatically with an automatic transfer switch. The system is metered. Disinfection was added in 2010.

Customers, Population and Growth

The customers and population served by Gold Country are shown in the table below.

Residential service connections	390
Commercial service connections	3
Industrial service connections	1
Retail Population Served	950

PROPOSED PROJECT

Description

Due to high levels of nitrates in recent tests (9.7, 8.2 and 8.3 ppm) at well #1, an additional water source is needed. There are two viable options for a new water source: drill a new well or utilize the water source from the City of Winnemucca's airport water system. Negotiations have been underway with the City of Winnemucca but have not been concluded as of the time of the preparation of this report.

The project also includes piping improvements at existing well #1 and well #2 to improve sanitary seal conditions and allow for pump to waste as required by NDEP. It is also necessary to replace the existing SCADA system, as it is more than 10 years old and no longer supported by the manufacturer. The new SCADA system will allow for flow pacing of chlorine and permit both wells to pump directly to the existing water storage for blending.

Alternatives to Proposed Project

Alternatives to the installation of a new well include the following:

- Improvements to Well #1 are not recommended because the long-term potential for failure was deemed unacceptable. Specifically, the density of septic systems that occur in close proximity to Well #1 will continue to increase nitrogen loading in the groundwater. This could eventually result in the failure of a re-drilled well.
- Nitrogen removal treatment was deemed uneconomical based on initial construction cost and the significant increase in operations and maintenance required.
- The option to purchase a portion of the City of Winnemucca's airport system is a viable option. Based on initial talks and preliminary analysis of what will be required for improvements, the cost is comparable to that of drilling a new well.

Cost Estimate

The entire project, including engineering and administration, is anticipated to cost \$705,000 of which it is proposed that DWSRF will fund 100% as shown in the table on the following page.

Planning	\$20,000
Design & Engineering	\$70,000
Land Acquisition	\$30,000
Equipment/Materials	\$185,000
Construction/Improvements	\$380,000
Administrative	\$20,000
Total	\$705,000

Environmental Review

Environmental review of water projects is conducted by NDEP pursuant to NAC 445A.6758 to 445A.67612. NDEP will conduct the environmental review after the final alternative is selected.

Permits

It is anticipated that the project will require approval of NDEP Bureau of Safe Drinking Water and will require a Humboldt County building permit.

Financial Evaluation

Based on a review of the financial information submitted with the Project Loan Application, including rate design and surcharge worksheets and 2008 & 2009 Annual Reports, Gold Country has the financial capability to handle the loan. Indicators of Gold Country Water Company's financial capability and other significant financial highlights include the following:

- A surcharge to fund debt service in the amount of \$10.63 per customer per month and a rate increase to meet operating expenses was approved by the Public Utility Commission December 29, 2010.
- A reserve account in which cash is restricted for the DWSRF debt should be established and funded over a 5 year period to be maintained in an amount equal to one year's debt service the Drinking Water SRF Loan (approximately \$37,000).
- The DWSRF program will also rely upon the extensive financial analysis performed by the owners of Gold Country Water Company.

See Attachment 2 for a sample loan amortization schedule.

Technical, Managerial and Financial Capacity

Gold Country has the technical, managerial and financial capacity to handle the project and loan. One of the owners of Gold Country is a professional engineer with extensive water system design and construction management experience. Another owner is a professional engineer and a Grade IV certified treatment and distribution system operator in Nevada. Gold Country utilizes the accounting firm Kafoury, Armstrong & Company.

Compliance with Safe Drinking Water Act

In 2010, the Gold Country Water Company experienced violations of the total coliform rule. Chlorination was installed and the system has returned to compliance.

Public Participation

All customers have been provided notice of the rate change including the surcharge request for the DWSRF loan debt payments. A consumer session to discuss the rate change was held and all customers were invited to attend and provide comments.

Status of Drinking Water State Revolving Loan Fund

Currently, there is approximately \$10.8 million available in the loan fund. This loan commitment along with other recommended projects before this Board will reduce the funds available for future loans to approximately \$7.5 million.

RECOMMENDATION

NDEP recommends that the Board for Financing Water Projects approve a loan commitment from the loan fund of the DWSRF in the amount of \$705,000 to Gold Country Water Company. The resolution approving the loan commitment is included in Attachment 3.

The loan will be for a term of not to exceed 20 years and at an annual interest rate of 66% of the appropriate Bond Buyers Index at the time the loan contract is signed. The Division and the Gold Country Water Company will negotiate the terms and conditions of a loan agreement.

ATTACHMENT 2

LOAN REPAYMENT SAMPLE SCHEDULE

(Final schedule to be provided upon final loan draw)



*Nevada Drinking Water
State Revolving Fund*

Customize...

Nevada's Solution for Public Water System Financing

LOAN DATA

Borrower Name Gold Country Water Company

Basic Loan Information:

Today's Date Jan 3, 2011

First Payment Due Jul 1, 2011

Interest Rate 3.50%

Payment Information:

Length of Loan, Years 20

Payments Per Year 2

Total Payments 40

Calculated Payment \$24,655

Summary Information:

Principal \$705,000

Interest Paid \$281,213

Total Paid (P & I) \$986,213

Customer Cost:

Number of Customers 394

Cost Per Month \$10.43

*This Loan Amortization Schedule has been
prepared for planning purposes only.*

RESOLUTION

A RESOLUTION DESIGNATED THE "1-2011 GOLD COUNTRY WATER COMPANY PROJECT LOAN COMMITMENT RESOLUTION" TO APPROVE A LOAN COMMITMENT FOR THE PURPOSE OF FINANCING CERTAIN PROJECTS.

WHEREAS, the Board for Financing Water Projects (the "Board") of the State of Nevada (the "State") is authorized by Nevada Revised Statutes ("NRS") Chapter 445A.265 to approve for the Nevada Division of Environmental Protection ("Division") prioritized lists of water projects and to approve the commitment of funds from the account for the revolving fund for loans to community water systems and non-transient water systems for costs of capital improvements required and made necessary pursuant to NRS 445A.800 to 445A.955, inclusive, by the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*) and by the regulations adopted pursuant thereto; and

WHEREAS, on June 1, 2010, the Board, pursuant to NRS 445A.265, approved the Year 2011 Priority List of water projects eligible for loans from the account for the revolving fund under the Drinking Water State Revolving Fund; and

WHEREAS, the Gold Country Water Company is on the 2011 Priority List for funding a project for improvements to the water system hereinafter referred to as the "Project"; and

WHEREAS, the Gold Country Water Company owns and operates a public water system; and

WHEREAS, the Gold Country Water Company's well #1 has increasing nitrate levels; and

