

MEETING OF THE
STATE BOARD FOR FINANCING WATER PROJECTS
Summary Minutes

Tuesday, June 1, 2010
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 the Chairman, Board members and others present introduced themselves.

B. APPROVAL OF MINUTES - MARCH 11, 2010 MEETING (Action)

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

C. SET A DATE FOR THE NEXT BOARD MEETING (Action)

It was decided the next meeting be conducted Tuesday, September 14, 2010.

D. ELECT BOARD CHAIRMAN AND VICE CHAIRMAN (Action)

Ms. Williams suggested the Chairman (Bruce Scott) and Vice Chairman (Brad Goetsch) had done such a good job they be reelected to the positions. Mr. Goetsch seconded. Mr. Walker expressed his appreciation to Chairman Scott for the job he does. There being no other nominations, the vote was taken and the motion passed.

E. FUNDING STATUS - Capital Improvement Grant Funds (Non Action)

Ms. Dobson reported that several Capital Improvement Grant projects had been closed over the last month so obligations remaining have been reduced and she briefly explained the Project Summary Sheet and the Projected Cash Flow sheet (**ATTACHMENT 1**). Ms. Dobson said no bonds had been sold this fiscal year however a bond sale is anticipated this fall, in the next fiscal year.

F. Discussion and Possible Approval of 2011 Priority List (Action)

Ms. Basham presented and discussed the proposed 2011 Priority List (**ATTACHMENT 2**). Ms. Basham said the development of the Priority List is an integral part of the Drinking Water State Revolving Loan program and it is required by both federal and state regulations. Only those projects on the Priority List will be considered for funding. The NRS requires the Board for Financing Water Projects approve the Priority List. Ms. Basham explained the ranking system used to prioritize the order in which eligible projects will be financed and she stated that in general, priority is given to projects that facilitate compliance with the drinking water regulations. Projects are ranked into four classes: 1) significant health risks; 2) primary and secondary drinking water standards; 3) infrastructure replacement; and 4) refinance of existing debt. Ms. Basham then provided more detail as to the process for prioritization.

In late December 2009, NDEP sent a solicitation to all community and non-transient non-community water systems for proposed water projects. Pre-applications were submitted and a list developed. On May 25, 2010, a public workshop was held for review and comments on the proposed list; there were no substantive comments.

Staff recommended approval of the Year 2011 Priority List.

Chairman Scott asked about the number one priority on the list, the surface water treatment for Zephyr WUD and if the people at Zephyr Water Utility know it is considered an acute health risk. Ms. Basham responded that Zephyr WUD is not technically in violation of the surface water treatment rule yet; this project is needed so that they stay in compliance so as not to be in danger of an acute health risk.

There was a discussion regarding the potential of more water treatment projects due to the new surface water treatment rule which requires compliance by 2014. Ms. Carr provided clarification of the deadline, the rule, the requirements, and the current status of some of the water systems.

Mr. Goetsch asked if some of the systems on the list could be grouped into one project for regionalization and if there is anyone who advises the Board of those possibilities. Ms. Basham said that in reviewing the loan applications, an alternatives analysis is performed. A discussion followed on the subject of encouraging regionalization of systems and the possibility of moving systems that combine projects higher on the priority list.

Ms. Nguyen advised the Board that staff does look at combining projects as a most cost effective method; however, the regulations do not require that criteria in assessing where the project would fall on the priority list. If the Board wanted to make that a factor in determining how certain projects are ranked on the Priority List, a change to the regulation would be required.

The Board decided to continue discussion on this issue at the end of this meeting.

Motion: Ms. Williams moved to adopt a Resolution designated the "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. Goetsch and passed unanimously.

G. DRINKING WATER STATE REVOLVING FUND PROGRAM

1. Discussion and Possible Approval of Loan Commitments

a. Carson City (Action)

Chairman Scott announced he would abstain from voting because he is doing other work for Carson City.

Ms. Basham presented the background and specifics on this project (see [ATTACHMENT 3](#) for the Loan Commitment summary and Resolution):

The proposal is to utilize Carson City water righted water supplied by the Town of Minden through a Douglas County regional distribution system to an intertie point at the south end of Carson City for use in blending with high uranium water from wells on the west side of town. The funds will be utilized to construct blending lines, a booster pump station and a storage tank within Carson City.

This project would avoid approximately \$40 million in construction costs for a uranium treatment plant and forego \$1.4 million a year in operation and treatment media disposal cost for the plant. Also, it would ensure continued compliance with the Safe Drinking Water Act.

Carson City is a financially viable operation with the ability to meet costs of continuing operations and maintenance. On May 7, 2010, the Carson City Board of Supervisors approved the first reading of a 30% increase in water rates to assist in paying the debt service for this project.

The Division recommended the Board approve a loan commitment from the loan fund of the DWSRF funds in the amount of \$21,900,000 to the Carson City Public Works (CCPW).

At the Chairman's invitation to speak, Ken Arnold, Carson City Public Works Director said that without this project the only alternative would be to build a treatment plant at an exorbitant cost which would not bring any new water and the CCPW board understands this. The second reading to increase rates is this Thursday and the ordinance revising the rates is expected to pass.

Mr. Arnold provided information on the rate tiers in answer to Board questions.

Chairman Scott provided information to the other Board members on water rights and amount of acre-feet purchased and available through the interlocal agreements.

Ms. Basham stated for the record that SRF funding is not being used to purchase water rights.

Mr. Goetsch complimented Mr. Arnold for CCPW's comprehensive look at the whole program and determining the best solution for the region, for the environment and for costs to the users. Mr. Belanger said he thought the regional project and cooperation were great and he appreciated the hard work that went into it.

Mr. Walker disclosed that while he has contracts with the Carson City Open Space Program - a natural resource advising contract - he does not work for nor advise the CCPW and therefore does not feel it would be a conflict for him to vote.

Motion: Mr. Goetsch moved to approve a loan commitment from the DWSRF loan fund of \$21,900,000 to the Carson City Public Works. The Division and Carson City will negotiate the terms and conditions of the loan. Also, to approve a resolution designated the "6-2010 Carson City Public Works Water System Project Loan Commitment Resolution" to approve a loan commitment for the purpose of financing certain projects. The motion was seconded by Ms. Williams and passed with Chairman Scott abstaining.

b. Alamo Sewer and Water GID (Action)

Ms. Basham presented the background and specifics on this project (see **ATTACHMENT 4** for the Loan Commitment summary and Resolution):

The arsenic concentration in Alamo's water exceeds 30 ppb which makes them ineligible for an extension to their arsenic exemption. The Alamo Water and Sewer GID currently is under an NDEP Administrative Order to bring them into compliance with the arsenic standard. Exploratory drilling funded by a DWSRF ARRA principal forgiveness loan was successful in finding water that appears to comply with the arsenic standard. The proposed project will develop a new well (Sandhill well) at the site of the exploratory drilling. The proposed project also includes equipping and connecting the Industrial Park well to the system.

In addition to achieving compliance with the arsenic standard, these two water sources are anticipated to increase the efficiency and capacity of the system over the current 4-well system. Once developed, the well with the best energy efficiency and water quality will be utilized as the primary source and the other well will be used as a backup well.

The proposed project was determined to be the best alternative for bringing the system into compliance and cost effectiveness.

A 2009 income survey determined that the median household income (MHI) for the population served by the Alamo GID is below 80% of the state MHI and therefore the GID qualifies as a disadvantaged community and is eligible for a principal forgiveness loan as specified in Nevada's Intended Use Plan.

Ms. Basham noted that, when offering this additional subsidy, the DWSRF has the responsibility of ensuring the sustainability of smaller water facilities. In the case of Alamo, this would be facilitated by requiring a reasonable water rate that conforms to the Board's policy for the Capital Improvements Grant Program of 1.5% of the median household income. NDEP recommended that Alamo Water and Sewer GID be granted a principal forgiveness loan in the amount of \$1,945,000 under the condition that the water rates be raised over a period of three years to a minimum of \$41.04 per month for a usage of 15,000 gallons per month.

Ms. Carr clarified that the NDEP Bureau of Safe Drinking Water had not yet issued an Administrative Order to bring the water into compliance with the arsenic standard; it is being negotiated at this time.

Mr. Goetsch expressed a concern that once the loan has been funded, the provisions or obligations of the water rate increase might not be complied with as has happened in the past with loans and grants to other facilities. He asked what assurances there would be and what type of follow-up.

Ms. Nancy Browne, Chairwoman for the Alamo Sewer and Water Board, answered that their board had put together a proposal for rate increases and will be addressing this at their next

board meeting at which time it is expected to be approved and put into effect on August 1 (Ms. Browne provided a copy of the proposed rate structure to the Board members). Ms. Dobson added that it is her understanding that at that meeting, the 3-year tiered water rate increases will be approved and NDEP will hold loan disbursements until that is done.

Mr. Walker asked about the exploratory well that was drilled and Mr. Kirk Swanson, Farr West Engineering, answered questions and provided details about the well and water quality. Mr. Swanson said they had very encouraging results and they have reasons to think that this well is sustainable. The engineering report provided estimates for arsenic treatment as a contingency. If treatment is required, it is expected to be minimal.

Motion: Mr. Belanger moved to approve a loan from the loan fund of the DWSRF fund in the amount of \$1,945,500 to the Alamo Sewer and Water GID. Since the project is eligible for additional subsidy as specified in Nevada's Intended Use Plan, 100% of the principal will be forgiven. And also to adopt the resolution designated "6-2010 Alamo Sewer and Water General Improvement District Project Loan Commitment Resolution" to approve a loan commitment for the purpose of financing certain projects subject to the conditions proposed by staff. The motion was seconded by Mr. Walker and passed unanimously.

H. CAPITAL IMPROVEMENTS GRANT PROGRAM

1. Discussion and Possible Approval of the use of remaining Capital Improvement Grant funds for Lovelock Meadows Water District (Action)

This request to use remaining grant funds from the Lovelock Meadows Water District (LMWD) Phase 2 grant was presented by Ms. Stamates. For detailed project background and resolution see **ATTACHMENT 5**.

LMWD Phase 2 project is now complete and \$918,067.99 remains unused in approved grant funding. The District would like to take advantage of the current construction cost environment to complete items deemed top priority within Phase 3 of their overall water system project. The Phase 3 priority items and cost estimates (shown in ATTACHMENT 5, Table A-1) include replacement and addition of water line, pressure reduction, and flushing valves, which will improve water quality and fire flow.

Groundwater in the Lovelock area has high concentrations of sulfate, chloride, nitrate, fluoride, and dissolved salts. Arsenic is also a groundwater concern in the immediate area of the City. Based on the requirements for safe drinking water and the recommendations from the Bureau of Safe Drinking Water, this application for grant funding for the construction of a portion of the Phase 3 water project is recommended for approval subject to the conditions given in the resolution.

Mr. Goetsch asked how much money the Board had given LMWD to do the entire project. Ms. Stamates replied that \$5,847,234.99 has been granted for all phases to date and \$918,067.99 remains unused and is requested to be used for Phase 3.

Chairman Scott invited the representatives for LMWD to speak. Mr. Tom Glab, Manager LMWD, addressed the Board stating that they had favorable bids on Phase 2 of the project which is why there are remaining funds. Mr. Walker asked if Phase 3 would finish the job and basically move potable water throughout the Meadows. Mr. Glab replied that there is potable water now; this would add looping to the system and improve the overall service to customers.

Motion: Mr. Walker moved to approve the use of \$918,067.99 in remaining obligated grant funds from the Capital Improvements Grant Program by the Lovelock Meadows Water District (Applicant) in accordance with the resolution designated the "06-10-H1 Lovelock Meadows Water District - Phase 3 Distribution System Improvements"; pertaining to the determination by the Board for Financing Water Projects of the State of Nevada to provide a grant for the purpose of financing certain projects; making certain findings of fact and providing other details in connection herewith. The motion was seconded by Ms. Williams and passed unanimously.

2. Discussion of water rate implementation for Jackpot (Action)

Mr. Lynn Forsberg, Elko County Public Works Director, presented this agenda item in follow-up to his letter to the Board dated May 13, 2010 which asked for a change in the condition to the water project grant approved at the July 24, 2009 BFFWP meeting for rate increase to \$26.00 per month. The increase was to be made within 6 months of the signing of the grant agreement (due by June 1, 2010). Mr. Forsberg asked the Board to allow a phasing of the rate increase over the next six months. This would provide some relief to residents and businesses as well as allow completion of the installation of water meters to implement the metered rate for the town.

The Town Advisory Board proposed an increase in the rate to \$19.00 beginning June 1, 2010, \$22.50 on September 1, 2010 and a final increase to \$26.00 December 1, 2010 to meet the grant condition.

Since the reason for the request is based on a revenue shortfall, Mr. Walker asked that the Board be provided a document from public records showing a revenue shortfall for the casinos who are the primary water users in Jackpot.

Mr. Goetsch asked if a capitalization fund had been set up and if it is healthy. Mr. Forsberg said it is healthy, they have used it through the years, and they were due for an increase.

Mr. Scott clarified with Mr. Forsberg that this is a request for an implementation delay of the interim rate.

In response to a question from Mr. Belanger regarding how soon this would be implemented, Mr. Ed Ellis, Jackpot Public Works Director, said the rate proposal had been accepted and approved by the Jackpot Town Advisory Board at their last meeting and no further approval was necessary to implement. Mr. Ellis said he would be at next Thursday's Advisory Board meeting and he will explain to the Town board the outcome of this request of the Board for Financing Water Projects. Mr. Belanger asked if the Board of County Commissioners had approved the rates, and Mr. Forsberg said the Board had approved the rates however the steps would need to be changed by a resolution. Mr. Forsberg said the bills with the first rate step increase will go out July 1.

