State of Nevada—Intended Use Plan
for the
Allocation of Drinking Water State Revolving Funds
For State Fiscal Year 2011
From
Federal Fiscal Year 2011 Allotment
Under the Safe Drinking Water Act, as Amended in 1996

Nevada Division of Environmental Protection

Draft

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LIST OF ACRONYMS

BSDW = Bureau of Safe Drinking Water
BWPC = Bureau of Water Pollution Control
CWSRF = Clean Water State Revolving Fund
DBE = Disadvantaged Business Enterprise
DWSRF = Drinking Water State Revolving Fund
EPA = Environmental Protection Agency
FFY = Federal Fiscal Year
GIS = Geographic Information System
IUP = Intended Use Plan
MBE = Minority-owned Business Enterprise
MHI = Median Household Income
NAC = Nevada Administrative Code
NDEP = Nevada Division of Environmental Protection
NRS = Nevada Revised Statute
OSGWA = Other Sensitive Groundwater Areas
PWSS = Public Water System Supervision
RCAC = Rural Community Assistance Corporation
SCADA = Supervisory Control and Data Acquisition
SDWA = Safe Drinking Water Act
SDWIS = Safe Drinking Water Information System
SFY = State Fiscal Year
SWA = Source Water Assessment
SWAP = Source Water Assessment Plan
USEPA = United States Environmental Protection Agency
UIC = Underground Injection Control
UICP = Underground Injection Control Program
UNR = University of Nevada Reno
WHP = Wellhead Protection
WBE = Women-owned Business Enterprise

I. INTRODUCTION

A. History and Legislation

The 1996 Amendments to the Safe Drinking Water Act (SDWA) authorized the Drinking Water State Revolving Fund (DWSRF). Nevada's allotment of the Federal fiscal years 2011 DWSRF budget is $9,419,662. These funds are available after Nevada successfully obtains a Capitalization Grant Award from the U. S. Environmental Protection Agency (EPA) for its DWSRF program.

In 1997, the Nevada State Legislature passed legislation, Senate Bill (SB) 302, which authorized the State Health Division to develop, implement and administer the DWSRF program in Nevada. In accordance with the SDWA, the legislation authorized the Treasurer of the State of Nevada to set up the account for the revolving fund and the account for set-aside programs. The 2003 Nevada State Legislature passed legislation, Assembly Bill (AB) 473, which transferred the DWSRF from the State Health Division to the Nevada Division of Environmental Protection (NDEP). NRS 445A.200 to 445A.295, inclusive, is the state statutes for the DWSRF and may be reviewed at the following Internet Web URL:

http://www.leg.state.nv.us/NRS/NRS-445A.html.

The regulations for the DWSRF promulgated by the Health Division, later revised by the State Environmental Commission, are found in Nevada Administrative Code (NAC) 445A.6751 to 445A.67644 inclusive and may be reviewed at the following Internet Web URL:

http://www.leg.state.nv.us/NAC/nac-445A.html

The State Fiscal Year 2011 Intended Use Plan describes how the state intends to use available federal fiscal year 2011 DWSRF funds to meet the objectives of the Safe Drinking Water Act and further the goal of protecting public health.

B. Financial Status of the Nevada DWSRF

The financial status of the DWSRF is shown in Table 1 on the next page.

C. Nevada Request

This Intended Use Plan (IUP) is a required element of the grant application documentation to obtain the Federal Fiscal Year (FFY) 2011 grant award. Nevada herewith submits its SFY2011 IUP and submits its IUP for the FFY 2011 funds available to Nevada for the purposes of continuing the development, implementation and administration of the DWSRF program in Nevada. The allotment available to Nevada from EPA's FFY 2011 is $9,419,662. This allotment will be matched by the 20% match requirement of $4,343,800 from state financial resources. Nevada intends to divert $2,733,550 these allotments to the account for set-aside programs, leaving $6,686,112 in federal funds for the account for the revolving loan fund (Table 2).

TABLE 1: Sources and Uses of Funds

Drinking Water State Revolving Loan Fund Sources and Uses of Funds FY2011				
Sources and Uses of Funds				
	Federal	Bond Proceeds	Reloan	Total
Expected sources & uses for the period 7/1/10-6/30/11				
Sources of funding:				
Prior years' loan funds	22,956,832	1,660,648	21,854,092	46,471,572
Set-aside funds from prior grants	4,352,244			4,352,244
*Projected Grant Award (FFY 11)	9,419,662			9,419,662
Loan principal repayments SFY 11			3,917,683	3,917,683
Loan interest earnings SFY 11			2,128,454	2,128,454
Investment interest earnings thru SFY11			3,711,547	3,711,547
Bond issues SFY11 (FFY 10, & 11 State Match)		5,511,063		5,511,063
Total Sources of Funds	**36,728,737**	**7,171,711**	**31,611,776**	**75,512,224**
Uses of Funding:				
Set-aside Program Activities:				
Administrative (4% set-aside)	376,786			376,786
State Program Management (10% set-aside)				0
Public Water Supervision	755,422			755,422
Local Assistance (15% set-aside)				0
Capacity Development	370,106			370,106
Source Water Protection	231,543			231,543
Wellhead Protection	811,300			811,300
Technical Assistance-System (2% set-aside)	188,393			188,393
Sub-total: Set-aside programs	2,733,550	0	0	2,733,550
Bond repayment:				
Bond principal	0	0	1,340,000	1,340,000
Bond interest	0	0	657,530	657,530
Project funding:				
Loans Obligations	24,757,553	6,927,112	17,184,068	48,868,732
Loan applications pending	2,187,739	237,892	1,262,108	3,687,739
Revolving Loan Fund (Uncommitted funds)	7,049,896	6,707	11,168,071	18,224,674
Set-aside commitments	2,733,550			2,733,550
Total Uses of Funds	**36,728,738**	**7,171,711**	**31,611,776**	**75,512,225**