WHEREAS, the Gold Country Water Company submitted to the Division a Letter of Intent to proceed with the Project and requesting a Categorical Exclusion from being required to comply with the provisions of Nevada Administrative Code ("NAC") Sections 445A.67587 to 445A.67612, inclusive; and

WHEREAS, the Gold Country Water Company water system project is ready to proceed; and

WHEREAS, in connection with seeking a loan, the Applicant has submitted a written application (“Application”) pursuant to NAC 445A.67613 to the Division; and

WHEREAS, the Division has reviewed the Letter of Intent and the Application including supporting material thereof, and has determined that the Gold Country Water Company has the technical, managerial and financial capability to manage and repay a loan for the Project; and

WHEREAS, the Division has taken all necessary and proper actions with respect to the Application as required pursuant to the regulations adopted by the State Environmental Commission (NAC 445A.6751 to 445A.67644, inclusive) pertaining to loan applications; and

WHEREAS, the Board must give prior approval before the Division may commit any money in the account for the revolving fund for expenditure for the purposes set forth in NRS 445A.275;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD FOR FINANCING WATER PROJECTS OF THE STATE OF NEVADA:

Section 1. This Resolution shall be known as the “1-2011 Gold Country Water Company Project Loan Commitment Resolution.”

Section 2. The terms and conditions for providing a loan to the Applicant shall be negotiated between the Gold Country Water Company and the Division.

Section 3. Based on the review of the Application by the Division and based on the recommendation submitted by the Division to the Board concerning the Project, and subject to the provisions of Section 2 of this Resolution, the Board hereby approves a commitment of funds in the amount not to exceed \$705,000 from the account for the revolving fund in accordance with NRS 445A.265.

Section 4. The Board further recommends that the Division take all other necessary and appropriate actions to effectuate the provisions of this Resolution in accordance with NRS 445A.200 to 445A.295, inclusive, and the Regulations adopted pursuant thereto.

Section 5. This resolution shall be effective on its passage and approval.

PASSED, ADOPTED AND SIGNED January 25, 2011

Chairman
Board for Financing Water Projects

Attest:

Technical Advisor
Board for Financing Water Projects

ATTACHMENT 3

Loan Commitment Summary & Resolution, Round Hill GID

Round Hill GID DWSRF Loan Commitment

Board for Financing Water Projects Summary Drinking Water State Revolving Fund January 2011

Applicant: Round Hill GID
Project: New Tank
Total Cost: \$1,200,000

GENERAL

The Nevada Division of Environmental Protection (Division) administers the DWSRF under the Nevada Revised Statutes (NRS) 445A.200 to 445A.295, inclusive. One of the requirements of the NRS pertaining to the DWSRF is that the Division shall not "commit any money in the account for the revolving fund for expenditure...without obtaining the prior approval of the board for financing water projects" (NRS 445A.265, subsection 3).

The Round Hill General Improvement District (RHGID) is located on the Southeast shores of Lake Tahoe in Douglas County. Douglas County Ordinance No. 134 in April 1964 created RHGID with its obligation to provide municipal water service.

CURRENT SYSTEM

The source of water for the RHGID is Lake Tahoe. RHGID has an average daily consumption of 219,714 gallons. Water is pumped from the lake to two parallel 0.3 MGD Trident microfloc package plants, each with adsorption clarifier and mixed media filter. The total storage capacity is 1,400,000 gallons.

Customers, Population and Growth

The number of service connections/persons served by Round Hill GID water system is shown in the table below.

Residential Service Connections	456
Commercial Service Connections	40
Retail Population Served	1,195

PROPOSED PROJECT

Description

The proposed project includes the following components:

- New 500,000 gallon storage tank
- New booster pumps
- BMP retrofit (required by TRPA)

The existing 250,000 gallon storage tank at the District's office is in need of repair or replacement. In addition, this tank does not meet seismic design standards. The 2 to 3 aspect ratio (height/diameter) of the tank, without anchoring, creates a hazard for overturning during a seismic event. This tank, located mid-level in the distribution system, is essential for operation and must remain on-line until additional or replacement storage is provided at that location. This tank must be drained to allow for a thorough structural evaluation. In order to take the

existing tank off line for inspection, RHGID needs a redundant tank. The construction of a new 500,000 gallon tank will increase storage capacity, improve firefighting capabilities and allow RHGID to take the existing tank out of service while maintaining service to RHGID customers.

In addition to the construction of the new tank, RHGID is proposing to replace the two booster pumps located at the office adjacent to the new tank. These pumps were installed in the 1960's and will be replaced with new high efficiency pumps and motors.

The District is required by the Tahoe Regional Planning Agency (TRPA) to implement erosion control strategies at the office facility. Due to the disruption of property during construction, it is prudent that these improvements be completed after construction of the new tank. Since required erosion control strategies are intended to protect source water, they are eligible to be funded with the proposed loan.

Alternatives to Proposed Project

Four different types of tanks were considered for cost effectiveness and operational efficiency including: welded steel, bolted steel, concrete and glass-lined bolted steel. The various tank materials were analyzed based on initial construction cost, operation and maintenance issues and lifecycle cost analysis.

Cost Estimate

The entire project, including engineering and administration, is anticipated to cost \$1,200,000.

Budget Item	DWSRF Funding	Other	Total
Planning	\$ 50,000	\$ 60,000	\$ 110,000
Design & Engineering	\$ 190,000	\$ -	\$ 190,000
Equipment/Materials	\$ 550,000	\$ -	\$ 550,000
Construction/Improvements	\$ 300,000	\$ -	\$ 300,000
Administrative	\$ 55,000	\$ -	\$ 55,000
Financing Costs/Bond Counsel	\$ 55,000	\$ -	\$ 55,000
Totals by Source	\$ 1,200,000	\$ 60,000	\$ 1,260,000

Environmental Review

Environmental review of water projects is conducted by NDEP pursuant to NAC 445A.6758 to 445A.67612. The project requires a TRPA permit. The TRPA permit process satisfies much of the Division's environmental review. In order to avoid duplication of effort, the Division will wait until the TRPA process is complete before conducting an environmental review. The Division will not enter into the loan contract until the environmental review is complete.

Permits

This project requires permits from the TRPA, Douglas County and NDEP. RHGID has already submitted the TRPA permit application.

