

**State of Nevada—Final Intended Use Plan
for the
Allocation of Drinking Water State Revolving Funds
From
Nevada’s Federal Fiscal Year 2004 Allotment
Under the
Safe Drinking Water Act, as Amended in 1996**

Division of Environmental Protection

Bureau of Water Pollution Control

August 2004



Table of Contents

I. INTRODUCTION.....	1
A. History.....	1
B. Financial Status of Nevada DWSRF.....	1
C. Nevada Request.....	3
II. TYPES OF PROJECTS TO BE FUNDED FROM THE VARIOUS DWSRF ACCOUNTS.....	3
A. The Types of Projects for Which Loan Funds From the Account for the Revolving Fund Are Intended.	3
B. Projects Intended to be Funded From the Account for Set-Aside Programs	5
III. DWSRF LOAN PROGRAM DESCRIPTION AND GOALS.....	5
A. DWSRF Loan Program General Information.....	5
B. Long-Term Goals.....	6
C. Short-Term Goals.....	6
D. Additional DWSRF Loan Program Information.....	6
IV. DWSRF SET-ASIDE PROGRAM DESCRIPTION AND GOALS.....	7
A. Program Administration (4% Set-Aside).....	7
B. Technical Assistance for Small Public Water Systems Serving 10,000 or Fewer Persons (2% Set-Aside).....	8
C. State Program Management (10% Set-Aside Recognizing Allowable 1:1 State Match Funds).....	8
D. Local Source Water Protection Activities (15% Set-Aside).....	11
V. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS.....	13
A. Description of Process for Selection of Eligible Public Water Systems to Receive Assistance.....	13
B. Priority List.....	15
C. Impact of Funding Decisions on the Long-Term Financial Health of the DWSRF.....	15
D. Relationship to State Program Goals and Objectives.....	15
E. Transferring Funds Between the DWSRF and the CWSRF.....	15
VI. ASSISTANCE TO SMALL PUBLIC WATER SYSTEMS.....	15
VII. PROGRAM TO PROVIDE ASSISTANCE TO PUBLIC WATER SYSTEMS SERVING DISADVANTAGED COMMUNITIES.....	16

Table of Attachments

Attachment A	2004 Priority List
Attachment B	Resolution of the Board for Financing Water Projects on 2004 Priority List
Attachment C	Summary of Public Participation on Intended Use Plan and Project Priority List
Attachment D	Projection of Future Funding

LIST OF ACRONYMS

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

I. INTRODUCTION

A. History

The 1996 Amendments to the Safe Drinking Water Act (SDWA) authorized the Drinking Water State Revolving Fund (DWSRF). The Federal Budget included \$844,985,000 for Federal Fiscal Year (FFY) 2004 to fund the DWSRF portion of the SDWA. After federal set-asides were accounted for, the allotment of funds for the State of Nevada (Nevada) totaled \$8,303,100 for FFY 2004. These funds are available after Nevada successfully obtains a Capitalization Grant Award from the U. S. Environmental Protection Agency (EPA) for its DWSRF program.

In 1997, the Nevada State Legislature passed legislation, Senate Bill (SB) 302, which authorized the State Health Division to develop, implement and administer the DWSRF program in Nevada. In accordance with the SDWA, the legislation authorized the Treasurer of the State of Nevada (Treasurer) to set up the account for the revolving fund and the account for set-aside programs. This legislation for public water systems is codified in Chapter 445A of the Nevada Revised Statutes (NRS). These statutes included NRS 445A.200 to 445A.295, inclusive, and may be reviewed at the following Internet Web URL:

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

The regulations for the DWSRF promulgated by the Health Division under these statutes include Nevada Administrative Code (NAC) 445A.6751 to 445A.67644 inclusive and may be reviewed at the following Internet Web URL:

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

The 2003 Nevada State Legislature passed legislation, Assembly Bill (AB) 473, which transferred the DWSRF from the State Health Division to the Nevada Division of Environmental Protection (NDEP).