Distribution of DWSRF Funds

Projected Program Expenditures

Table 2

EPA Allotment Capitalization Grant (FFY2011)	
	$9,419,662

4% Set-aside for Administration	
	$376,786

State Appropriation for 1:1 Match	
	$0

10% Set-aside if matched 1:1 by State expenditures	
1993 Expenditures	$238,129
Current Year Overmatch	$0
State match appropriation	$0
Other match sources	$517,293
Total (Grant + State Match)	$755,422

Other State 1:1 Match (NDEP)	
	$517,293

20% State Match	
	$1,883,932

Allocation of Grant to the Account for Set-asides	
4% Set-aside	$376,786
10% Set-aside	$755,422
2% Set-aside	$188,393
15% Set-aside	$1,412,949
Total	$2,733,550

2% Set-aside for Technical Assistance	
	$188,393

15% Set-aside	
Loan only	$0
Capacity Development	$370,106
Wellhead Protection (BSDW)	$231,543
Wellhead Protection (BWPC)	$811,300
Total	$1,412,949

Activities under 10% Set-aside	
PWSS	$755,422
UIC - OSGWA	$0
Capy. Dev. Strategy	$0
Operator Certification	$0
Total	$755,422

Remaining Loan Funds from Capitalization Grant to Account for the Revolving Fund	
	$6,686,112

Subsidy Requirements
30% Subsidy: $2,825,899

Remaining funds for the Revolving Fund	
	$3,860,213

Set-aside Banked in loan fund
2% = $0
4% = $0
10% = $186,544

Total Available for the Account for the Revolving Loan Fund	
	$8,570,044

II. TYPES OF PROJECTS TO BE FUNDED FROM THE VARIOUS DWSRF ACCOUNTS

A. The types of projects for which loan funds from the account for the revolving fund are intended include:

1. Construction/upgrading of water treatment facilities;

2. Replacement of contaminated sources with new groundwater or surface water sources;

3. Installation/upgrade of treatment and disinfection facilities to meet public health standards and to protect public health;

4. Consolidation and interconnection of public water systems to address technical, managerial and financial capacity issues;

5. Planning and engineering associated with eligible projects;

6. Replacement of aging infrastructure;

7. Replacement/rehabilitation of transmission and distribution lines and storage facilities;

8. Installation of meters and backflow prevention devices;

9. Refinancing eligible projects where debt was incurred after July 1, 1993;

10. Land acquisition that is integral to a DWSRF-eligible project;

11. Other projects necessary to address compliance/enforcement or security issues; and

12. Promote green infrastructure, water and energy efficient projects.

B. Activities intended to be funded from the account for set-aside programs include:

1. Administration of the DWSRF program;

2. Assistance with technical, managerial and financial capacity development to small public water systems serving 10,000 or fewer persons;

3. Implementation of state drinking water program management;

4. Continued development of an information management system compatible with the Safe Drinking Water Information Management System (SDWIS) to enhance data storage, data queries and data retrieval;

5. Training for water operators and Board members;

6. Wellhead and source water protection programs;

7. Capacity Development;

8. Operator Certification; and

9. Assistance with water system consolidation.

III. DWSRF LOAN PROGRAM DESCRIPTION AND GOALS

A. DWSRF Loan Program General Information

The Nevada DWSRF Loan Program funds publicly and privately owned community water systems and non-profit non-community water systems. Any project to facilitate compliance with the health protections goals of the Safe Drinking Water Act or state requirements is eligible including replacing aging infrastructure. Projects to consolidate water systems may also be eligible. Projects solely for new growth or fire protection are not eligible. Loans made under the program currently have interest rates around 3 percent. Loan repayments to the State will provide a continuing source of infrastructure financing into the future. The program also places an emphasis on small and disadvantaged communities and on programs that emphasize prevention as a tool for ensuring safe drinking water.

B. Long-Term Goals

For the purposes of this IUP, a long-term goal is defined as the life of the program. The following are the long-term goals of the loan program:

- Ensure that DWSRF funds are available in perpetuity to all Nevada public water systems to provide their customers with water that is safe and pleasant to drink all of the time.