Financial Evaluation

RHGID has the financial capability to handle the loan. Indicators of their financial capability include:

- RHGID has ordinarily operated at a profit in the past, but due to the current economic climate RHGID operated at a slight loss for Fiscal Year 2010. As a result of the loss, a consultant was hired to evaluate the rate structure. A draft rate analysis recommends a rate increase that would result in a 20% increase in annual revenues after a 3-year implementation schedule. This equates to annual revenues of \$600,000: enough to cover the new debt payment from this project, as well as anticipated inflation of operation and maintenance expenses. The final rate structure is subject to approval by the Board of Trustees. Based upon historical figures and a rate increase, RHGID can carry the annual debt service from this loan without risk of operational losses.
- Unrestricted cash balance on June 30, 2009 and June 30, 2010 exceeded two million dollars, which may be a source of funds for the remainder of the cost.

The DWSRF program will also rely upon the extensive credit history obtained by bond counsel during the process of issuing the required general obligation bonds. See Attachment 1 for a sample loan amortization schedule. DWSRF recommends Round Hill GID consider rate increases to cover debt service, maintenance, and operations.

Technical, Managerial and Financial Capacity

The water quality currently meets the MCLs and all monitoring requirements have been met. RHGID employs operators who have the technical knowledge and ability to operate the system. RHGID has the ability to conduct its administrative affairs in a manner that ensures compliance with all applicable standards. RHGID retains a certified public accountant and utilizes generally accepted accounting principles.

Compliance with Safe Drinking Water Act

RHGID is in compliance with the Safe Drinking Water Act.

Public Participation

The project has been discussed a number of times at the RHGID Board of Trustees Meetings. The GID is a public utility and must comply with the Open Meeting Law. All actions of the Board are posted on the agenda, which is made available to residents. The Board of Trustees approved RHGID's request to apply for loan funds.

Status of Drinking Water State Revolving Loan Fund

Currently, there is approximately \$10.8 million available in the loan fund. This loan commitment along with other recommended projects before this Board will reduce the funds available for future loans to approximately \$7.5 million.

RECOMMENDATION

NDEP recommends that the Board for Financing Water Projects approve a loan commitment from the loan fund of the DWSRF in the amount of \$1.2 million to Round Hill GID. The resolution approving the loan commitment is included in Attachment 2. The loan will be for a term of not to exceed 20 years and at an annual interest rate of 66% of the appropriate Bond Buyers Index at the time the loan contract is signed.

ATTACHMENT 1

LOAN REPAYMENT SCHEDULE

(Sample schedule attached;
Final schedule to be provided upon final loan draw)



**Nevada Drinking Water
State Revolving Fund**

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LOAN DATA

Borrower Name Round Hill GID loan #2

Basic Loan Information:

Today's Date	Jan 13, 2011
First Payment Due	Jan 1, 2012
Interest Rate	3.20%

Payment Information:

Length of Loan, Years	20
Payments Per Year	2
Total Payments	40
Calculated Payment	\$40,849

Summary Information:

Principal	\$1,200,000
Interest Paid	\$433,940
Total Paid (P & I)	\$1,633,940

Customer Cost:

Number of Customers	496
Cost Per Month	\$13.73

This Loan Amortization Schedule has been prepared for planning purposes only.

RESOLUTION

A RESOLUTION DESIGNATED THE "1-2011 ROUND HILL GENERAL IMPROVEMENT DISTRICT PROJECT LOAN COMMITMENT RESOLUTION" TO APPROVE A LOAN COMMITMENT FOR THE PURPOSE OF FINANCING CERTAIN PROJECTS.

WHEREAS, the Board for Financing Water Projects (the "Board") of the State of Nevada (the "State") is authorized by Nevada Revised Statutes ("NRS") Chapter 445A.265 to approve for the Nevada Division of Environmental Protection ("Division") prioritized lists of water projects and to approve the commitment of funds from the account for the revolving fund for loans to community water systems and non-transient water systems for costs of capital improvements required and made necessary pursuant to NRS 445A.800 to 445A.955, inclusive, by the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*) and by the regulations adopted pursuant thereto; and

WHEREAS, on June 1 2010, the Board, pursuant to NRS 445A.265, the Year 2011 Priority List of water projects eligible for loans from the account for the revolving fund under the Drinking Water State Revolving Fund; and

WHEREAS, Round Hill General Improvement District submitted a Pre-application and Letter of Intent to the Division for funding a project to replace a tank and booster pumps hereinafter referred to as the "Project"; and

WHEREAS, the Division ranked the Project as #73 on the 2011 Priority List of water projects, which was approved by the Board on June 1, 2010; and

WHEREAS, Round Hill General Improvement District submitted to the Division a Letter of Intent to proceed with the Project; and

WHEREAS, the Round Hill General Improvement District Project is ready to proceed; and

WHEREAS, in connection with seeking a loan, the Applicant has submitted a written application ("Application") pursuant to NAC 445A.67613 to the Division; and

WHEREAS, the Division has reviewed the Application including supporting material thereof, and has determined that Round Hill General Improvement District has the technical, managerial and financial capability to manage and repay a loan for the Project; and

WHEREAS, the Division has taken all necessary and proper actions with respect to the Application as required pursuant to the regulations adopted by the State Environmental Commission (NAC 445A.6751 to 445A.67644, inclusive) pertaining to loan applications; and

WHEREAS, the Board must give prior approval before the Division may commit any money in the account for the revolving fund for expenditure for the purposes set forth in NRS 445A.275;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD FOR FINANCING WATER PROJECTS OF THE STATE OF NEVADA:

Section 1. This Resolution shall be known as the “1-2011 Round Hill General Improvement District Loan Commitment Resolution.”

Section 2. The terms and conditions for providing a loan to the Applicant shall be negotiated between Round Hill General Improvement District and the Division.

Section 3. Based on the review of the Application by the Division and based on the recommendation submitted by the Division to the Board concerning the Project, and subject to the provisions of Section 2 of this Resolution, the Board hereby approves a commitment of funds in the amount not to exceed \$1,200,000 from the account for the revolving fund in accordance with NRS 445A.265.

Section 4. The Board further recommends that the Division take all other necessary and appropriate actions to effectuate the provisions of this Resolution in accordance with NRS 445A.200 to 445A.295, inclusive, and the Regulations adopted pursuant thereto.

Section 5. This resolution shall be effective on its passage and approval.

PASSED, ADOPTED AND SIGNED January 25, 2011

Chairman
Board for Financing Water Projects

Attest:

Technical Advisor
Board for Financing Water Projects

ATTACHMENT 4

**Loan Commitment Summary & Resolution, Douglas County -
Zephyr Water Utility District**

Douglas County – Zephyr Water Utility District Loan Commitment

Board for Financing Water Projects Summary Drinking Water State Revolving Fund January 2011

Applicant: Douglas County Zephyr Water Utility District
Project: Water System Improvements
Total Cost: \$1,078,432

GENERAL

The Nevada Division of Environmental Protection (Division) administers the DWSRF under the Nevada Revised Statutes (NRS) 445A.200 to 445A.295, inclusive. One of the requirements of the NRS pertaining to the DWSRF is that the Division shall not “commit any money in the account for the revolving fund for expenditure...without obtaining the prior approval of the board for financing water projects” (NRS 445A.265, subsection 3).

