

**State of Nevada—Intended Use Plan
for the Allocation of
CLEAN WATER State Revolving Funds
For State Fiscal Year 2011
From
Federal Fiscal Year 2011 Allotment
Under the Water Quality Act, as Amended in 1987**

Nevada Division of Environmental Protection

Final

June 2011



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I. INTRODUCTION

A. History and Legislation

The Water Quality Act of 1987 authorized the Clean Water State Revolving Fund (SWSRF) to fund wastewater infrastructure. Following the passage of the Water Quality Act, the 1989 Nevada Legislature adopted state statutes (NRS 445A.060 through 445A.160) for the CWSRF program. The state regulations for the CWSRF are found in NAC 445A.685 through 445A.800. In Nevada, the CWSRF program is administered by the Nevada Division of Environmental Protection.

B. Financial Status

The financial status of Nevada's CWSRF is shown in Table 1 Sources and Uses.

C. Nevada Request

This Intended Use Plan (IUP) serves as the planning document for managing the FY 2011 allocation of grant funds for the Clean Water State Revolving Fund (CWSRF) and is a required element of the grant application documentation to obtain the EPA CWSRF grant award. Nevada herewith submits its IUP for the CWSRF funds available to Nevada for the purposes of funding the construction of wastewater infrastructure. The total available to Nevada from EPA's allotment to states is \$7,251,450. Nevada intends to use \$270,029 for program administration, leaving \$6,981,421 in federal funds for financing wastewater construction including \$1,087,718 to \$3,625,725 in forgivable principal loans and \$1,450,290 for green project reserve. Nevada bond proceeds will fund the 20% State Match of \$1,450,290.

The FY 2011 project priority list includes approximately \$479 million in proposed projects.

II. Types of Projects Funded from the CWSRF

The CWSRF will be used to fund the following types of projects.

1. Construction of wastewater treatment plants and treatment plant upgrades including planning and design.
2. Construction of sewer collection lines including planning and design.
3. New or expanded water reclamation and reuse facilities.
4. Non-point source projects.
5. Water efficiency, energy efficiency, green infrastructure or other environmentally innovative activities.

Table 1

Clean Water State Revolving Loan Fund					
Sources and Uses of Funds					
FY2011					
July 1, 2010 - June 30, 2011					
Sources	Federal Share	State match Bonds	Fees	Reloan Funds	Total
Prior year's loan funds	14,623,656	293,057		49,309,779	64,226,492
Prior year's administrative funds	787,096	0	168,914		956,010
*2011 Grant (Projection)	7,251,450	4,703,271			11,954,721
2011 fees			214,000		214,000
					0
2010 Treasurer's Interest				194,884	194,884
2010 Principal & Interest repayments				19,577,010	19,577,010
Total sources of funds	22,662,201	4,996,328	382,914	69,081,673	97,123,116
Uses	Federal Share	State match Bonds	Fees	Reloan Funds	Total
Administrative expenses	270,029				270,029
Bond principal payments				6,775,000	6,775,000
Bond Interest payments				3,502,582	3,502,582
2011 Project funding:					
Current Loans	20,877,902	4,996,328		25,241,349	51,115,579
Loans expected to be made	0	0			0
Loan commitments pending	0.00	0			0
Uncommitted funds	1,514,271	(0)	382,914	33,562,741	35,459,926
Total uses of funds	22,662,201	4,996,328	382,914	69,081,673	97,123,116
*2011 Grant award projection based on FY10 award (\$10,002,000) less 27.5% \$(2,750,550).					

III. CWSRF LOAN PROGRAM DESCRIPTION AND GOALS

A. General Information

The Nevada CWSRF Loan Program funds publicly owned community wastewater systems. Eligible projects include construction of projects identified in Section II including planning and design.

