

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

Summary Minutes

**Thursday, December 11, 2008
10:00 AM**

Las Vegas Valley Water District Offices, Las Vegas, Nevada

Members Present:

Bruce Scott, Chairman
Brad Goetsch, Vice Chairman
Steve Walker, Board Member
Jennifer Carr, Ex-officio Member

A. INTRODUCTION AND ROLL CALL (Non Action)

Chairman Scott called the meeting to order at 10:07 AM. At the Chairman's invitation, Board members and individuals in the audience introduced themselves.

Others present associated with the Board included Nhu Nguyen, Deputy Attorney General and Counsel to the Board, and from the Nevada Division of Environmental Protection (NDEP): Dave Emme, Adele Basham, Michelle Stamates, and Daralyn Dobson. Kathy Rebert, Recording Secretary, was recording from Carson City via conference call.

B. APPROVAL OF MINUTES - September 25, 2008 MEETING (Action)

There were no suggested changes or additions to the minutes of the September 25, 2008, meeting.

Motion: Mr. Walker moved to approve the minutes of the Board meeting of September 25, 2008. This motion was seconded by Mr. Goetsch and the vote was unanimous in favor.

C. SET A DATE FOR THE NEXT BOARD MEETING IN MARCH

After discussion of options, the consensus of the Board for the date of the next meeting was Wednesday, March 4, 2009, in Carson City.

D. DRINKING WATER STATE REVOLVING FUND (DWSRF) PROGRAM

1. Discussion and possible approval of Loan Commitment to Silver Springs MHP

Kim Thorenfeldt, owner of Silver Springs Mobile Home Park (MHP), was introduced. Adele Basham then discussed the Silver Springs MHP Loan Commitment and recent water quality issues with the water system at the MHP. Ms. Basham's briefing is contained in ATTACHMENT 1.

Ms. Basham introduced the staff suggestion for a \$307,500 principal forgiveness loan commitment "12-2008 Silver Springs Mobile Home Park Project Loan Commitment." (also contained in ATTACHMENT 1)

After Ms. Basham's presentation, Chairman Scott asked the Board if there were any questions from the Board. In response to questions, Ms. Basham explained a principle forgiveness loan and clarified the criteria.

Chairman Scott asked Mr. Thorenfeldt to provide the background of the Silver Springs MHP situation and what would be accomplished with the assistance the Board may provide.

There ensued a lengthy discussion including questions asked and answered of Mr. Thorenfeldt regarding the mobile home park, number of connections, well, water rights dedication and contamination.

Mr. Goetsch asked if the contamination found in the well is coming from the septic system. He expressed concern that funding for this water system could create contamination to an aquifer or water systems that other people use. He does not want to give a loan that enables harm to the environment or other people. Mr. Goetsch asked that there be a condition attached to the loan that septic system compliance is assured.

Discussion followed regarding septic contamination and what actions have already been taken to remedy contamination. Ms. Basham pointed out the NDEP Bureau of Water Pollution Control regulates septic systems and leach fields, and it was her understanding that was why the mobile home park was required to improve.

Ms. Carr, Bureau Chief, spoke on behalf of the NDEP Bureau of Safe Drinking Water regarding contaminated topsoil from the leach field. This was investigated by her staff and was addressed with the mobile home park.

Chairman Scott noted that the general position of the Board is to have owners ensure that their septic systems are functioning properly and are monitored so no further problems are created.

Mr. Goetsch presented, for consideration, a loan condition which would require State recovery of money if the parcel is sold in the future as a more valuable parcel due to the water system improvements provided through the loan. Ms. Basham responded that the contract negotiation phase had not been entered into but that is something she had considered. Ms. Basham also said the installation of the water main would create future opportunities for additional service connections and any monies paid to Silver Springs Mutual Water Company for new connections could be something that is negotiated into the contract as a loan reimbursement agreement.

Chairman Scott suggested that much of what the Board would like to see as a condition to the funding of this project may fall on the Silver Springs Mutual Water Company as well Silver Springs MHP and a three-way loan agreement may be necessary. In addition, he would like to see the dedication of water rights by the Silver Springs MHP to the Silver Springs Mutual Water Company and also the capping of the Silver Springs MHP well(s) considered in contract negotiation.

Initial Motion: Mr. Goetsch moved to approve Resolution "12-2008 Silver Springs Mobile Home Park Project Loan Commitment." The Board has determined, and does hereby declare, that it approves a principal forgiveness loan commitment to the Applicant in an amount not to exceed \$307,500.00 with the following main conditions: 1) adequate water rights are dedicated to the system the mobile home park is adjoining, 2) the well is properly abandoned, 3) if the property is converted from a mobile home park or sold the fund is reimbursed, and 4) the septic system issues are reviewed or addressed by NDEP. Mr. Walker seconded the motion.

The motion was subsequently amended after further discussion.

Ms. Basham emphasized the regulatory authority for the septic system is under NDEP Bureau of Water Pollution Control and the Bureau did a site investigation at the mobile home park and subsequently issued a written request to remove the contaminated soil. The Board asked staff to consult with the Bureau of Water Pollution Control regarding septic issues and compliance.

There was also a discussion regarding reimbursement upon sale or conversion of the mobile home park (resulting in profit). Ms. Basham asked logistically how that would work. Daralyn Dobson presented specific complications staff had already considered with this type condition. Several suggestions were presented by the Board. The final directive by the Board was for staff to develop and implement a protection in the loan agreement that if, as a result of this loan and improvements, the property is subsequently sold for profit, the money is returned to the fund.

Deputy Attorney General Nguyen asked that the motion be stated again for the record. Mr. Goetsch restated the motion with amendments:

Final Amended Motion: Mr. Goetsch moved to approve Resolution "12-2008 Silver Springs Mobile Home Park Project Loan Commitment." The Board has determined, and does hereby declare, that it approves a principal forgiveness loan commitment to the Applicant in an amount not to exceed \$307,500.00 with the following main conditions: 1) adequate water rights are dedicated to the system, 2) the existing well is properly abandoned, 3) if the property is converted from a mobile home park or sold within the next five years, this fund is reimbursed through a method that the staff is going to work on with the owners, and 4) the septic system issues are addressed with NDEP to ensure that the septic system is meeting all requirements and is not continuing to damage the aquifer. Mr. Walker seconded the motion and the vote was unanimous in favor.

The Chairman moved to the next Agenda Item.

E. CAPITAL IMPROVEMENT GRANT PROGRAM

1. Financial Report

Daralyn Dobson updated the Board on the AB198 Grant Program cash flow (ATTACHMENT 2). Ms. Dobson reported that the program is healthy, the funds are healthy and no problems are anticipated at this time. The Board had a couple questions and expressed a concern that, with the State budget crisis, money could be borrowed from one of this program's bonds.

Dave Emme stated that there is no immediate concern that the State will take existing bond money from this program. There is, however, a potential concern that perhaps by the next biennium, new bond funding may not be received due to the State reaching its debt capacity. There is the possibility during the next biennium of receiving less in funding from the sale of bonds than is requested. Staff will have more information for the March 2009 Board meeting.

Mr. Emme also mentioned that, early in the next federal administration, there is a possibility of receiving some stimulus funding. There will likely be an economic recovery package and infrastructure financing and water projects will be a part of that package. The EPA is looking at a bill Congress may consider which could mean \$30-\$40 million in additional funding for the clean water and drinking water SRFs in Nevada. Staff should know more details by the March 2009 Board meeting.

Mr. Goetsch and Chairman Scott stressed that facilities or entities needing funding assistance must get their requests submitted because the Board ability to make grants may become restricted depending on the decisions made in the Legislature. The Board also suggested that, if federal funds were to become available, there is a desire to extend the financing for improvement projects and broaden the program.

2. Deobligation of Grant Funding for Caliente

Michelle Stamates provided an update of the City of Caliente Water System Improvement Project (ATTACHMENT 3). AB198 grant funds remaining from the original project grant will not be necessary for the project and the 5-year administration period for the original grant has expired. Caliente has other funding from FEMA and CDBG available at this point. Staff recommended that the \$314,732.65 remaining on the original grant from March 2002 be deobligated from the City of Caliente's project and made available for grants to other applicants.

After a couple clarifications were provided by Ms. Stamates to the Board, Chairman Scott asked for a motion.

Motion: Mr. Goetsch made a motion to deobligate \$314,732.65 of grant funds remaining on the original grant designated as the 3-02 City of Caliente Water System Improvement Project and make those funds available to help provide grants to other applicants. This motion was seconded by Mr. Walker and the vote was unanimous in favor.

3. Progress Report for Funded AB198/AB237 Projects

A Progress Report was provided in the Board packet (ATTACHMENT 4). Ms. Stamates introduced two Las Vegas Valley Water District employees, Kara Peterson and Dianna Ballash who provided an overview of two Las Vegas Valley Water District (LVVWD) projects.

Ms. Peterson reviewed the Kyle Canyon water system project and introduced LVVWD staff who presented details on the projects (see ATTACHMENT 5 for the presentation slides). These presentations included the first phase of construction on the water system in Kyle Canyon (partially funded by an AB198 grant) presented by Shannon Ono and the LVVWD's leak detection program for Kyle Canyon (funded by a SB62 grant) presented by Mike Bailey. The Board asked various questions about the loggers that the district uses to detect leaks, the detection team, and the cost. Mr. Bailey noted that the logger system pays for itself.

Ms. Ballash briefed the Board on the Searchlight water system project and progress to-date (see ATTACHMENT 5 for the presentation slides). The project included a groundwater exploration study, a monitoring well, and 2 production wells. During the project, the district received a letter from the BLM regarding Areas of Critical and Environmental Concern (ACEC) and the monitoring well site had to be moved outside of the ACEC boundary.

Mr. Walker asked what the environmental concern was and Derek Babcock of the water district said the environmental concern is the desert tortoise.

Erin Cole, hydrologist for the project, responded to a question from Mr. Walker regarding water quality in the new area. Ms. Cole said there was no arsenic found in the exploration wells. This was due to one of two possibilities: either the exploration wells did not go as deep as the existing well or it takes pumping and increased reaction to oxidation that will release arsenic from the minerals. However, she noted that after a long term pumping test, there was still no arsenic detected in the well samples. The LVVWD designed the future production wells to be shallower to achieve the same non-detection of arsenic results that were seen during exploratory drilling. Ms. Cole went on to say that because it is not a very transmissive aquifer, the water does not spread aerially, so water quality is not affected in that manner.

Chairman Scott asked if there was anything specifically in the AB198/AB237 Project Report that Ms. Stamates wanted to discuss. Ms. Stamates briefly reported on a few projects. She also provided the Board a status on the work for Kingsbury GID and said that it appears that they will not be seeking a grant for metering.

One project Ms. Stamates wanted to make the Board aware of was the Pershing County Water Conservation District. Continued deterioration of structures along the Humboldt River system has been found. One of those structures, a drop-structure just downstream of the Pitt Dam, had been undercut and the concrete apron was cracked. Repairs have started on the structure and the cost for that work will use most of the District's remaining line of credit. The repairs are being made to that structure now while the river is low. When the District comes back to the Board to request construction funding of the Thacker Dam, retroactive funding may also be requested for the repairs being made on the drop-structure.

Mr. Goetsch spoke about the issues the Truckee Carson Irrigation District (TCID) is having with their canal and the potential impact on the agricultural community of Fallon. Due to the damages earlier in the year, TCID is not able to run water from the Truckee River at the volumes required to make up for a low-water year. Referring to a discussion at the last Board meeting, Mr. Goetsch asked what policy prevents the Board from funding projects for the TCID. Ms. Stamates answered that the Board's irrigation policy states that the entity must own the structure. TCID operates the canal but the Bureau of Reclamation (BOR) owns the facility.