The Zephyr Water Utility District (ZWUD) serves the Zephyr Cove area at Lake Tahoe. Douglas County acquired the Zephyr water system from the privately Zephyr Cove Water Company in February 1991, after condemnation proceedings,.

CURRENT SYSTEM

Source water is pumped from Lake Tahoe to the treatment plant where the water receives ozonation followed by chlorination. The treatment plant pumps to a 560,454 gallon tank. The distribution system is fed from the tank.

There are two separate distribution systems; one was intended for fire flow with the larger mains of up to 8 inches, and the smaller diameter system for the customer laterals. These smaller diameter “mains” have been failing at a rapid rate and are what will be replaced in the proposed project.

Customers, Population and Growth

The ZWUD water system has serves an estimated population of 1341 through 447 residential connections and 1 commercial connection.

PROPOSED PROJECT

The proposed project is to replace old failing pipelines on Lakeview Dr. and Lakeview Court that are leaking. 28 leaks have occurred in the ZWUD water system since 2001. Water lost through leaking waterlines in this system has been as high as 50% of the water pumped in some months. A history of the water lost is included in Attachment 1.

The proposed project also includes replacing the ozone generators in the treatment plant. In February 2010, one of the ozone generators failed. After evaluating the system, the manufacturer recommended replacing both ozone generators since the existing units are 14 years old and replacement parts are not available. HDR has completed a design for the upgrade to the new generators while leaving room and piping to upgrade to UV for compliance with the LT2 rule.

Environmental Review

Environmental review of water projects is conducted by NDEP pursuant to NAC 445A.6758 to 445A.67612. NDEP has determined that the project is eligible for a categorical exclusion and may be exempted from further substantive environmental review requirements. The basis of this determination is that the ozone generators will be replaced inside an existing building and the pipe replacement will be done in existing public utility easements.

Permits

The following list of permits are required for the project.

1. NDEP Bureau of Safe Drinking Water Approval
2. Tahoe Regional Planning Agency Permit
3. Douglas County Site Improvement Permit
4. Douglas County Building Permit

Cost Estimate

Budget Item	DWSRF Funding	Local Funding	Totals by Use
Design & Engineering	29,568	78,432	108,000
Equipment	308,000		308,000
Construction	622,432		622,432
Financing Costs	40,000		40,000
Totals by Source	1,000,000	78,432	1,078,432

Financial Evaluation

Douglas County has the financial capability to handle the loan. The Zephyr Water Utility District is a financially viable operation with the ability to meet costs of continuing operations and maintenance. Indicators of Douglas County – Zephyr Cove Water Utility District’s financial capability and other significant financial highlights include the following:

- Rate increases were approved at the October 2010 Board meeting. These increases are based on budgeted costs to sufficiently fund operation, maintenance, and debt service of the enterprise fund through Fiscal Year 2011. Based on Resolution No. 2010 R-073, approved September 2010, Douglas County will continue to review and set rates in order to meet these needs in the future.
- As of June 30, 2010, the County had general obligations debt outstanding totaling \$27,035,218, falling well below the NRS limit of \$316,280,000. In addition, Douglas County’s cash ratio was 3.5; meaning Douglas County has 3.5 times the cash needed to meet current obligations.

The DWSRF program will also rely upon the extensive credit history obtained by bond counsel during the process of issuing the required general obligation bonds.

Technical, Managerial and Financial Capacity

The water quality currently meets the MCLs and all monitoring requirements have been met. Douglas County employs operators who have the technical knowledge and ability to operate the system. Douglas County has the ability to conduct its administrative affairs in a manner that ensures compliance with all applicable standards. Douglas County retains a certified public accountant and utilizes generally accepted accounting principles.

Public Notice

The County developed a working group to review and comment on the development of the long term needs and Capital Improvement Plan for the ZWUD water system. There were several meetings of the working group in 2007 and 2008. In addition, the proposed project has been discussed at Douglas County Commission meetings which are public meetings.

Status of Drinking Water State Revolving Loan Fund

Currently, there is approximately \$10.8 million available in the loan fund. This loan commitment along with other recommended projects before this Board will reduce the funds available for future loans to approximately \$7.5 million.

RECOMMENDATION

The Division recommends that the Board for Financing Water Projects approve a loan commitment from the loan fund of the DWSRF in the amount of \$1,000,000 to Douglas County for improvements to the Zephyr Water Utility District water system. The loan will be for a term of not to exceed 20 years and at an annual interest rate of 66% of the appropriate bond buyers index at the time the loan contract is signed. The Division and Douglas County will negotiate the terms and conditions of a loan agreement.

Appendices

Estimated Water Loss from Leaks

Attachment 1

DWSRF Amortization Schedule

Attachment 2

Resolution

Attachment 3

ATTACHMENT 1

Estimated Water Loss from Leaks

	Total Gallons Pumped	Approximate Total Gallons Used	Approximate Gallons Lost	Percent Lost
Jul-09	12,221,000	9,957,452	2,263,548	18.52%
Aug-09	11,887,000	9,562,277	2,324,723	19.56%
Sep-09	10,157,000	9,203,027	953,973	9.39%
Oct-09	6,094,000	4,401,052	1,692,948	27.78%
Nov-09	3,785,000	3,760,150	24,850	0.66%
Dec-09	6,021,000	5,161,225	859,775	14.28%
Jan-10	4,189,000	1,779,964	2,409,036	57.51%
Feb-10	4,315,000	2,737,964	1,577,036	36.55%
Mar-10	4,410,000	2,507,565	1,902,435	43.14%
Apr-10	4,110,000	1,670,752	2,439,248	59.35%
May-10	5,707,000	3,193,493	2,513,507	44.04%
Jun-10	9,423,000	5,872,061	3,550,939	37.68%

ATTACHMENT 2

LOAN REPAYMENT SCHEDULE

(Sample schedule;

Final schedule to be provided upon final loan draw)



**Nevada Drinking Water
State Revolving Fund**

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LOAN DATA

Borrower Name Douglas County - Zephyr Water Utility District

Basic Loan Information:

Today's Date	Jan 12, 2011
First Payment Due	Jan 1, 2012
Interest Rate	3.20%

Payment Information:

Length of Loan, Years	20
Payments Per Year	2
Total Payments	40
Calculated Payment	\$34,040

Summary Information:

Principal	\$1,000,000
Interest Paid	\$361,617
Total Paid (P & I)	\$1,361,617

Customer Cost:

Number of Customers	448
Cost Per Month	\$12.66

This Loan Amortization Schedule has been prepared for planning purposes only.