B. Financial Terms

1. Subject to the limitation in paragraph 2 of this section, all loans for the financing of projects, will be for a term not to exceed 20 years from the loan closing date, except that loans to disadvantaged communities may be made for a period of up to 30 years from the loan closing date;
2. Loan terms are not to exceed the useful life of the project;
3. Interest rates are calculated at 62.5% of the Bond Buyers Index Rate. The Division, however, can use other means of determining the interest rate if it concludes another method is appropriate.
4. Terms of financial assistance to disadvantaged communities are addressed in Section VII;
5. Loans are to be made on a cost reimbursement basis.

C. Long Term Goals

For 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:

- Elimination of surface and groundwater pollution within the State.
- Protection of the health of the people of the State from the threat created by inadequate treatment, collection and improper disposal of municipal wastewater and wastewater from non-point sources.
- Attainment of water quality standards adopted by the State Environmental Commission to protect designated beneficial uses.
- Maintain compliance by all publicly owned treatment works with water quality goals and protect the public health, by assisting in the completion of cost effective projects.
- Facilitate access to and efficiently deliver financial assistance to Nevada's clean water facilities.
- Ensure fiscal and technical integrity of the State Revolving Fund program
- Administer the State Revolving Fund so that its revolving nature is assured in perpetuity.

D. Short Term Goals

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.

- Issue loans in excess of \$20,000,000.
- Effectively manage day to day operation of CWSRF.
- Use 20% of the Federal 2011 appropriation CWSRF funds awarded to Nevada for Green infrastructure, water or energy efficiency improvements or other environmentally innovative activities.
- Use 15% to 50% of the 2011 Federal appropriation CWSRF funds awarded to Nevada for additional subsidies.

IV. CRITERIA AND METHOD FOR DISTRIBUTING CWSRF FUNDS

A. Priority List

On an annual basis, following a statewide solicitation for projects, NDEP develops a statewide list of water projects. For funding cycle 2011, NDEP received 63 project priority list applications totaling \$479,084,220. The 2011 Priority List is included as Attachment A.

The division may revise the priority system and priority list as necessary. Before revising the priority list, the division shall hold a public hearing, unless the division determines that the revision is not significant.

B. Fundable List

The EPA FY-10 CWSRF Guidance requires identifying a fundable list of projects. The highest ranking applications that are ready to receive CWSRF assistance are identified in Attachment B. NDEP based the fundable list on projects which are ready to proceed in construction.

C. Ranking Procedures

The procedures for prioritizing project for funding are included in Attachment C State Priority System, Subsections IV and V.

V. LOAN FEE

The CWSRF implemented a loan origination fee of 0.5% of the amount of all base loans. The fee will be applied on a case by case basis.

VI. ASSURANCES

The State certifies that:

1. The State will enter into binding commitments equal to at least 120% of each quarterly grant payment within one year after receipt of the payment;

2. The State will expend all funds in the SRF in an expeditious and timely manner;
3. Funds will first be used to assure maintenance of progress toward compliance with enforceable deadlines, goals, and requirements of the Act, including the municipal compliance deadline.
4. The State agrees to comply with all applicable federal requirements.

In addition, the State certifies that it will conduct environmental reviews on wastewater facility projects in satisfying the NEPA-like requirements. The State's NEPA-like procedures are contained in the Regulations Governing the State Revolving Loan Program. (NAC 445A.685-800).

VII. TRANSFERRING FUNDS BETWEEN CWSRF & DWSRF

Nevada reserves the right to make a transfer of up to 33% of the CWSRF capitalization grant into the DWSRF or an equivalent amount from the DWSRF capitalization grant into the CWSRF. This would require public review and the approval of the Governor, State of Nevada. The decision to transfer funds will be based on funds available relative to projected demand in either DWSRF or CWSRF.

VIII. PUBLIC REVIEW & COMMENT

The CWSRF public workshop on the draft 2011 Priority List was held on June 21, 2010 at 10:30 am, in accordance with the authority granted to the Division by NRS Chapter 445 and the Administrative Procedures Act NRS 233B. This hearing was properly noticed in newspapers throughout the state in accordance with Nevada's open meeting law and Federal Regulations.