- Address the most serious risk to human health and comply with the requirements of the Safe Drinking Water Act.

- Assist systems most in need, on a per household basis, according to State determined affordability criteria.

C. Short-Term Goal

For the purposes of this IUP, a short-term goal is an activity intended to be initiated and, in some cases, completed within a year.

- Make drinking water in Nevada more affordable by providing Federal, State and repayment funds as loans to water systems in Nevada at below market interest rate.

- Use 20% of the federal 2011 funds for green infrastructure, water or energy efficiency improvements or other environmentally innovative activities.

- Use 30% of the federal 2011 funds for additional subsidies.

D. Additional DWSRF Loan Program Information

Financial Terms of Loans for Public Water System Projects:

1. Subject to the limitation in paragraph 2 of this section, all loans for the financing of projects, or loans made under the Section 1452(k)(1) set-aside, will be for a term not to exceed 20 years from loan closing date, except that under some conditions, loans to disadvantaged communities for financing projects may be made for a period of 30 years from loan closing date.

2. Loan terms are not to exceed the useful life of the project.

3. Terms of financial assistance to public water systems serving disadvantaged communities are addressed in Section VII.

4. Repayment of loan principal must begin within 12 months of project completion based on the construction schedule available at the loan closing date or actual completion date or three years from the date of the initial principal advance, whichever is earlier.

5. Loans are to be made on a cost-reimbursement basis.

6. Leveraging: The decision to leverage will be based on demand on the loan fund for projects to address health concerns, market conditions and long term impact to the fund.

7. Administration Fee: Currently, Nevada does not assess a fee. At some point in the future, Nevada intends to assess a small administrative fee, calculated as a percentage of the remaining principal balance, to be collected at the time of the semi-annual loan repayments. Fees collected will be deposited and maintained outside of the SRF accounts.

IV. DWSRF SET-ASIDE PROGRAM DESCRIPTION AND GOALS

The SDWA §1452(g) and §1452(k) allow States to set aside up to 31% of the capitalization grant for the activities described in Section II. B of this IUP. Nevada expects to reserve 29% of the FFY 2011 capitalization grant for these purposes.

The DWSRF account for set-aside programs includes four specific set-aside categories identified as the 4%, 10%, 2% and 15% set-asides. If all of the set-aside funds within a set-aside activity are not expended, those remaining funds may be redirected to another set-aside activity as long as the maximum allowed for that activity has not been reached for the fiscal year from which the funds were derived. Nevada has submitted and EPA has approved detailed workplan and budget for set-aside activities described in Sections A through D (below).

The following sections describe each of the set-asides individually. Each section contains a

general description of the set-aside and a description of the programs to be funded. Following these descriptions, long-term and short-term goals are identified for each program.

A. Program Administration (4% Set-aside)

The Bureau of Administrative Services within the Division of Environmental Protection will manage the day-to-day operation of the DWSRF. The Board for Financing Water Projects, a board that exists independent of the Division, approves the priority lists and loan commitments. Support for administering the program is also obtained from the State Treasurer's Office.

This set-aside will be used to pay salaries and associated expenses of program personnel devoting time to the administration of the fund as well as the necessary ancillary services performed by other agencies or contractors. These funds will also be used to procure all equipment and training necessary for the adequate performance of staff. Expenses for DWSRF-related public meetings, workshops and hearings will also be paid for out of this set-aside. Funds not used immediately will be reserved for use in future years.

Long-Term Goal:

- Effectively manage a self-sustaining DWSRF Loan Program and ensure that funds are available in perpetuity.

Short-Term Goals:

- Effectively and efficiently manage the day-to-day operation of the DWSRF;

B. Technical Assistance for Small Public Water Systems Serving 10,000 or Fewer Persons (2% Set-aside)

Nevada will utilize this set-aside to provide technical assistance to small public water systems using independent contractors, coalitions and/or non-profit organizations. Small public water systems are those systems that serve 10,000 or fewer persons.

Long-Term Goal:

- Offer assistance to all of Nevada's small systems.

Short-Term Goal:

- Provide technical assistance to small systems including assistance with compliance issues, sampling plans;
- O&M Manuals, Cross Connection Control Programs,
- Interim guided sanitary surveys;
- Assist water systems in the grant/loan application process;
- Water conservation plan implementation including water loss determinations, leak detection, meter calibrations and checks;
- Document power use, patterns and rate structure; and
- Provide managerial assistance including budget, water rates and staffing needs.