Motion: Mr. Belanger moved that the Board modify the condition of the grant to authorize the stepped approach to the increase with the ultimate goal \$26.00 per month by December 1, 2010 and an intermediate step to \$22.50 by September 1, 2010. All other conditions remain the same. The motion was seconded by Ms. Williams and passed unanimously.

I. CAPITAL IMPROVEMENTS GRANT PROGRAM

1. Progress Report for Capital Improvements Grant Projects (Non Action)

A summary of the open projects was included in the Board binder (**ATTACHMENT 6**). Ms. Stamates said the number of grant projects is slowly going down as projects are being completed and she provided a few details as to the status of some projects.

J. WATER RIGHTS TECHNICAL SUPPORT GRANT PROGRAM

1. Progress and Financial Reports for Water Rights Technical Support Grant Projects (Non Action)

Ms. Stamates began with a change to her report (**ATTACHMENT 7**). She said the Searchlight project is now complete and the final pay request has been paid. All that is left is Eureka and they are still awaiting completion of the USGS report.

K. BOARD COMMENTS

Mr. Goetsch asked about progress on some of the SRF loans and Ms. Basham and Ms. Dobson provided information on some of those projects.

Ms. Carr advised the Board that there is very active discussion at the federal level of lowering the arsenic levels again. A brief discussion followed.

Chairman Scott asked about the impact on staff of budget cuts and Mr. Emme said there had really been no change since the last meeting when he reported on impact to staff. One day a month furloughs are still in effect, there are still some restrictions on travel and training, but this is not really affecting in-state work at this point. It looks like those things are going to continue. Chairman Scott said he appreciates the support and recognizes the level at which everyone is working.

Next, the Chairman asked if exploring regionalization is something the Board wants to look at next meeting. There were some thoughts expressed about looking at positive and negative incentives, the formulas, what is currently in place and what is in the code, and if there are some things that could be done in the future. Also, it was felt it would be helpful to look at the different programs to understand the difference in funding limitations for instance in the grants program. It was suggested this be agendized as a staff review and discussion of potential other incentives available for regionalization.

Mr. Walker said as a Board member for Financing Water Projects he wanted to recognize the contribution Allen Biaggi made to the Department and to wish him luck in his future endeavors.

L. PUBLIC COMMENTS

None.

Meeting was adjourned at 11:50 am.

Minutes prepared by Kathy Rebert, NDEP, Recording Secretary.

ATTACHMENTS

- ATTACHMENT 1: Capital Improvement Grants Program Project Summary Sheet & Projected Cash flow sheet
- ATTACHMENT 2: Proposed DWSRF 2011 Priority List
- ATTACHMENT 3: Loan Commitment Summary and Resolution, Carson City
- ATTACHMENT 4: Loan Commitment Summary and Resolution, Alamo Sewer and Water GID
- ATTACHMENT 5: Grant Application Summary and Resolution, Lovelock Meadows Water District
- ATTACHMENT 6: Progress Report for Capital Improvements Grant Projects
- ATTACHMENT 7: Progress Report for Technical Water Rights Grant Projects

ATTACHMENT 1

**Capital Improvement Grants Program Project Summary Sheet &
Projected Cash flow sheet**

BOARD FOR FINANCING WATER PROJECTS

PROJECT SUMMARY SHEET

as of 5/14/10

Project	Grant Amount	Issue Date	Grant Used	Grant Remaining
Austin Arsenic PER	\$126,650.00	6/15/06	\$0.00	\$126,650.00
Jackpot	\$1,432,000.00	7/24/09	\$0.00	\$1,432,000.00
Kingsbury GID	\$9,505,311.39	6/26/02	\$8,432,165.56	\$1,073,145.83
Kyle Canyon	\$3,202,511.74	11/9/06	\$1,203,439.63	\$1,999,072.11
Lovelock Meadows Phase/Grant #2	\$3,000,000.00	12/13/07	\$1,759,930.81	\$1,240,069.19
Pershing County Irrigation Dist #2	\$3,663,021.45	9/20/07	\$3,627,757.00	\$35,264.45
Pershing County Irrigation Dist #3	\$3,810,000.00	6/15/09	\$487,767.19	\$3,322,232.81
Searchlight	\$2,536,522.34	8/23/06	\$841,289.25	\$1,695,233.09
Spanish Springs - Washoe Co	\$4,000,000.00	1/27/05	\$402,000.00	\$3,598,000.00
Topaz Ranch Estates	\$1,471,452.01	3/14/07	\$1,160,138.46	\$311,313.55
Indian Hills GID	\$901,420.00	3/11/10	\$0.00	\$901,420.00
Total - 11 Grantees	\$33,648,888.93		\$17,914,487.90	\$15,734,401.03

Current Funds Available as of 5/14/10	6,371,083
Estimated Bond Sale Amount for FY10/11 Biennium	19,000,000
Less Current Obligations	15,734,401
Less Administrative Budget Remaining FY10/11	475,307
Estimated Funding that may be committed to new projects for remainder of FY10/11	9,161,375

AB 198 Grant Program
 Projected Cash flow through SFY 2012
 as of 5/14/2010

DESCRIPTION	Available Cash			Available Treasurer's Allocation			Available Statutory Authority			Grant Obligations		
	INCREASE	DECREASE	BALANCE	INCREASE	DECREASE	BALANCE	INCREASE	DECREASE	BALANCE	INCREASE	DECREASE	BALANCE
FY09 Actual			11,210,909			0			46,681,108			
Bond proceeds	12,956,307	0	24,167,216			0		12,956,308	33,724,800			
Interest Revenue	415,789		24,583,005			0			33,724,800			
Pay requests		9,717,399	14,865,606			0			33,724,800			
2010 principal repayments on bonds			14,865,606			0	3,677,570		37,402,370			
Transfer to 4155 (Operating Account)		229,121	14,636,485			0			37,402,370			
			14,636,485			0			37,402,370			
July - September 2009 (FY10)			14,636,485			0			37,402,370			20,781,939
Pay Requests		1,222,891	13,413,594			0			37,402,370		1,222,891	19,559,048
Bond proceeds			13,413,594			0			37,402,370			19,559,048
2010 principal repayments on bonds			13,413,594			0	885,000		38,287,370			19,559,048
Transfer to 4155 (Operating Account)		67,062	13,346,532			0			38,287,370			19,559,048
Adjusted New/Deobligated Grants			13,346,532			0			38,287,370		48,368	19,510,680
October - December 2009			13,346,532			0			38,287,370			19,510,680
Pay Requests		4,174,777	9,171,756			0			38,287,370		4,174,777	15,335,904
Bond proceeds			9,171,756			0			38,287,370			15,335,904
2010 principal repayments on bonds			9,171,756			0	449,878		38,737,248			15,335,904
Interest Revenue	56,932		9,228,688			0			38,737,248			15,335,904
Transfer to 4155 (Operating Account)		0	9,228,688			0			38,737,248			15,335,904
Adjusted New/Deobligated Grants			9,228,688			0			38,737,248		250,208	15,085,696
January - March 2010			9,228,688			0			38,737,248			15,085,696
Projected Pay Requests		2,097,070	7,131,618			0			38,737,248		2,097,070	12,988,626
Bond proceeds			7,131,618			0			38,737,248			12,988,626
Projected Interest Revenue	19,279		7,150,897			0			38,737,248			12,988,626
Projected Transfer to 4155 (Operating Acct)		67,000	7,083,897			0			38,737,248			12,988,626
2010 principal repayments on bonds			7,083,897			0	900,000		39,637,248			12,988,626
Adjusted New/Deobligated Grants			7,083,897			0			39,637,248	2,625,463		15,614,088
April - June 2010			7,083,897			0			39,637,248			15,614,088
Projected Pay Requests		1,846,556	5,237,341			0			39,637,248		1,846,556	13,767,533
Bond proceeds			5,237,341			0		0	39,637,248			13,767,533
Interest Revenue	9,004		5,246,346			0			39,637,248			13,767,533
Projected Transfer to 4155 (Operating Acct)		67,063	5,179,283			0			39,637,248			13,767,533
2010 principal repayments on bonds			5,179,283			0	1,660,000		41,297,248			13,767,533
FY11 Projection			5,179,283			0			41,297,248			13,767,533
Projected Bond Needs	19,000,000		24,179,283	19,000,000		19,000,000		19,000,000	22,297,248			13,767,533
Projected Pay Requests		3,000,000	21,179,283			19,000,000			22,297,248		3,000,000	10,767,533
Projected Transfer to 4155 (Operating Acct)		313,444	20,865,839			19,000,000			22,297,248			10,767,533
2011 principal repayments on bonds			20,865,839			19,000,000	4,057,186		26,354,434			10,767,533
Projected New Grant Awards			20,865,839			19,000,000			26,354,434	5,600,000		16,367,533
Interest Revenue	85,216		20,951,054			19,000,000			26,354,434			16,367,533
FY12 Projection			20,951,054			19,000,000			26,354,434			16,367,533
Projected Bond Needs	10,500,000		31,451,054	8,500,000		27,500,000			26,354,434			16,367,533
Projected Pay Requests		8,100,000	23,351,054			27,500,000			26,354,434		8,100,000	8,267,533
Projected Transfer to 4155 (Operating Acct)		313,444	23,037,610			27,500,000			26,354,434			8,267,533
2012 principal repayments on bonds			23,037,610			27,500,000	4,213,212		30,567,646			8,267,533
Projected New Grant Awards			23,037,610			27,500,000			30,567,646	8,100,000		16,367,533
Interest Revenue	85,216		23,122,826			27,500,000			30,567,646			16,367,533

Note: Available Statutory Authority reflects the \$125 million cap less outstanding debt obligations plus principal payments on debt through FY12.

ATTACHMENT 2

Proposed DWSRF 2011 Priority List

Year 2011 Priority List

Board for Financing Water Projects Summary Drinking Water State Revolving Fund May 2010

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.

RANKING PROCESS

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 the public water system under Section 1412 of the SDWA. 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 assigned, as specified in NAC 445A.67569, to address different problems within a class are additive. The initial ranking number is multiplied by the ratio of the State median household income to the public water system median household income. Within each of the above categories, the projects are ranked by type of public water system in the following order:

1. Community public water systems;
2. Non-profit, non-transient, non-community water systems;
3. Non-profit transient, non-community water system.

The NAC that governs the Drinking Water State Revolving Fund allow NDEP to consider any other factor as provided in the Intended Use Plan established for the year in which the priority list is developed. In the 2010 Intended Use Plan, NDEP identified additional prioritization for arsenic projects. Water systems under an Administrative Order for violations of the primary drinking water standard for arsenic have been given a higher priority than those water systems that have received an exemption for arsenic. For those systems eligible for an exemption, ranking of projects was adjusted based on the arsenic concentration, with higher arsenic concentrations ranking higher based on exemption eligibility criteria in the following order:

1. Arsenic concentration between 26 ppb and 30 ppb
2. Arsenic concentration between 21 ppb and 25 ppb
3. Arsenic concentration between 16 ppb and 20 ppb
4. Arsenic concentration between 11 ppb and 15 ppb

NAC 445A.67569 does not include criteria for green infrastructure, water or energy efficiency projects. The 2010 Intended Use Plan specified that green infrastructure, water or energy efficiency projects will be ranked in Class III system rehabilitation and given a score of 10 points. If only a portion of the project is green, the green score will be multiplied by the percentage of the project that is green.

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.

Eligible projects on the priority list may be bypassed if the applicant withdraws a project, requests that action be deferred, fails to meet submittal deadlines, or is not ready to proceed as determined by the Division. The projects that are bypassed will be provided notice by the Division and have an opportunity for objection.

2011 PRIORITY LIST DEVELOPMENT

In late December 2009, NDEP sent a solicitation to all community and non-transient non-community water systems for proposed water projects. The following new projects have submitted Pre-applications to be added to the 2011 Priority List.

Applicant	Project
Douglas County	Sunrise Estates - arsenic
Walker Lake GID	Distribution rehab (part GREEN)
Goldfield	Arsenic treatment
Goldfield	VFD on wells and boosters, new SCADA (GREEN)
Henderson	Reconstruct/retrofit existing transmission to include installation of an in-pipe hydroturbine (GREEN)
Henderson	Transmission, PRVs
Henderson	Storage
Henderson	Distribution looping
Henderson	Transmission
Henderson	Advanced metering system (GREEN)
Orvada GID	Storage, distribution, meters
Dyer Elementary School	TDS mitigation
Lovelock	New source, storage, treatment, transmission
Gold Country	New source
Verdi Business Park	Arsenic treatment, new well
Douglas County	Water meters for Uppaway, Cave Rock, Skyland and Zephy Water Dist
Truckee Meadows Water Authority	Lab expansion, SCADA improvements

Twenty eight projects that either have been funded or no longer wish to be on the Priority List were removed.

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

May 25, 2010. The proposed revised list and notice of the workshop was sent to all systems with projects on the list. A public notice of the workshop was published in newspapers in Reno, Las Vegas, Carson City and Elko.

Recommendation

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

RESOLUTION

A RESOLUTION DESIGNATED THE “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 May 25, 2010 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 “Year 2011 Priority List Resolution.”