Copies of the notice and the 2011 Priority List were mailed to persons on our mailing list and it was posted on NDEP's Website for review and downloading. NDEP did not receive any written comments or oral comments during the public workshop on the draft 2011 Priority List. The draft 2011 Intended Use Plan was made available to the public. NDEP did not receive any comments on the draft 2011 Intended Use Plan.

IX. ASSISTANCE TO DISADVANTAGED COMMUNITIES

The federal 2010 appropriation required that the state use at least 30% of 49% of its federal FY-10 CWSRF funds to provide additional subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants or any combination of these. The final federal 2011 appropriation was a continuing resolution of the 2010 federal appropriation; therefore, 2011 requirements are the same as 2010 requirements.

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 state median household income. To meet federal 2010 appropriation

requirement, additional subsidy will be offered first to communities that meet the definition of disadvantaged community.

There are adequate projects on the Priority List that meet the above definition of a disadvantaged community to more than satisfy the requirement of 30% of the federal 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.

X. USEPA STRATEGIC PLAN & GOALS

The Nevada CWSRF program supports the National USEPA Strategic Plan Goal 2 (Clean and Safe Water), Objective 2.2 (Protect Water Quality), Sub-objective 2.2.1 (Improve Water Quality on a Watershed Basis). Specifically, the Nevada Division of Environmental Protection established and is managing the revolving loan fund to finance the cost of infrastructure improvements which will achieve or maintain compliance with the Clean Water Act requirements. Nevada CWSRF activities support USEPA Program Reporting Measure WQ-17 Fund Utilization.

All planned and prior year loans have assisted the loan recipients to meet federal and state Clean Water compliance requirements. Details of Nevada's CWSRF activities supporting the National USEPA Strategic Plan will be included in the CWSRF Annual Report as well as in the Clean Water Benefit Reporting system (CBR) and the Clean Water National Information Management System (CWNIMS) and the Federal Funding Accountability and Transparency Act (FFATA) Reporting System.

<u>Measure</u>	<u>Description</u>	<u>National Target</u>	<u>Nevada FY-11</u>
<u>QW-17</u>	Fund utilization rate (Cumulative loan agreement dollars to the cumulative funds available for projects) for the CWSRF.	<u>Target</u> <u>94%</u>	<u>Target</u> <u>95%</u>

ATTACHMENTS

- A) 2011 Project Priority List
- B) 2011 Fundable List
- C) State Priority System
- E) Green Project Reserve