C. State Program Management (10% Set-aside Recognizing Allowable 1:1 State Match Funds)

Nevada will utilize the 10% set-aside activities for support of the Public Water System

Supervision program. Support of the Operator Certification program is included in the Public Water Supervision Program. The 10% set-aside requires a 1:1 match which the State may derive from three possible sources. The first source comes from the State expenditure for the 1993 Public Water System Supervision (PWSS) program as allowed by the Safe Drinking Water Act. This historical amount is ***$238,129***. This amount cannot exceed the match credits derived from the other components. The second source is annual permit fees NDEP collects for water system operation, operator certification, lab certification or plan reviews. The third source of matching funds to meet State match requirements is the expenditure of money by the Nevada Division of Environmental Protection (NDEP) on the State's source water protection program. The NDEP administers the major elements of this SDWA program and collects permit fees collected for groundwater discharge permits. Under Nevada's source water protection program, these groundwater discharge permit fees are used to reduce or eliminate the exposure of drinking water aquifers to contaminants in groundwater discharge activities. No direct State appropriation match money will be provided for FFY 2011.

1. Public Water System Supervision (PWSS) Program:

The DWSRF funds will be used to develop, implement and improve the current public water system information management system and for current PWSS activities administered by the Bureau of Safe Drinking Water.

Long-Term Goals:

- Develop and maintain long-term data system for use in managing Nevada PWSS;
- Integrate Safe Drinking Water Information System (SDWIS) with other State databases; and
- Supplement and enhance PWSS program.

Short-Term Goals:

- Input data for all parameters into SDWIS;
- Refine development of various SDWIS modules to assist PWSS program implementation and progress toward an upgrade to SDWIS Web 2.0;
- Purchase necessary computer equipment;
- Provide PWS staff training; conduct public workshops and rule adoption; and
- Maintain operator certification program.

D. Local Source Water Protection Activities (15% Set-aside); (Not More than 10% of Capitalization Grant Can Be Used for Any One Activity)

The SDWA allows 15% of the capitalization grant to be used for providing loans for source water protection; for providing assistance for the technical, managerial and financial capacity development strategy and for enhancing the State Wellhead Protection Program. None of the individual activities listed below will exceed 10% of the capitalization grant.

1. Loans for Source Water Protection Programs

These loans could include loans for the acquisition of land or easements, for local, voluntary source water protection, or for source water petition programs. Nevada does

not plan to set aside any FFY 2011 funds for loans to be made under this program.

2. **Provide Funding to Public Water Systems to Provide Technical or Financial Assistance Under the Capacity Development Strategy**

   Nevada intends to provide assistance in technical, managerial and financial capacity development to public water systems. Technical assistance providers under contract will offer assistance on a variety of issues. This effort also includes a quarterly publication (*"Water Lines"*), which provides a variety of technical, managerial and financial information for operators and owners of public water systems.

   Long-Term Goal:
   - Provide assistance to water systems to enhance their technical, managerial and financial capacity.

   Short-Term Goals:
   - Provide training to operators and Boards; and,
   - Make available college level water courses.

3. **State Source Water Protection Program**

   The Nevada Source Water Protection (SWP) Program is comprised of the voluntary Wellhead Protection (WHP) Program, follow-up activities for the Source Water Assessment Program (SWAP), and a variety of other source protection and coordination activities administered by the Nevada Division of Environmental Protection (NDEP). The objective of the Source Water Protection Program is to 1) maintain the WHP Program grant and technical assistance activities to assist communities and public water systems with the development and implementation of SWP/WHP plans, and 2) coordinate and focus attention on the ground and surface water protection activities conducted by NDEP, local agencies, state and federal agencies, other non-profit associations and groups working to protect sources of drinking water in Nevada. Although the SWP addresses both ground water and surface water, DWSRF 15% set-aside funds are utilized for only the groundwater component. The SWP program is administered by the NDEP's Bureau of Water Pollution Control.

   a. Wellhead Protection

   Section 1452(k) of the Safe Drinking Water Act currently specifies that wellhead protection programs are eligible for funding under the 15% set-aside. Nevada's Wellhead Protection Program funds activities that protect underground sources of drinking water from anthropogenic or human caused activities and events. Funding from the 15% set-aside is used to enhance the existing WHPP, assist with the development and implementation of community/tribal WHP plans through funding and technical assistance, and to coordinate with other agencies who manage related programs. Wellhead protection activities are outlined in the "Comprehensive State Groundwater Protection Program" updated in March 1998 and approved by the U.S. Environmental Protection Agency.

   Historically, NDEP has provided WHPP grants to public water systems and

communities for a variety of wellhead protection plan development and implementation projects, including inventorying, evaluating and strategically planning for managing high risk contaminant sources and to develop public education and outreach strategies to promote local awareness of these sensitive areas. During this IUP cycle, NDEP has contracted with a consulting firm to assist in the implementation of Nevada's WHPP and provide technical assistance to local communities and public water systems to develop and implement source water protection/wellhead protection plans. The State WHPP will be thoroughly reviewed and updated. As a part of the review process, NDEP will also investigate the feasibility of an Integrated Source Water Protection Program. This entails a detailed review of the existing source water protection activities and programs (WHPP, SWAP, and SWP) managed by NDEP, consideration of the program's similarities and differences pertaining to long term and short term goals, consideration of federal and state funding requirements in carrying out the individual programs, data collection and use of data, and coordination among the applicable NDEP Bureaus who currently manage the programs to determine whether or not it would feasible and beneficial for NDEP to integrate the three programs. The intent is to alleviate redundant data collection and maintenance efforts and provide a more efficient process for entering, updating and sharing data related to source water protection in Nevada.