Mr. Goetsch raised a concern that a technicality in the policy was created unintentionally and may impact hundreds or thousands of farmers and have a \$30 million impact to the Northern Nevada economy because the Board's policy suggests that it cannot grant money to the TCID to make repairs because they do not own the facilities. The Board was able to provide assistance for the dam failure in Pershing County but may not be able to provide assistance for the dike failure in Lyon and Churchill Counties where the impact is ten times greater.

After a brief discussion, Mr. Goetsch said he will contact the TCID to suggest they speak to the BOR to determine if there is a need for financial assistance and if so, approach the Board. Also, the State statutes will be checked to assure there is nothing that would preclude making a grant under these conditions.

Mr. Walker made a recommendation for a change in policy to the effect that if the Board finances a project, drainage plans must be encouraged to prevent future disasters such as the flood from the TCID canal in Fernley.

F. SB62 GRANT PROGRAM

1. Progress and Financial Report for Funded SB62 Projects

Ms. Stamates discussed the information provided in the SB62 Financial Summary and the Progress Report (ATTACHMENT 6) and relayed her difficulty in obtaining information on the status of some projects. The Board directed Ms. Stamates to draft a letter to City of Fernley and possibly the Virgin Valley Water District requiring a response to the Board.

At this point, Ms. Carr had to leave the meeting to make her flight.

G. BOARD COMMENTS

Mr. Goetsch and the other Board members thanked Las Vegas Valley Water District for hosting the meeting, giving very good presentations and joining the Board for lunch.

H. PUBLIC COMMENT

Shweta Bhatnagar of the LVVWD apprised the Board of the up-coming Legislative Session which will begin on February 2, 2009, and noted that there are two bills in which the Board will have interest. BDR 503 makes an appropriation from the general fund for the State Engineer to develop a hydrologic database for water basins in Nevada. BDR 502 revises provisions governing the awarding of grants to certain purveyors of water; this bill changes the language of 349.983 of the AB198 grant program and is an administrative change affecting matching funds.

Chairman Scott said that BDR 502 includes the language change the Board had hoped would be made in the last Legislative session; however, that bill did not pass. This change gives the Board greater flexibility to provide a wider range of grants for applicants.

Ms. Stamates asked if anyone was aware of a change that would amend the AB198 grant eligibility statutes to allow grant funding to non-profit water systems. A discussion took place regarding what a non-profit water system is and which water systems are non-profit. Deputy Attorney General Nguyen thought that the issue was not whether the system is for profit but that it is publically owned. Chairman Scott and Mr. Walker noted that a mutual water system operates a water system not for profit but with a mutual interest to provide water for their member customers.

Mr. Walker suggested concentrating on identifying who non-profit water systems are, what projects and level of funding might be involved if those systems are included in the grant program and is it good public policy to include non-profits.

Chairman Scott said he would like to see this on the next agenda and directed Ms. Stamates to do some research on the kinds of entities delivering water and what type of system that might be considered. He also asked Deputy Attorney General Nguyen to look at the statute and Legislative history.

The Chairman noted that he hoped the Board would be fully constituted for the next meeting.

The Chairman asked if there were any other comments. Ms. Basham spoke about stimulus money and the letter she sent regarding opening the drinking water and clean water priority list for a short time; January 5, 2009 is the closing date for that. The reason for doing opening the list is that there will be 120 days after receiving grant awards to determine priorities. Ms. Basham said there may be a need for a Board conference call to approve a priority list in January to save some time. Chairman Scott replied the Board would be happy to accommodate a meeting.

There being no other comments, Chairman Scott suggested a motion to adjourn.

I. ADJOURN BOARD FOR FINANCING WATER PROJECTS PUBLIC MEETING

Motion: Mr. Goetsch moved to adjourn and Mr. Walker seconded. The motion was passed unanimously and the meeting adjourned at 2:08 PM.

Minutes prepared by Kathy Rebert, NDEP, Recording Secretary.

ATTACHMENT 1 Project Summary for a Loan for Silver Springs Mobile Home Park

Silver Springs Mobile Home Park Loan Commitment

Board for Financing Water Projects Summary Drinking Water State Revolving Fund December 2008

Applicant: Pleasant Springs Properties of Nevada, LLC (Silver Springs MHP)
Project: Consolidation with Silver Springs Mutual Water Company
Total Cost: \$307,500

GENERAL

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

One of the requirements of the NRS pertaining to the DWSRF is that the Division shall not “commit any money in the account for the revolving fund for expenditure...without obtaining the prior approval of the board for financing water projects” (NRS 445A.265, subsection 3).

BACKGROUND

Silver Springs Mobile Home Park (MHP) is located near the junction of US ALT 95 and US 50 west of Lake Lahontan adjacent to the community of Silver Springs in Lyon County, Nevada. The MHP provides water and sewer service to approximately 37 units. The nitrate levels in the drinking water well have been increasing over the last 15 or so years from around 7-8 ppm to the current 9-10 ppm. The system had an acute total coliform maximum contaminant level (MCL) violation (E.coli confirmed) in July 2008. A confirmed E.Coli violation results in the state issuing a boil water order. The source of high nitrates in the drinking water is likely from the septic and leaches fields on the MHP property.

In addition to water quality issues, the water system does not currently have a backup water source, power source or adequate storage for fire protection and emergencies.

The proposed project consists of abandoning the existing MHP water system and connecting to the Silver Springs Mutual Water Company. The Mutual Water Company manager is very supportive of consolidating the MHP and has made this project possible.

CURRENT SYSTEM

The MHP water system consists of one well and a small 800 gallon pressure tank. The well has an 8-inch casing, is approximately 316 feet deep and rated at approximately 18-20 gpm. The type, size, and condition of the distribution laterals are unknown at this time. Photos of the well and storage tank are included in Attachment 1.

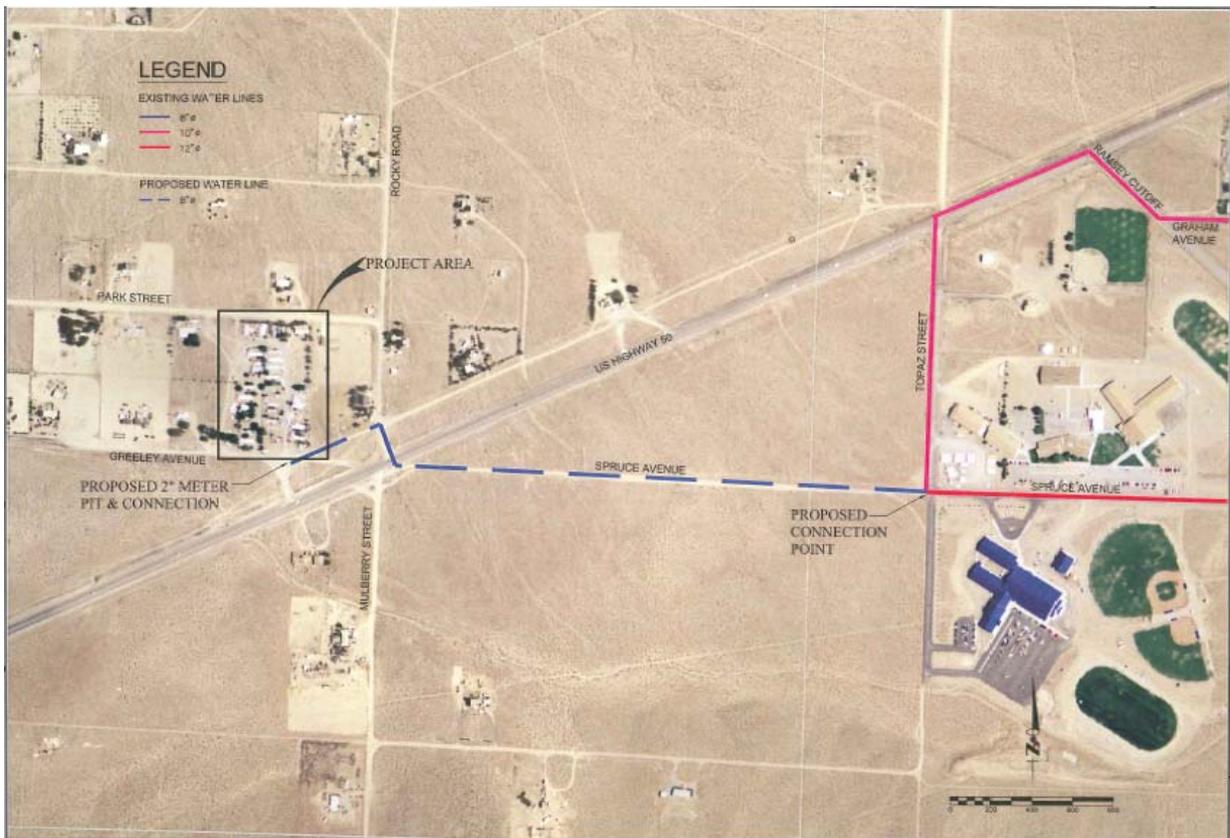
Customers, Population and Growth

The estimated population of the Mobile Home Park is 96. The Mobile Home Park does not have plans to expand.

PROPOSED PROJECT

General Description

The proposed project is to consolidate Silver Springs Mobile Home Park (MHP) water system with the Silver Springs Mutual Water Company water system. The route of the proposed connection is along Spruce Street from Rocky Road to Topaz Street where the connection to the Mutual Water Company distribution system will be made as shown below. The waterline will require a bore under US Hwy 50. Approximately 3,500 of 8 inch PVC water main will be needed.



Alternatives to Proposed Project

Three alternatives were considered: No-action, improve existing facilities or consolidate with the Mutual Water Company.

Since the MHP is currently out of compliance with the drinking water standards for nitrates and bacteria, no-action is not an acceptable alternative.

Improving or replacing the existing facilities (including additional treatment) was not considered viable since the MHP has only 37 units making recovery of the cost expensive for the low-income residents. In addition, small MHPs have difficulty achieving and maintaining technical, managerial and financial capacity; therefore, the preferable solution is to eliminate the MHP water system.

Consolidating with the larger Silver Springs Mutual Water Company is preferred alternative.

Environmental Review

Environmental review of water projects is conducted by NDEP pursuant to NAC 445A.6758 to 445A.67612. NDEP has determined that the project is eligible for a categorical exclusion and may be exempted from further substantive environmental review requirements. The basis of this determination is that the proposed water line is located on existing streets. The process for issuing a categorical exclusion has been initiated, but is not yet complete. The categorical exclusion will be issued prior to NDEP executing the loan contract.

Permits

The following permits are required for the project:

1. NDEP Bureau of Safe Drinking Water Approval
2. NDOT encroachment permit for access to bore under Highway 50

Cost Estimate

The total cost is estimated to be \$307,500. Indications are that the actual cost may be lower than estimated due to the current economic conditions. Funds are provided on a reimbursement basis, so only actual project costs will be funded.

Financial Evaluation

Based on the information provided by SSMHP, the Nevada Division of Environment Protection (NDEP) recommends a principal forgiveness agreement. The Division's recommendation is based primarily on a lack of ability of SSMHP to secure the loan. Holding the park as collateral would be impractical and, due to an average net income of \$15,833 over the last three years, a reserve account would not be feasible

While lack of security is the primary motivator for principal forgiveness agreement, the following information also supports the recommendation:

1. The modest income generated by this property indicates an inability of the LLC to absorb further debt.
2. Even if Silver Springs Mobile Home Park received a zero percent interest loan, the tenants will incur an increased cost of approximately \$58 per month (\$29 for water service from the Mutual Water Company + \$29 debt service). Increasing rental rates would be an additional financial burden to these tenants.
3. NAC 445A.67561.9 defines a "disadvantaged community" as 80% of state median household income. The state MHI is \$44,500 and 80% of \$44,500 is \$35,600. Nevada Rural Water Association conducted an income survey in November 2008 and

determined the median household income to be \$12,500 with 30% of the respondents claiming an income less than \$10,000.