ATTACHMENT A

2011 Priority List

Attachment A: 2011 Project Priority List

*Status	Priority	Applicant Name & Address	Loan No.	Permit No.	Class	Points	Project Description	Requested Amt
	1	Washoe County	CS32-0701	NEV40024	A	4.78	Spanish Springs effluent recharge	\$ 2,850,000
	2	Washoe County	CS32-0102	NEV40024	A	4.78	Spanish Springs septic to sewer	\$ 31,900,000
	3	Douglas County SID	CS32-0907	NEV80033	D	11	Lining of treated effluent storage reservoir in Lake Tahoe Basin	\$ 5,700,000
	4	Orovada GID	CS32-1002	NEV90006	D	6	Relining of the primary wastewater treatment ponds	\$ 325,000
S	5	Town of Goldfield	CS32-0932	NEV40030	D	6	Relining of treatment ponds	\$ 1,011,220
S	6	Town of Gerlach GID	CS32-0803	NEV20010	E	23	Wastewater treatment ponds relining	\$ 755,000
	7	City of Fernley	CS32-1011	NEV80011	E	23	Mechanical treatment plant upgrade for reuse	\$ 5,000,000
	8	Elko Co Public Works	CS32-1015	NEV20014	E	23	Treatment pond relining, sewer system repairs	\$ 500,000
	9	Tonopah Utilities	CS32-1016	NEV00026	E	23	Treatment effluent infrastructure project	\$ 7,500,000
	10	Carson City	CS32-0920	NEV2005489	E	19	Upgrades to secondary treatment system and sludge digestion	\$ 14,800,000
S	11	Town of McDermitt	CS32-0930	NEV93005	E	19	Lift station upgrades	\$ 200,000
	12	Clark County WRD	CS32-1018	NV0021261	E	13	New advance wastewater treatment - membrane filtration & ozonation	\$ 35,000,000
	13	City of Reno	CS32-0912	NEV20150	E	16	Expansion of reclaimed water distribution system in and around the Stead area	\$ 3,000,000
	14	City of Reno	CS32-0913	NEV20150	E	16	Expansion of reclaimed water distribution system in and around the Reno area	\$ 12,000,000
	15	Washoe County	CS32-0910	NEV40024	E	13	Expansion of the South Truckee Meadows Water Reclamation facility to 6MGD	\$ 46,500,000
	16	City of Lovelock	CS32-0916	NV0020311	E	13	Pump station, force main and expansion at the wastewater treatment plant	\$ 4,878,000
S	17	Canyon GID	CS32-0944s	NEV50028	E	12	Sewer line extension, reuse line extension	\$ 1,370,000
	18	Indian Hills GID	CS32-0926	NEV80039	E	12	Sludge dewatering centrifuge project	\$ 1,400,000
	19	City of Henderson	CS32-1003	NEV80003	E	11	Offsite improvements for integration of future water reclamation plant	\$ 15,700,000
	20	Incline Village GID	CS32-0985	NEV30009	E	11	Emergency generator project at station 7, 8, 10	\$ 425,000
	21	City of Sparks	CS32-1001	NEV0010150	E	8	Electrical system upgrades and cogeneration expansion	\$ 14,016,000
S	22	City of West Wendover	CS32-1009	NEV10019	E	8	Replacement of effluent reuse line	\$ 1,316,000
	23	City of Reno	CS32-0905	NEV20150	E	7	Phased replacement of several anaerobic digester covers at the TMWRF	\$ 7,500,000
S	24	Mineral County	CS32-1012	NEV20009	F	13.41	Comprehensive replacement of Town of Hawthorne's wastewater collection system	\$ 6,600,000
	25	Clark County WRD	CS32-1019	NV0021261	F	12.94	Relief sewers throughout Las Vegas to reduce SSO risk	\$ 7,500,000
	26	Carson City	CS32-1014	NEV2005489	F	9.75	North lift station upgrades	\$ 2,800,000
S	27	Gabbs	CS32-1017	NEV70021	F	9.7	1.5 miles of 8-inch sewer main replacement	\$ 500,000
S	28	Town of Goldfield	CS32-0931	NEV40030	F	9.6	Sewer system replacement project covering 6,000 feet	\$ 750,000
	29	Minden Gardnerville SD	CS32-0923	NEV40027	F	9	Collection system rehabilitation at various locations in Minden and Gardnerville	\$ 1,900,000
	30	Clark County WRD	CS32-1020	NV0021261	F	6.94	Paradise Whitney Interceptor	\$ 19,000,000
	31	City of Reno	CS32-0901	NEV20150	F	6.31	Lining (CIPP) of 11,500 ft of sewer interceptor line near the airport	\$ 4,700,000
	32	City of Reno	CS32-0902	NEV20150	F	6.31	North Virginia St. interceptor Phase II-Lift station, forcemain and gravity interceptor	\$ 9,292,000
	33	City of Reno	CS32-0948	NEV20150	F	6.31	Sewer replacement project - NW/NE	\$ 7,400,000
	34	City of Reno	CS32-0949	NEV20150	F	6.31	Sewer Replacement project - SW	\$ 4,700,000
	35	City of Reno	CS32-0950	NEV20150	F	6.31	Sewer replacement project - SE	\$ 7,000,000
	36	City of Reno	CS32-0962	NEV20150	F	6.31	Sewer interceptor replacement at No Virginia Street and McCarran	\$ 4,200,000