RESOLUTION

A RESOLUTION DESIGNATED THE "1-2011 DOUGLAS COUNTY ZEPHYR WATER UTILITY DISTRICT PROJECT LOAN COMMITMENT RESOLUTION" TO APPROVE A LOAN COMMITMENT FOR THE PURPOSE OF FINANCING CERTAIN PROJECTS.

WHEREAS, the Board for Financing Water Projects (the "Board") of the State of Nevada (the "State") is authorized by Nevada Revised Statutes ("NRS") Chapter 445A.265 to approve the Division of Environmental Protection ("Division") prioritized lists of water projects and to approve the commitment of funds from the account for the revolving fund for loans to community water systems and non-transient water systems for costs of capital improvements required and made necessary pursuant to NRS 445A.800 to 445A.955, inclusive, by the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*) and by the regulations adopted pursuant thereto; and

WHEREAS, the Division has the responsibility of administering the Drinking Water State Revolving Fund program; and

WHEREAS, on June 1, 2010, the Board, pursuant to NRS 445A.265, approved the 2011 Priority List of water projects eligible for loans from the account for the revolving fund under the Drinking Water State Revolving Fund; and

WHEREAS, Douglas County owns and operates the Zephyr Water Utility District public water systems located at Lake Tahoe; and

WHEREAS, Douglas County submitted a pre-application to the Division for funding a project to make improvements to the Zephyr Water Utility District water system, which is hereinafter referred to as the "Project"; and

WHEREAS, the Division ranked the Project as #1 on the 2011 Priority List of water projects, which was approved by the Board on June 1, 2010; and

WHEREAS, Douglas County submitted to the Division a Letter of Intent to proceed with the Project; and

WHEREAS, Douglas County Zephyr Water Utility District project is ready to proceed; and

WHEREAS, in connection with seeking a loan, the Applicant has submitted a written application (“Application”) pursuant to NAC 445A.67613 to the Division; and

WHEREAS, the Division has reviewed the Letter of Intent and the Application including supporting material thereof, and has determined that Douglas County has the technical, managerial and financial capability to manage and repay a loan for the Project; and

WHEREAS, the Division has taken all necessary and proper actions with respect to the Application as required pursuant to the regulations adopted by the State Environmental Commission (NAC 445A.6751 to 445A.67644, inclusive) pertaining to loan applications; and

WHEREAS, the Board must give prior approval before the Division may commit any money in the account for the revolving fund for expenditure for the purposes set forth in NRS 445A.275;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD FOR FINANCING WATER PROJECTS OF THE STATE OF NEVADA:

Section 1. This Resolution shall be known as the “1-2011 Douglas County Zephyr Water Utility District Project Loan Commitment Resolution.”

Section 2. The terms and conditions for providing a loan to the Applicant shall be negotiated between Douglas County and the Division.

Section 3. Based on the review of the Application by the Division and based on the recommendation submitted by the Division to the Board concerning the Project, and subject to the provisions of Section 2 and 4 of this Resolution, the Board hereby approves a commitment of funds in the amount not to exceed \$1,000,000 from the account for the revolving fund in accordance with NRS 445A.265.

Section 4. The Board further recommends that the Division take all other necessary and appropriate actions to effectuate the provisions of this Resolution in accordance with NRS 445A.200 to 445A.295, inclusive, and the Regulations adopted pursuant thereto.

Section 5. This resolution shall be effective on its passage and approval.

PASSED, ADOPTED AND SIGNED January 25, 2011

Chairman
Board for Financing Water Projects

Attest:

Technical Advisor
Board for Financing Water Projects

ATTACHMENT 5

Loan Commitment Summary and Resolution, Searchlight

Searchlight Loan Commitment

Board for Financing Water Projects
Drinking Water State Revolving Fund
January 2011

Applicant: Las Vegas Valley Water District
Project: Searchlight Water System Improvements
Total Cost: \$400,000

GENERAL

The Nevada Division of Environmental Protection (Division) administers the DWSRF under the Nevada Revised Statutes (NRS) 445A.200 to 445A.295, inclusive. One of the requirements of the NRS pertaining to the DWSRF is that the Division shall not “commit any money in the account for the revolving fund for expenditure...without obtaining the prior approval of the board for financing water projects” (NRS 445A.265, subsection 3).

The Town of Searchlight is located in Clark County, approximately 60 miles south of Las Vegas. The town is within the Piute Valley Hydrologic Basin. On February 16, 1988, the Las Vegas Valley Water District (District) became responsible for the operation, maintenance, and administration of the Searchlight Water System through an Interlocal Agreement with Clark County. The District assumed full ownership of the system in 2002.

CURRENT SYSTEM

Currently, water is supplied by two groundwater wells. Well S-2 was drilled in 1990 and is the primary production well producing approximately 300 gpm. Well S-1 was drilled in 1983. It currently serves as an emergency backup well and produces approximately 150 gpm for short periods of time but is not a reliable supply. NAC 445A.6686 requires that when wells are the sole source of water for a system and the system is in a remote area, redundant well capacity is required. The production rate at Well S-2 has declined steadily due to routine wear on the well. Recent maintenance of Well S-2 has indicated that the casing must be repaired or replaced. Rehabilitation of the casing on Well S-2 may be possible but would be a risk to the water system capacity without a reliable back-up well.

Storage for the Searchlight system currently consists of two storage tanks with capacities of 200,000 gallons and 216,000 gallons.

Customers, Population

The water system has 270 residential and 39 commercial service connections serving a population of approximately 760.

Funding Background

On August 23, 2006, the Board for Financing Water Projects approved a \$2.5 million grant under the state grant program for improvements to the Searchlight water system. Four exploratory wells were completed in the fall of 2007. Two of the exploratory wells were to become production wells while the other two were to become monitoring wells. The BLM required two Environmental Assessments one prior to exploratory drilling and another for construction of the production wells, pipeline and appurtenances.

Issues with Areas of Critical Environmental Concern precluded construction of several of the originally planned monitoring wells but did not affect the new production wells. The LVVWD

revised and resubmitted its environmental document to the BLM to exclude a portion of the monitoring wells program. In April 2009, the BLM and LVVWD prepared the final Environmental Assessment and completed additional documentation required before a final decision document was issued. The BLM finalized all environmental documents, including the FONSI, Decision Record and rights-of-way grant in May 2009.