b. Source Water Protection Activities

Section 1453 of the 1996 Amendment to the SDWA requires states to develop and implement Source Water Assessment Programs (SWAPs) approved by the United State Environmental Protection Agency. Components of the program include delineation of source water assessment areas, analysis of existing and potential sources of contamination within the delineated areas, and determination of susceptibility to contamination for all public drinking water sources within each state. NDEP Bureau of Safe Drinking Water (BSDW) is the primacy for development and implementation of the state of Nevada SWAP program. Nevada source water assessments were completed for all public water systems in 2003. Follow-up action is being coordinated by BSDW to implement vulnerability assessment and monitoring waiver programs for public water systems throughout Nevada.

c. Other Source Water Protection Activities

Other drinking water protection activities that fall within the objectives of the SWP program, but fall outside of the scope of the WHP Program and SWAP, include:

- analysis, prioritization and focused attention of potential contaminating activities based on review and analysis of results from the SWAP and data from other permitting, monitoring, and mitigation programs at NDEP to assist and enhance source water protection activities within the state;
- coordination of ground water and surface water protection activities conducted by NDEP, other state and federal agencies, and other groups working to protect sources of drinking water in Nevada;
- establishing state-wide standards and criteria for protection of drinking water sources within the state;
- development and maintenance of a source water protection strategies and tools for

the protection of the state's drinking water supply;

- continuing and further promoting source water protection through public education and outreach efforts.

Long-Term Goals of Source Water Protection Program:

- Implement the comprehensive Source Water Protection Program, by providing outreach and assistance to local communities on strategies to protect their local water resources by preventing contamination of ground water and surface water, identifying and reducing the risk posed by potential water pollution sources through various state and local programs, and coordinating water protection activities throughout the state.
- Utilize information gathered from the SWAP and related programs within NDEP to develop and implement SWP/WHP strategies for the state.

Short-Term Goals for Wellhead/Source Water Protection Program:

- Enhance the State SWP/WHP Program and develop strategies for carrying out the programs and protecting public drinking water supplies and ground water resources;
- Provide technical assistance with the development and implementation of community/public water system source water/wellhead protection plans; and encourage these activities at the local level;
- Coordinate with federal, state and local agencies and other community groups involved with source water and wellhead protection activities; including participating in EPA sponsored source water protection forums and workshops.
- Develop technical guidance for water pollution prevention activities and best management practices, including utilizing other federal, state, and local program guidance documents and fact sheets to promote source water protection activities at the state and local level;
- Develop educational outreach materials and coordinate educational outreach activities (i.e. local government presentations, school presentations, outreach at scheduled community events, etc.) with other state and local programs, schools, and other established source water protection groups. Materials will be developed for a variety of audiences to inform the general public of the importance of source water/wellhead protection into the future;
- Develop and enhance source water/wellhead protection data management and coordinate data sharing with related programs, local governments, and other source water/wellhead protection activities; and
- Maintain/enhance staff technical capabilities through various local, state and federal training opportunities and coordinating and participating in source water/wellhead protection activities at the regional and national level.

Short-Term Goals for Vulnerability Assessment and Protection Program:

- Conduct vulnerability assessments on newly permitted water sources. Evaluate vulnerability potential to source water from identified potential contaminant sources by considering water quality, risk, well construction, time of travel, susceptibility and other relevant information in order to determine source vulnerability. Issue water quality monitoring waivers as appropriate. Generate water quality monitoring schedules;

- Conduct field surveys at public drinking water systems in order to update source contaminant inventories previously evaluated by the Source Water Assessment Program (SWAP). Update and revise water quality monitoring waivers as appropriate. Generate updated water quality monitoring schedules;
- Generate new and updated vulnerability assessment reports for public drinking water systems as appropriate;
- As needed provide updated SWAP summaries to community water systems for inclusion in their Consumer Confidence Reports;
- Provide NDEP's Well Head Protection Program with new or updated vulnerability assessment information as needed; and
- Encourage water systems to engage in source water protection efforts.

V. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

A. 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. Priority is also given to those projects which otherwise significantly further the health protection objectives of Section 1452 of the SDWA and for public water systems most in need on a per capita basis. 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. If the scores for two or more projects are tied, ranking will be based on population, with the higher population given the higher ranking. 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;

On an annual basis, following a statewide solicitation for projects, the Division develops a statewide priority list of water projects. Placement on the priority list does not guarantee that a project will be funded. However, only those projects that are included on the priority list will be considered for possible funding. The IUP, including the list of projects, undergoes a public review and comment process at least once each year.