	37	City of Reno	CS32-0946	NEV20150	F	6.31	Phase 1A-Sewer rehabilitation project	\$ 12,850,000
	38	City of Reno	CS32-0903	NEV20150	F	6.31	Sewer rehabilitation Phase 1-small diameter sewer main replacement	\$ 11,500,000
	39	City of Reno	CS32-0947	NEV20150	F	6.31	Lakeside Drive and Manzanita sanitary sewer project	\$ 3,800,000
	40	City of Reno	CS32-0904	NEV20150	F	6.31	El Rancho wastewater lift station replacement	\$ 1,310,000
	41	City of Reno	CS32-0945	NEV20150	F	6.31	Phase 1B sewer collection replacement project	\$ 5,870,000
	42	Incline Village GID	CS32-0957	NEV30009	F	5.7	Spooner pump station upgrades	\$ 350,000
	43	Incline Village GID	CS32-0959	NEV30009	F	5.3	Sewer line replacement	\$ 2,810,000
	44	Gardnerville Rancho GID	CS32-0960	no permit	F	5.3	Sewer line replacement	\$ 630,000
	45	Lyon County Utilities	CS32-0939	NEV87022	F	5.08	Rose Peak, Cardelli Road lift station replacement septic sewer conversions	\$ 1,350,000
	46	Douglas County SID	CS32-0955	NEV80033	F	5.04	Main pump station upgrades	\$ 2,000,000
	47	City of Fallon	CS32-0925	NEV20061	F	5.02	Sewer system rehabilitation	\$ 3,400,000
	48	Clark County WRD	CS32-1021	NV0021261	F	4.91	Laughlin lift station No.2 force main rehabilitation	\$ 8,500,000
	49	City of Henderson	CS32-1007	NEV80003	F	4.83	Paradise Hills Interceptor - relief sewer project on Mission Drive	\$ 350,000
	50	Storey Public Works	CS32-0942	NEV20451	F	4.83	Major sewer system replacements	\$ 16,300,000
	51	Churchill County	CS32-1013	NEV200651	F	4.41	SCADA system upgrade on the county collection system	\$ 300,000
S	52	Town of Eureka	CS32-0961	NEV00042	F	4.3	Sewer interceptor replacements	\$ 655,000
	53	City of Henderson	CS32-1006	NEV80003	F	3.87	Replacement of Sunset lift station with gravity sewer	\$ 500,000
	54	City of Henderson	CS32-1008	NEV80003	F	3.6	Replacement of Mohawk lift station with gravity sewer	\$ 1,400,000
	55	City of Fernley	CS32-1010	NEV80011	F	3.6	Relining of 6 inch sanitary sewer line, lift station abandonment	\$ 101,000
	56	Washoe County	CS32-0111	NEV40024	G	3	Pleasant Valley interceptor	\$ 17,120,000
	57	Clark County WRD	CS32-0922	NV0021261	G	14.54	New collection system for town of Overton and Logandale	\$ 27,100,000
	58	City of Reno	CS32-0807	NEV20150	G	10.88	Extension of the Lawton Verdi sewer interceptor Phase V	\$ 4,350,000
	59	Washoe County	CS32-0411	NEV40024	G	8.48	Verdi septic to sewer	\$ 7,000,000
	60	City of Reno	CS32-0914	NEV20150	H	4.3	Reclaimed water aquifer storage and recovery project	\$ 6,000,000
	61	Washoe County	CS32-0413	NEV40024	H	8	Huffaker Hills reservoir relining	\$ 17,000,000
	62	City of Henderson	CS32-1005	NEV80003	H	1	Solar energy panel field	\$ 32,100,000
	63	City of Henderson	CS32-1004	NEV80003	H	1	Decommissioning for Plant # 3 and demolition of Phase 2	\$ 4,450,000
							TOTAL	\$ 479,084,220