WDC began drilling the production wells in Oct 2009. The first production well (partially funded by the state grant program) was drilled and constructed in the fall of 2009. The second, backup, production well (partially funded by the US Army Corps of Engineers) did not have the expected or necessary yield. The LVVWD plans to complete the transmission pipeline and equipping of both new wells in the same construction contract and completion is now estimated by mid-2011.

In September 2010, NDEP notified LVVWD that there are insufficient state grant funds to cover all of the remaining \$1.6 million in grant obligation. The state grant program is able to cover \$1.2 million of the \$1.6 million. Since Searchlight is eligible for additional subsidy under the DWSRF program, the district has requested \$400,000 in DWSRF principal forgiveness loan. The District has received federal grant funding from the Army Corp of Engineers which requires a local match for which the District was planning on utilizing state grant funds. A DWSRF principal forgiveness loan is also federal money and cannot be used to match the Corp grant. The District has evaluated the water infrastructure needs of Searchlight and proposed that the \$400,000 be used to accomplish critical system rehabilitation discussed below.

Rehabilitation Project

Well S-2 was drilled in 1990, and has large holes in its screen and casing. Repairs are required to ensure that the well continues to provide reliable service. There is concern that rehabilitation work at well S-2 may further damage the well, or possibly render it inoperable. Since the well is needed to meet existing customer demands, the LVVWD proposes to conduct a video inspection to determine the rate of deterioration and the feasibility of rehabilitation work. If the rehabilitation of well S-2 is not feasible, the LVVWD proposes to rehabilitate well S-1.

Existing well S-1 was drilled in 1983 and is an emergency backup well with limited resource and pumping capacity. Information with regard to the structural condition inside the well casing is unknown and the dynamic ground water level cannot currently be measured. Deficiencies such as lack of access for water level measurement and the aged but unknown condition of pumping equipment have been noted. A thorough video inspection is required. If rehabilitation of the primary well S-2 is feasible, additional work at well S-1 will take place over time, as budget is available.

One of the two existing storage tanks was constructed without cathodic protection in 1983, and has started showing signs of corrosion. Depending on funding availability, the tank will be drained for inspection, evaluation, and recoating of the tank interior surface. A galvanic cathodic protection system will be designed and installed.

Environmental Review

Environmental review of water projects is conducted by NDEP pursuant to NAC 445A.6758 to 445A.67612. NDEP has determined that the project is eligible for a Categorical Exclusion because the project consists of rehabilitating existing facilities. Best management practices will be utilized during construction. The project will have a beneficial effect by ensuring the school children and teachers receive water that is safe to drink.

Permits

The following permits are required for the project:

1. NDEP Bureau of Safe Drinking Water Approval
2. Clark County Encroachment Permit
3. Clark County Department of Air Quality – Dust Control Permit
4. NDEP Temporary Discharge Permit

Cost Estimate

In September 2010, NDEP notified the District that there are insufficient state grant funds to cover all of the remaining \$1.6 million in grant obligation. The state grant program is able to cover \$1.2 million of the \$1.6 million. Since Searchlight is eligible for additional subsidy under the DWSRF program, the district has requested \$400,000 in DWSRF principal forgiveness loan.

Financial Evaluation

In order to receive the Fiscal Year 10 grant award from United States Environmental Protection Agency, the State of Nevada must agree to use at least 30% of its grant to provide additional subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants or any combination of these. Nevada specified in the Intended Use Plan that additional subsidy will be offered to communities that meet the definition of disadvantaged community. The Nevada Administrative Code defines a disadvantaged community as an area served by a public water system in which the median income per household is less than 80 percent of the median household income (MHI) of the state. Based on the 2000 census 80 percent of Nevada's MHI is \$35,668.

The MHI for the population served by Searchlight is \$24,407 according to the 2000 census. Therefore, Searchlight meets the requirements for additional subsidies, making a principal forgiveness loan granted to Searchlight appropriate.

Technical, Managerial and Financial Capacity

The Las Vegas Valley Water District (LVVWD) has been responsible for the operation, maintenance, and administration of the Searchlight water system since February 1988. LVVWD is one of the largest utilities in the state and employs highly qualified individuals. LVVWD has the ability to conduct its administrative affairs in a manner that ensures compliance with all applicable standards.

Compliance with Safe Drinking Water Act

The Searchlight water system is in compliance with the monitoring and maximum contaminant level requirements of the Safe Drinking Water Act.

Status of Drinking Water State Revolving Loan Fund

Currently, there is approximately \$10.8 million available in the loan fund. This loan commitment along with other recommended projects before this Board will reduce the funds available for future loans to approximately \$7.5 million.

RECOMMENDATION

The Division recommends that the Board for Financing Water Projects approve a loan commitment from the loan fund of the DWSRF funds in the amount of \$400,000 to the Las Vegas Valley Water District for Searchlight. Since the project is eligible for additional subsidy as specified in Nevada's Intended Use Plan, 100% of the principal will be forgiven. The Division and the District will negotiate the terms and conditions of a loan agreement.

RESOLUTION

A RESOLUTION DESIGNATED THE "1-2011 LAS VEGAS VALLEY WATER DISTRICT SEARCHLIGHT PROJECT LOAN COMMITMENT RESOLUTION" TO APPROVE A LOAN COMMITMENT FOR THE PURPOSE OF FINANCING CERTAIN PROJECTS.

WHEREAS, the Board for Financing Water Projects (the "Board") of the State of Nevada (the "State") is authorized by Nevada Revised Statutes ("NRS") Chapter 445A.265 to approve the Division of Environmental Protection ("Division") prioritized lists of water projects and to approve the commitment of funds from the account for the revolving fund for loans to community water systems and non-transient water systems for costs of capital improvements required and made necessary pursuant to NRS 445A.800 to 445A.955, inclusive, by the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*) and by the regulations adopted pursuant thereto; and

WHEREAS, the Division has the responsibility of administering the Drinking Water State Revolving Fund program; and

WHEREAS, on June 1, 2010 the Board, pursuant to NRS 445A.265, approved the 2011 Priority List of water projects eligible for loans from the account for the revolving fund under the Drinking Water State Revolving Fund; and

WHEREAS, the Las Vegas Valley Water District owns and operates the Searchlight public water system in Searchlight, Nevada; and

WHEREAS, Las Vegas Valley Water District submitted a pre-application to the Division for funding a project to make improvements to the water system, which is hereinafter referred to as the "Project"; and

WHEREAS, the Division ranked the Project as #17 on the 2011 Priority List of water projects, which was approved by the Board on June 1, 2010; and

WHEREAS, the Las Vegas Valley Water District project is ready to proceed; and

WHEREAS, in connection with seeking a loan, the Applicant has submitted a written application (“Application”) pursuant to NAC 445A.67613 to the Division; and

WHEREAS, the Division has reviewed the Application including supporting material thereof, and has determined that the Las Vegas Valley Water District has the technical, managerial and financial capability to manage the Project; and

WHEREAS, the Searchlight water system meets the definition of a disadvantaged community and is eligible to receive additional subsidy as spelled out in Nevada's Intended Use Plan; and

WHEREAS, the Division has taken all necessary and proper actions with respect to the Application as required pursuant to the regulations adopted by the State Environmental Commission (NAC 445A.6751 to 445A.67644, inclusive) pertaining to loan applications; and

WHEREAS, the Board must give prior approval before the Division may commit any money in the account for the revolving fund for expenditure for the purposes set forth in NRS 445A.275;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD FOR FINANCING WATER PROJECTS OF THE STATE OF NEVADA:

Section 1. This Resolution shall be known as the “1-2011 Las Vegas Valley Water District Searchlight Project Loan Commitment Resolution.”