The regulations (NAC 445A.67569) allow for other factors identified in the IUP to be considered in the ranking of projects on the priority list. This IUP is identifying the following additional factors to be considered in ranking projects on the priority list. Public Water Systems under a Bilateral Compliance Agreement or Administrative Order for violations of the primary drinking water standard for arsenic will be given higher priority than those water systems that have received or are eligible for an exemption for arsenic. For those systems eligible for an exemption for arsenic, ranking of projects will be based on exemption eligibility criteria in the following order:

1. Arsenic concentration less than 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

A project that is needed to comply with a EPA rule that has been adopted, but the compliance date is in the future will be ranked on the Priority List in acute health risk for surface water treatment rule requirement or chronic health class for primary and secondary drinking water standards.

NAC 445A.67569 does not include criteria for security related projects. By way of this IUP, as allowed for in the NAC, security and computer system control (SCADA) related projects will be ranked in Class III system rehabilitation and given a score of 3 points.

The Division may revise the ranking of a project on an existing list at any time if information affecting the ranking of the project becomes available that was not available at the time the list was developed. Any revised list, before it is adopted, must undergo the public review and comment process outlined in the regulations and must be approved by the Board for Financing Water Projects. The Division may, without obtaining the approval of the Board for Financing Water Projects or holding a public participation workshop, revise a priority list to correct minor typographical or technical errors.

Requests for financial assistance for emergency situations may be made to the Division at any time. In any emergency situation, an applicant may submit a loan application without waiting for a revision to the priority list. All other applicants on an approved priority list will be notified of an emergency request and be given an opportunity for any comments or objections. The Board for Financing will add the project to the priority list at the same time the Board approves the loan commitment.

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.

The EPA FY-10 DWSRF Guidance requires identifying a fundable list of projects. The fundable list included in Attachment B was developed based on a readiness to proceed.

B. Green Infrastructure, Water or Energy Efficiency

The Federal 2010 appropriation requires that, to the extent there are sufficient eligible

project applications, not less than 20% of the funds provided for projects must be used for water or energy efficiency, green infrastructure, or other environmentally innovative activities. The project list in Attachment A identifies green project of which there is at least 20% of the total assistance amount. NAC 445A.67569 does not include criteria for green infrastructure, water or energy efficiency projects. By way of this IUP, as allowed for in the NAC, green infrastructure, water or energy efficiency projects related 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. Additional information on green infrastructure is provided in Attachment F.

C. Priority List Public Participation

A list of projects in order of priority that may receive assistance from the account for the revolving fund is made a part of this IUP (See Attachment A). The Division held a Priority List Workshop on May 25, 2010 on the 2011 Priority List. The Board for Financing Water Projects approved the 2011 Priority List at their meeting on June 1, 2010. The fundable list is included in Attachment B.

A summary of the public workshops, comment and public participation is included in Attachment D. The Resolution of the Board for Financing Water Projects approving the 2011 Priority List effective June, 2010 is included in Attachment C.

D. Impact of Funding Decisions on the Long-Term Financial Health of the DWSRF

To monitor the long-term financial health of the DWSRF, the Division relies on a capacity model to assess the financial impact of policy decisions including the amount of forgivable principal to award, loan interest rates, and state match bond structures. Attachment E is an example output from the capacity model and measures the DWSRF's ability to pay state match bond debt service based on the status of the loan portfolio and based on conservative assumptions about investment activity.

E. Relationship to State Program Goals and Objectives

The Division places priority on projects that meet the goals specified in Section II of this IUP. In general, the resolution of imminent threat to public health by addressing acute contaminants is paramount, followed by the resolution of compliance issues, long-term health protection through pollution or contamination prevention, long-term infrastructure needs, and consolidation of public water systems to improve system capabilities.

F. Transferring Funds Between the DWSRF and the CWSRF

Initial projections indicate that the DWSRF may have more projects ready to proceed than funds available. If DWSRF projects that are ready to proceed exceed funds available, transferring funds from CWSRF to DWSRF may be considered provided there are unused funds available in the CWSRF. Nevada reserves the right to make a transfer of up to 33% of the DWSRF capitalization grant into the CWSRF or an equivalent amount from the CWSRF capitalization grant into the DWSRF, when it is permissible. This would require public review and the approval of the Governor, State of Nevada.

VI. ASSISTANCE TO SMALL PUBLIC WATER SYSTEMS

The federal regulations for the DWSRF state that a minimum of 15% of the DWSRF must be used to provide loan assistance to small public water systems serving fewer than 10,000 people to the extent such funds can be obligated for eligible projects. The 2011 project priority list includes a large number of projects associated with small public water systems. It also includes several projects associated with large water systems. Every effort will be made to fund the small system projects, recognizing the requirement outlined in Section 1452 (a)(2) of the SDWA to make at least 15% of the fund available to small systems. Loans to large systems are important in obligating the entire capitalization grant. Repayments of these loans then make low-cost loans available to small systems in the future.