Based on figures provided by NDEP's financial consulting firm Piper Jaffray & Co. a principal forgiveness agreement of \$307,500 will not have a material effect on the program's retained earnings. A typical debt service coverage requirement for water and wastewater is a 1.20 ratio without retained earnings. As of August 2008 the program could award up to \$500,000 of principal forgiveness agreements and \$2,300,000 in 0% interest loans while continuing to maintain optimal coverage of 1.20.

Technical, Managerial and Financial Capacity

The proposed project will eliminate the Silver Springs Mobile Home Park and thereby eliminate a public water system that struggles with technical, managerial and financial capacity.

Public Notice

NRS 118B.150 requires written notice advising a tenant of a rental fee increase to be submitted and received by the tenant 90 days before the first payment is due. Pleasant Springs Properties, LLC will provide the required notice prior to increasing rental fees.

Status of Drinking Water State Revolving Loan Fund

Currently, the loan fund has approximately \$7 million in uncommitted funds for future loans.

Division Recommendations

The Division recommends that the Board for Financing Water Projects approve a loan commitment from the loan fund of the DWSRF in the amount of \$307,500 to Silver Springs Mobile Home Park. Since the Silver Springs Mobile Home Park qualifies for principal forgiveness, it is recommended that 100% of the principal be forgiven. The Division and the Silver Springs Mobile Home Park will negotiate the terms and conditions of a loan agreement.

Suggested Motion

I make a motion that the Board for Financing Water Projects approves a principal forgiveness loan commitment to Silver Springs Mobile Home Park. The RESOLUTION is designated the "12-2008 Silver Springs Mobile Home Park Project Loan Commitment". The Board has determined, and does hereby declare, that it approves a principal forgiveness loan commitment to the Applicant in an amount not to exceed \$307,500.

ATTACHMENT 2 AB198 Grant Program Financials

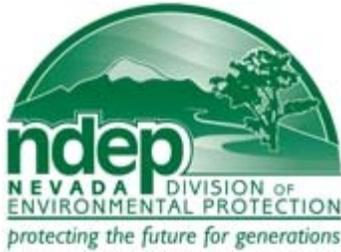
AB 198 Program
Projected Cash Flow through SFY 2011

DESCRIPTION	Available Cash			Available Treasurer's Allocation			Available Statutory Authority			Grant Obligations		
	INCREASE	DECREASE	BALANCE	INCREASE	DECREASE	BALANCE	INCREASE	DECREASE	BALANCE	INCREASE	DECREASE	BALANCE
FY08 Actual			198,876			22,980,573			76,054,236			
Bond proceeds	32,024,266	0	32,223,142	22,000,000	32,024,266	12,956,307		32,024,266	44,029,970			
Interest Payments	258,086		32,481,228			12,956,307			44,029,970			
Pay requests		21,080,319	11,400,909			12,956,307			44,029,970			
Transfer to Debt Service Fund			11,400,909			12,956,307			44,029,970			
Transfer to 4155 (Operating Account)		190,000	11,210,909			12,956,307			44,029,970			
			11,210,909			12,956,307			44,029,970			
July - September 2008 (FY09)			11,210,909			12,956,307			44,029,970			30,689,158
Pay Requests		2,698,490	8,512,419			12,956,307			44,029,970		2,698,490	27,990,668
Bond proceeds	12,956,307		21,468,726		12,956,307	0		12,956,307	31,073,663			27,990,668
Interest Payments	138,918		21,607,644			0			31,073,663			27,990,668
2008 principal repayments on bonds			21,607,644			0	2,635,000		33,708,663			27,990,668
Projected Transfer to 4155 (Operating Acct)		50,000	21,557,644			0			33,708,663			27,990,668
Adjusted to current Obligations			21,557,644			0			33,708,663		2,042,655	25,948,013
October - December 2008			21,557,644			0			33,708,663			25,948,013
Projected Pay Requests		7,664,516	13,893,127			0			33,708,663		7,664,516	18,283,496
Projected Transfer to 4155 (Operating Acct)		61,068	13,832,059			0			33,708,663			18,283,496
			13,832,059			0			33,708,663			18,283,496
January - March 2009			13,832,059			0			33,708,663			18,283,496
Projected Pay Requests		4,078,500	9,753,559			0			33,708,663		4,078,500	14,204,996
Projected Transfer to 4155 (Operating Acct)		61,068	9,692,491			0			33,708,663			14,204,996
			9,692,491			0			33,708,663			14,204,996
			9,692,491			0			33,708,663			14,204,996
April - June 2009			9,692,491			0			33,708,663			14,204,996
Projected Pay Requests		4,078,500	5,613,991			0			33,708,663		4,078,500	10,126,496
Projected Transfer to 4155 (Operating Acct)		61,068	5,552,923			0			33,708,663			10,126,496
2009 principal repayments on bonds			5,552,923			0	3,677,570		37,386,233			10,126,496
			5,552,923			0			37,386,233			10,126,496
FY10 Projection			5,552,923			28,000,000			37,402,370			10,126,496
Projected Bond Needs	15,000,000		20,552,923		15,000,000	13,000,000		15,000,000	22,402,370			10,126,496
Projected Pay Requests		15,550,000	5,002,923			13,000,000			22,402,370		15,550,000	0
Projected Transfer to 4155 (Operating Acct)		264,792	4,738,131			13,000,000			22,402,370			0
2010 principal repayments on bonds			4,738,131			13,000,000	3,894,878		26,297,248			0
Projected New Grant Awards			4,738,131			13,000,000			26,297,248	9,100,000		9,100,000
			4,738,131			13,000,000			26,297,248			9,100,000
FY11 Projection			4,738,131			13,000,000			26,297,248			9,100,000
Projected Bond Needs	13,000,000		17,738,131		13,000,000	0		13,000,000	13,297,248			9,100,000
Projected Pay Requests		12,350,000	5,388,131			0			13,297,248		12,350,000	0
Projected Transfer to 4155 (Operating Acct)		294,635	5,093,496			0			13,297,248			0
2011 principal repayments on bonds			5,093,496			0	4,057,186		17,354,434			0
Projected New Grant Awards			5,093,496			0			17,354,434	10,100,000		10,100,000
			5,093,496			0			17,354,434			10,100,000

Note: Debt service payments reflect debt as of FY09 and do not include estimated payments for future bond issues. Available Statutory Authority reflects balance remaining toward \$125 mil cap.

ATTACHMENT 3

City of Caliente Water System Improvement Project - Deobligation of Grant Funding



BOARD FOR FINANCING WATER PROJECTS

DEOBLIGATION OF GRANT FUNDS PROJECT SUMMARY DECEMBER 2008

PROJECT: **Water System Improvement Project**

APPLICANT: City of Caliente
P.O. Box 1006
Caliente, Nevada 89008

APPLICANT STATISTICS:

SYSTEM IN EXISTENCE PRIOR TO 1 JAN 1995 & PUBLICLY OWNED (NRS 349.983):	✓	YES	NO
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STATE MHI:	\$ 44,581	STATE MAX TAX RATE (PER \$100 ASSESSED):	\$ 3.64
COMMUNITY MHI:	\$ 25,833	COMMUNITY TAX RATE (PER \$100 ASSESSED):	\$ 3.64

NUMBER OF RESIDENTIAL UNITS:	427
NUMBER OF COMMERCIAL OR OTHER CONNECTIONS:	INCLUDED WITH RESIDENTIAL
TOTAL NUMBER OF PERSONS SERVED:	1500
PERCENTAGE OF RESIDENCES NOT PRIMARY	<5%

IS THE WATER SYSTEM METERED?	✓	YES	NO
IS A METERED RATE CHARGED?	✓	YES	NO
BOARD'S REASONABLE RATE BASED ON:	2% MHI	✓	1.5% MHI
BOARD'S REASONABLE WATER RATE:	\$ 32.29		
CURRENT SYSTEM WATER RATE:	\$ 26.00		

WATER CONSERVATION PLAN – DATE APPROVED/UPDATED:

PREVIOUS GRANT AMOUNTS:	\$ 1,176,868.70
TOTAL GRANT AMOUNT USED:	\$ 862,136.05
CAPITAL REPLACEMENT ACCOUNT FUNDED:	✓ YES NO
AMOUNT CURRENTLY IN FUND:	CONTRIBUTIONS TO BE SHOWN IN 2008 AUDITED FINANCIAL REPORT

BACKGROUND

The City of Caliente is located within the Meadow Valley Wash in north-central Lincoln County along U.S. Highway 93. Caliente is the county seat of Lincoln County, and the only incorporated city in the county.

On March 14, 2002, the Board for Financing Water Projects (Board) awarded the City of Caliente (City) a grant in an amount not to exceed \$1,176,868.70 (70.0% of the eligible project cost of \$1,681,241) for a 5-year time period to assist with the City of Caliente Water System Improvement Project. The scope of the project included: purchasing additional storage capacity in a new industrial park storage tank; South side pipeline improvements; construction of a new well to reduce arsenic levels; leak detection and repair program; and a metered conservation program consisting of 393 meters. The new storage tank, South side pipeline improvements, and meter installations are complete. Of the original grant amount, \$862,136.05 has been spent leaving a balance of \$314,732.65.

One of the City's primary wells was destroyed in the flooding event of January 2005. A temporary tie-in to the Caliente Youth Center well was made to provide a backup source of water in the interim. At the Board meeting of April 27, 2005, the Board awarded the City emergency grant funds to install an additional new well (2 wells total), a well house, and associated equipment. The emergency grant amended the original grant from March 2002 with an additional grant amount of \$844,446.02. The total grant amount was not to exceed \$2,021,314.72 (70.0% of the eligible project cost \$2,887,592.46). The scope of the project was amended to include two new wells instead of the original scope for one new well. This funding agreement was never signed by the City, and the well project has not started. In June 2006, with concurrence from the City, the Board deobligated the additional emergency grant funds awarded to the City in April 2005. The \$844,446.02 was returned to the grant fund to help provide grants to other applicants.

RECOMMENDATION

The original funding agreement from 2002 is now beyond the 5-year administration period. Given the funding that the City will receive from FEMA and EMD to replace the well lost in the flood and the additional funding provided in a grant from CDGB to refurbish one of their existing wells in the rail yard, the AB-198 funds remaining from the original project grant will not be necessary for the project.

On April 21, 2008, staff sent a letter to the City notifying them of the expiration of their funding agreement and setting a deadline of September 30, 2008, for completion of the project well. At the Caliente City Council meeting of August 21, 2008, the City Council voted to not ask for an extension to their AB-198 grant. Minutes of that meeting are included with this summary. On October 29, 2008, staff notified the City of the proposed action to deobligate their remaining grant funding at the December 11, 2008, Board for Financing Water Projects quarterly meeting.

Staff recommends that the \$314,732.65 remaining on the original grant from March 2002 be deobligated from the City of Caliente's project and made available for grants to other applicants.

SUGGESTED MOTION

I make a motion that the Board for Financing Water projects deobligate the \$314,732.65 of grant funds remaining on the original grant designated as the 3-02 City of Caliente Water System Improvement Project and make those funds available to help provide grants to other applicants.

