

<p>BOARD FOR FINANCING WATER PROJECTS</p> <p>POLICY</p>	<p>REVISION DATE</p> <p>5/3/06</p>	<p>PAGE</p> <p>Page 1 of 5</p>
<p>SUBJECT: SCALE TO DETERMINE GRANT AMOUNT</p>		

**STATEMENT OF POLICY:**

The Policy on the Scale to Determine the Grant Amount was implemented in accordance with NRS 349.981 and NRS 349.983.

**PURPOSE:**

To establish a scale to determine the grant amount the Board for Financing Water Projects can award to each grantee.

**REFERENCE:**

NRS 349.983 2. states “In making its determination of which purveyors of water are to receive grants pursuant to paragraph (a) of subsection 1 of NRS 349.981, the board shall give preference to those purveyors of water whose public water systems regularly serve fewer than 6,000 persons.” The board has the discretion to choose which applicants will receive a grant based upon population served by the water system.

**MATCHING MONEY FROM OTHER SOURCES**

**SCALE TO DETERMINE GRANT AMOUNT  
AS A PERCENTAGE OF THE TOTAL ELIGIBLE COSTS  
(NRS 349.983 3.)**

According to NRS 349.983 3. “Each recipient of a grant shall provide an amount of money for the same purpose. The board shall develop a scale to be used to determine that amount, but the recipient must not be required to provide an amount less than 15 percent or more than 75 percent of the amount of the grant. The scale must be based upon the average household income of the customers of the recipient, and provide adjustments for the demonstrated economic hardship of those customers, the existence of an imminent risk to public health and any other factor that the board determines to be relevant.”

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**BOARD POLICY:**

Based upon NRS 349.983 3., the board must provide grants of money between 57.1% and 87.0% of the total eligible costs.

Grant Amount = 57.1% of Total Eligible Costs

Assume Total Eligible Costs = \$100,000  
Grant amount = \$100,000 x .571 = \$57,100  
Recipient's amount = \$100,000 - \$57,100 = \$42,900

Recipient's amount/grant of money = (\$42,900/\$57,100) x 100 = 75%  
This is the maximum amount the recipient is required to provide.

Grant Amount = 87.0% of Total Eligible Costs

Assume total Eligible Costs = \$100,000  
Grant amount = \$100,000 x .87 = \$87,000  
Recipient's amount = \$100,000 - \$87,000 = \$13,000

Recipient's amount/grant of money = (\$13,000/\$87,000) x 100 = 15%  
This is the minimum amount the recipient is required to provide.

Each recipient of a grant shall provide an amount of money for the same purpose which shall be the difference between the grant amount and the eligible project costs.

**MINIMUM GRANT AMOUNT WILL BE 57.1% OF THE ELIGIBLE PROJECT COSTS. EACH POINT ADDS 0.20% TO THE GRANT AMOUNT ACCORDING TO THE FOLLOWING CRITERIA:**

<u>I. PROJECT NEED</u>	<u>POINTS</u>
A. Acute health concern per current Drinking Water State Revolving Fund Loan (SRF) priority list.	15
B. Chronic health concern per current SRF priority list.	10
C. System condition per current SRF priority list.	5

**Project Points**

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II. COMMUNITY NEED FOR STATE ASSISTANCE

POINTS

A. State Median Household Income (MHI)/Public Water Supply Median Household Income per current SRF priority list, recent income survey or year 2000 census:

1.75 or more (very low income)	50
1.60 – 1.74	40
1.45 – 1.59	30
1.30 – 1.44	20
1.15 – 1.29	10
1.00 – 1.14	5

**Project Points**

B. Monthly Residential Water Rate on Date of Application:

1. Below \$30 per month for a volume of 22,000-gallons or 0.125% MHI per month (whichever is higher).	0
2. Between these rates.	5
3. Above \$40 per month for a volume of 22,000-gallons or 0.125% of MHI per month (whichever is lower).	10

**Project Points**

C. Residential Water Rate upon completion of project for which Grant may be awarded (this may be a phase or segment of the project for which this application was submitted). For rating purposes, assuming a grant award of 57.1% and an SRF loan of 42.9%, the monthly rate, which includes sufficient revenue for operations, maintenance, debt retirement and AB198/AB237 depreciation would be:

1. Below \$30 for a volume of 22,000-gallons or 0.125% MHI per month (whichever is higher).	0
2. Between these rates.	7.5
3. Above \$40 per month for a volume of 22,000-gallons or 0.125% of MHI per month (whichever is lower).	15

**Project Points**

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D. Property Tax Rate:

At State Ceiling of \$3.64 per \$100 of assessed value	5
\$3.28 - \$3.63	4
\$2.95 - \$3.27	3
\$2.65 - \$2.94	2
\$2.64 or less	1

**Project Points** \_\_\_\_\_

E. Persons Regularly Served per Safe Drinking Water Information System maintained by the Bureau of Health Protection Services:

Fewer than 500	25
500 -9999	20
1000 - 1999	15
2000 - 3999	10
4000 - 5999	5
6000 and above	0

**Project Points** \_\_\_\_\_

III. OTHER FACTOR(S) THAT THE BOARD DETERMINES TO BE RELEVANT POINTS

Examples, without limitation, include:

- A. Existence of an imminent risk to public health
- B. This project will reduce water leakage and other water losses by at least 10%.
- C. Water Conservation Effectiveness (based upon residential equivalents NAC 445A.66325). [Less than 700 (metered) or 1225 (unmetered) gallons /day per connection].
- D. The project includes the installation of water meters.
- E. This is a Phased Project.
- F. Other factor(s).

**Project Points (15 points maximum may be added)** \_\_\_\_\_

**SUBTOTAL PROJECT POINTS** \_\_\_\_\_

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IV. DEDUCTION

POINTS

The relative rank of this project to other eligible projects (NRS 445A.67569) on the Current Year Priority List – Drinking Water State Revolving Fund Loan Pre-Application if the system is in Class III System Condition is:

\_\_\_\_\_

Relative Rank \_\_\_\_/Total eligible projects \_\_\_\_\_ =  
Factor \_\_\_\_\_.

Factor \_\_\_\_\_ x 50 = Deduction  
\_\_\_\_\_ (Maximum is 50)

**Points Deducted**

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**TOTAL PROJECT POINTS**

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**MAXIMUM POINTS ARE 150 (IF NEGATIVE, NO GRANT AWARD)  
MAXIMUM GRANT AMOUNT IS 87% OF ELIGIBLE PROJECT COSTS**

Number of points \_\_\_\_\_ /5 = \_\_\_\_\_ + 57.1 = Grant Amount \_\_\_\_\_ %

Grant Amount \_\_\_\_\_ % x eligible project costs of \$ \_\_\_\_\_ = a grant of  
\$ \_\_\_\_\_

Eligible Project Costs of \$ \_\_\_\_\_ less the grant amount of \$ \_\_\_\_\_ =

the amount of matching money required from other sources, \$ \_\_\_\_\_.

The priority for the execution of funding agreements shall be in the order of descending grant amounts as a percentage. If a project is not ready, the next lower project will be considered.