* S = Subsidy project

* G = Green project

ATTACHMENT B

2011 FUNDABLE List

Attachment B: 2011 Fundable List

*Status	Priority	Applicant Name & Address	Loan No.	Permit No.	Class	Points	Project Description	Requested Amt
S	4	Town of Goldfield	CS32-0932	NEV40030	D	6	Relining of treatment ponds	\$ 1,011,220.00
S	11	Town of McDermitt	CS32-0930	NEV93005	E	19	Lift station upgrades	\$ 200,000.00
	14	Clark County Water Rec. Dis	CS32-1203	NV0021261	E	13	Membrane/Ozonation Upgade at Central Plant, Phase II	\$ 45,000,000
S	16	Canyon GID	CS32-0944s	NEV50028	E	12	Sewer line extension, reuse line extension	\$ 1,370,000.00
S	23	Mineral County	CS32-1012	NEV20009	F	13.41	Comprehensive replacement of Town of Hawthorne's wastewater collection system	\$ 6,600,000.00
	24	Carson City	CS32-1014	NEV2005489	F	9.75	North lift station upgrades	\$ 2,800,000.00
S	25	Gabbs	CS32-1017	NEV70021	F	9.7	1.5 miles of 8-inch sewer main replacement	\$ 500,000.00
S	26	Town of Goldfield	CS32-0931	NEV40030	F	9.6	Sewer system replacement project covering 6,000 feet	\$ 750,000.00
								\$ 58,231,220.00
* S = Subsidy project								
* G = Green project								

ATTACHMENT C
STATE PROJECT PRIORITY SYSTEM

NEVADA PRIORITY SYSTEM FOR
DISTRIBUTION OF STATE WATER POLLUTION CONTROL
REVOLVING LOAN FUNDS

SECTION I. GENERAL POLICY

State revolving loan funds for the construction of municipal wastewater treatment works and pollution control projects are made available to Nevada communities pursuant to the Federal Clean Water Act. These funds are not sufficient to satisfy all of the State's wastewater treatment needs. With this constraint, the limited funds must be used in a manner consistent with the water quality and public health goals of the State in order to ensure maximum public benefit. The priority system described herein reflects the policies of the Department of Conservation and Natural Resources, Division of Environmental Protection (DEP) regarding the utilization of the SRF, and is structured to support the following goals:

- Elimination of surface and groundwater pollution within the State.
- Protection of the health of the people of the State from the threat created by inadequate treatment, collection and improper disposal of municipal wastewater and wastewater from non-point sources.
- Attainment of water quality standards adopted by the State Environmental Commission to protect designated beneficial uses.
- Operation of the SRF program in such a manner so as to impose the minimal possible financial burden on municipalities and other entities eligible for loans from the SRF.

The primary purpose of the priority system is to describe how staff of the DEP will evaluate projects in Nevada in terms of the above goals. Projects are placed in a priority class and given a priority value, as is described in Section V. The product of this evaluation is a project priority list which will be formally adopted by DEP following a public hearing.

SECTION II. DEFINITIONS

As used in the Nevada Priority System:

- A. "Enforceable Requirements of the Act" means provisions of the Federal Clean Water Act which, if violated by a wastewater treatment facility, could result in an administrative or judicial enforcement action.
- B. "EPA" means the United States Environmental Protection Agency.
- C. "Fiscal Year" refers to the federal fiscal year, October 1 through September 30.
- D. "Pollution Control Project" means any eligible component of the management programs established pursuant to the Federal Act. The term "pollution control

project” is synonymous with the term “non-point source control project” as that term is used in the Federal Act.

- E. State Revolving Loan Fund (SRF) means a State fund established to provide loans and other forms of financial assistance to municipalities for the purpose of constructing wastewater treatment works.
- F. “Treatment Works” means a device or system for the conveyance, storage, treatment, recycling, reclamation or disposal of municipal sewage.
- G. “Water Quality Standard” means a standard established in regulation by the State of Nevada prescribing specific allowable limits of constituents in surface water.

SECTION III. SPECIFIC POLICIES

A. Adoption of Priority List and Public Participation

Each year the DEP will prepare a project priority list.