ATTACHMENT 4 AB 198/237 Progress Report

PROGRESS REPORT ON OPEN PROJECTS

December 2008

GRANTEE	DATE APPROVED	TOTAL GRANT AMOUNT	ENGINEER	OWNER'S REPRESENTATIVE	LAST STAFF SITE VISIT	PROGRESS
City of Caliente	3/14/02	\$2,021,314.72	Amec & Sunrise Engineering	April Nelson	May-07	The City has apparently decided not to use funding from the AB198 program for the future well. The remaining funding will be considered for deobligation at the December 2008 Board meeting.
Walker River Irrigation District	3/13/02 Additional grant funds approved on 1/22/07 increasing total grant amount	\$4,262,750.00 \$6,685,163.19	Farr West Lumos RO Anderson Black Eagle	Ken Spooner	Feb-08	The diversion structure, spillway, and levee are complete. Remote control of the gates via the SCADA system is in progress. The outlet tunnel investigation is also in progress.
Kingsbury GID	6/26/02 Additional grant funds approved on 8/23/06 increasing total grant amount Extended funding agreement by 2 years on 6/19/08 with no further increase in grant funds	\$5,099,853.10 \$9,505,311.39	Amec	Cameron McKay	Aug-08	The final main replacement (Palady Perkins) is now complete. Services will be completed next construction season. The final project element is Tank 10B. AMEC is redesigning this part of the project and using a concrete tank on the originally planned site above the existing Tank 10A. The District is also considering the possibility of a direct replacement of Tank 10A instead of building above the existing tank. Final design decisions are pending. The District delivered a Water Metering Plan at the Board's request in August 2008. The District has the capacity to assume additional debt for the meter project and has apparently decided to seek loan funds rather than grant funds.
Wells	12/5/02 Additional grant funds approved on 1/27/05 increasing total grant amount	\$757,375.60 \$1,102,310.09	TRW Engineering	Jolene Supp	Dec-08	The installation of the well, well house, chlorination system, and SCADA are complete. The new tank is currently under construction. The transmission line from the tank to the distribution system will be bid separately in the spring 2009.

PROGRESS REPORT ON OPEN PROJECTS

December 2008

GRANTEE	DATE APPROVED	TOTAL GRANT AMOUNT	ENGINEER	OWNER'S REPRESENTATIVE	LAST STAFF SITE VISIT	PROGRESS
Washoe Co for Heppner Subdivision	3/31/04	\$1,280,300.00	Washoe County	Joe Stowell	Dec-08	<p>Heppner Waterline Extensions Phase 1-3 and 5a are complete. With the improvements to Lemmon Valley Well #8 are on hold indefinitely, funding from the grant was used to install a new waterline from the tank transmission line at Ohio St to Matterhorn Blvd along Oregon Blvd to allow efficient use of the imported water from Fish Springs Ranch.</p> <p>Construction of the tank, transmission line, and booster pump are complete. This project is in the process of closing.</p>
Churchill County	7/20/04 Additional grant funds approved on 1/27/05 increasing total grant amount Additional grant funds approved on 8/23/06 increasing total grant amount Additional grant funds approved on 11/9/06 increasing total grant amount	\$1,999,678.00 \$2,328,408.73 \$3,206,515.41 \$3,667,667.54	Brown & Caldwell/ V-Point	Milorad Stojicevic	Sep-08	<p>The Sand Creek treatment system was put on-line in the fall of 2007. Oasis MHP, West Star MHP, and Jetway Chevrolet were connected to the system in 2008. The project is in the process of closing.</p>
Washoe Co for Spanish Springs	1/27/05	\$4,000,000.00	Washoe County	Joe Stowell	May-07	<p>The 1st of a 9-phase sewer project is complete. The entire project is expected to take 20 years.</p> <p>The Phase 1A sewer project is complete and approximately 171 homes have abandoned their septic systems and connected to the new sewer to date. The County is now waiting for federal grant funding to begin installation of the next sewer line phase. The next project phase may begin in 2009 pending the resolution of funding issues.</p>

PROGRESS REPORT ON OPEN PROJECTS

December 2008

GRANTEE	DATE APPROVED	TOTAL GRANT AMOUNT	ENGINEER	OWNER'S REPRESENTATIVE	LAST STAFF SITE VISIT	PROGRESS
Virgin Valley Water District	1/27/05 Additional grant funds approved on 6/19/08 increasing total grant amount	\$2,000,137.00 \$3,284,177.16	Bowen, Collins & Associates	Mike Winters	Dec-08	<p>The Scenic reservoir construction is complete from Well No. 30 to the distribution system including the tank.</p> <p>The new coagulation-filtration arsenic treatment facilities for the 2 Bunkerville plants were redesigned to include concrete-lined drying beds to handle the sludge from the backwash, and backwash water will now be recycled to the plants. The project is more than 80% complete at both sites and the filtration systems are currently being installed in the new facilities.</p> <p>At the meeting in June 2008, the Board approved an increase in funding for the Bunkerville plants due to the increased project costs associated with the backwash sludge and water. The increase was contingent on the District raising the Bunkerville water rates to meet the Board's policy.</p>
Metropolis Irrigation District	1/25/06 Extended funding agreement by 1 year on 9/25/08 with no further increase in grant funds	\$489,467.40	Dyer Engineering	Vernon Dalton	Dec-08	<p>Engineering design and environmental and cultural assessment for BLM permitting is currently in progress. Soil boring/sampling was conducted in August 2008.</p> <p>At the September 2008 meeting, the Board approved a 1 year extension to the grant funding agreement to complete the engineering design and permitting.</p>
Beatty Arsenic PER	5/3/06 Extended funding agreement by 1 year on 9/25/08 with no further increase in grant funds	\$51,850.00	Farr West	Ray Williams	Dec-08	<p>Well EW4 is back on line and pilot testing began in March 2008. Two technologies were tested: 1) coagulation/filtration with alum addition as the coagulant and 2) electrochemical flocculation (ARS). ARS involves replacing the alum with large, electrically charged aluminum plates. If it is determined that ARS successfully coagulates and thereby removes the arsenic and fluoride it would eliminate the need for any chemical usage for the treatment of the water.</p> <p>Issues with differing results from two contract labs and field measurements are presenting problems with the pilot testing that must be resolved. In addition, the processes pilot tested may not be completely effective with fluoride.</p> <p>At the September 2008 meeting, the Board approved a 1 year extension to the grant funding agreement to complete the PER and pilot testing.</p>

PROGRESS REPORT ON OPEN PROJECTS

December 2008

GRANTEE	DATE APPROVED	TOTAL GRANT AMOUNT	ENGINEER	OWNER'S REPRESENTATIVE	LAST STAFF SITE VISIT	PROGRESS
Yerington Arsenic PER	5/3/06	\$47,600.00	Farr West	Dan Newell		<p>Pilot testing is complete. Staff is reviewing responses to comments on the PER.</p> <p>It does not appear that Yerington will seek state grant funding for the construction of arsenic treatment facilities.</p>
Pershing Co Water Conservation District	5/3/06 The original grant was closed & the remaining funds from that grant and additional grant funds were approved on a new grant on 9/20/07 for the Rogers Dam	\$3,956,282.50 \$3,663,021.45	Farr West & Dyer Engineering	Bennie Hodges	Jul-08	<p>The new Rogers Dam is complete.</p> <p>The District will continue with the engineering design and permitting of the Thacker Dam. This is the only other element currently approved for funding by the Board.</p>
LVVWD for Searchlight	8/23/06	\$2,536,522.34	LVVWD	Dianna Ballash	Aug-07	<p>All four exploratory wells are complete. Two wells were to become production wells while the other two exploratory wells were to become monitoring wells. An approved EA was required by the BLM prior to exploratory drilling and another EA is now required by the BLM for construction of production wells, pipeline, and appurtenances.</p> <p>Issues with ACEC (Areas of Critical Environmental Concern) will preclude well construction of several of the originally planned monitoring wells but should not affect the new production wells. Drilling of the new wells will begin as soon as BLM approval of the EA and ROW is received.</p>
LVVWD for Kyle Canyon – Ph 2 & 3	11/09/06	\$3,202,511.74	LVVWD	Kara Petersen	Sep-08	<p>Construction of upgraded/new mains, services, and meters at Echo View and Cathedral Rock began in May 2008 (Harber Co) and were completed in November 2008. Due to the short construction seasons, this project will likely take 3 summers to complete.</p>
Topaz Ranch Estates	3/14/07	\$1,471,452.01	TEC	Bill Maher	Oct-08	<p>The project for the new well and upgraded service mains was awarded to Atlas Contractors. Construction began in November 2008 with the drilling of the new well.</p> <p>Staff accompanied the BSDW on TREGID's recent sanitary survey. No deficiencies or problems were note.</p>

PROGRESS REPORT ON OPEN PROJECTS

December 2008

GRANTEE	DATE APPROVED	TOTAL GRANT AMOUNT	ENGINEER	OWNER'S REPRESENTATIVE	LAST STAFF SITE VISIT	PROGRESS
Lyon Co Utilities for Crystal Clear	9/20/07	\$2,663,635.00	Farr West	Mike Workman	Aug-08	The project that will tie Crystal Clear to the Yerington water system, install a new storage tank at Crystal Clear, and upgrade mains and services in the subdivision was awarded to Cambell Construction. Construction began in November 2008.
Lovelock Meadows Phase II	12/13/07	\$3,000,000.00	Farr West	Kristy Berge	Apr-08	The new well will be drilled in the existing well field between wells 5 and 7. The drilling will be bid in December 2008. Design of the Phase 2 pipeline improvements is nearing completion.
Moapa Valley	12/13/07	\$4,000,000.00	Bowen, Collins & Associates	Brad Huza	Dec-08	<p>Construction is well underway on the 2 treatment plants (Arrow Canyon & Baldwin Springs). The filtration systems are installed in both the Arrow Canyon and Baldwin Springs sites and piping within the facilities is in progress. Severn Trent is on site to oversee the installation of the base of the filters as well as the Bayoxide adsorptive media. Treatment start-up at Arrow Canyon is expected to begin in December 2008.</p> <p>The pipeline to/from Jones Springs is complete; however, final tie in must wait until later in the year when Jones Springs can be taken off-line.</p>
Alamo Arsenic Mitigation PER	3/20/08	\$102,216.75	Farr West	James Poulsen	May-08	This PER will include water quality sampling, well testing, and possibly arsenic pilot testing. Packer testing of the industrial well was completed in October 2008.
Battle Mountain Arsenic Mitigation PER	3/20/08	\$117,000	Shaw Engineering	Hank Blair	Sep-08	The drilling of the exploratory wells was bid in August with one bid received from Eklund Drilling. Eklund drilled the first exploratory hole in Nov 2008 hitting bedrock at 240' and continuing to 800'. Sample results showed arsenic levels <5ppb at all depths. Eklund drilled the second exploratory hole the last week in Nov 2008 near the golf course (northwest of the first exploratory hole) 600' of which was in gravels. Water samples were sent to the lab and results are pending.
Gabbs Phase II PER	6/19/08	\$63,920	Day Engineering	Oz Wichman	Oct-08	<p>The initial PER for the town of Gabbs was completed in April 2008. A new source of supply may be possible and exploratory drilling was recommended prior to pursuing a construction project.</p> <p>The County received a new grant for the proposed exploratory drilling at the June 2008 Board meeting. The project was bid in September with Parsons Drilling being the low bidder. Drilling is planned for early December.</p>