Section 2. The terms and conditions for providing a loan to the Applicant shall be negotiated between the Las Vegas Valley Water District and the Division and will include principal forgiveness.

Section 3. Based on the review of the Application by the Division and based on the recommendation submitted by the Division to the Board concerning the Project, and subject to the provisions of Section 2 and 4 of this Resolution, the Board hereby approves a commitment of funds in the amount not to exceed \$400,000 from the account for the revolving fund in accordance with NRS 445A.265.

Section 4. The Board further recommends that the Division take all other necessary and appropriate actions to effectuate the provisions of this Resolution in accordance with NRS 445A.200 to 445A.295, inclusive, and the Regulations adopted pursuant thereto.

Section 5. This resolution shall be effective on its passage and approval.

PASSED, ADOPTED AND SIGNED January 25, 2011

Chairman
Board for Financing Water Projects

Attest:

Technical Advisor
Board for Financing Water Projects

ATTACHMENT 6

Loan Commitment Summary and Resolution, Walker Lake GID

Walker Lake General Improvement District Loan Commitment

Board for Financing Water Projects Summary Drinking Water State Revolving Fund January 2011

Applicant: Walker Lake General Improvement District
Project: Consolidation
SRF Funds: \$20,000

GENERAL

The Nevada Division of Environmental Protection (Division) administers the DWSRF under the Nevada Revised Statutes (NRS) 445A.200 to 445A.295, inclusive. One of the requirements of the NRS pertaining to the DWSRF is that the Division shall not “commit any money in the account for the revolving fund for expenditure...without obtaining the prior approval of the board for financing water projects” (NRS 445A.265, subsection 3).

The community of Walker Lake is on the west shore of Walker Lake, about 12 miles north of Hawthorne and 120 miles south of Reno on US 95. The only well serving the Walker Lake Apartment Water System, located adjacent to the Walker Lake GID water system, went dry. A direct tie-in with Walker Lake GID requires an eight inch looped waterline consolidating the GID with the Walker Lake Apartments and the Cliff House water systems. Most of the owners of the Walker Lake Apartment System have already financed or are capable of obtaining financing for their portions of the waterline. Part of the loop will include the connection of two residential properties which had been served by the Apartment water system.

CURRENT SYSTEM

The Walker Lake GID system consists of two wells, chlorination, a 225,000 gallon storage tank and distribution. One of the wells, considered the backup well, is no longer functional. The average daily consumption is approximately 74,000 gallons.

Customers, Population and Growth

Walker Lake GID has 200 residential service connections and serves and population of approximately 400 people.

PROPOSED PROJECT

The proposed project is to consolidate two residential properties with the Walker Lake GID as part of the consolidation of the Walker Lake Apartment Waster System through the construction of a looped pipeline. NDEP received loan applications from each of the two residential property owners for their cost of consolidation. The Board of Directors for the Walker Lake GID has agreed to sponsor the two property owners. The proposed loan will cover the connection cost.

Alternatives to Proposed Project

The residential property owners considered drilling a new well but with Walker Lake levels unstable and ground water quality at risk, this option was not viable.

Environmental Review

Environmental review of water projects is conducted by NDEP pursuant to NAC 445A.6758 to 445A.67612. Environmental review of water projects is conducted by NDEP pursuant to NAC 445A.6758 to 445A.67612. NDEP has determined that the project is eligible for a Categorical Exclusion because the proposed funding is covering connection fees and which will not have an effect on the environment. The project will have a beneficial effect by ensuring the customers receive water that is safe to drink.

Permits

NDEP Bureau of Safe Drinking Water has already approved the waterline consolidation project.

Financial Evaluation

In order to receive the 2010 Federal grant award from United States Environmental Protection Agency, the State of Nevada must agree to use at least 30% of its grant to provide additional subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants or any combination of these. Nevada specified in the Intended Use Plan that additional subsidy will be offered to communities that meet the definition of disadvantaged community. The Nevada Administrative Code defines a disadvantaged community as an area served by a public water system in which the median income per household is less than 80 percent of the median household income (MHI) of the state. Based on the 2000 census 80 percent of Nevada's MHI is \$35,668.

There is no 2000 Census Block Group that covers just Walker Lake GID services area; however, the median household income of Mineral County is \$32,891, which falls below the minimum requirements. In addition to meeting the disadvantaged community requirements, the Office of Financial Services (OFA) continues to encourage sustainability of community water systems by recommending a minimum water rate, set by the Board for the grant program, of 1.5% of the MHI. An average monthly bill for Walker Lake GID residence is \$68.50 which works out to 2.5% of the MHI, exceeding OFA recommendations. Therefore, Walker Lake GID meets the requirements for additional subsidies, making a principal forgiveness loan appropriate.

Cost Estimate

The connection fee is \$10,000 per residential property which includes their buy-in portion of new looped waterline. The total proposed loan is \$20,000.

Technical, Managerial and Financial Capacity

The water quality currently meets the MCLs and generally all monitoring requirements have been met. The Walker Lake General Improvement District employs a certified operator who has the technical knowledge and ability to operate the system.

Compliance with Safe Drinking Water Act

The Walker Lake General Improvement District is in compliance with requirements of the Safe Drinking Water Act.

Status of Drinking Water State Revolving Loan Fund

Currently, there is approximately \$10.8 million available in the loan fund. This loan commitment along with other recommended projects before this Board will reduce the funds available for future loans to approximately \$7.5 million.

RECOMMENDATION

The Division recommends that the Board for Financing Water Projects approve a loan commitment from the loan fund of the DWSRF in the amount of \$20,000 to Walker Lake GID. Since the project is eligible for additional subsidy as specified in Nevada's Intended Use Plan, 100% of the principal will be forgiven. The Division and the Walker Lake General Improvement District will negotiate the terms and conditions of a loan agreement.