Section 2. Based on its review of the information and recommendation submitted to the Board concerning 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 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 Year 2011 Priority List of public water system projects eligible for funding by the Drinking Water State Revolving Fund.

Section 4. 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 June 1, 2010.

Chairman
Board for Financing Water Projects

Attest:

Adele Basham, Technical Assistant

Attachment A
2011 Priority List

Year 2011 Priority List--Drinking Water State Revolving Fund

Rank	Water System	Total Points	Arsenic Factor	Adjst. Total	State MHI/ PWS MHI	Revised Points	Ownership of System	County	ID#	Pop. Served	Number of Svc. Conn.	Project Description	Amount
Class I--Acute Health Risks													
1	Douglas County (Zephyr WUD)	3	NA	26	0.73	2.20	Public	DO	NV0000258	1,193	477	LT2ESWTR treatment, distribution	\$3,300,000

Class II--Chronic Health Risks

Community Water Systems

2	Holbrook Junction	10	10	10	1.37	13.71	Private	DO	NV0002046	180	90	PER to consolidate with Topaz Ranch Estates to	\$23,450
3	Alamo Sewer & Water GID	10	1.0	10	1.36	13.58	Public	LI	NV0000005	900	275	Arsenic compliance, new well, storage, distrib.	\$2,087,380
4	McDermitt	10	0.5	5	2.69	13.46	Public	HU	NV0000162	200	100	Arsenic compliance	\$478,000
5	Goldfield	10	0.9	9	1.35	12.17	Public	ES	NV0000072	500	217	Arsenic compliance	\$630,000
6	Truckee Meadows Water Authority	11	1	11	1.10	12.10	Public	WA	NV0000190	325,000	91,000	Groundwater treatment (arsenic, iron, manganese removal) for reliable source during drought	\$27,065,038
7	Carson City Utilities	10	1.0	10	1.07	10.66	Public	CC	NV0000015	56,000	16,447	Uranium compliance (pipeline to Douglas Co and transmission within Carson City)	\$18,000,000
8	Frontier Village MHP	10	1.0	10	1.00	9.99	Private	CL	NV0000147	60	71	Arsenic compliance	\$145,920
9	Churchill Co (Moody Ln Treatment)	10	0.8	8	1.09	8.74	Public	CH	NV0000406	503	183	Arsenic compliance	\$2,000,000
10	Old River	10	0.8	8	1.09	8.74	Private	CH	NV0000303	300	110	Arsenic compliance	\$1,451,835
11	Shoshone Estates	10	0.7	7	1.24	8.66	Private	NY	NV0005028	240	76	Arsenic compliance	\$1,660,000
12	O.K. Mobile Home Park	10	0.4	4	2.03	8.11	Private	CH	NV0000052	75	34	Arsenic compliance	\$90,000
13	Wildes Manor	10	0.5	5	1.58	7.90	Private	CH	NV0000058	70	20	Arsenic compliance	\$375,000
14	Carson River Estates	10	0.7	7	1.09	7.65	Private	CH	NV0003068	90	34	Arsenic compliance	\$131,425
15	Panaca	10	0.5	5	1.50	7.48	Public	LI	NV0000185	800	349	Arsenic compliance	\$1,984,750
16	Spring Creek MHP (Elko Co.)	10	1.0	10	0.74	7.42	Private	EL	NV0000036	12,000	4,053	Arsenic compliance	\$3,950,000
17	Searchlight	10	0.4	4	1.83	7.31	Public	CL	NV0000219	760	290	Arsenic compliance, two new wells, storage	\$11,125,300
18	Caliente	10	0.4	4	1.73	6.90	Public	LN	NV0000013	1,500	427	New well, distribution	\$2,519,027
19	Douglas County -Sunrise Estates	10	0.8	8	0.78	6.20	Public	DO	NV0002540	150	46	Arsenic compliance	\$2,619,000
20	Lander Co. - Austin	10	0.4	4	1.32	5.26	Public	LA	NV0000006	350	164	Arsenic compliance	\$500,000
21	Lander Co. - Battle Mountain	10	0.5	5	1.04	5.19	Public	LA	NV0000008	4,600	1,145	Water treatment (arsenic), transmission, distribution, storage	\$11,510,910
22	Roark	10	0.5	5	1.01	5.06	Private	CL	NV0000319	64	27	Arsenic compliance	\$300,000
23	Spring Creek (Washoe Co.)	10	0.5	5	0.97	4.87	Public	WA	NV0004082	1,850	743	Arsenic compliance	\$3,516,613
24	Tonopah	10	0.4	4	1.19	4.77	Public	NY	NV0000237	2,600	1,500	Arsenic compliance	\$127,000
25	So. Truckee Meadows Water Treatment Facility (includes Double Diamond)	10	0.4	4	1.10	4.40	Public	WA	NV0000215 NV0000832	34,500	12,250	Arsenic compliance	\$21,500,000
26	Lemmon Valley	10	0.4	4	1.10	4.40	Public	WA	NV0000202	2,853	1,179	Arsenic compliance	\$2,060,664
27	Truckee Canyon	10	0.4	4	1.10	4.40	Public	WA	NV0000978	25	5	Arsenic compliance	\$975,000
28	Desert Springs	10	0.4	4	0.97	3.90	Public	WA	NV0001085	7,629	3,869	Arsenic compliance	\$3,859,680
29	Gabbs	1	NA	1	1.56	1.56	Public	NY	NV0000063	411	160	Fluoride compliance	\$300,000

Class II--Chronic Health Risks

Non Community Water Systems

30	Verdi Business Park	10	0.8	8	1.10	11.00	Private	WA	NV0005061	225	16	Arsenic treatment, new well, storage, distribution	\$739,760
31	Dyer Elementary School	1	NA	1	1.58	1.58	Public	ES	NV0002184	45	4	TDS mitigation	\$169,500

Total Class II

\$121,895,252

Class III--Rehabilitation

Community Public Water Systems

32	Lovelock Meadows	43	NA	43	1.21	52.19	Public	PE	NV0000161	5,278	1,409	New well, transmission, storage, treatment	\$7,478,000
33	Riverbend MHP	20	NA	20	2.23	44.58	Private	WA	NV0000754	80	39	Treatment	\$20,000
34	Orvada	19	NA	19	2.28	43.25	Public	HU	NV0003022	200	50	Storage, distribution, meters	\$700,000
35	Dayton Utilities	39	NA	24	1.10	42.72	Public	LY	NV0000838	1,578	895	New well storage, upgrade transmission & distribution	\$1,720,000
36	Golconda GID	23	NA	23	1.78	41.01	Public	HU	NV0005029	115	90	Transmission, spring rehabilitation	\$400,000
37	Reno Sahara MHP	25	NA	25	1.42	35.40	Private	WA	NV0000701	90	30	Consolidation with TMWA	\$175,000
38	Foothill MHP	25	NA	25	1.42	35.40	Private	WA	NV0000200	35	17	Consolidation with TMWA	\$100,000
39	Cliff House & Walker Lake Apartments	25	NA	25	1.36	33.89	Private	MI	NV0002206 NV0000302	112	16	Consolidate Cliff House & Walker Lake Apartments with Walker Lake GID (well ran dry)	\$189,000
40	Big Bend Water District	26	NA	26	1.21	31.42	Public	CL	NV0004092	8,843	2,035	Distribution (TTHM control), treatment upgrades	\$5,012,000
41	Wendover	24	NA	24	1.31	31.36	Public	EL	NV0000246	4,990	1,103	Transmission, distribution, storage	\$982,000
42	Stagecoach GID	23	NA	23	1.30	29.82	Public	LY	NV0000224	1,471	574	New well, transmission	\$856,000
43	Ruth	18	NA	18	1.49	26.91	Public	WP	NV0000164	700	320	Pipe, pump water from existing Steptoe Valley wells in	\$7,000,000
44	Mount Rose	34	NA	34	0.78	26.69	Public	WA	NV0003030	1,650	793	Nitrate treatment, extend water main to Fawn Lane to	\$1,950,000
45	Palm Gardens	33	NA	33	0.79	26.00	Private	CL	NV0000819	60	18	Treatment, storage, security (fencing)	\$163,000

Rank	Water System	Total Points	Arsenic Factor	Adjust. Total	State MHI/ PWS MHI	Revised Points	Ownership of System	County	ID#	Pop. Served	Number of Svc. Conn.	Project Description	
46	Lamoille Water Users, Inc	39	NA	39	0.66	25.81	Private	EL	NV0000273	200	71	New well, storage, transmission, distribution	\$1,200,000
47	Truckee Meadows Water Authority	23	NA	23	1.10	25.30	Public	WA	NV0000190	325,000	90,000	Glendale treatment plant operations building expansion/modification	\$2,000,000
48	Kyle Canyon	34	NA	34	0.71	24.01	Public	CL	NV0000142	1,040	353	New well, storage, distribution, water meters	\$3,591,184
49	Storey County (Virginia City)	24	NA	19	0.98	23.55	Public	ST	NV0000240	2,517	694	Tank, transmission	\$15,337,905
50	Southern Nevada Water Authority	20	NA	20	1.01	20.23	Public	CL	NV0000289	2,000,000	NA	Solar Photovoltaic Panels at AMS treatment plant, other energy or conservation projects (GREEN)	\$21,000,000
51	Southern Nevada Water Authority	20	NA	20	1.01	20.23	Public	CL	NV0000289	2,000,000	NA	Water treatment pilot plant for process optimization	\$10,290,000
52	Southern Nevada Water Authority	20	NA	20	1.01	20.23	Public	CL	NV0000289	2,000,000	NA	Treatment (filter valve replacement)	\$2,000,000
53	LVVWD - Blue Diamond	24	NA	24	0.82	19.78	Public	WA	NV0000010	282	125	New wells, replace distribution	\$4,173,693
54	Douglas County (Zephyr WUD)	26	NA	26	0.73	19.05	Public	DO	NV0000258	1,193	477	LT2ESWTR treatment, distribution	\$3,300,000
55	Star City Property Owners Assoc	19	NA	19	0.95	18.14	Private	HU	NV0000252	363	199	Storage, distribution, meters, backup power	\$1,768,575
56	Lightning W	28	NA	28	0.57	15.92	Public	WA	NV0000865	90	55	Uranium treatment plant	\$850,000
57	Southern Nevada Water Authority	15	NA	15	1.01	15.17	Public	CL	NV0000289	2,000,000	NA	Pump motor variable frequency drive	\$3,000,000
58	Southern Nevada Water Authority	15	NA	15	1.01	15.17	Public	CL	NV0000289	2,000,000	NA	PLC at pump stations (energy efficiency - GREEN)	\$5,060,000
59	Southern Nevada Water Authority	15	NA	15	1.01	15.17	Public	CL	NV0000289	2,000,000	NA	Lake Mead Intake #3 (pump station)	\$121,000,000
60	Southern Nevada Water Authority	15	NA	15	1.01	15.17	Public	CL	NV0000289	2,000,000	NA	Lake Mead Intake #3 (underground pumping forebay, well shafts and tunnels)	\$115,500,000
61	Walker Lake GID	11	NA	11	1.36	14.91	Public	MI	NV0000268	400	160	Distribution rehab - part GREEN some pipes leak 50%	\$1,000,000
62	Goldfield	10	NA	10	1.35	13.52	Public	ES	NV0000072	350	217	VFD on wells and boosters, new SCADA (GREEN)	\$770,000
63	Gold Country Water Company	15	NA	15	0.88	13.14	Private	HU	NV0003079	950	390	New well	\$525,000
64	Douglas County (West Valley)	15	NA	15	0.86	12.90	Public	DO	NV0002054	980	980	New well	\$1,900,000
65	Incline Village GID	20	NA	20	0.64	12.84	Public	WA	NV0000158	8,900	4,200	Replace ozone generators	\$600,000
66	Washoe Co DWR (Lemmon Valley)	18	NA	18	0.66	11.91	Public	WA	NV0000202	8,000	7,500	Transmission, storage	\$13,000,000
67	Henderson	13	NA	13	0.80	10.36	Public	CL	NV0000076	246,000	77,889	Advanced metering system (GREEN)	\$32,100,000
68	Washoe Co DWR (Desert Springs)	18	NA	18	0.55	9.98	Public	WA	NV0001085	11,980	5,800	Tank relocation, transmission	\$2,898,300
69	Washoe Co DWR (Heppler)	14	NA	14	0.68	9.53	Public	WA	NV0000202	265	115	Transmission, distribution to serve residents currently on domestic wells	\$1,500,000
70	Washoe Co DWR (Double Diamond)	15	NA	15	0.60	8.99	Public	WA	NV0000832	15,800	6,240	Equip (pumps, house, piping) new wells, disinfection	\$2,437,000
71	Douglas County - Lake Tahoe systems	13	NA	13	0.68	8.90	Public	DO	NV0000819, NV0000259, NV0000233, NV0000258	2,580	1,032	Water meters for Uppaway, Cave Rock, Skyland and Zephyr Water District (GREEN)	\$3,100,000
72	Gold Country Water Company	10	NA	10	0.88	8.76	Private	HU	NV0003079	950	390	New tank (share w/ Star City, Winnemucca Airport)	\$300,000
73	Round Hill GID	10	NA	10	0.85	8.48	Public	DO	NV0000260	1700	479	Replace storage	\$2,000,000
74	Southern Nevada Water Authority	8	NA	8	1.01	8.09	Public	CL	NV0000289	2,000,000	NA	South Valley lateral transmission pipe	\$20,000,000
75	Southern Nevada Water Authority	8	NA	8	1.01	8.09	Public	CL	NV0000289	2,000,000	NA	Transmission pipeline discharge modifications	\$30,000,000
76	Southern Nevada Water Authority	8	NA	8	1.01	8.09	Public	CL	NV0000289	2,000,000	NA	Lake Mead Intake #3 (2,000 feet of 12 ft dia pipe)	\$27,500,000
77	Henderson	10	NA	10	0.80	7.97	Public	CL	NV0000076	246,000	77,889	Reconstruct/retrofit existing transmission to include installation of an in-pipe hydroturbine (GREEN)	\$1,100,000
78	Henderson	10	NA	10	0.80	7.97	Public	CL	NV0000076	246,000	77,889	Storage	\$2,150,000
79	Indian Hills GID	10	NA	10	0.79	7.95	Public	DO	NV0000355	5800	1,810	Repair/replace storage tanks	\$427,000
80	Stagecoach GID	6	NA	6	1.30	7.78	Public	LY	NV0000224	1,471	574	Distribution (undersized lines)	\$634,465
81	Hawthorne Utilities	6	NA	6	1.30	7.77	Public	MI	NV0000073	2,960	1,684	Distribution	\$2,049,000
82	Ely	6	NA	6	1.22	7.35	Public	WP	NV0000038	5,500	2,200	Distribution	\$6,420,000
83	Carlin	8	NA	8	0.90	7.19	Public	EL	NV0000014	2,450	840	Transmission	\$1,000,000
84	Washoe Co DWR (STMGID)	15	NA	15	0.46	6.91	Public	WA	NV0000215	10,828	4,708	New well, disinfection	\$1,020,000
85	Sun Valley GID	6	NA	6	1.08	6.47	Public	WA	NV0000211	19,461	5,963	Distribution to eliminate dead ends, PRV	\$450,300
86	Henderson	8	NA	8	0.80	6.37	Public	CL	NV0000076	246,000	77,889	2007 Pressure zone (east) Water Main Phase II -	\$1,100,000
87	Henderson	8	NA	8	0.80	6.37	Public	CL	NV0000076	246,000	77,889	P17/P18 Upgrades , 36-inch Transmission Main W0307/U0007	\$16,000,000
88	Southern Nevada Water Authority	6	NA	6	1.01	6.07	Public	CL	NV0000289	2,000,000	NA	Valve replacement at rate-of-flow stations	\$4,000,000
89	Gardnerville Ranchos GID	6	NA	6	0.91	5.48	Public	DO	NV0000066	12,000	4,600	Distribution - replace AC pipe	\$10,260,000
90	Henderson	6	NA	6	0.80	4.78	Public	CL	NV0000076	246,000	77,889	Tropicana Square Townhomes Pressure Zone Conversion - W0308/U0006	\$1,800,000
91	Henderson	6	NA	6	0.80	4.78	Public	CL	NV0000076	246,000	77,889	Distribution - Wigwam/US 95, PRV	\$1,577,000
92	Lyon County - Dayton	3	NA	3	1.02	3.07	Public	DO	NV0000032	11,000	5,200	Meters, isolation valves (GREEN)	\$1,150,000