B. Financial Status of the Nevada DWSRF

Since program inception, Nevada has received five DWSRF Capitalization Grants from EPA. Including the State match, these grants have made available \$57,354,224 for DWSRF loans. As of June 30, 2004, the Nevada DWSRF has funded or committed to fund seventeen loans totaling \$50,090,536. The remaining grant funds will be combined with funds from the FFY 2004 Capitalization Grant and from the principal of loan repayments to provide for loans to be made during the next year. Table 2 shows an estimated projection of the sources and uses of funds July 1, 2004 to June 30, 2005.

TABLE 1: Sources and Uses of Funds

Table 1

	Federal	Bond Proceeds	Other	Total
Expected sources & uses for the period 7/1/04-6/30/05				
Sources of funding:				
Uncommitted prior years' loan funds	5,513,357	1,806,716	7,751,788	15,071,861
FFY2004 Grants (SFY 2005)	8,303,100			8,303,100
Loan principal repayments SFY 05			1,451,799	1,451,799
Loan interest earnings SFY 05			1,913,652	1,913,652
Investment Interest earnings (all prior years)			892,491	892,491
Investment Interest earnings SFY 05			254,000	254,000
Bond issues SFY 05		1,660,620		1,660,620
Total Sources of Funds	13,816,457	3,467,336	12,263,730	29,547,523
<u>Uses of Funding:</u>				
				0
<u>Set-Aside Program Activities:</u>				
				0
Administrative (4% set-aside)	332,124			332,124
State Program Management (10% set-aside)				0
State Program Management	476,998			476,998
Technical Assistance & Education	0			0
Underground Injection Control Program	249,928			249,928
Capacity Strategy	20,000			20,000
Operator Certification	20,000			20,000
Local Assistance (15% set-aside)				0
Capacity Assistance	325,475			325,475
Wellhead Protection (BHPS)	278,798			278,798
Wellhead Protection (NDEP)	397,324			397,324
Technical Assistance-Small Systems	166,062			166,062
Sub-total: Set-aside programs	2,266,709	0	0	2,266,709
<u>Bond repayment:</u>				
Bond principal			590,000	590,000
Bond interest			568,604	568,604
				0
<u>Project funding:</u>				
Loans (expected to be made)	5,120,000	1,280,000	9,000,000	15,400,000
Loan Applications pending	6,400,000	1,600,000		8,000,000
Loan commitments Pending		0		0
Revolving Fund (Uncommitted funds)	29,748	587,336	2,105,126	2,722,210
Total Uses of Funds	13,816,457	3,467,336	12,263,730	29,547,523

C. Nevada Request

This Intended Use Plan (IUP) is a required element of the grant application documentation to obtain the FFY 2004 grant award. Nevada herewith submits its IUP for the FFY 2004 funds available to Nevada for the purposes of continuing the development, implementation and administration of the DWSRF program in Nevada. The total available to Nevada from EPA's FFY 2004 allotment is **\$8,303,100**. This allotment will be matched by the 20% match requirement of **\$1,660,620** from state financial resources. Nevada intends to divert **\$2,266,709** of this allotment to the account for set-aside programs, leaving **\$6,036,391** federal funds for the account for the revolving loan fund (Table 2).

As shown in Table 1, Nevada proposes to combine the remaining **\$15,071,861** from the uncommitted prior year loan funds with FFY2004 grant funds, state match and loan repayments to bring the total sources of funds to **\$29,547,523**. After diverting set-asides and bond debt service, **\$26,122,210** remains in the loan fund. A summary of historical funding for the DWSRF program through the FFY 2004 capitalization grant period is also included in Attachment D.

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

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

1. Construction/upgrading of water treatment facilities;
2. Replacement of contaminated sources with new groundwater or surface water sources;
3. Installation/upgrade of treatment and disinfection facilities to meet public health standards and to protect public health;
4. Consolidation and interconnection of public water systems to address technical, managerial and financial capacity issues;
5. Planning and engineering associated with eligible projects;
6. Replacement of aging infrastructure;
7. Replacement/rehabilitation of transmission lines and storage facilities;
8. Replacement/rehabilitation of distribution public water system facilities;
9. Installation of meters and backflow prevention devices;

10. Refinancing eligible projects where debt was incurred after July 1, 1993;
11. Land acquisition that is integral to a DWSRF-eligible project; and
12. Other projects necessary to address compliance/enforcement or security issues.