VII. PROGRAM TO PROVIDE ASSISTANCE TO PUBLIC WATER SYSTEMS SERVING DISADVANTAGED COMMUNITIES

The federal 2011 appropriation required that the state use at least 30% of its grant to provide additional subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants or any combination of these. Under the existing program, the DWSRF has authority to offer principal forgiveness and negative interest loans in an amount up to 100% of the value of a loan to disadvantaged communities.

The Nevada Administrative Code defines a disadvantaged community as an area served by a public water system in which the average income per household is less than 80 percent of the median household income of the state median household income. To meet the Federal 2011 appropriation requirement, additional subsidy will first be offered to communities that meet the definition of a disadvantaged community.

There are adequate projects on the Priority List that meet the above affordability criteria to more than satisfy the requirement of 30% of the grant. The terms and amount of the additional subsidy will be determined on a case by case basis based on the individual community's financial situation.

It is possible that some of the projects on the Priority List meeting the above affordability criteria will not utilize SRF funds. If necessary to meet the 30% of the grant in additional subsidization requirement, the eligibility for additional subsidy will be expanded to include all communities with a population less than 10,000 people.

In addition to reduced or zero interest loans for disadvantaged communities, the project prioritization process takes into account the median household income (MHI) in the area served by a water system. The process ranks projects in communities with a lower MHI higher than an equivalent project in a community with a higher MHI. This ranking process, therefore, gives those projects serving communities with a lower MHI the first opportunity at loan funds.

VIII. U.S. ENVIRONMENTAL PROTECTION AGENCY STRATEGIC PLAN GOALS AND OBJECTIVES

The Nevada DWSRF program supports the National USEPA Strategic Plan Goal 2 (Clean and Safe Water), Objective 1 (Protect Human Health), Sub-objective 1 (Water Safe to Drink) listed below. Specifically, Nevada established and is managing the revolving loan fund to make low cost loans and other types of assistance to water systems to finance the cost of infrastructure projects to achieve or maintain compliance with Safe Drinking Water Act requirements. Nevada

DWSRF activities support USEPA Program Reporting Measure SDW-4 Fund Utilization and SDW-5 DWSRF projects that have initiated operations.

All planned and prior year loans have assisted public water systems in meeting the federal and state drinking water compliance requirements. Details of Nevada's DWSRF activities supporting the National USEPA Strategic Plan will be included in the DWSRF Annual Report, the Drinking Water National Information Management System (DW NIMS) and the Federal Funding Accountability and Transparency Act (FFATA) Reporting System.

Measure	Measure Text	National Target	Nevada FY-09	Nevada FY-10	State FY-11
SDW-4	Fund utilization rate [cumulative dollar amount of loan agreements divided by cumulative funds available for projects] for the Drinking Water State Revolving Fund (DWSRF)	Target 89%	Actual 73.1%	Target 90%	Target 90%
SDW-5	Number of Drinking Water State Revolving Fund (DWSRF) projects that have initiated operations (cumulative)	Base 5,526 ARRA 200 Total 5,726	18 0 18	21 5 26	24 10 34

Attachment A

2011 Project Priority List

Year 2011 Priority List--Drinking Water State Revolving Fund

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	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 &	$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	$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	$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	$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 (Heppner)	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, Sklyland 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												

ATTACHMENT B
Fundable List

Year 2011 Fundable List--Drinking Water State Revolving Fund

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	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													
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
5	Goldfield	10	0.9	9	1.35	12.17	Public	ES	NV0000072	500	217	Arsenic compliance	$630,000
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
17	Searchlight	10	0.4	4	1.83	7.31	Public	CL	NV0000219	760	290	Arsenic compliance, two new wells, storage	$11,125,300
Class II--Chronic Health Risks													
Non Community Water Systems													
31	Dyer Elementary School	1	NA	1	1.58	1.58	Public	ES	NV0002184	45	4	TDS mitigation	$169,500
												Total Class II	**$32,158,100**
Class III--Rehabilitation													
Community Public Water Systems													
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	
61	Walker Lake GID	11	NA	11	1.36	14.91	Public	MI	NV0000268	400	160	Distribution rehab - part GREEN some pipes leak	$1,000,000
63	Gold Country Water Company	15	NA	15	0.88	13.14	Private	HU	NV0003079	950	390	New well	$525,000
73	Round Hill GID	10	NA	10	0.85	8.48	Public	DO	NV0000260	1700	479	Replace storage	$2,000,000
Class III--Rehabilitation													
Non Community Public Water Systems													
	None												
												Total Class III	**$3,525,000**
Class IV--Refinance													
	None												

Attachment C

Resolution of the Board for Financing Water Projects
On

2011 Priority List

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 D

Summary of Public Workshops, Comment and Participation on Intended Use Plan and Project Priority List

A public workshop on the 2011 Priority List was held on May 25, 2011. No objections were offered with respect to the priority list. The Board of Financing Water Projects approved the 2011 Priority List at their meeting on June 1, 2010. The Board meeting provided additional opportunity for public input. Notice of the public workshop on priority list was published in newspapers throughout the state and sent to all applicants on the priority list.