Class III--Rehabilitation
Non Community Public Water Systems
None

Total Class III \$527,584,422

Class IV--Refinance
None

State MHI (Median Household Income) is \$44,581 based on 2000 Census.
PWS MHI is based on 2000 Census where data is available for the community. If 2000 Census community data is not available, 2000 Census county data, site specific income survey or other appropriate method was used. Contact NDEP for detailed information.

ATTACHMENT 3

Loan Commitment Summary & Resolution, Carson City

Carson City Public Works Water System Loan Commitment

Board for Financing Water Projects Summary Drinking Water State Revolving Fund May 2010

Applicant: Carson City
Project: Water System Improvements
Total Cost: \$21,900,000

BACKGROUND

The 1996 Amendments to the Safe Drinking Water Act (SDWA) authorized the Drinking Water State Revolving Fund (DWSRF). The DWSRF is a national program to assist public water systems in financing the cost of drinking water infrastructure projects needed to achieve or maintain compliance with the SDWA requirements and to further the public health objectives of the Act. The SDWA authorizes EPA to award capitalization grants to States that have established DWSRF programs. The Nevada Legislature passed legislation which authorizes the Nevada Division of Environmental Protection (Division) to administer the DWSRF under the Nevada Revised Statutes (NRS) 445A.200 to 445A.295 inclusive. In addition to the authorizing statute, Nevada has adopted Administrative Code (NAC) 445A.6751 to 445A.67644 which describes the program requirements. Federal regulations for implementation of the DWSRF are found in 40 CFR Part 35. In addition to state and federal regulations, the conditions of the grant award, Operating Agreement with EPA and an assortment of policy directives and guidance from EPA govern the DWSRF program.

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).

Carson City is proposing to utilize Carson City owned water from the Town of Minden piped through Douglas County to a an intertie point at the south end of Carson City to blend down high uranium water from wells on the west side of town. The DWSRF funds will be utilized to construct blending lines, booster pump station and storage tank within Carson City.

Existing System

A map of the Carson City water system is included in Attachment 1. Carson City utilizes both surface water and groundwater. A table of the groundwater sources is included in Attachment 2. The following surface water sources listed below are filtered and disinfected.

Ash Creek – 500 to 1,500 GPM
Kings Creek – 300 to 600 GPM
Marlette/Hobart – 500 to 1,800 GPM

The average daily consumption is 6 MGD in the winter and 22 MGD in the summer. The combined source design capacity is 23.6 MGD (16,389 GPM). The combined storage capacity is 26 million gallons. A list of the storage facilities is included in Attachment 3.

Customers, Population and Growth

The number of service connections/persons currently served and to be served in future years is shown in the table below.

	Current	Projected
Residential Connections	14,189	18,020
Commercial Connections	2,039	2,589
Other – Government	212	220
Estimated Population served	57,000	75,000

PROPOSED PROJECT

General Description

Through interlocal agreements, Carson City will receive Carson City owned water from the Town of Minden, piped through Douglas County to an intertie point at the south end of Carson City. The water from the Town of Minden will be used to blend with high uranium water from wells on the west side of town by constructing blending pipelines from the southern border of Carson City north to the intersection of Fairview Drive and Fifth Street and then from the intersection of Butti Way and Airport Road to the west and continuing on to the Quill Water Treatment Plant. Included in the project will be the necessary booster station to move the water.

The regional water system project will result in the interconnection of the Minden water system, the North Douglas County water system, the Indian Hills General Improvement water system, the Carson City water system and the Lyon County (Dayton) water system. Minden will supply up to 12,000 gallons per minute of water to the regional system.

Currently, the city has eight (8) water wells which are impacted by uranium. Because the new water brought into the system from Minden will be able to blend with the uranium water to meet federal standards, this project will avoid approximately \$40 million in construction costs for a uranium treatment plant and forgo \$1.4 million a year in operation and disposal cost for the plant.

Additionally, the new water introduced to the City water system will allow staff to operate the Carson City system in a more efficient manner and not utilize more expensively produced water which is estimated to save several hundred thousand dollars per year in operations costs. These anticipated savings will help off-set some of the increased capital costs for the project. In order to utilize the new Minden water, several large diameter water lines, a new tank and a booster pumping station are required within the city.

The DWSRF will fund modifications to the water transmission lines, tank and booster station within Carson City to allow blending of the high uranium water from wells on the west side of town. The proposed waterlines are shown in Attachment 4.

Alternatives to Proposed Project

Carson City has concluded that the most cost effective method to manage and reduce uranium levels in its drinking water is to import water from the Town of Minden and deliver it through a

regional distribution system through Douglas County and into Carson City. The only other alternative is to construct an approximate \$40 million uranium treatment plant which would require an additional \$1.4 million per year for ongoing uranium disposal and operation costs.

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 proposed route of the waterlines is in already disturbed areas and existing street right-of-ways. Best management practices will be utilized during construction. The project will have a beneficial effect by ensuring the customers receive water that is safe to drink. Compliance with section 106 of the National Historic Preservation Act will occur before construction begins.

Public Participation

Proposed Capital Improvement Plan projects, Capital Budget preparation, bonding and rate increases are approved by the Board of Supervisors at meetings.

Permits

The following permits will be required:

- Dewatering permit
- Stormwater Pollution Prevention
- Carson City Building permit

Cost Estimate

The cost is estimated to be \$22,000,000. Carson City applied to the DWSRF for \$21,900,000.

Budget Item	DWSRF	Local Funding	Total
Planning	\$0	\$100,000	\$100,000
Design & Engineering	\$1,500,000	\$0	\$1,500,000
Construction	\$20,400,000	\$0	\$20,400,000
Total	\$21,900,000	\$100,000	\$22,000,000

Financial Evaluation

Carson City is a financially viable operation with the ability to meet costs of continuing operations and maintenance. Carson City reviews and makes rate adjustments annually to assure generation of sufficient revenue to pay all proper operation and maintenance (including replacement) costs of the water system. The Carson City Board of Supervisors on May 7, 2010, approved the first reading of a 30% increase in water rates to assist in making debt service for this project and a small increase in operation and maintenance funds.

The DWSRF program will also rely on the extensive credit history obtained by bond counsel during the process of issuing the required general obligation bonds which will provide collateral and security.

Technical, Managerial and Financial Capacity

Carson City has addressed all of the deficiencies identified on the most recent sanitary survey. All monitoring and water quality requirements have been met. The system employs certified operators. Carson City 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 Carson City water system is in compliance with requirements of the Safe Drinking Water Act. This project will ensure continued compliance with the Safe Drinking Water Act.

Status of Drinking Water State Revolving Loan Fund

Currently, there is approximately \$6.6 million available in the loan fund. In addition, there is \$21.4 million in loan funds available from the recently awarded federal grant and required state match. This loan commitment along with other recommended projects before this Board will reduce the funds available for future loans to approximately \$4.1 million.

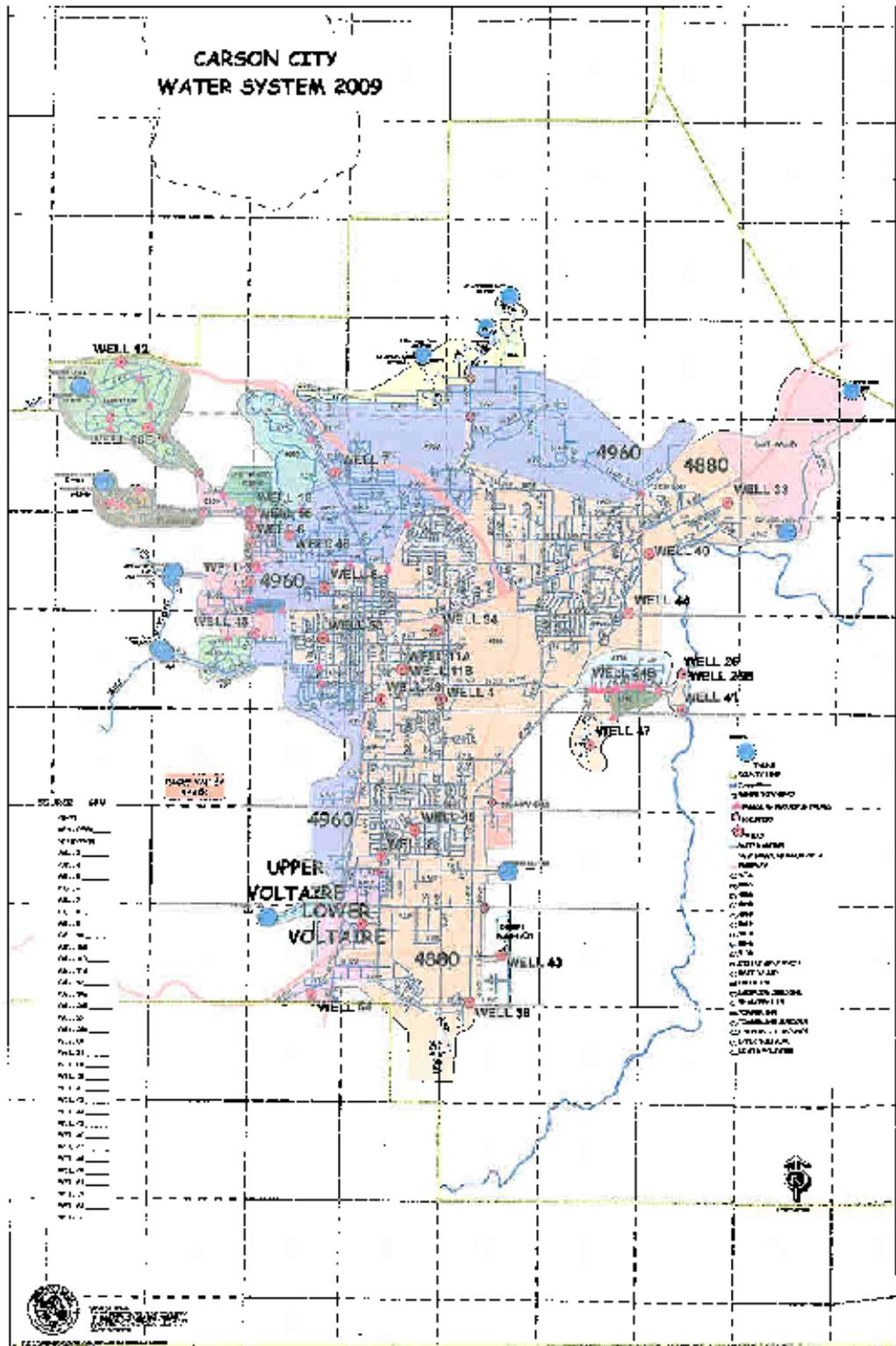
DIVISION RECOMMENDATION

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 \$21,900,000 to the Carson City Public Works. The Division and the Carson City will negotiate the terms and conditions of a loan agreement. A resolution approving the loan commitment to Carson City is attached.