Prior to the beginning of each funding period, DEP will conduct a survey of proposed wastewater treatment works within the State. A form (Attachment #1) for each proposed project is completed by eligible loan applicants. The form provides a description, justification, estimated cost, and implementation schedule for the project. Utilizing this information and other data obtained from the discharge permit program, water quality management plans, municipal compliance plans, local district health officials and other sources, the proposed projects are classified and ranked to form the state project priority list.

The DEP will conduct a public hearing on the proposed priority list in order to solicit public comment and encourage public participation. No later than 15 days prior to the hearing, copies of the priority list and priority system will be distributed to all parties which have expressed an interest in receiving such information, and will also be made available at DEP’s office in Carson City. No later than 30 dyes prior to the public hearing, notice of the hearing shall be published in newspapers statewide.

The Administrator of DEP or his designee will act as hearing officer, and will consider all testimony presented at the public hearing or in writing prior to the public hearing. Based upon the testimony, the DEP may modify the proposed list prior to adoption. The adopted list and a public comment summary will be submitted to EPA, as an attachment to the annual Intended Use Plan.

B. Additions, Modification, Bypass and Removal

The DEP may adjust the priority list at its option (in accordance with NAC 445.42138).

Any change to the priority list that affects the funding or priority of any project on the priority list shall be made only after written notice has been given to tall affected parties, a public hearing if required has been held, and a period of 10

working days has elapsed after the date of such notice or hearing.

C. Reserves

- 1) An amount not to exceed 4 percent of the capitalization grant may be reserved to provide funds for the administration of the SRF program.
- 2) Not less than \$100,000 nor more than 1% of the State's annual allotment shall be reserved to develop and implement a non-point source management program. (in accordance with 33 U.S.C~1384(b))

Up to 20 percent of Nevada's annual allotment may be used for major sewer system rehabilitation and/or new collector sewers and appurtenances.

SECTION IV. PRIORITY CLASSES

The determination of project priority is a two-step process. Projects are grouped into broad classes in order to establish relative priorities under the provisions of the Clean Water Act. Projects in each class are then ranked in priority order in accordance with the ranking formulas described in Section V.

Class A

Treatment works or pollution control projects necessary to eliminate documented public health hazards in unsewered communities as evidenced by a finding of violation which has been issued in writing by the public health authority having jurisdiction over the area and by an official action which has been taken to halt or restrict construction of individual sewerage disposal systems, eliminate or restrict the discharge from a non-point source or treatment works necessary to eliminate documented public health hazards in sewered communities where existing facilities have exceeded their useful life and have deteriorated to the point that a public health hazards exists.

Class B

Treatment works or pollution control projects necessary to correct existing surface water quality standards violations. Violations must be documented by in stream water quality data and have resulted in a notification of water quality standards violations being issued by DEP to the municipal discharger or to the person(s) responsible for the non-point source discharge.

Class C

Treatment works necessary to correct violations of discharge permit limitations. Permit limit violations must be documented by discharge monitoring reports or DEP compliance monitoring, with a resultant notice of violation and administrative order issued by DEP.

Class D

Treatment works or pollution control projects necessary to eliminate and/or prevent interference with an existing beneficial use of groundwater where it has been determined that such and interference exists.

Class E

Treatment works necessary to increase capacity or reliability, or provide a degree of treatment beyond that required by water quality standards or permit requirements, in order to reclaim and reuse wastewater or to otherwise provide for treatment works or pollution control projects to sustain compliance with water quality standards or maintain beneficial uses.

Class F

Interceptors in sewer communities, pumping stations, infiltration inflow correction and sewer system rehabilitation.

Class G

Projects which provide wastewater treatment and collection in existing unsewered communities where no public health hazards or water standards violations have been demonstrated or to provide wastewater collection systems to unsewered portions of sewer communities.

Class H

All other treatment works or pollution control projects.

SECTION V.

Projects shall be ranked within the Priority Classes in accordance with the numerical score derived from the following formulas:

Classes A, F and G
 $PV = \log \text{ population served} + R$

Classes B and C
 $PV = VF + WQF + R$

Class D
 $PV = GW + R$

Class E
 $PV = D + C + E + R$

Class H
 $PV = R$

PV is the point value assigned to each project.