A public notice soliciting comment on the Draft 2011 Intended Use Plan (IUP) was published in newspapers throughout the state. The public notice was also sent to a mailing list of interested parties. The Draft 2011 IUP was made available on NDEP's web page. No comments on the Draft 2011 IUP were received.

Attachment E

Capacity Model

State of Nevada
Drinking Water Revolving Fund
Sufficiency Report ~ Revenues Available for Debt Service ~ Annual
May 4, 2010

Year Ending June 30	Beginning Retained Earnings	Earnings @ 1.50%	Loan Interest Payments	Earnings & Loan Interest Payments	Match Bonds Debt Service	Coverage without Retained Earnings	Coverage with Retained Earnings	Ending Retained Earnings
2010	7,212,051	351,332	2,470,113	2,821,445	(2,003,583)	1.41	5.01	8,029,914
2011	8,029,914	410,315	2,376,693	2,787,008	(1,986,039)	1.40	5.45	8,830,883
2012	8,830,883	484,820	2,240,237	2,725,057	(1,984,970)	1.37	5.82	9,570,970
2013	9,570,970	562,182	2,096,864	2,659,046	(1,972,495)	1.35	6.20	10,257,521
2014	10,257,521	643,426	1,946,445	2,589,872	(1,966,008)	1.32	6.53	10,881,385
2015	10,881,385	725,797	1,791,569	2,517,366	(1,955,164)	1.29	6.85	11,443,587
2016	11,443,587	808,851	1,633,210	2,442,061	(1,951,658)	1.25	7.11	11,933,990
2017	11,933,990	893,143	1,469,587	2,362,731	(1,996,155)	1.18	7.16	12,341,502
2018	12,341,502	978,626	1,300,524	2,279,151	(1,863,061)	1.22	7.85	12,661,045
2019	12,661,045	1,066,361	1,125,839	2,192,200	(1,027,949)	2.13	14.45	13,025,240
2020	13,025,240	1,162,660	945,382	2,108,041	(554,724)	3.80	27.28	14,124,445
2021	14,124,445	1,266,851	766,864	2,033,716	(254,156)	8.00	63.58	15,613,720
2022	15,613,720	1,368,576	606,132	1,974,708	(255,625)	7.73	68.81	17,338,538
2023	17,338,538	1,466,088	458,698	1,924,786	(256,400)	7.51	75.13	19,012,312
2024	19,012,312	1,559,740	318,745	1,878,485	(256,725)	7.32	81.37	20,639,234
2025	20,639,234	1,643,380	201,554	1,844,934	(256,600)	7.19	87.62	22,232,506
2026	22,232,506	1,717,968	102,342	1,820,311	(256,025)	7.11	93.95	23,801,504
2027	23,801,504	1,767,178	53,858	1,821,036	-	-	-	25,372,027
2028	25,372,027	1,786,956	39,526	1,826,481	-	-	-	27,206,303

ATTACHMENT F

Green Project Reserve

The 2010 Federal Appropriation required that not less than 20% of the funds provided for projects must be used for water or energy efficiency, green infrastructure or other environmentally innovative activities to the extent there are sufficient eligible projects. The USEPA has labeled this requirement the "Green Project Reserve".

Under the DWSRF, water or energy efficiency projects will likely be the principal focus of the Green Project Reserve under the DWSRF. However, there also may be projects, or components of projects, that qualify for consideration because of green infrastructure or environmental innovation. For energy and water efficiency projects to satisfy USEPA Guidance under the Green Project Reserve, the projects should demonstrate substantial benefits/savings compared to the average level of efficiency currently available for the project or component. In addition, water and energy efficiency benefits/savings must be a substantial part of the rational or justification for the project, and cannot simply be incidental water and/or energy efficiency benefits.

The following are some examples of water and energy efficiency projects that would qualify under the Green Project Reserve. Eligible water and energy efficiency projects are not limited to the lists below. The lists merely identify the most common projects.

Energy Efficiency Examples

1. Energy efficient retrofits and upgrades to pumps and treatment processes;
2. On-site clean power production including wind, solar, hydroelectric, geothermal, biogas, etc.;
3. Replacement or rehabilitation of transmission or distribution that results in substantial energy savings;
4. Supervisory Control and Data Acquisition (SCADA) that results in substantial energy efficiency;
5. Pump replacement if pump selected ranks among the most energy efficient commercially available;
6. Projects specifically designed to improve the operational efficiency by improving overall hydraulic conditions in the distribution system;
7. Upgrading to variable frequency drive motors

Water Efficiency Examples

1. Installation of water meters and automated meter reading equipment. A project for the installation of water meters in a previously unmetered water system is categorically green with the caveat that the water system commits to bill a metered rate based on consumption.
2. Purchase of water efficient fixtures, fittings, equipment, or appliances
3. Purchase of leak detection devices and equipment
4. Replacement or rehabilitation of distribution lines that have data documenting water loss
5. Water conservation plans or water audits if they are reasonably likely to result in a capital project