ATTACHMENT 5 PowerPoint Presentations from the Las Vegas Valley Water District

Kyle Canyon Water District System Improvements Project

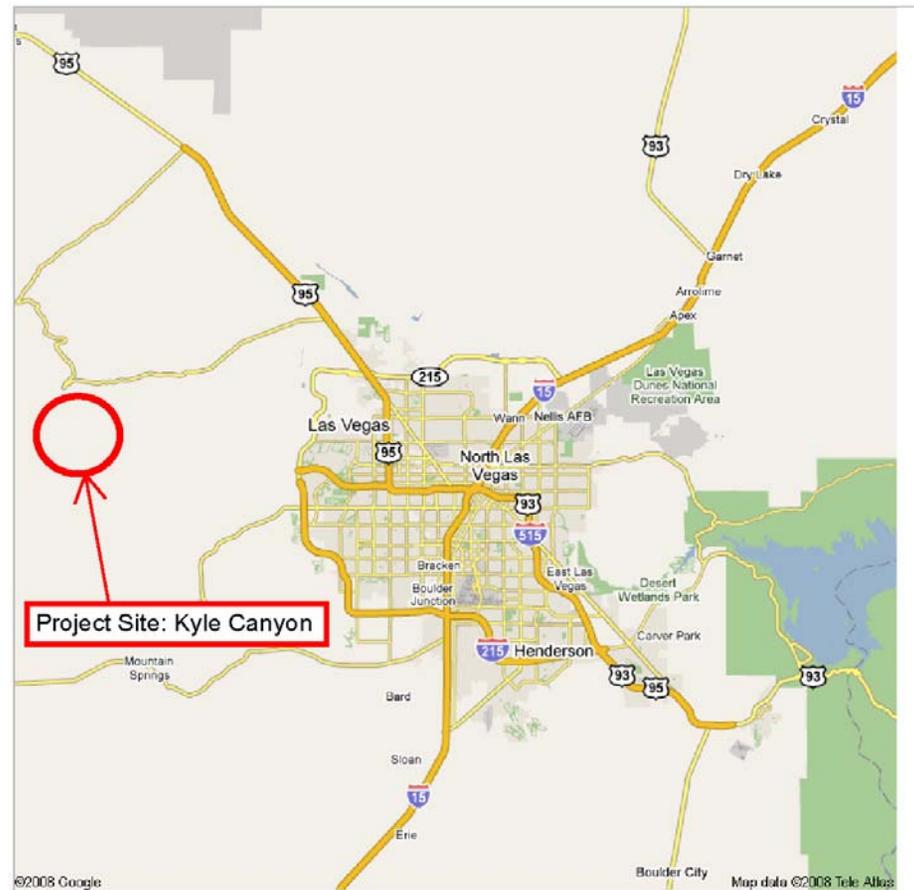


**Kara Peterson
Las Vegas Valley Water District
December 11, 2008**



Kyle Canyon, NV

- **Location:** Approximately 50 miles northwest of Las Vegas.
- **Population:** 1,130 (based on July 2008 Clark County estimates).



Current Water System

- The Kyle Canyon Water District is owned by Clark County, the Las Vegas Valley Water District has operated and maintained the system under contract with the County since 1979.
- Approximately 355 customer accounts.

Echo Wells

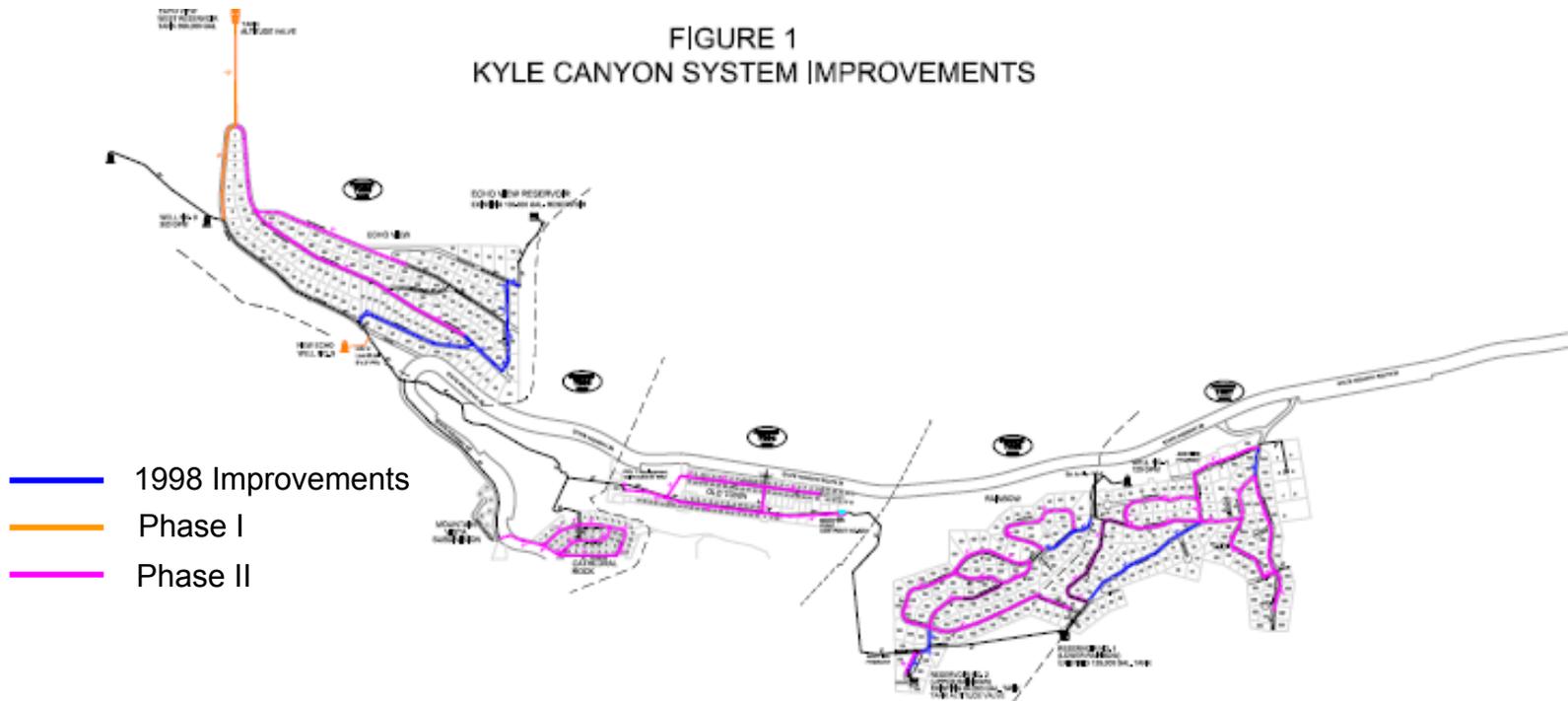


System Improvements Project

The System Improvements Project has been undertaken in two phases:

- Phase I: Construction of Echo Well No. 4 and Echo View Reservoir
- Phase II: Pipeline replacements and meter installations throughout the community

FIGURE 1
KYLE CANYON SYSTEM IMPROVEMENTS



Funding

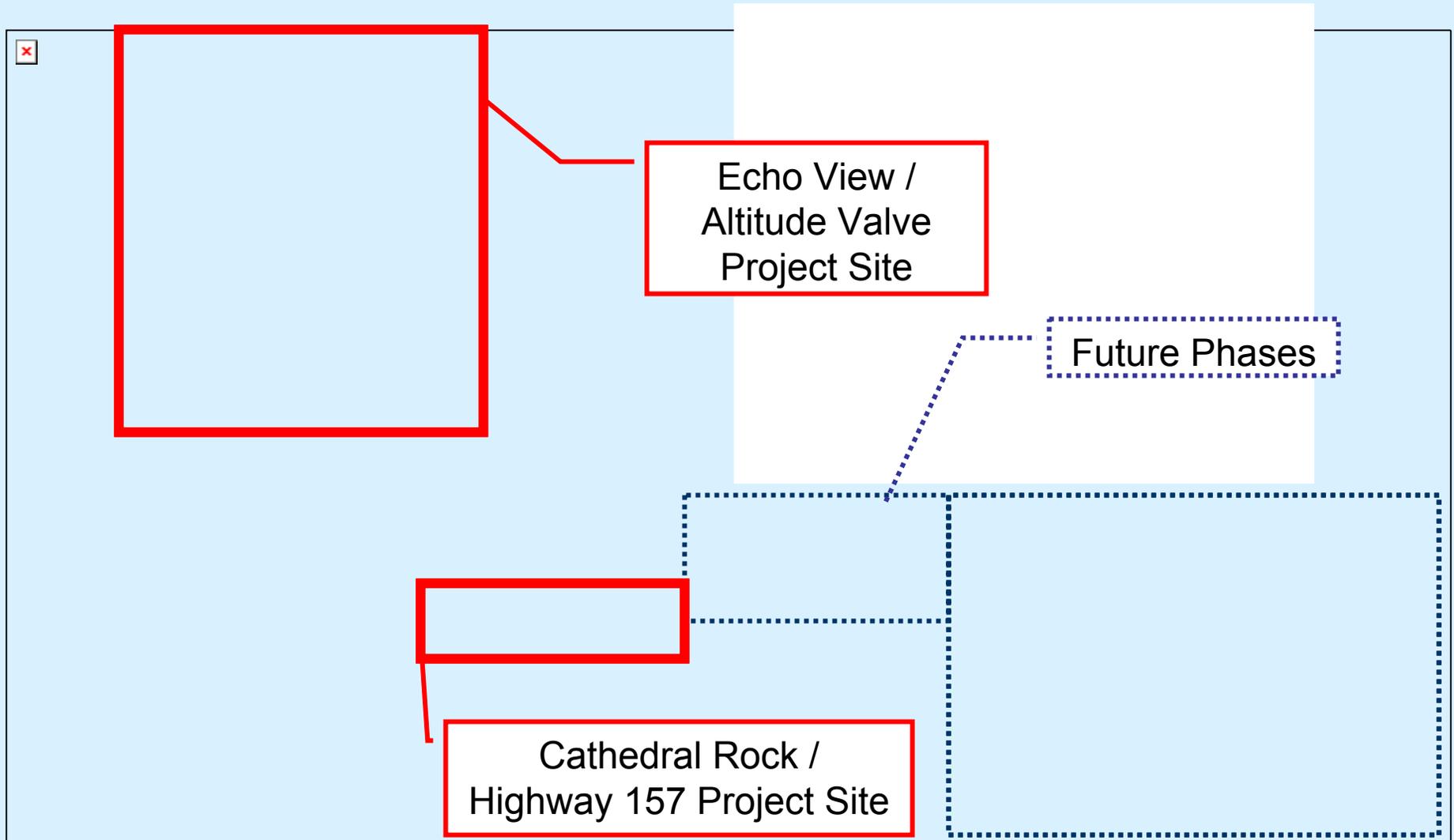
Improvements will be funded by rates, sales tax and state and federal grant funding.