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

1. Administration of the DWSRF program;
2. Assistance with technical, managerial and financial capacity development to small public water systems serving 10,000 or fewer persons;
3. Enhancement of state drinking water program management;
4. Continued development of an information management system compatible with the Safe Drinking Water Information Management System (SDWIS) to enhance data storage, data queries and data retrieval;
5. Communications necessary to keep small public water systems serving 10,000 or fewer persons informed of management, compliance and technology issues;
6. Underground injection control program;
7. Wellhead protection program/source water protection;
8. Capacity Development; and
9. Operator Certification

III. DWSRF LOAN PROGRAM DESCRIPTION AND GOALS

A. DWSRF Loan Program General Information

The Nevada DWSRF Loan Program funds publicly- and privately-owned community water systems and non-profit non-community water systems. Eligible projects include installation and replacement of failing treatment facilities, eligible storage facilities and transmission and distribution systems. Projects to consolidate water systems may also be eligible. Loans made under the program currently have interest rates of 4 percent or less. Loan repayments to the State will provide a continuing source of infrastructure financing into the future. The program also places an emphasis on small and disadvantaged communities and on programs that emphasize prevention as a tool for ensuring safe drinking water.

B. Long-Term Goals

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

- Ensure that DWSRF funds are available in perpetuity to all Nevada public water systems to provide their customers with water that is safe and pleasant to drink all of the time.
- Address the most serious risk to human health and comply with the requirements of the Safe Drinking Water Act.
- Assist systems most in need, on a per household basis, according to State determined affordability criteria.
- Coordinate with other funding agencies through the Infrastructure for Nevada's Communities Committee.

C. Short-Term Goal

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

- Make drinking water in Nevada more affordable by providing approximately **\$26,122,210** in Federal, State and repayment funds as loans to water systems in Nevada at below market interest rate.

D. Additional DWSRF Loan Program Information

Financial Terms of Loans for Public Water System Projects:

1. Subject to the limitation in paragraph 2 of this section, all loans for the financing of projects, or loans made under the Section 1452(k)(1) set-aside, will be for a term not to exceed 20 years from loan closing date, except that under some conditions, loans to disadvantaged communities for financing projects may be made for a period of 30 years from loan closing date.
2. Loan terms are not to exceed the useful life of the project.
3. A loan for engineering and planning studies, reports and design work associated with eligible projects can be sought as a separate loan from the project construction loan. Such a loan will be short-term having a maximum repayment period of 5 years from loan closing date and an interest rate determined in the same manner as that for the construction loan. The short-term loan may be consolidated or rolled into a construction loan at the applicant's request.
4. Terms of financial assistance to public water systems serving disadvantaged communities are addressed in Section VII.

5. Repayment of loans must begin within 12 months of project completion based on the construction schedule available at the loan closing date or actual completion date, whichever is earlier.
6. Loans are to be made on a cost-reimbursed basis.
7. Leveraging: Nevada does not intend to leverage any portion of the Nevada DWSRF using FFY 2004 funds at this time.
8. Administration Fee: Nevada does not intend to assess an administration fee at this time.

IV. DWSRF SET-ASIDE PROGRAM DESCRIPTION AND GOALS

The SDWA §1452(g) and §1452(k) allow States to set aside up to 31% of the capitalization grant for the activities described in Section II. B of this IUP. Nevada expects to reserve 27% of the FFY 2004 capitalization grant for these purposes.

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

The following sections describe each of the set-asides individually. Each section contains a general description of the set-aside and a description of the programs to be funded. Following these descriptions, long-term and short-term goals are identified for each program.