RESOLUTION

A RESOLUTION DESIGNATED THE “1-2011 WALKER LAKE GENERAL IMPROVEMENT DISTRICT PROJECT LOAN COMMITMENT RESOLUTION” TO APPROVE A LOAN COMMITMENT FOR THE PURPOSE OF FINANCING CERTAIN PROJECTS.

WHEREAS, the Board for Financing Water Projects (the “Board”) of the State of Nevada (the “State”) is authorized by Nevada Revised Statutes (“NRS”) Chapter 445A.265 to approve the Division of Environmental Protection (“Division”) prioritized lists of water projects and to approve the commitment of funds from the account for the revolving fund for loans to community water systems and non-transient water systems for costs of capital improvements required and made necessary pursuant to NRS 445A.800 to 445A.955, inclusive, by the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*) and by the regulations adopted pursuant thereto; and

WHEREAS, the Division has the responsibility of administering the Drinking Water State Revolving Fund program; and

WHEREAS, on June 1, 2010 the Board, pursuant to NRS 445A.265, approved 2011 Priority List of water projects eligible for loans from the account for the revolving fund under the Drinking Water State Revolving Fund; and

WHEREAS, the Walker Lake General Improvement District owns and operates the public water system in Walker Lake, Nevada; and

WHEREAS, the Walker Lake General Improvement District is consolidating the Walker Lake Apartment Water System; and

WHEREAS, the Division ranked the consolidation project as #39 on the Year 2011 Priority List of water projects, which was approved by the Board on June 1, 2010; and

WHEREAS, the Walker Lake General Improvement District consolidation project is ready to proceed; and

WHEREAS, in connection with seeking a loan, the Applicant has submitted a written application (“Application”) pursuant to NAC 445A.67613 to the Division; and

WHEREAS, the Division has reviewed the Application including supporting material thereof, and has determined that the Walker Lake General Improvement District has the technical, managerial and financial capability to manage and repay a loan for the Project; and

WHEREAS, the Walker Lake General Improvement District is eligible to receive additional subsidy; and

WHEREAS, the Division has taken all necessary and proper actions with respect to the Application as required pursuant to the regulations adopted by the State Environmental Commission (NAC 445A.6751 to 445A.67644, inclusive) pertaining to loan applications; and

WHEREAS, the Board must give prior approval before the Division may commit any money in the account for the revolving fund for expenditure for the purposes set forth in NRS 445A.275;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD FOR FINANCING WATER PROJECTS OF THE STATE OF NEVADA:

Section 1. This Resolution shall be known as the “1-2011 Walker Lake General Improvement District Project Loan Commitment Resolution.”

Section 2. The terms and conditions for providing a loan to the Applicant shall be negotiated between the Walker Lake General Improvement District and the Division. These terms will include 100% Principal Forgiveness.

Section 3. Based on the review of the Application by the Division and based on the recommendation submitted by the Division to the Board concerning the Project, and subject to the provisions of Section 2 and 4 of this Resolution, the Board hereby approves a commitment of funds in the amount not to exceed \$20,000 from the account for the revolving fund in accordance with NRS 445A.265.

Section 4. The Board further recommends that the Division take all other necessary and appropriate actions to effectuate the provisions of this Resolution in accordance with NRS 445A.200 to 445A.295, inclusive, and the Regulations adopted pursuant thereto.

Section 5. This resolution shall be effective on its passage and approval.

PASSED, ADOPTED AND SIGNED January 25, 2011

Chairman
Board for Financing Water Projects

Attest:

Technical Advisor
Board for Financing Water Projects

ATTACHMENT 7

Capital Improvements Grant Project Summary Sheet

**BOARD FOR FINANCING WATER PROJECTS
PROJECT SUMMARY SHEET**

Project	Original Grant Amount	Issue Date	Grant Remaining - Sep 2010	Grant Amount Needed to Complete	Grant Funds Allocated post Sept 2010	Unfunded Amount	Comments
Austin Arsenic PER	\$126,650	6/15/2009	\$117,725	\$117,725	\$117,725	\$0	The final PER is being drafted. Project will be completed with state grant money.
Jackpot - Uranium Mitigation	\$1,432,000	7/24/2009	\$1,296,781	\$1,300,000	\$0	\$1,300,000	Parts of the project were deferred to a later date. USDA will fund remainder of project.
Kingsbury GID	\$9,505,311	6/26/2002	\$862,171	\$80,470	\$80,470	\$0	Project is nearly complete. Outstanding pay requests will be paid with state grant money.
Kyle Canyon (LVVWD)	\$3,202,512	11/9/2006	\$1,775,623	\$1,209,000	\$1,209,000	\$0	Project is nearly complete. Outstanding pay requests will be paid with state grant money.
Pershing Co WCD Grant #2	\$3,663,021	9/20/2007	\$15,810	\$0	\$0	\$0	This project is complete.
Pershing Co WCD Grant #3	\$3,810,000	6/15/2009	\$3,196,163	\$1,650,000	\$1,650,000	\$0	The District reduced costs and project will be completed with state grant money.
Searchlight (LVVWD)	\$2,536,522	8/23/2006	\$1,607,442	\$1,607,442	\$1,190,787	\$416,655	The LVVWD is working with the DWSRF to obtain funding and reorganize their match funding.
Spanish Springs - Washoe Co	\$4,000,000	1/27/2005	\$3,598,000	\$22,000	\$22,000	\$0	State grant funds were used to leverage a federal grant for the first phase of the project. Outstanding pay requests for Phase 1 will be paid with state grant money.
Topaz Ranch Estates	\$1,471,452	3/14/2007	\$293,816	\$100,000	\$0	\$100,000	This project is complete. The USDA covered the remainder of the eligible project costs.
Indian Hills GID	\$901,420	3/11/2010	\$865,998	\$865,998	\$865,998	\$0	The project has multiple jurisdictions and funding sources. State funds are critical to the project success and the grant amount originally committed by the Board was left in place.
Lovelock Meadows Phase/Grant #3	\$918,067	6/1/2010	\$918,067	\$0	\$0	\$0	Phase 3 can be delayed with limited impact on the water system. Some USDA funds may be available for high priority segments of the project (e.g., backflow prevention at the hospital).
Total	\$31,566,956		\$14,547,596	\$6,952,635	\$5,135,980	\$1,816,655	

FY11 Budget as of 1/11/11	
Current Project Obligations	4,258,137
Operating Projections FY11 (Remaining)	72,930
Operating Projections FY12 (25% level of effort for 6 months)	73,000
5% Contingency	202,553
Total (Cash on hand)	4,606,620