- Nevada Board for Financing Water Projects
 - AB 198 awarded in 2006 for \$ 3,202,511
 - SB 62 awarded in 2006 for \$27,184
- Bureau of Reclamation
 - Water 2025 awarded in 2007 for \$300,000

AB 198 System Improvements Project



Location of Project



C1243 Project Details

- Contractor:
 - Harber Company, Inc.
- Pipe Installation:
 - 4800 Linear Feet 8” Pipe
 - 2000 Linear Feet 6” Pipe
- Services Assemblies
 - 89 New Service Installations

Project Challenges

- Narrow Streets: 12' to 16' wide
- Limited Access: Ingress/Egress, Detours
- Seasonal Construction Schedule : Typical snow by the end of October
- Resident Accommodations: meter locations, sequence of work, preservation of existing trees
- Contractor Means and Methods: 4-10 hour shifts, 4-5 crews working at same time

Highway 157 (NDOT) Work Area



Trench for 8"
pipe installation

07.07.2008 12:35

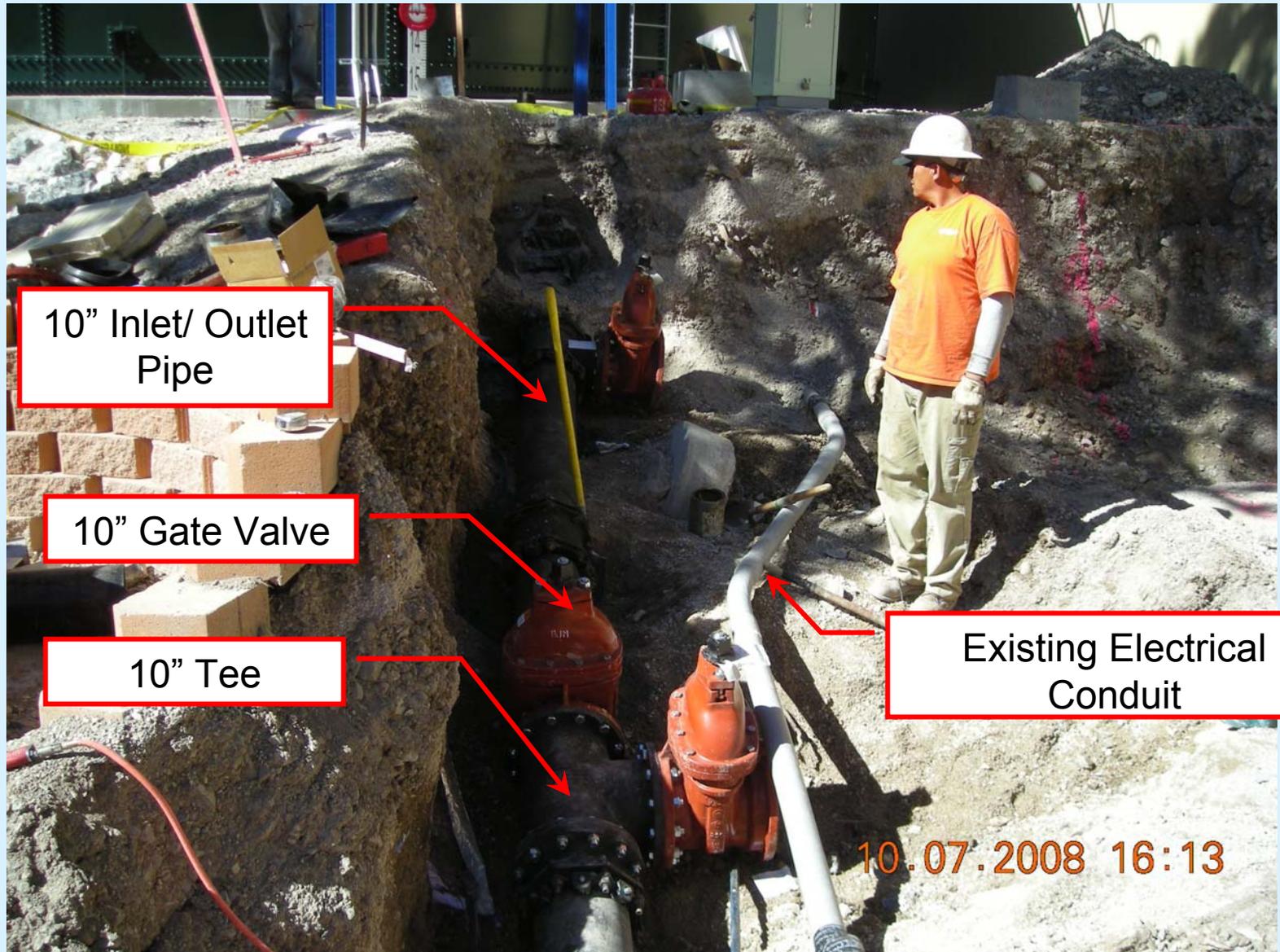
Echo View Subdivision Work Area



8" pipe
installation

07.29.2008 14:28

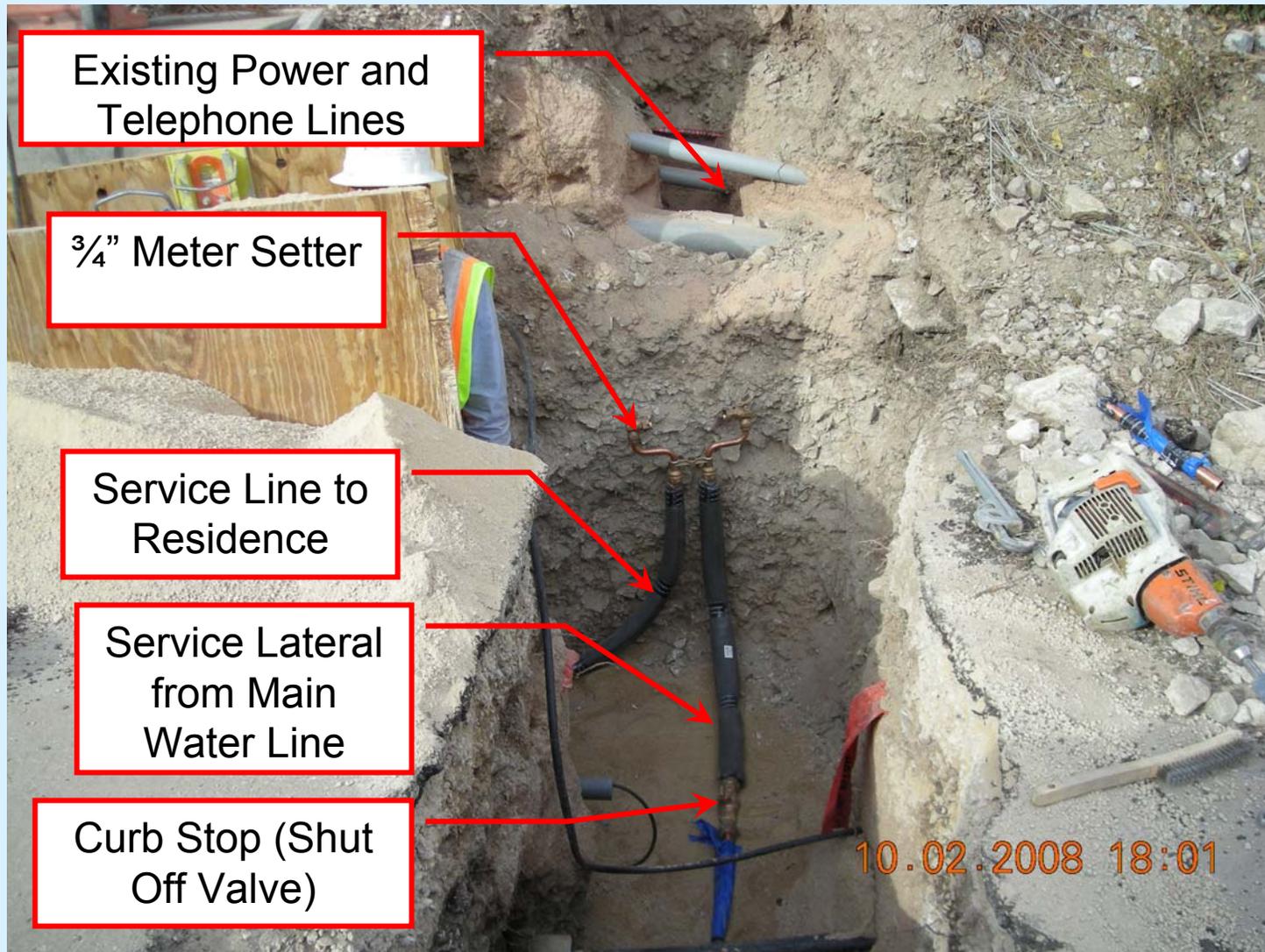
Altitude Valve Work Area



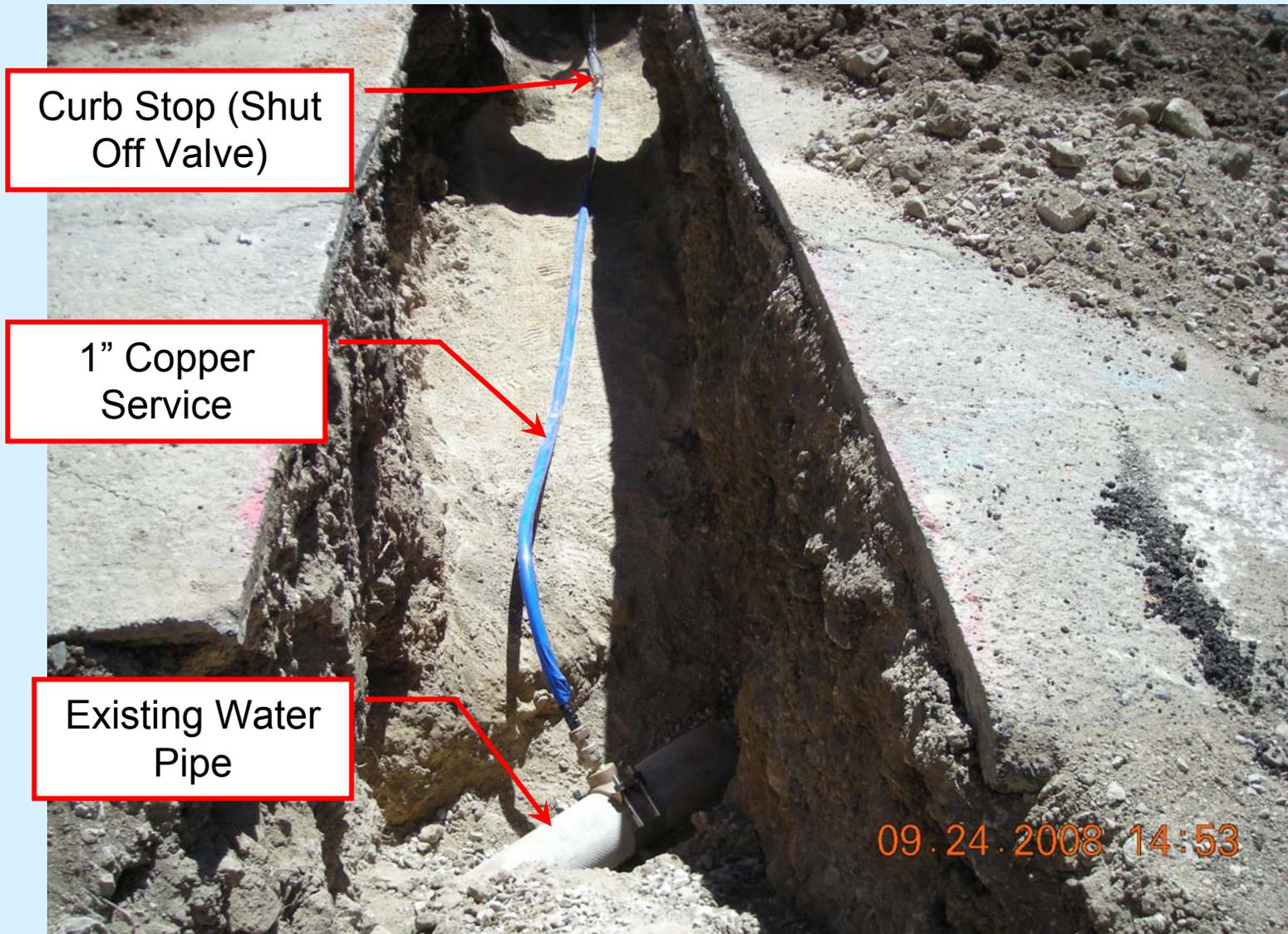
Cathedral Rock Subdivision Work Area



Typical Service Installation



Typical Service Lateral Installation



Residential Meters

Typical Installation
with PRV

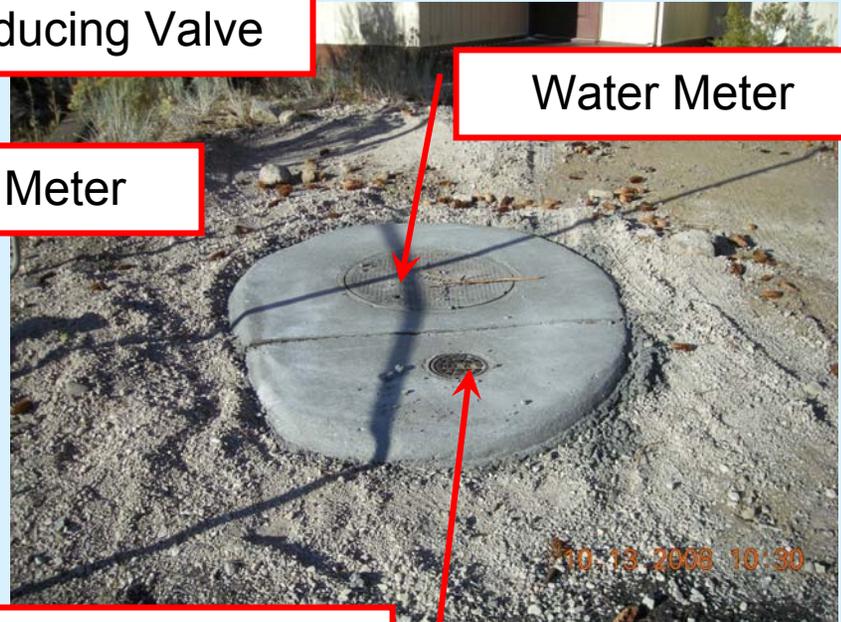


Pressure Reducing Valve

Water Meter

Curb Stop (Shut Off Valve)