A. Program Administration (4% Set-aside)

The Bureau of Water Pollution Control, within the Division of Environmental Protection, will manage the day-to-day operation of the DWSRF. Approval of the Division's recommendations with respect to priority lists and loan commitments to projects is the responsibility of the Board for Financing Water Projects, a board that exists independent of the Division and the Department of Conservation and Natural Resources. Support will also be obtained from the State Treasurer's Office.

This set-aside will be used to pay salaries and associated expenses of program personnel devoting time to the administration of the fund as well as the necessary ancillary services performed by other agencies. These funds will also be used to procure all equipment and training necessary for the adequate performance of staff. Expenses for DWSRF-related public meetings, workshops and hearings will also be paid for out of this set-aside. A portion of this set-aside will be used to fund a contract to implement an outreach program for Disadvantaged Business Enterprises (DBE), including Minority-owned Business Enterprises (MBE) and Women-owned Business Enterprises (WBE).

Funds not used immediately will be reserved for use in future years.

Long-Term Goal:

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

Short-Term Goals:

- Effectively and efficiently manage the day-to-day operation of the DWSRF.
- Implement an outreach program for DBE/MBE/WBE.
- Look into developing a Disadvantaged Program.

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

Nevada will utilize this set-aside to provide technical assistance to small public water systems using existing agency resources, individual contractors, coalitions and/or non-profit organizations. Small public water systems are those systems that serve 10,000 or fewer persons. In general, these activities include:

- ❖ Assistance to small public water systems with the preparation of applications for DWSRF assistance;
- ❖ Assisting small public water systems to comply with all crosscutting requirements of the DWSRF and other state and federal requirements;
- ❖ Assisting small public water systems with locating and procuring sources of funding in addition to the DWSRF to meet system needs at the lowest cost possible;
- ❖ Assisting small public water systems in determining how to repay a proposed loan;
- ❖ Assistance to small public water systems in meeting SDWA compliance;
- ❖ Assistance to small public water systems to obtain the technical, managerial and financial capability required to operate, maintain and manage a public water system;
- ❖ Communications necessary to keep small public water systems informed of management, compliance and technology issues; and
- ❖ Identify and prioritize those small public water systems in need of the most assistance.

Long-Term Goal:

- Offer assistance to 100% of Nevada's small systems.

Short-Term Goal:

- Provide technical assistance to about 30 small systems in Nevada.
- Provide technical assistance to loan applicants by applying technical, managerial, or financial capability criteria.

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

The 10% set-aside requires a 1 to 1 match, which the State derives from two sources. The first source includes two components. The first component comes from the State expenditure for the 1993 Public Water System Supervision (PWSS) program as allowed by the Safe Drinking Water Act. This historical amount is **\$238,129**. This amount cannot exceed the

match credits derived from the other component. The second component is derived from the State expenditures, which overmatch the 25% State match that is required in the FFY 2004 PWSS programs. For FFY 2004, this amount is estimated to be **\$361,720**. For calculations of these amounts, please see Attachment E.

The second source of matching funds to meet State match requirements is the expenditure of money by the Nevada Division of Environmental Protection (NDEP) on the State's source water protection program. The NDEP administers the major elements of this SDWA program and collects permit fees for groundwater discharge permits. These funds are used to reduce or eliminate the exposure of drinking water aquifers to contaminants in groundwater discharge activities. NDEP expects to expend over **\$500,000** in FY 2004 in this program. Nevada only requests that EPA recognize **\$167,077** of this source of State funds as a qualifying State match. No direct State appropriation match money will be provided for FFY 2004. These three sources qualify **\$766,926** of federal funds for the 10% set-aside activities. This set-aside will be used for the following purposes.

1. Public Water System Supervision (PWSS) Program:

Develop, implement and improve the current public water system information management system and enhance current PWSS activities administered by the Nevada State Health Division.

Long-Term Goals:

- Develop and maintain long-term data system for use in managing Nevada PWSS.
- Investigate ways to make information accessible to the public.
- Integrate Safe Drinking Water Information System (SDWIS) with other State databases.
- Supplement and enhance PWSS program through training and adoption of new rules; identify additional computer equipment to facilitate the first three long-term goals listed above.