List of Attachments

Map of Existing System	Attachment 1
List of Production Wells	Attachment 2
List of Storage Facilities	Attachment 3
Map of Proposed Improvements	Attachment 4
Resolution	Attachment 5

Attachment 1



**ATTACHMENT 2
List of Production Wells**

Carson City Water Dept.

4/30/2009

Well #	Casing	Depth, ft	Pump	Gpm	D/infection
3	16	390	VT	1248	yes
4	20	592	Sub	500	yes
5	14	515	Sub	297	yes
6	16	500	VT	649	yes
7	16	455	VT	266	yes
8	12	570	VT	455	yes
9	16	600	Sub	471	yes
10	16	395	VT	2000	yes
10b	20	595	Sub	899	yes
11a	16	820	VT	614	yes
11b	12	840	Sub		
16b	18	530	Sub	35	yes
24	16	275	Sub	705	yes
25	12	195	Sub	550	yes
25b	16	205	Sub	944	
33	12	490	Sub	109	no
34	16	700	VT	454	yes
38	12	220	Sub	337	yes
40	16	1245	VT	1288	yes
41	16	500	VT	1658	yes
43	16	510	VT	553	yes
44	14	480	VT	355	yes
45	12	560	Sub	544	yes
46	12	450	Sub	457	yes
47	16	335	Sub	350	yes
48	16	428	Sub	279	yes
49	18	801	Sub	452	yes
51	20	840	Sub	877	yes
53	20	505	Sub	116	yes
54	20	505	Sub	205	yes
55	20	520	Sub	801	yes

VT= vertical turbine
Sub= submersible

ATTACHMENT 3

TANK STORAGE CAPACITIES

<u>TANK</u>	<u>CAPACITY</u>	<u>ZONE</u>
ASH TANK	6 MILLION GALLONS	5100
TANSTAAFL TANKS	500,000 GALLONS	5029
QUILL TANK	4 MILLION GALLONS	4960
GONI TANK	3 MILLION GALLONS	4960
PRISON HILL TANK	3 MILLION GALLONS	4880
LAKEVIEW TANKS	508,000 GALLONS	Lakeview
TIMBERLINE TANKS	600,000 GALLONS	Timberline
EAST CARSON TANK	2.6 MILLION GALLONS	4880
GONI CANYON TANK	400,000 GALLONS	5029
VOLTAIRE TANK	2 MILLION GALLONS	Voltaire
HIGHWAY 50 TANK	3 MILLION GALLONS	East-Valley

ATTACHMENT 5

Resolution of the Board for Financing Water Projects

Commitment of Funds from the

Account for the Revolving Fund

RESOLUTION

A RESOLUTION DESIGNATED THE "6-2010 CARSON CITY PUBLIC WORKS WATER SYSEM 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 December 8, 2009 the Board, pursuant to NRS 445A.265, approved Revision 1 to the 2010 Priority List of water projects eligible for loans from the account for the revolving fund under the Drinking Water State Revolving Fund; and

WHEREAS, Carson City Public Works owns and operates the public water system; and

WHEREAS, the Carson City Public Works 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 #5 on Revision 1 to the Year 2010 Priority List of water projects, which was approved by the Board on December 8, 2009; and

WHEREAS, the Carson City Public Works submitted to the Division a Letter of Intent to proceed with the Project; and

WHEREAS, the Carson City Public Works 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 Carson City Public Works Water System 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 “6-2010 Carson City Public Works Water System Project Loan Commitment Resolution.”

Section 2. The terms and conditions for providing a loan to the Applicant shall be negotiated between the Carson City Public Works 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 \$21,900,000 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 June 1, 2010

Chairman
Board for Financing Water Projects

Attest:

Technical Advisor
Board for Financing Water Projects

ATTACHMENT 4

Loan Commitment Summary & Resolution, Alamo Sewer and Water GID

Alamo Sewer and Water GID Loan Commitment

Board for Financing Water Projects Summary Drinking Water State Revolving Fund May 2010

Applicant: Alamo Water and Sewer GID
Project: Water System Improvements
Total Cost: \$1,945,500

BACKGROUND

The 1996 Amendments to the Safe Drinking Water Act (SDWA) authorized the Drinking Water State Revolving Fund (DWSRF). The DWSRF is a national program to assist public water systems in financing the cost of drinking water infrastructure projects needed to achieve or maintain compliance with the SDWA requirements and to further the public health objectives of the Act. The SDWA authorizes EPA to award capitalization grants to States that have established DWSRF programs. The Nevada Legislature passed legislation which authorizes the Nevada Division of Environmental Protection (Division) to administer the DWSRF under the Nevada Revised Statutes (NRS) 445A.200 to 445A.295 inclusive. In addition to the authorizing statute, Nevada has adopted Administrative Code (NAC) 445A.6751 to 445A.67644 which describes the program requirements. Federal regulations for implementation of the DWSRF are found in 40 CFR Part 35. In addition to state and federal regulations, the conditions of the grant award, Operating Agreement with EPA and an assortment of policy directives and guidance from EPA govern the DWSRF program.

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 unincorporated town of Alamo is located in Lincoln County, Nevada approximately 90 miles north of Las Vegas. The primary industry of the town is ranching. Alamo is also a bedroom community for many who work in Las Vegas even though the commute is over 100 miles one way.

The arsenic concentration in Alamo’s water exceeds 30 ppb which makes them ineligible for an extension to their arsenic exemption. The Alamo Water and Sewer GID currently is under an NDEP Administrative Order to bring them into compliance with the arsenic standard. The American Recovery and Reinvestment Act (ARRA) funded exploration drilling and the engineering costs associated with connecting the Industrial Park well. The exploratory drilling was successful in finding water that complies with the arsenic standard. The proposed project will develop a new well at the site of the exploratory drilling. The proposed project also includes equipping and connecting the Industrial Park well to the system.

CURRENT SYSTEM

The Alamo Sewer and Water General Improvement District (ASWGID) water system is supplied by four wells. A 500,000-gallon, welded, steel tank provides all of the system’s

storage. The distribution system piping, valves and tank are within their useful life, and the water supply wells have undergone regular maintenance.

Customers, Population

	Active	Inactive	Total
Residential Connections	275	37	312
Commercial Connections	10	8	18
Population	950	NA	950

PROPOSED PROJECT

General Description

All of the existing wells exceed the drinking water standard for arsenic. The proposed project is intended to bring the water system into compliance with the arsenic standard by equipping the Alamo Industrial Park well and developing the new Sandhill well. In addition to achieving compliance with the arsenic standard, these two water sources are anticipated to increase the efficiency and capacity of the system when compared to the four wells that the District currently maintains. The two proposed water resources are situated on opposite sides of the water system and provide security to the District if a failure occurred in a part of the system. Once developed, the well with the best energy efficiency and water quality will be utilized as the primary source and the other well will be used as a backup well.

The Industrial Park well is already drilled and only needs to be equipped and connected to the system. Numerous water quality tests have demonstrated that the water from the Industrial Park well is at or below the MCL for arsenic. This well provides the greatest production of any well currently in the District.

The American Recovery and Reinvestment Act (ARRA) funded exploration drilling. The exploratory drilling was successful in finding water that complies with the arsenic standard. The borehole at the Sandhill well appears to have sufficient production capacity for the District.

Alternatives to Proposed Project

The following alternatives were evaluated.

Blending: Since all of the District's existing wells exceed the MCL, blending will not bring the system into compliance.

Point of Entry or Point of Use: The Alamo water system is too large to feasibly implement and manage a point of use program.

New Source: This is the selected option.

Central Arsenic Treatment for Existing Wells: This alternative would provide arsenic treatment for the existing wells at a central location. This alternative would require the installation of raw waterlines between the four wells. Central treatment utilizing the existing wells was not considered cost effective since the existing wells are performing at less than desirable production rates.

Wellhead Arsenic Treatment for Existing Wells: Although this alternative would eliminate the need for additional raw waterlines, this option is not feasible because of the significant cost for construction of individual treatment plants and the expense of operating and maintaining multiple treatment plants.

Environmental Review

Environmental review of water projects is conducted by NDEP pursuant to NAC 445A.6758 to 445A.67612. NDEP made a finding of no significant impact (FONSI) for the Alamo Water and Sewer GID exploratory drilling in August 2009. Since the well drilling will take place at the same location as the exploratory drilling. The proposed project is covered by the FONSI that was already issued.

Permits

The following permits are required for the project:

1. NDEP Bureau of Safe Drinking Water Approval
2. NDOT permit to cross US 93
3. Lincoln County building, etc. permits
4. Water rights change of point of diversion

Cost Estimate

The estimated cost of the project is \$1,945,500 as detailed in the table below.

Equip Industrial Park Well	\$570,450
New Sandhill Well	\$890,550
Distribution system fixes	\$35,530
Construction subtotal	\$1,496,530
10% contingency	\$149,653
Engineering Design & Construction Oversight	\$299,317
Project Total	\$1,945,500

Financial Evaluation

The Alamo GID is requesting funds totaling \$1,945,500 in the form of a principal forgiveness loan. In order to accept the Federal Fiscal Year 2010 grant award from United States Environmental Protection Agency (EPA), the State of Nevada must agree to use at least 30%, a total of \$4,071,900, of the grant award 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 DWSRF's definition of a 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. According to a 2009 income survey conducted by Farr West Engineering and Nevada Rural Water Association, the MHI for the population served by the Alamo Sewer and Water GID is \$32,833, well below the minimum MHI.

When offering additional subsidy, NDEP believes it is important to further ensure sustainability of smaller water facilities by requiring a minimum water rate that conforms to the Board for Financing Water Projects policy of the Water Infrastructure Grant Program of 1.5% of the median household income. The Alamo water system is fully metered and charges a metered water rate of \$30.75 per month for a usage of 15,000 gallons per month. A minimum water rate of at least 1.5% of the median household income (MHI) of \$32,833 is \$41.04 for 15,000 gallons per month.

NDEP recommends that Alamo Sewer and Water General Improvement District be granted a principal forgiveness loan in the amount of \$1,945,500 under the condition that the rates be raised over a period of three years to a minimum of \$41.04 per month for a usage of 15,000 gallons per month

Technical, Managerial and Financial Capacity

The water quality currently meets the MCLs with the exception of arsenic and in general all monitoring requirements have been met. The GID employs a certified operator who has the technical knowledge and ability to operate the system. The proposed project is the second phase towards bringing the system into compliance with the MCLs and will hopefully result in compliance. The GID 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 Alamo Water and Sewer GID is in compliance with requirements of the Safe Drinking Water Act with the exception of the MCL for arsenic. If the production well has similar water quality of the exploratory well, this project will bring the system into compliance with the Safe Drinking Water Act.

Status of Drinking Water State Revolving Loan Fund

Currently, there is approximately \$6.6 million available in the loan fund. In addition, there is \$21.4 million in loan funds available from the recently awarded federal grant and required state match. This loan commitment along with other recommended projects before this Board will reduce the funds available for future loans to approximately \$4.1 million.

Division Recommendations

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 \$1,945,500 to Alamo Water and Sewer 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 Alamo Water and Sewer GID will negotiate the terms and conditions of a loan agreement.