Typical Installation
without PRV



Water Meter

Curb Stop (Shut Off Valve)

Project Summary

- Construction Schedule
 - Notice to Proceed: 05/13/08
 - Required Final Completion Date: 10/24/08
 - Actual Completion Date: 11/07/08
- Construction Budget (w/ contingency): \$787,193
- Estimated Final Construction Cost: \$703,000
- Change Orders: \$16,312
 1. Existing Conditions at Altitude Valve
 2. Realignment of Pipes due to unforeseen conditions

SB 62 Leak Detection Program



Kyle Canyon Leak Detection Program

- **Kyle Canyon system is a confined system-- highly sensitive to weather conditions and water use patterns.**
- **Aged infrastructure led to 100+ within 5 years, putting the community's water supply at risk.**
- **Leak detection program uses Metrolog Digital Sound Loggers to identify and isolate leaks.**

Preparing and programming loggers for deployment



Noise logger w/ extension antenna



Metrotech employee preparing to deploy logger



Typical logger installations into valve chambers



Logger locations identified with a blue “M”



HOW THE LOGGER WORKS

THE LOGGER IS FIRST PROGRAMMED BEFORE INSTALLATION

Loggersettings

Standard threshold	<input type="text" value="10"/>
Measurement time from	<input type="text" value="2"/> to <input type="text" value="4"/> time
Radio on from	<input type="text" value="8"/> to <input type="text" value="16"/> time
min. values/meas. period	<input type="text" value="10"/> <input type="button" value="⟷"/>

LOG N LOG N-P

*** THE OPTIMUM TIME FOR THE LOGGER TO TAKE ITS MEASUREMENTS IS APPROX. BETWEEN 2AM - 4AM, WHEN THE SYSTEM SHOULD BE AT ITS MOST QUIETEST ***

HOW THE LOGGER WORKS

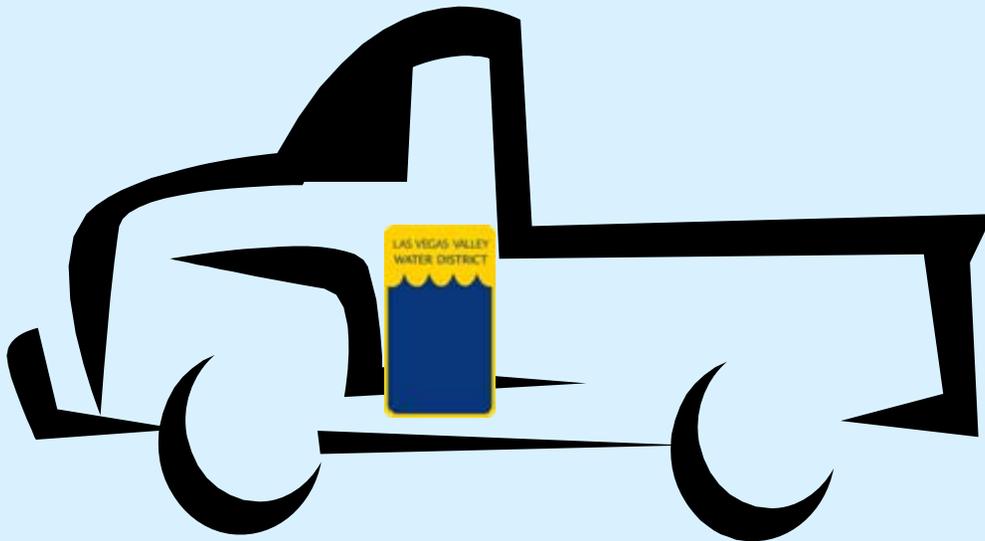
- THE LOGGER THEN TAKES SEVERAL SOUND SAMPLES DURING MEASUREMENT PERIOD



- DURING THE MEASUREMENT PERIOD IF ANY SAMPLE FALLS BELOW THE LEAK THRESHOLD AT ANY TIME THE LOGGER INDICATES “NO LEAK”

HOW THE LOGGER WORKS

- **THE LOGGER IS THEN PATROLLED BY VEHICLE TO GATHER READINGS**



ANALYZING THE DATA

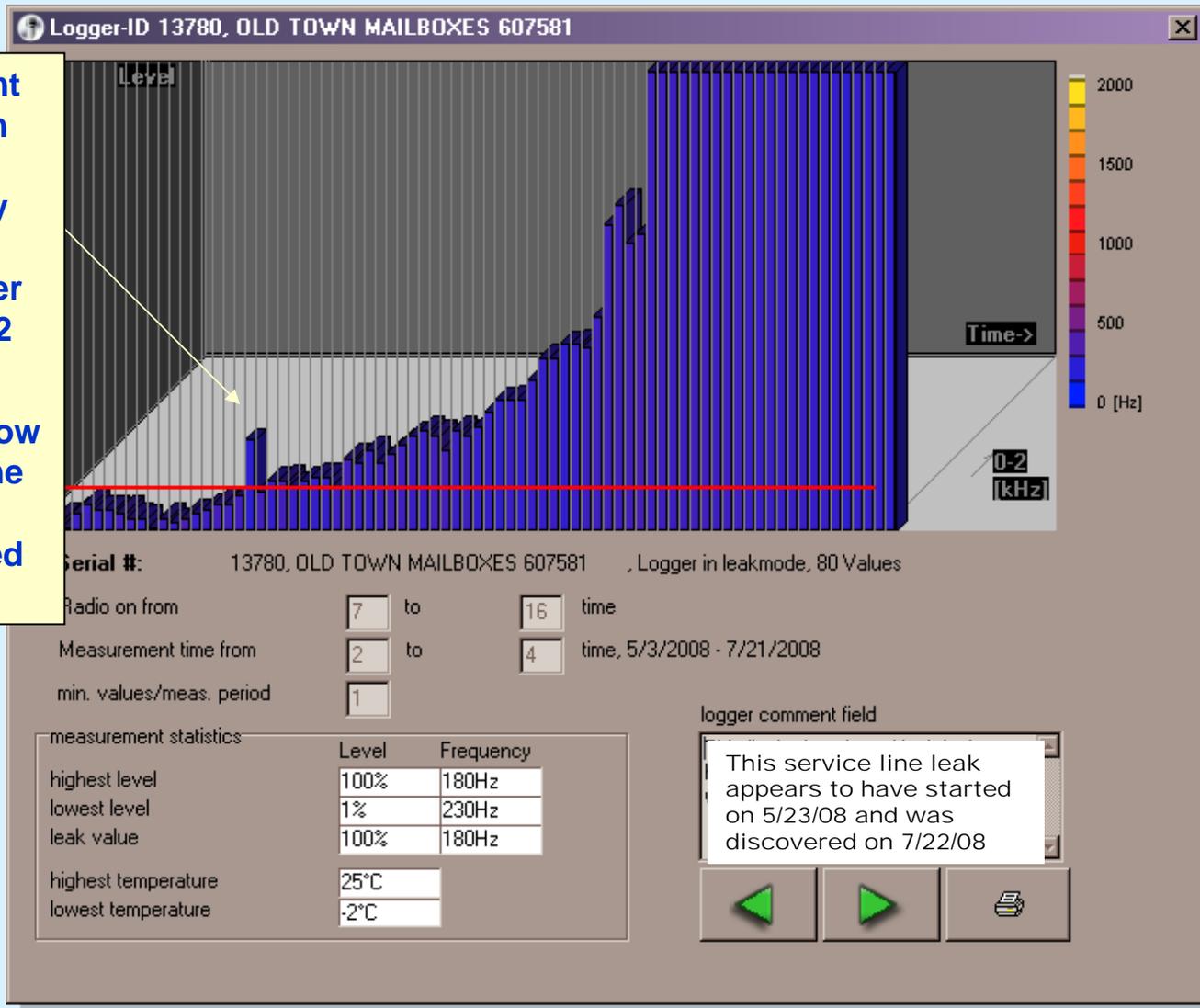
- **ONCE ALL LOGGERS ARE PATROLLED THE DATA IS THEN ANALYZED AND EACH LOGGER IN LEAK MODE IS INVESTIGATED**



Graph display showing actual leak found on FH lateral (each bar represents a measurement day)

Leak event began on 5/23 and gradually became worse over the next 2 months.

Values below the red line are not considered leaks.



Leak Detection Summary

OCT 2007 – OCT 2008

2 leaks in the Old Town subdivision:

- 1 property owner leak (approx. 2-5 gpm)
- 1 service line leak (approx. 4-5 gpm)

5 leaks in the Rainbow subdivision:

- 2 fire hydrant leaks (weep hole leaks approx. 5-10 gpm each)
- 1 main break (circumferential break approx. 15-20 gpm)
- 1 residential service (completely severed approx. 40-50 gpm)
- 1 residence was found to have continuous consumption, which is consistent with a p/o leak or water being left on at the residence.

1 leak in the Echo subdivision:

- 1 property owner leak (approx. 5-10 gpm)

SUMMARY

- **LEAK DETECTION ON MT. CHARLESTON IS EXTREMELY BENEFICIAL TO THE KYLE CANYON COMMUNITIES AND THE LVVWD.**
- **DUE TO THE GEOLOGICAL LAYOUT OF THE KYLE CANYON AREA LEAKS WON'T SURFACE. IN THE PAST THE DISTRICT WOULD HAVE TO WAIT FOR "UNACCOUNTED FOR WATER" REPORTS AND PUMPING TRENDS TO KNOW THAT A LEAK MIGHT BE PRESENT**
- **SHUT DOWNS AND ISOLATING CERTAIN STREETS WOULD BE THE ONLY WAY TO TRACK DOWN WHAT AREA THE LEAK MIGHT BE COMING FROM**
- **WITH THIS LEAK DETECTION TECHNOLOGY, LESS TIME AND MONEY IS SPENT BY THE DISTRICT LOCATING THESE LEAKS, AND THEY ARE CAUGHT A LOT SOONER MINIMIZING DAMAGE AND CUSTOMER OUTAGES.**

QUESTIONS?