Short-Term Goals:

- Input data for all parameters into SDWIS
- Implement electronic data transfer
- Purchase necessary computer equipment
- Provide PWS staff training; conduct public workshops and rule adoption
- Implement capacity development strategy
- Maintain operator certification program

2. Source Water Assessment Technical Assistance

The Source Water Assessment Technical Assistance set-aside was established to help educate the public on the requirements of the Source Water Assessment and Protection Program and the benefits of protecting source water from contamination.

Long-Term Goal:

- Develop public awareness of the need for source water protection.

Short-Term Goal:

- Develop public information.

3. Underground Injection Control (UIC) Program/Other Sensitive Groundwater Areas (OSGWA)

The objective of the Underground Injection Control Program is to protect underground sources of drinking water from degradation due to the disposal of fluids through injection wells. The UIC program activities discussed in this IUP supplement the Core UIC program, which is funded by a separate, federal UIC grant.

Long-Term Goals:

- Provide technical assistance and outreach to well owners/operators on source water protection.
- Identify and address all non-permitted Class V wells in Nevada.
- Compile groundwater sensitivity information throughout Nevada.
- Utilize the Other Sensitive Groundwater Areas (OSGWA) Plan for appropriate groundwater decision-making.
- Develop a groundwater vulnerability spatial database using GIS.
- Develop a groundwater model to predict possible contamination due to anthropogenic activities.

Short-Term Goals:

- Continue to permit or close identified class V wells.
- Develop database management system that has the ability to communicate with other State agency programs.
- Compile GIS Database.
- Delineate hydrogeologic regions.
- Compile existing water quality data.
- Develop alternate method to logistic regression.

4. Capacity Development

Implement the capacity development strategy for public water systems for technical, managerial and financial issues. The Division will rely on the combined efforts of contractors, non-profit groups and other resources to implement this strategy.

Long-Term Goals:

- Implement Nevada's Capacity Development Strategy.
- Evaluate water system capacity utilizing objective criteria.
- Assist water systems with technical, managerial and financial capability.

Short-Term Goals:

- Update and maintain database as needed.
- Perform data analysis to target technical assistance.

5. Improve and Enhance the Operator Certification Program

This effort will focus on efforts to support and enhance the operator certification program.

Long-Term Goal:

- Improve the existing operator certification program to conform with state and federal laws, regulations, and requirements.

Short-Term Goal:

- Support operator certification program as needed.

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

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

1. Loans for Source Water Protection Programs

Nevada does not plan to set aside any FFY 2004 funds for loans to be made under this program. These loans would include loans for the acquisition of land or easements, for local, voluntary source water protection, or for source water petition programs.

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

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

Long-Term Goal:

- Provide assistance to water systems to enhance their technical, managerial and financial capacity.

Short-Term Goals:

- Educational activities including disseminating information, publishing "*Water Lines*," etc., and "*Water Board Basics – Keys to Success*".
- Provide training and technical assistance to enhance technical, managerial and financial capabilities.
- Conduct comprehensive asset evaluations.

3. State Source Water Protection Program

Section 1452(k) of the Safe Drinking Water Act currently specifies that wellhead protection programs are eligible for funding under the 15% set-aside. Proposed legislation would clarify that development and implementation of all source water protection programs are eligible expenses as well as wellhead protection programs.

Nevada's Wellhead Protection Program administered by NDEP, funds wellhead protection measures to protect underground sources of drinking water. Funding from the 15% set-aside enhances the existing Wellhead Protection Program (WHPP), assisting with the development and implementation of community/tribal WHPPs and coordinating with other agencies having related programs. WHPP grants to public water systems and communities will be used to promote a variety of wellhead protection plan development and implementation projects, including the inventory, evaluation and potential closure of high risk abandoned wells and individual septic systems that warrant possible funding through this program. Wellhead protection activities are outlined in the "Comprehensive State Groundwater Protection Program" updated in March 1998 and approved by the U.S. Environmental Protection Agency.