Appendix

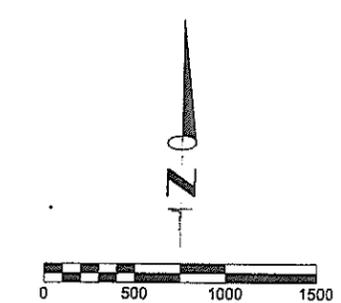
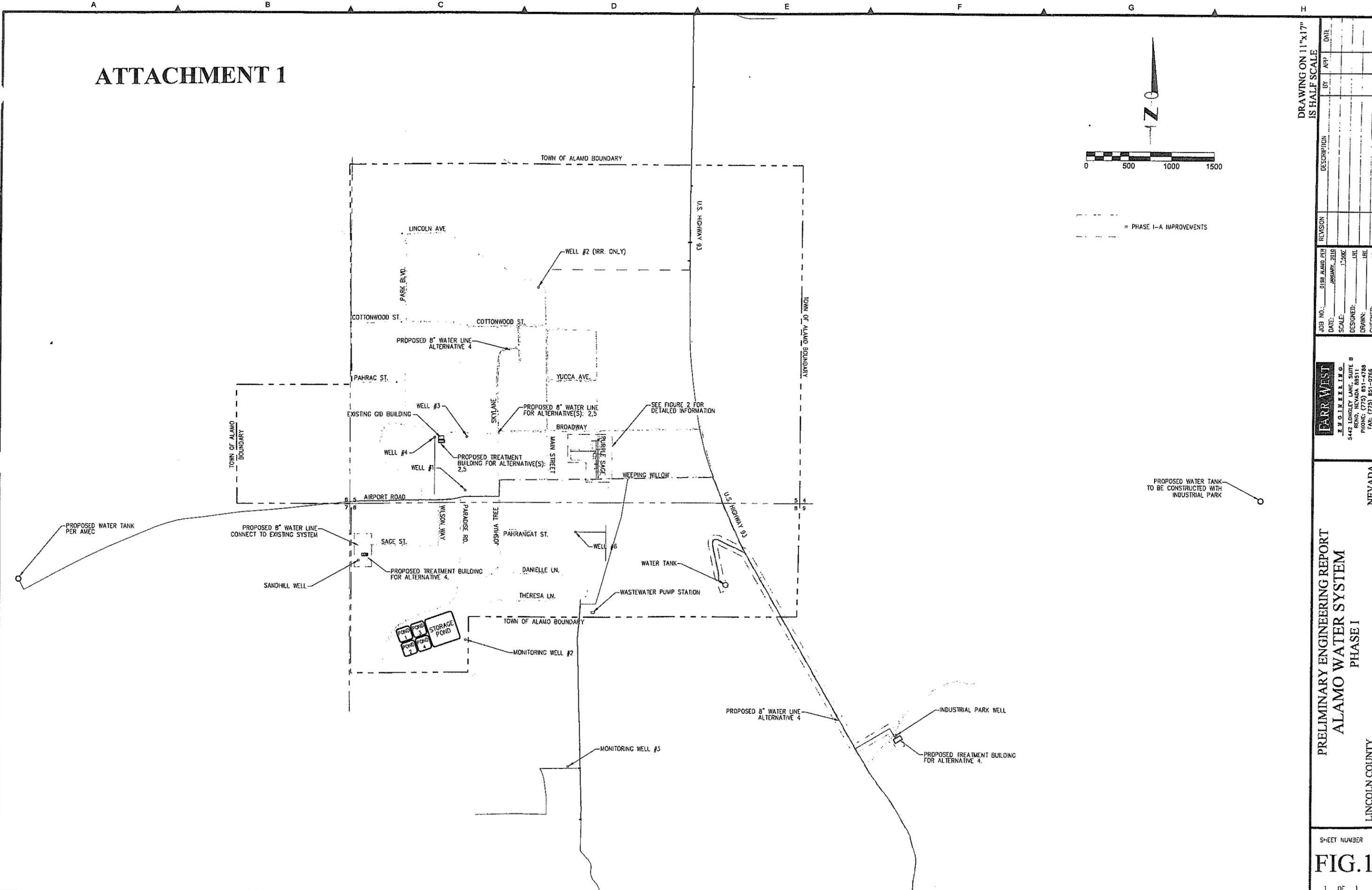
Map of Proposed Project

Attachment 1

Resolution

Attachment 2

ATTACHMENT 1



--- = PHASE I-A IMPROVEMENTS

DRAWING ON 11"x17" IS HALF SCALE

REVISION	DESCRIPTION	BY	DATE

JOB NO.: 0188 ALAMO PER
 DATE: JANUARY, 2010
 SCALE: 1"=500'
 DESIGNED: [Signature]
 DRAWN: [Signature]
 CHECKED: [Signature]

FARR WEST
 ENGINEERING
 5442 LONGLEY LANE, SUITE B
 LAS VEGAS, NEVADA 89111
 PHONE: (775) 851-0766
 FAX: (775) 851-0766

PRELIMINARY ENGINEERING REPORT
 ALAMO WATER SYSTEM
 PHASE I

SHEET NUMBER
FIG. 1
 1 OF 1

ATTACHMENT 2

Resolution of the Board for Financing Water Projects

Commitment of Funds from the

Account for the Revolving Fund

RESOLUTION

A RESOLUTION DESIGNATED THE "6-2010 ALAMO SEWER AND WATER 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 December 8, 2009 the Board, pursuant to NRS 445A.265, approved Revision 1 to the 2010 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 Alamo Sewer and Water General Improvement District owns and operates the public water system in Alamo, Nevada; and

WHEREAS, Alamo Sewer and Water General Improvement 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 #2 on Revision 1 to the 2010 Priority List of water projects, which was approved by the Board on December 8, 2009; and

WHEREAS, the Alamo Sewer and Water General Improvement District submitted to the Division a Letter of Intent to proceed with the Project; and

WHEREAS, the Alamo Sewer and Water 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 Letter of Intent and the Application including supporting material thereof, and has determined that the Alamo Sewer and Water General Improvement District has the technical, managerial and financial capability to manage and repay a loan for the Project; and

WHEREAS, the Alamo Sewer and Water General Improvement District 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 “6-2010 Alamo Sewer and Water 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 Alamo Sewer and Water General Improvement District and the Division, but will include the condition that the rates be raised over a period of three years to a minimum of \$41.04 per month for a usage of 15,000 gallons.

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 \$1,945,500 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 June 1, 2010

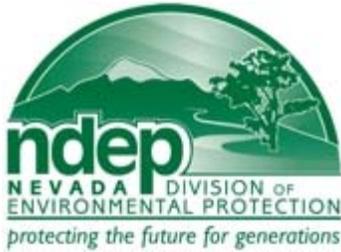
Chairman
Board for Financing Water Projects

Attest:

Technical Advisor
Board for Financing Water Projects

ATTACHMENT 5

**Grant Application Summary & Resolution, Lovelock Meadows Water
District**



BOARD FOR FINANCING WATER PROJECTS

GRANT APPLICATION PROJECT SUMMARY JUNE 2010

PROJECT: Rehabilitation of a Community Water System – Lovelock Meadows Water District Phase 3 Improvements

APPLICANT: Lovelock Meadows Water District
Tom Glab, Manager
P.O. Box 1021
Lovelock, Nevada 89419
(775) 273-2387

APPLICANT STATISTICS:

DATE OF PUBLIC OWNERSHIP (NRS 349.983):	24 APR 1979
---	-------------

STATE MHI:	\$ 44,581
COMMUNITY MHI:	\$ 36,729

STATE MAX TAX RATE (PER \$100 ASSESSED):	\$ 3.66
COMMUNITY TAX RATE (PER \$100 ASSESSED):	\$ 3.66

NUMBER OF RESIDENTIAL CONNECTIONS:	1308
NUMBER OF COMMERCIAL OR OTHER CONNECTIONS:	101
TOTAL NUMBER OF PERSONS SERVED:	~3,900

IS THE WATER SYSTEM METERED?	<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO
IS A METERED RATE CHARGED?	<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO
BOARD'S REASONABLE RATE BASED ON:	2% MHI	<input checked="" type="checkbox"/>	1.5% MHI	
BOARD'S REASONABLE WATER RATE:	\$ 45.91			
CURRENT SYSTEM WATER RATE:	\$ 46.00			

WATER CONSERVATION PLAN – DATE APPROVED/UPDATED:	SEPT 2007
--	-----------

O&M PROGRAM?	<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO
X-CONNECTION CONTROL PROGRAM?	<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO
EMERGENCY RESPONSE PROGRAM?	<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO
WELLHEAD PROTECTION PROGRAM?	<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO

PREVIOUS GRANT AMOUNTS (PER, PHASE 1, PHASE 2):	\$ 5,847,234.99
TOTAL GRANT AMOUNT USED (PER, PHASE 1, PHASE 2):	\$ 4,737,141.76
CAPITAL PEPLACEMENT ACCOUNT FUNDED:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
AMOUNT CURRENTLY IN FUND:	\$ 387,700.15

TOTAL PROJECT COST – PHASE 3:	~\$ 2,062,212
TOTAL ELIGIBLE PROJECT COST – PHASE 3:	~\$ 2,062,212
TOTAL COST PER CONNECTION – PHASE 3:	~\$ 1,465
SRF RANK :	CLASS III – REHAB

LETTERS ON ABILITY/INABILITY TO FINANCE PROVIDED?	✓	YES	No
PER PROVIDED?	✓	YES	No

BACKGROUND

The City of Lovelock and Lovelock Meadows Water District (LMWD) are located along U.S. Interstate 80 in south central Pershing County approximately 95 miles northeast of Reno. Formed as a result of a merger between the City of Lovelock, Big Meadow Water Association and Valley Water Association, the LMWD became a publicly owned water system on April 24, 1979 and is an eligible grant recipient per NRS 349.983¹.

Serving an area over 115 square miles via some 82 miles of water line, the LMWD service area is very large by rural Nevada standards. Groundwater in the Lovelock area is generally not suitable for domestic use, irrigation, or stock watering because of high concentrations of sulfate, chloride, nitrate, fluoride, and dissolved salts. Arsenic appears to be a groundwater concern as well in the immediate area of the City. LMWD supplies drinking water from three groundwater wells located at Oreana, approximately 15 miles northeast of Lovelock. Storage consists of two tanks totaling 4 million gallons. LMWD currently meets all storage requirements under NAC 445A.6674 – 445A.66755. LMWD is currently ranked as a Class III – Rehabilitation project per NAC 445A.67569 1 (b) (3)².

Chronology of water system improvements:

June 1999 - \$400,000 loan from the USDA to construct a 2.5-MG storage tank, a disinfection building, and install a gas chlorination station

June 2003 - \$65,000 Preliminary Engineering Report with \$40,950 in State grant funding

July 2004 – Letter of Intent to construct phased water system improvements to replace undersized and leaking water system mains, eliminate dead end lines, eliminate negative system pressures and

¹ **NRS 349.983 Purveyors of water that are eligible to receive grants; preference for smaller systems; matching money from other sources.**

1. Grants may be made pursuant to paragraph (a) of subsection 1 of [NRS 349.981](#) only for the Lincoln County Water District and those community and nontransient water systems that:

(a) Were in existence on January 1, 1995; and
(b) Are currently publicly owned.

² **NAC 445A.67569 Priority list: Criteria for ranking water projects; prioritizing requests for certain financial assistance.** ([NRS 445A.270](#))

(3) A Class III water project is intended to address deteriorated, substandard or inadequate conditions in the public water system. The Division shall prioritize Class III water projects, giving projects with a higher score priority over projects with a lower score, according to the total score each project receives for the following types of water projects:

(V) The installation or replacement of transmission pipes to prevent contamination caused by leaks or breaks in the pipes or to improve water pressure to satisfy the requirements of [NAC 445A.6672](#),

(VI) The installation or replacement of distribution pipes to prevent contamination caused by leaks or breaks in the pipes or to improve water pressure to satisfy the requirements of [NAC 445A.6672](#),

(VII) The installation of equipment, facilities or devices to prevent contamination by backflow or cross-connections and to satisfy the requirements of [NAC 445A.67185](#) to [445A.67255](#), inclusive

the potential risk of backflow and contamination, provide for fire flow and properly meter the water system (numerous customers on one meter)

October 2004 – Phase 1 grant was approved by the Board in the amount of \$2,400,322.11 (~60% of the estimated eligible project cost of \$3,995,875). The original scope of the project was the replacement of the old undersized pipe (4-inch ductile iron) in downtown Lovelock and undersized pipe to the farms and ranches west of town, commonly known as the “Lower Valley.”

November 2006 – Increase in the Phase 1 grant amount of \$405,962.88 was approved by the Board bringing the total grant to \$2,806,284.99 (~60% of the total eligible project cost of \$4,989,837.88).

August 2007 – Phase 1 was completed. \$192,025 was returned to the grant fund. The LMWD Board approved and implemented a metered water rate increase that conforms to the Board’s policy on reasonable water rates in compliance with the Phase 1 grant conditions. The base rate for a ¾-inch residential meter is \$30 with a 7,000-gallon allowance and \$2/1,000-gallons for usage greater than 7,000-gallons. The District also funds a restricted capital replacement account that conforms to the Board’s policy on depreciation.

December 2007 – Phase 2 grant was approved by the Board in the amount of \$3,000,000 (approximately 41.76% of estimated eligible project costs of \$7,184,000). More than 16 miles of water line to be replaced; drill a new well in the Oreana well field in order for the system to meet average day demand with the most productive well out of service; and replace the simple phone line telemetry, which was prone to service interruptions, with a SCADA system.

May 2010 – Phase 2 was completed. \$918,067.99 remains in grant funding from the approved Phase 2 grant.

PRELIMINARY ENGINEERING REPORT - UPDATED

LMWD provided a revised preliminary engineering report (PER) in April 2010. The proposed project improvements address the top priorities for the remaining water system deficiencies that exist in the LMWD water system. Selection of the improvements was based on need and feasibility and is limited by the LMWD’s financial and operational capacity.

The LMWD would like to take advantage of the current construction cost environment to complete the items deemed top priority within Phase 3 with the funds remaining at the end of Phase 2 - \$918,067.99 in state grant funds. A map of the Phase 3 improvements showing the priority items and additional water system needs is attached. The priority improvements include:

- 1) The replacement/addition of approximately 19,000 LF of 8-inch water line on Lower Valley and Westfall Roads to provide looping of the single, 12-inch main that currently carries water to all of the Lower Valley. This item also includes some pressure reduction at key points in the Lower Valley and flushing valves where small diameter, un-looped, water line will continue to exist. This work will have the added benefit of improving fire flows in the Lower Valley.
- 2) The replacement/addition of approximately 15,000 LF of 8-inch water line on Pitt and Lone Mountain Roads in the Upper Valley to provide system looping and improve water quality and fire flow.
- 3) Marker Lane is located approximately 7 miles northeast of town at the northern-most portion of Upper Valley Road. The area is fed by an existing 2-mile long, 2-inch water line tapped to a 16-inch transmission main that connects the Oreana production wells to the system’s water storage tanks. The only time this area has adequate pressure is when the transmission main is full. This item will replace the 2-inch water line and install a SCADA application to communicate with the production well pumps, allowing the wells to supply water to the area when pressure drops below an established minimum or during a fire event.

A cost estimate for these proposed additional improvements is included in Table 1-A below.