ATTACHMENT 6 SB62 Financial Summary & Progress Report

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

PROJECT NAME	GRANT AMOUNT	GRANT USED	GRANT REMAINING
Central NV Regional Water Auth.	150,000.00	130,113.03	19,886.97
Churchill County	36,500.00	36,500.00	
Esmeralda County	16,245.85	16,245.85	
Eureka County	120,000.00	90,000.00	30,000.00
City of Fernley	38,680.59	24,671.25	14,009.34
Gerlach GID	92,833.42	72,878.62	19,954.80
Humboldt River Basin Water Auth.	120,000.00	111,439.17	8,560.83
LVVWD - Kyle Canyon	27,184.72	26,702.02	482.70
LVVWD - Searchlight	150,000.00	10,325.92	139,674.08
Topaz Ranch Estate GID	5,221.88		5,221.88
Town of Tonopah	11,250.00	11,250.00	
Virgin Valley Water District	116,041.77	92,754.05	23,287.72
White Pine County	116,041.77	114,642.00	1,399.77
TOTALS	1,000,000.00	737,521.91	262,478.09

SB62 Program Summary - Inception to present

Total Grant Funds	1,000,000.00
FY 06 Expenditures	45,888.68
FY 07 Expenditures	398,263.00
FY 08 Expenditures	206,473.02
FY 09 Expenditures	86,897.21
Total Grant Funds Used	737,521.91
Remaining Authority	262,478.09

Budget Account 3175 - Summary of FY09 Activity through

11/25/08

Beginning Cash	349,375.00
Balance Forward	
Total Receipts / Funding Available	349,375.00
Total Payments to Grantees to Date	86,897.21
Current Funds Available for Grants	262,477.79

SB 62 PROJECT REPORT
December 2008

Project	Grant Amount	Project Summary
Humboldt River Basin Water Authority	\$120,000.00 (Project Complete)	<p>Assemble existing information into a water resources database in support of threats to water rights. Develop recommendations for collection of additional necessary data. Develop a public information program. Deliver a summary report for each county describing available forecast of economic/demographic conditions and related water.</p> <p>Progress Report, December 2007: The Humboldt River Basin Water Authority project is complete and the documents produced as a part of that project are available electronically on NDEP's website at http://ndep.nv.gov/bffwp/ http://ndep.nv.gov/bffwp/hrbwa_sb62.htm (contact: Michelle Stamates at 775.687.9331 or mstamate@ndep.nv.gov).</p>
Esmeralda County	\$16,245.85 (Project Complete)	<p>The project plan was to conduct a physical reconnaissance of the County's present water uses and existing water rights and develop a strategy to enhance and protect the County's water rights to ensure present and future water demands can be met as well as preparing a Water Rights Management Plan. All water rights identified in four hydrographic basins were reviewed. A field reconnaissance trip was conducted with the State Engineers office to physically site the locations for the point of diversion for water rights and ascertain the manner by which the appropriated water is being exercised.</p> <p>Progress Report, June 2007: The Esmeralda County Water Rights Plan is complete and available electronically on NDEP's website at http://ndep.nv.gov/bffwp/esmeralda%20county_sb62.htm (contact: Michelle Stamates at 775.687.9331 or mstamate@ndep.nv.gov).</p>
Town of Tonopah	\$11,250.00 (Project Complete)	<p>Assemble all active surface and groundwater rights for Ralston Valley Hydrographic Basin No. 141, Big Smokey – Tonopah Flat Hydrographic Basin No. 137, and Alkali Spring Valley Hydrographic Basin No. 142.</p> <p>Progress Report, Dec 2007: The water rights inventory and map of those rights are complete and available electronically on NDEP's website at http://ndep.nv.gov/bffwp/tonopah_sb62.htm (contact: Michelle Stamates at 775.687.9331 or mstamate@ndep.nv.gov).</p>
Churchill County	\$36,500.00 (Project Complete)	<p>Update of the County's Water Resources Plan for surface and groundwater resources. Review of all county records relating to water resource requirements, both existing and projected. Update of the water resource ownership in the County.</p> <p>Progress Report, June 2007: The Churchill County Water Resources Plan update is complete and available on the County's website at http://www.churchillcounty.org/planning/waterplan.php and is linked to NDEP's website at http://ndep.nv.gov/bffwp/sb62.htm (contact: Michelle Stamates at 775.687.9331 or mstamate@ndep.nv.gov).</p>
Eureka County	\$120,000.00	<p>The project develops improved estimates of basin discharge and flow system interconnection.</p> <p>Progress Report, June 2008: The project objectives were modified. The objectives are to quantify basin discharge from phreatophyte vegetation, quantify basin discharge by crop use, refine estimates of basin thickness, and estimate subsurface flow between discharge basins.</p> <p>Eureka County submitted a letter to the Board for consideration of a project time. At the June 2008 meeting, the Board approved a one year time extension to the funding agreement for Eureka County. A project update is due early in December.</p>

SB 62 PROJECT REPORT
December 2008

Project	Grant Amount	Project Summary
Gerlach	\$92,833.42	<p>A database of spring flow and water quality will be created and a groundwater model will be developed to determine any changes that might result from the proposed development in the basin that might adversely affects the two springs (Garden and Railroad Springs) that provide water to Gerlach.</p> <p>The Gerlach General Improvement District submitted a letter to the Board for consideration of a project time extension. At the June 2008 meeting, the Board approved a one year time extension to the funding agreement for the Gerlach General Improvement District.</p> <p>Progress Report, November 2008: Data loggers & flow meters were installed at both springs; Monitoring of water level and discharge rate from the springs is in progress and is being used in calibration of the groundwater model. Water rights were researched and compiled into tabular format. Other model parameter data (e.g., DEM, geology, structure, well logs, rainfall) were compiled and added to the model. Washoe County Water Resources has made an initial review of the steady state model and given a positive review. They have also reviewed the data logging methods for the long-term spring flow and planned to reinforce the importance of continuing to collect this data with the operator on a site visit in November 2008 when they observed the modeled area and springs. The County will review the transient model as soon as it is completed – estimated completion in December 08/January 09.</p>
LVVWD – Kyle Canyon	\$27,184.72 (Project Complete)	<p>Install 100 Permalog units for the detection of subsurface leaks and acquisition of a Patroller unit for data collection. This system will allow operators to find and repair leaks, protecting millions of gallons of water previously lost to the system.</p> <p>Progress Report, June 2008: The leak detection units have been installed and the project is complete. A final project report was received in June 2008 and is available electronically on NDEP's website at http://ndep.nv.gov/bffwp/docs/kcwg_sb62_final.pdf (contact: Michelle Stamatates at 775.687.9331 or mstamate@ndep.nv.gov). The LVVWD will provide a project overview of this system at the December 2008 Board meeting.</p>
City of Fernley	\$38,680.59	<p>Reconcile all past and future mapping difficulties by attempting to develop a new GIS map of all Truckee Diversion surface water rights within the City of Fernley.</p> <p>The City of Fernley submitted a letter to the Board for consideration of a project time extension. At the June 2008 meeting, the Board approved a one year time extension to the funding agreement for the City of Fernley.</p> <p>Progress Report, May 2008: Data on all deeds relating to water rights transfers to the City of Fernley have been obtained and included in a database. Initial mapping of both sections 10 and 13 is in progress. Although requested, no updates were received prior to completing this summary report.</p>

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Virgin Valley Water District	\$116,041.77	<p>Analyze water quality information from throughout the watershed region to develop a conceptual model of groundwater flow, mixing and hydrologic connection through naturally occurring chemical tracers, and develop a steady-state representation of the predevelopment conditions of the regional groundwater flow systems utilizing modifications of previous models to develop a comprehensive numerical model.</p> <p>The Virgin Valley Water District submitted a letter to the Board for consideration of a project time extension. At the June 2008 meeting, the Board approved a one year time extension to the funding agreement for the Virgin Valley Water District.</p> <p>Progress Report, March 2008: The District submitted a thesis on the <u>Interaction of Surface and Subsurface Hydrological Processes in the Lower Virgin Valley</u> and a progress report on the status of the Lower Virgin groundwater model. The ground water model is approximately 65% complete and is expected to be finished within the next year. Although requested, no updates were received prior to completing this summary report.</p>
White Pine County	\$116,041.77 (Project Complete)	<p>Update information (including: hydrogeologic framework, groundwater hydrology, and regional groundwater flow system) on County's water resources and update the Water Resources Plan to assist in identifying potential water use and needs based on scenarios for growth and development. The County also added GIS capability in order to maintain and update information as it becomes available.</p> <p>Progress Report, January 2008: White Pine County's Water Resources Plan is complete and available at the NDEP offices in Carson City as well as electronically on NDEP's website at http://ndep.nv.gov/bffwp/whitepineco_sb62.htm (contact: Michelle Stamates at 775.687.9331 or mstamate@ndep.nv.gov).</p>
LVVWD – Searchlight	\$150,000.00	<p>Drill and develop 4 new monitoring wells to better understand the groundwater resource and groundwater quality in Paiute Valley and the Eldorado Valley Basins. One of the 4 wells will be funded by this grant.</p> <p>The LVVWD submitted a letter to the Board for consideration of a project time extension for the Searchlight project. At the June 2008 meeting, the Board approved a one year time extension to the funding agreement for the Searchlight project.</p> <p>Progress Report, September 2008: LVVWD evaluated monitoring well locations in Piute Valley and drilled 4 exploratory wells in 2007. An Environmental Assessment for the monitoring well was submitted to the BLM in February 2008. Approval of the EA and granting of ROW by the BLM was expected by in late 2008; however, issues with ACEC (Areas of Critical Environmental Concern) will preclude well construction of several of the originally planned monitoring wells. An alternate site for the monitoring well to be funded by this grant has been selected. Drilling of the monitoring wells and production wells will occur on the same bid. Expected completion of the monitoring well is June 2009.</p>

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Project	Grant Amount	Project Summary
Topaz Ranch Estates	\$5221.88	<p>Identification and mapping of proposed point of use/place of diversion for the existing 9 water rights permits.</p> <p>The Topaz Ranch Estates General Improvement District submitted a letter to the Board for consideration of a project time extension. At the June 2008 meeting, the Board approved a one year time extension to the funding agreement for the Topaz Ranch Estates General Improvement District.</p> <p>Progress Report, November 2008: The GID was awaiting final easement on the new well to begin this project. The easement was finalized in August 2007. Drilling of the new well in the easement at the County Park began in mid-November 2008. The points of use/place of diversion for all 9 existing water rights are to be moved to this new well pending approval by the State Engineer.</p>
Central Nevada Regional Water Authority	\$150,000.00	<p>Compile and document the baseline information required to determine long-term changes in groundwater levels in the Central Hydrographic Region (including: Churchill, Elko, Esmeralda, Eureka, Lander, Nye, White Pine, and Pershing counties) in order to evaluate the sustainability of present groundwater supplies secured under existing water rights, analyze the impacts of future development, and support future actions by local governments.</p> <p>The Central Nevada Regional Water Authority submitted a letter to the Board for consideration of a project time extension. At the June 2008 meeting, the Board approved a one year time extension to the funding agreement for the Central Nevada Regional Water Authority.</p> <p>Progress Report, November 2008: A spreadsheet containing water-level data, supporting database attributes and data-quality information; maps showing spatial distribution of water-level data; and an analysis of data gaps are complete and the data is accessible through an electronic mapping system – Map Guide by Websoft – hosted on the NDWR website. A summary report that documents methods and findings and identifies areas needing additional new water-level measurements was generated. The website that hosts the information for the Central Nevada Regional Water Authority is located at http://www.cnrwa.com/home/index.asp and will soon link to the Map Guide system (http://webmap.water.nv.gov/) developed with NDWR. Some delays were experienced as NDWR awaited the arrival of a new server for the Map Guide software. The CNRWA has continued to plan for future project phases of data collection in concert with the USGS.</p>