VF which applies only to Class B and C projects, is a violation factor based upon the highest existing beneficial use for which a stream is utilized. The numerical value for VF is determined from Table II>

WQF is a water quality factor, which applies only to Class B & C projects. The numerical value of WQF is based on the segment to which a treatment plant discharges or which is affected by the discharge from a non-point source and is determined from Table I.

GW is a groundwater factor and is determined in the following manner:

Treatment works or pollution control projects that are necessary to:

Eliminate an existing contamination of groundwater used for drinking water.	10 points
Eliminate an existing contamination of groundwater used for purposes other than drinking water.	5 points
Prevent potential contamination of groundwater used for drinking water.	3 points

R is a readiness factor. The numerical score for this factor is determined in the following manner.

Plans and Specification approved by NDEP (This includes everything needed to bid the project).	10 points
Facility Plan approved by NDEP final plans and specifications to be completed within six months.	7 points
Facility Plan approved by NDEP	5 points
A Revolving Loan Fund Project Priority List Information Form has been submitted	1 point

D is a factor related to the elimination of a direct discharge to surface waters or groundwater (irrigation with effluent, wetlands enhancement, other forms of reuse) – The numerical factor is 10 points.

C is a factor related to projects which increase treatment plant capacity. Point values are determined in the following manner:

Existing or Committed Flow 0 – 50% permitted capacity	0 points
Existing or Committed Flow 50% – 85% permitted capacity	5 points

Existing or Committed Flow over 85%
of permitted capacity

10 points

E is a factor related to projects that improve treatment efficiency, treatment plant reliability, or to provide a higher level of treatment than required by the discharge permit. The point value for E is 7 points.

In order for a project to receive a loan during a funding period, the project must be ready to receive a loan payment at the time of loan award.

TABLE I
WATER QUALITY STANDARD BY STREAM SEGMENT

Selected Waters with Numerical Standards

SEGMENT	POINT	BASIN
Truckee River: Below Steamboat Creek	10	Truckee
Truckee River: Above Steamboat Creek	10	Truckee
Bronco Creek	10	Truckee
Gray Creek	10	Truckee
Lake Lahontan	10	Carson
Carson River	10	Carson
East Fork Carson River	10	Carson
West Fork Carson River	10	Carson
Lake Mead	10	Colorado
Las Vegas Wash	10	Colorado
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Humboldt River	8	Humboldt
Colorado River	8	Colorado
Virgin River	8	Colorado
Beaver Dam Wash	8	Colorado
Meadow Valley Wash	8	Colorado
Muddy River	8	Colorado
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Walker River	6	Walker
West Walker River	6	Walker
East Walker River	6	Walker
Topaz Lake	6	Walker
Desert Creek	6	Walker
Sweetwater Creek	6	Walker
Owyhee River	6	Snake
Salmon Falls Creek	6	Snake
Jarbidge River	6	Snake
Bruneau River	6	Snake
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Big Goose Creek	4	Snake
Shoshone Creek	4	Snake
Smoke Creek	4	N.W. Lahontan
Indian Creek	4	Central Nev.
Snake Creek	4	Great Salt L.
Chiatovich Creek	4	Central Nev.
Leidy Creek	4	Central Nev.
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II. Other Waters		
Class A Waters	2	
Class B Waters	2	
Class C Waters	2	

WQF POINTS

Drinking Water	20
Bathing and Water Contact	15
Aquatic Life	15
Boating and Aesthetics	10
Wildlife Propagation	10
Industrial Use	5
Agricultural Use	5

ATTACHMENT D GREEN PROJECT RESERVE

The 2011 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.

Water or energy efficiency projects will likely be the principal focus of the Green Project Reserve under the CWSRF. However, there may also be projects, or components of projects, that qualify for consideration because of green infrastructure or environmental innovation. Energy and water efficiency 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 rationale 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