**Table A-1
Additional Improvements**

Area	Appurtenances	Quantity	Unit	Estimated Cost
Lower Valley Rd	Pipeline (NDOT)	19,090	Linear Feet	\$515,430
	Railroad Crossing	1	Lump Sum	\$40,000
	Major Ditch Crossing (Lovelock Drain)	1	Lump Sum	\$30,000
	PRV - Lower Valley Rd	1	Lump Sum	\$60,000
	PRV - S. Meridian Rd	1	Lump Sum	\$60,000
	Install flushing valves on all dead-ends in Lower Valley	6	Each	\$20,000
			Sub Total	\$725,430
Pitt Rd	Pipeline (NDOT)	18,410	Linear Feet	\$497,070
	PRV	1	Lump Sum	\$70,000
			Sub Total	\$567,070
Marker Lane	Pipeline	11,610	Linear Feet	\$255,420
	SCADA Transducer	1	Lump Sum	\$15,000
	I-80 (NDOT) Crossing	1	Lump Sum	\$40,000
	Railroad Crossing	1	Sub Total	\$40,000
			Sub Total	\$350,420
Construction Total				\$1,642,920
Construction Contingency				\$164,292
Engineering				\$150,000
Inspection				\$75,000
Interim Financing, Legal, Admin.				\$30,000
Project Total				\$2,062,212

RECOMMENDATION

Based on the requirements for safe drinking water and the recommendations of BSDW (Asgarian to Farr, March 19, 2009), this application for grant funding for the construction of a portion of the Phase 3 water project is recommended for approval subject to the conditions given in the resolution. The estimated total project cost is \$2,062,212. Using the same grant percentage of 41.76%, grant amount for the improvements recommended is \$861,180.

LMWD has the financial capacity for the full amount of the Phase 2 funding of \$7,183,475 (including loan, grant, and District funds) of which \$4,985,563 was actually expended for Phase 2 and \$2,198,437 remains available. Given the current project estimate, the Board may also recommend that the remaining \$56,887.99 in grant funds (for a total of \$918,067.99 in state grant) remain obligated for the Phase 3 project if alternative project elements can be completed as a part of the same construction project and matching loan and/or District funds are available.

	<u>Eligible Project Cost</u>	<u>Grant Amount</u>
Construction	\$1,642,920	\$686,084
Contingency	\$164,292	\$68,608
Engineering	\$255,000	\$106,488
Total	\$2,062,212	\$861,180

SUGGESTED MOTION

I make a motion that the Board for Financing Water Projects approve the use of \$918,067.99 in remaining obligated grant funds from the capital improvements grant program by the Lovelock Meadows Water District (Applicant) in accordance with the resolution designated the "06-10-H1 Lovelock Meadows Water District – Phase 3 Distribution System Improvements"; pertaining to the determination by the Board for Financing Water Projects of the State of Nevada to provide a grant for the purpose of financing certain projects; making certain findings of fact and providing other details in connection herewith.

RESOLUTION

THE "06-10-H1 Lovelock Meadows Water District – Phase 3 Distribution System Improvements" TO PROVIDE A GRANT 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 Chapter 349.980 to 349.987, Nevada Revised Statutes (the “Act”), to administer a program to provide grants of money to purveyors of water to pay for costs of capital improvements to publicly owned community water systems and publicly owned non-transient water systems required and made necessary by the State Board of Health pursuant to NRS 445.361 to 445.399, inclusive, or made necessary by the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*) and the regulations adopted pursuant thereto; and

WHEREAS, the Lovelock Meadows Water District, (the “Applicant”) has applied to the Board for a grant for a project having eligible costs estimated to be \$2,062,212 to pay for costs of capital improvements to a publicly owned community water system within the jurisdiction of the Applicant, which capital improvements are commonly referred to as the “Lovelock Meadows Water District – Phase 3 Distribution System Improvements Project” (the “Project”); and

WHEREAS, in connection with seeking a grant, the Applicant has submitted a written application (the “Application”) to the Board (a true and correct copy of the Application is on file with the State); and

WHEREAS, the Board has taken all necessary and proper actions with respect to the Application as required pursuant to the Act and Chapter 349.430 to 349.545, Nevada Administrative Code (the “Regulations”), and in connection therewith, the Board has determined to provide a grant to the Applicant; and

WHEREAS, NAC 349.535 provides in relevant part, as follows:

If the Board determines to provide a grant, it will adopt a resolution which will include: (a) a statement of the approval of the board that sets forth its findings of fact concerning its determinations made pursuant to NAC 349.530; (b) the application; and (c) the terms for providing the grant to the applicant. . . .

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 “Lovelock Meadows Phase 3 Distribution Project Grant Award Resolution.”

Section 2. In connection with its findings of fact set forth in Section 3 of this Resolution and subject to the provisions of Section 4 of this Resolution, the Board has determined, and does hereby declare, that it approves and shall provide a grant to the Applicant in an amount not to exceed \$918,067.99 to be reimbursed at 41.76 percent of eligible project costs.

Section 3. Based on its review of the Application, and based on the records and documents submitted to the Board concerning the Project, the Board hereby makes the following findings of fact in support of its determination to award a grant to the Applicant:

(a) The proposed capital improvement is economically justified and financially feasible;

(b) The proposed capital improvement complies with the provisions of the NRS 349.980 to 349.987, inclusive;

(c) The plan for development of the proposed capital improvement is satisfactory;

(d) The Applicant is able to obtain the financing required to complete the capital improvement;

(e) The Applicant has taken sufficient and reasonable efforts to determine whether the proposed capital improvement conflicts with any regional master plan of any local, state or federal governing authority, and those efforts have not revealed such a conflict; and

(f) The proposed capital improvement will not use or waste excessive quantities of water.

Section 4. The conditions for providing the grant to the Applicant are set forth on Attachment A attached hereto and by this reference incorporated herein.

Section 5. The Application, on file with the State and by this reference incorporated herein, is a true and correct copy of the application filed by the Applicant with the Board.

Section 6. The Board hereby authorizes and directs the Director of the Department of Conservation and Natural Resources to take all necessary and appropriate actions to effectuate the provisions of this Resolution in accordance with the Act and NAC 349.549.

Section 7. This resolution shall be effective on its passage and approval.

PASSED, ADOPTED AND SIGNED:

Bruce Scott, Vice Chairman
Board for Financing Water Projects

Date

Attest:

Adele Basham, P.E.
Technical Assistant to the Board for Financing Water Projects

Date

ATTACHMENT A

PROJECT SCOPE AND BUDGET

1. SCOPE

The scope of this project is to: 1) replace/add of approximately 19,000 LF of 8-inch water line on Lower Valley and Westfall Roads; 2) replace/add of approximately 15,000 LF of 8-inch water line on Pitt and Lone Mountain Roads in the Upper Valley; and 3) replace the 2-inch water line on Marker Lane.

2. BUDGET

	<u>Eligible Project Cost</u>	<u>Grant Amount</u>
Construction	\$1,642,920	\$686,084
Contingency	\$164,292	\$68,608
Engineering	\$255,000	\$106,488
Total	\$2,062,212	\$861,180

Requests, with justification, for use of the contingency shall be submitted to the STATE for review and acceptance prior to being encumbered by the GRANTEE. However, prior STATE acceptance is not required for use of the contingency to correct minor errors, minor changes, emergency changes or in order to accept the lowest responsive, responsible offer for construction. These uses must be justified and submitted to the STATE within 30 days.

3. SUMMARY OF BUDGET

BOARD APPROVED STATE GRANT SHARE
(~41.76% OF ELIGIBLE COSTS)\$918,067.99
GRANTEE SHARE
(~58.24% OF ELIGIBLE COSTS)\$2,198,438.67

CONDITIONS

The Board for Financing Water Projects hereby approves a grant award subject to the following provisions and conditions:

1. The award of grant funds is contingent upon the availability of grant funds, which may be dependent upon the issuance of additional bonds. While the Board will use best efforts in selling any necessary bonds for the funding of this grant, approval of this grant does not imply or guarantee that any monies have been set aside for this project.
2. The State may enter into a funding agreement with the Lovelock Water District (“Grantee”) for the grant funds subject to the following conditions:
 - a. Bond funds sufficient to fund the project are projected to be available. The Grantee’s costs of obtaining interim financing and the interest thereon, obtained after the execution of the Funding Agreement, will be eligible for grant reimbursement.
 - b. In order for the financing to be considered committed to the project, the Grantee must show evidence that existing funds or financing have been secured for the portion of this project which is not grant funded.
 - c. An administrative fee of \$1000 has been paid to the State by the Grantee.
 - d. Per NRS 445A.920, the project’s plans and specifications must be submitted to the Nevada Division of Environmental Protection for review and approval prior to construction.
 - e. The Grantee must assure that water rates will be established that meet or exceed the Board’s policy on reasonable water rates as adopted on September 20, 2007.
 - f. The Grantee must create a dedicated capital replacement projects fund prior to the execution of the Funding Agreement. The Grantee must adhere to the depreciation provisions of the “Policy on Depreciation – Capital Replacement Funds” as adopted by the Board for Financing Water Projects and dated May 3, 2006.

Funds deposited to this account may be used only for capital replacement projects. Appropriate projects include replacement of functionally obsolete and worn out facilities. Examples of appropriate projects include: replacement of whole sections of pipeline, valves and fire hydrants; meter replacement; and replacement of wells, storage tanks or pressure regulating facilities. Facilities to be replaced under this fund need not meet the eligibility requirements of the AB 198 or AB 237 grant program.

- g. Provide proof of ownership, easements or agreements, showing that the Grantee holds or can acquire all lands, other than public lands, interest therein and water rights necessary for the construction of the proposed capital improvements prior to the execution of the Funding Agreement.

- h. Demonstrate the receipt of all permits, easements and rights-of-way necessary to complete the project, or the authority to proceed, prior to the execution of the Funding Agreement as required by NAC 349.500(d) and 349.515, to assure that there are no foreseeable conditions threatening the feasibility of the proposed capital improvement.
- i. The Grantee is subject to the provisions of NAC 349.554 through 349.574 regarding the administration of this grant.
- j. Prior to the execution of the Funding Agreement, the Grantee must provide an estimate of the monthly disbursement of money, by the State, pursuant to the grant and provide monthly updates.
- k. Prior to the execution of the Funding Agreement, the Grantee must provide copies of the current documents prepared by or on behalf of the applicant pursuant to NRS 350.013, which depict the effect of the proposed capital improvement on the financial capacity of the grantee as required by NAC 349.500 1. (n).
- l. Prior to the execution of the Funding Agreement, a Water Conservation Plan must be approved by the Division of Water Resources and adopted by the Grantee in accordance with NRS 540.131, .141 and .151.
- m. The Grantee must demonstrate that it has all match funding for this project before any construction bids may be awarded.

ATTACHMENT 6

Progress Report for Capital Improvements Grant Projects

PROGRESS REPORT ON OPEN PROJECTS

June 2010

GRANTEE	DATE APPROVED	TOTAL GRANT AMOUNT	ENGINEER	OWNER'S REPRESENTATIVE	LAST STAFF SITE VISIT	PROGRESS
Kingsbury GID	6/26/02 Additional grant funds approved on 8/23/06 increasing total grant amount Extended funding agreement by 2 years on 6/19/08 with no further increase in grant funds	\$9,505,311.39	Amec	Cameron McKay	Nov-09	The pipeline replacement, tank, and meters for Phase 1 are now complete. This project is in the process of closing.
Washoe Co for Spanish Springs	1/27/05 Extended funding agreement by 5 years on 12/08/09 with no further increase in grant funds	\$4,000,000.00	Washoe County	Joe Stowell	May-07	The 1 st of a 9-phase sewer project is complete. The entire project is expected to take 20 years. The Phase 1A sewer project is complete and approximately 171 homes have abandoned their septic systems and connected to the new sewer to date. The County is now waiting for federal grant funding to begin installation of the next sewer line phase.
LVVWD for Searchlight	8/23/06	\$2,536,522.34	LVVWD	Jordan Bunker	Aug-07	All four exploratory wells were completed in the fall of 2007. Two wells were to become production wells while the other two wells were to become monitoring wells. An approved EA was required by the BLM prior to exploratory drilling and another EA was required by the BLM for construction of 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. WDC began drilling the production wells in Oct 2009. The AB-198 funded production well was drilled and constructed in the fall of 2009. The second, backup, production well, funded by the USACE, did not have the expected or necessary yield. Another backup well will be drilled. The District plans to complete the transmission pipeline and equipping of both new wells in the same construction contract and completion is now estimated by fall 2011.

PROGRESS REPORT ON OPEN PROJECTS

June 2010

GRANTEE	DATE APPROVED	TOTAL GRANT AMOUNT	ENGINEER	OWNER'S REPRESENTATIVE	LAST STAFF SITE VISIT	PROGRESS
LVVWD for Kyle Canyon – Ph 2 & 3	11/09/06	\$3,202,511.74	LVVWD	Jordan Bunker	Sep-08	Due to the short construction seasons, this project will take 3 summers to complete. Installation of up-graded/new mains, services, and meters at Echo View and Cathedral Rock were completed in November 2008. Replacement of mains, system appurtenances, and services/meters was completed in Upper Rainbow and Old Town in November 2009. The Lower Rainbow pipeline replacement and services/meter installation will be completed in 2010.
Topaz Ranch Estates	3/14/07	\$1,471,452.01	TEC	Larry Offenstein	May-09	Construction began in November 2008 with the drilling of the new well. The pipeline, service connections and well were completed by April 2009. The well house and controls are nearing completion.
Lovelock Meadows Phase II	12/13/07	\$3,000,000.00	Farr West	Tom Glab	May-10	<p>Drilling of the new backup well in Oreana began at the end of May 2009. The initial drilling was unsuccessful and the driller requested and was granted a variance to the drilling method specified. A second drilling attempt began Aug 17, 2009, and a new well was constructed with no significant problems.</p> <p>The pipeline replacement project (Phase 2) began in Aug 2009 and has proceeded smoothly. The project was substantially complete in February 2010. The District will attend the June 2010 Board meeting to request the use of remaining funds on their Phase 3 project.</p>
Austin Arsenic Mitigation PER	6/15/09	\$126,650.00	Day Engineering	Louis Lani		<p>This PER will include exploratory drilling to attempt to find a new groundwater source that meets the arsenic MCL and can be used to blend with the existing well for arsenic mitigation.</p> <p>The match funding for the PER was secured late in 2009. Sampling of existing valley wells will commence in the spring 2010 to determine the best location(s) for exploratory drilling.</p>
Pershing County Water Conservation District (#2)	6/15/09	\$3,810,000.00	Farr West Engineering	Bennie Hodges	Nov-09	<p>The District received grant funding for construction of the new Pitt Taylor (Thacker) Diversion Structure, Pitt Taylor Diversion Canal, the Pitt Taylor Reservoirs, and the plug. The District is pursuing final permitting from the Corps and environmental and cultural assessments for the Corps & SHPO in order to bid/construct the Thacker Diversion structure.</p> <p>Construction was substantially complete on the Pitt Taylor Canal in the fall of 2009. PCWCD did the majority of the work on this 13-mile structure.</p>

PROGRESS REPORT ON OPEN PROJECTS

June 2010

GRANTEE	DATE APPROVED	TOTAL GRANT AMOUNT	ENGINEER	OWNER'S REPRESENTATIVE	LAST STAFF SITE VISIT	PROGRESS
Jackpot	7/24/09	\$1,430,000.00	ECO:LOGIC	Lynn Forsberg	Apr-10	<p>This project will combine SRF ARRA funds, grant funds, and USDA ARRA loan funds to drill a back-up well for the community, upgrade the electrical appurtenances for the existing Well 5, abandon Well 2 (high in uranium), install booster pumps at the new well to increase pressure in the northern part of town and install water meters.</p> <p>Bids were opened for the drilling of the new well in January 2010 with Humboldt Drilling being awarded the contract. The exploratory well was drilled in February 2010 with good water quality and quantity results. The new 18" well was drilled and constructed in April 2010. Bids for the new well house and remaining system improvements are expected by July 2010.</p>
Indian Hills GID	3/11/10	\$901,420.00	RCI	Jim Taylor		<p>This project will combine SRF loan funds, State grant funds, and USDA loan and grant funds to assist IHGID in its share of the North Douglas transmission line, Johnson Lane storage tank, Minden booster pumps and also for GID system improvements at the treatment plant, system looping, and system booster pumps.</p> <p>Design and environmental reviews are currently in progress.</p>

ATTACHMENT 7

Progress Report for Technical Water Rights Grant Projects

**BOARD FOR FINANCING WATER PROJECTS
SB62 FINANCIAL SUMMARY**

5/19/2010

PROJECT NAME	GRANT AMOUNT	GRANT USED	GRANT REMAINING
Central NV Regional Water Auth.	169,702.80	162,553.02	7,149.78
Churchill County	36,500.00	36,500.00	0.00
Esmeralda County	16,245.85	16,245.85	
Eureka County	120,000.00	90,000.00	30,000.00
City of Fernley	38,680.59	38,680.59	0.00
Gerlach GID	83,573.62	83,573.62	0.00
Humboldt River Basin Water Auth.	111,439.47	111,439.17	0.00
LVVWD - Kyle Canyon	26,702.02	26,702.02	0.00
LVVWD - Searchlight	150,000.00	24,794.92	125,205.08
Topaz Ranch Estate GID	5,221.88	5,221.88	0.00
Town of Tonopah	11,250.00	11,250.00	0.00
Virgin Valley Water District	116,041.77	116,041.77	
White Pine County	114,642.00	114,642.00	0.00
TOTALS	1,000,000.00	837,644.84	162,354.86

SB 62 PROJECT REPORT
June 2010

Project	Grant Amount	Project Summary
Churchill County	\$36,500.00 (Project Complete)	<p>Update of the County's Water Resources Plan for surface and groundwater resources. Review of all county records relating to water resource requirements, both existing and projected. Update of the water resource ownership in the County.</p> <p>Progress Report, June 2007: The Churchill County Water Resources Plan update is complete and available on the County's website at http://www.churchillcounty.org/planning/waterplan.php and is linked to NDEP's website at http://ndep.nv.gov/bffwp/sb62.htm (contact: Michelle Stamates at 775.687.9331 or mstamate@ndep.nv.gov).</p>
Esmeralda County	\$16,245.85 (Project Complete)	<p>The project plan was to conduct a physical reconnaissance of the County's present water uses and existing water rights and develop a strategy to enhance and protect the County's water rights to ensure present and future water demands can be met as well as preparing a Water Rights Management Plan. All water rights identified in four hydrographic basins were reviewed. A field reconnaissance trip was conducted with the State Engineers office to physically site the locations for the point of diversion for water rights and ascertain the manner by which the appropriated water is being exercised.</p> <p>Progress Report, June 2007: The Esmeralda County Water Rights Plan is complete and available electronically on NDEP's website at http://ndep.nv.gov/bffwp/esmeralda%20county_sb62.htm (contact: Michelle Stamates at 775.687.9331 or mstamate@ndep.nv.gov).</p>
Humboldt River Basin Water Authority	\$120,000.00 (Project Complete)	<p>Assemble existing information into a water resources database in support of threats to water rights. Develop recommendations for collection of additional necessary data. Develop a public information program. Deliver a summary report for each county describing available forecast of economic/demographic conditions and related water.</p> <p>Progress Report, December 2007: The Humboldt River Basin Water Authority project is complete and the documents produced as a part of that project are available electronically on NDEP's website at http://ndep.nv.gov/bffwp/ http://ndep.nv.gov/bffwp/hrbwa_sb62.htm (contact: Michelle Stamates at 775.687.9331 or mstamate@ndep.nv.gov).</p>
Town of Tonopah	\$11,250.00 (Project Complete)	<p>Assemble all active surface and groundwater rights for Ralston Valley Hydrographic Basin No. 141, Big Smokey – Tonopah Flat Hydrographic Basin No. 137, and Alkali Spring Valley Hydrographic Basin No. 142.</p> <p>Progress Report, Dec 2007: The water rights inventory and map of those rights are complete and available electronically on NDEP's website at http://ndep.nv.gov/bffwp/tonopah_sb62.htm (contact: Michelle Stamates at 775.687.9331 or mstamate@ndep.nv.gov).</p>
White Pine County	\$116,041.77 (Project Complete)	<p>Update information (including: hydrogeologic framework, groundwater hydrology, and regional groundwater flow system) on County's water resources and update the Water Resources Plan to assist in identifying potential water use and needs based on scenarios for growth and development. The County also added GIS capability in order to maintain and update information as it becomes available.</p> <p>Progress Report, January 2008: White Pine County's Water Resources Plan is complete and available at the NDEP offices in Carson City as well as electronically on NDEP's website at http://ndep.nv.gov/bffwp/whitepineco_sb62.htm (contact: Michelle Stamates at 775.687.9331 or mstamate@ndep.nv.gov).</p>

SB 62 PROJECT REPORT
June 2010

Project	Grant Amount	Project Summary
LVVWD – Kyle Canyon	\$27,184.72 (Project Complete)	<p>Install 100 Permalog units for the detection of subsurface leaks and acquisition of a Patroller unit for data collection. This system will allow operators to find and repair leaks, protecting millions of gallons of water previously lost to the system.</p> <p>Progress Report, June 2008: The leak detection units have been installed and the project is complete. A final project report was received in June 2008 and is available electronically on NDEP's website at http://ndep.nv.gov/bffwp/docs/kcwg_sb62_final.pdf (contact: Michelle Stamates at 775.687.9331 or mstamate@ndep.nv.gov).</p>
City of Fernley	\$38,680.59 (Project Complete)	<p>Reconcile all past and future mapping difficulties by attempting to develop a new GIS map of all Truckee Diversion surface water rights within the City of Fernley.</p> <p>Progress Report, January 2009: The mapping project is complete. The final report is on file at NDEP and is available electronically on NDEP's website at http://ndep.nv.gov/bffwp/docs/initial_mapping_effort_pdf_final_feb_25.pdf (contact: Michelle Stamates at 775.687.9331 or mstamate@ndep.nv.gov).</p>
Virgin Valley Water District	\$116,041.77 (Project Complete)	<p>Analyze water quality information from throughout the watershed region to develop a conceptual model of groundwater flow, mixing and hydrologic connection through naturally occurring chemical tracers, and develop a steady-state representation of the pre-development conditions of the regional groundwater flow systems utilizing modifications of previous models to develop a comprehensive numerical model.</p> <p>Progress Report, July 2009: The project is complete. The District submitted a thesis on the <u>Interaction of Surface and Subsurface Hydrological Processes in the Lower Virgin Valley</u>, a report on the Lower Virgin River groundwater model, and the Modflow model files for the steady state and transient models. The final report and model are on file at NDEP and available electronically on NDEP's website at http://ndep.nv.gov/bffwp/docs/vvwd_sb62.htm (contact: Michelle Stamates at 775.687.9331 or mstamate@ndep.nv.gov).</p>
Gerlach	\$92,833.42 (Project Complete)	<p>A database of spring flow and water quality will be created and a groundwater model will be developed to determine any changes that might result from the proposed development in the basin that might adversely affects the two springs (Garden and Railroad Springs) that provide water to Gerlach.</p> <p>Progress Report, August 2009: The project is complete. Data loggers & flow meters were installed at both springs and monitoring of water level and discharge rate from the springs was used in the calibration of the groundwater model. Water rights were researched and compiled into tabular format. Other model parameter data (e.g., DEM, geology, structure, well logs, rainfall) were compiled and added to the model. Washoe County Water Resources reviewed the steady state model. The County also reviewed the data logging methods for the long-term spring flow and reinforced the importance of continuing to collect this data with the GID. The final report and groundwater model were received in August 2009. The final report and model are on file at NDEP and available electronically on NDEP's website at http://ndep.nv.gov/bffwp/docs/gerlach_sb62.htm (contact: Michelle Stamates at 775.687.9331 or mstamate@ndep.nv.gov).</p>
Topaz Ranch Estates GID	\$5221.88 (Project Complete)	<p>Identification and mapping of point of use/place of diversion for the existing 9 water rights permits.</p> <p>Progress Report, December 2009: The water rights identification and mapping are complete and available electronically on NDEP's website at http://ndep.nv.gov/bffwp/sb62.htm (contact: Michelle Stamates at 775.687.9331 or mstamate@ndep.nv.gov).</p>

SB 62 PROJECT REPORT

June 2010

Project	Grant Amount	Project Summary
Central Nevada Regional Water Authority	<p style="text-align: center;">\$150,000.00</p> <p>Additional grant funds of \$10,443.00 approved on 03/04/09 increasing total grant amount</p> <p>Additional grant funds of \$9,259.80 approved on 12/08/09 increasing total grant amount</p>	<p>Compile and document the baseline information required to determine long-term changes in groundwater levels in the Central Hydrographic Region (including: Churchill, Elko, Esmeralda, Eureka, Lander, Nye, White Pine, and Pershing counties) in order to evaluate the sustainability of present groundwater supplies secured under existing water rights, analyze the impacts of future development, and support future actions by local governments.</p> <p>Progress Report, January 2010: The original project is complete. A spreadsheet containing water-level data, supporting database attributes and data-quality information; maps showing spatial distribution of water-level data; and an analysis of data gaps are complete and the data is accessible through an electronic mapping system – Map Guide by Websoft – hosted on the NDWR website. A summary report that documents methods and findings and identifies areas needing additional new water-level measurements was generated. The website that hosts the information for the Central Nevada Regional Water Authority is located at http://www.cnrwa.com/home/index.asp and will soon link to the Map Guide system (http://webmap.water.nv.gov/) developed with NDWR. The CNRWA received a small amount of SB62 funds left from completed projects to continue data collection and has continued to plan for future project phases with the USGS.</p>
Eureka County	<p style="text-align: center;">\$120,000.00</p>	<p>The project develops improved estimates of basin discharge and flow system interconnection for the Diamond Valley flow system.</p> <p>Progress Report, January 2010: The final report is still in peer review and editing.</p>
LVVWD – Searchlight	<p style="text-align: center;">\$150,000.00</p>	<p>Drill and develop 4 new monitoring wells to better understand the groundwater resource and groundwater quality in Paiute Valley and the Eldorado Valley Basins. One of the 4 wells will be funded by this grant.</p> <p>Progress Report, February 2010: LVVWD evaluated monitoring well locations in Piute Valley and drilled 4 exploratory wells in 2007. Approval of the EA and granting of ROW by the BLM was expected by late 2008; however, issues with Areas of Critical Environmental Concern precluded well construction of several of the originally planned monitoring wells. An alternate site for the monitoring well was selected. Drilling of the monitoring began in October 2009. The monitoring well is now complete and the final report and pay request are pending.</p>