Long-Term Goal:

- To prevent contamination of ground water that supplies public water systems by enhancing and expanding the existing Wellhead Protection Program.

Short-Term Goals:

- Encourage local communities and tribes to participate in the State's procurement process to fund Wellhead Protection implementation measures.
- Award funding to communities and tribes who are interested in implementing WHP measures.
- Engage in outreach activities and assist communities with implementation of contaminant management strategies.
- Follow-up on BHPS vulnerability assessments.
- Develop comprehensive, compatible GIS database.
- Revise and update Wellhead Protection Program.

4. State Source Water Assessment and Protection Program

The Source Water Assessment and Protection Program is a requirement under the 1996 Amendments to the Safe Drinking Water Act. Under this funded mandate, each state is required to develop and implement a Source Water Assessment Plan (SWAP), which outlines the strategy the state will use in completing its source water assessments for all public water systems. Source water assessments must delineate the boundaries of the areas providing source water for public water systems, identify potential sources of contamination in the delineated area, determine the susceptibility of contaminants to public water systems, and make the information available to the public. All source water assessments were due by May 2003, after which any funds remaining in the source water assessment program were transferred to the wellhead/source water protection program.

NDEP currently is developing a source water protection program. The objective of the program is to coordinate the groundwater and surface water protection activities conducted by NDEP, increase NDEP attention on the protection of surface water sources of drinking water, and consolidate associated information management and reporting requirements.

Long-Term Goal:

- Develop a comprehensive program to identify and address potential water pollution sources, coordinate water protection activities throughout the state, and provide outreach to local communities on strategies to protect their local water resources.

Short-Term Goals:

- Continue to update SWAP database.
- Publish source water assessment information. Utilize information gathered in the assessment program to develop a source water protection program.
- Work towards coordinating groundwater and surface water protection, reporting and data management activities.

V. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

A. Description of Process for Selection of Eligible Public Water Systems to Receive Assistance

1. Nevada uses a ranking system to prioritize the order in which eligible projects will be financed (NAC 445A.67566 to NAC 445A.67574, inclusive). Projects are ranked based upon the relative impact of the project in achieving the objectives of the SDWA. In general, priority is given to projects that facilitate compliance with national primary drinking water regulations applicable to the public water system under Section 1412 of the SDWA. Priority is also given to those projects which otherwise significantly further the health protection objectives of Section 1452 of the SDWA and for public water systems most in need on a per capita basis. The priority system is described below and is included in the regulations for the DWSRF program. See Section VII for more discussion about the assistance available to public water systems serving disadvantaged communities.
2. A list of projects in order of priority that are intended to receive assistance from the account for the revolving fund is made a part of this IUP (See Attachment A). The following information is included for each project: name of public water system, public water system identification number, project description, population served, priority assigned to the project and estimated project total cost. The IUP, including the list of projects, will undergo a public review and comment process at least once each year. Priority system general requirements include:
 - a) On an annual basis, the Division will develop a statewide priority list of water projects. The list must be designed to achieve water quality and public health goals
 - b) Placement on the priority list does not guarantee that a project will be funded. However, only those projects that are included on the priority list will be considered for possible funding.
 - c) The Division may revise the ranking of a project on an existing list at any time if information affecting the ranking of the project becomes available that was not available at the time the list was developed or if a project is proposed to correct an emergency situation. Any revised list, before it is adopted, must undergo the public review and comment process outlined in the regulations and must be approved by the

Board for Financing Water Projects.

3. In establishing the priority list, the Division will consider:
 - a) The needs and priorities set forth in lists for corrective actions;
 - b) The total amount of money available in the account for the revolving fund; and
 - c) Any other factors contained in the priority system.
4. The priority list must include, if possible, an estimate of the eligible cost for each water project.
5. Nevada uses a ranking system to prioritize the order in which eligible projects will be financed. Projects are ranked based on the relative impact of the project in achieving the objectives of the Safe Drinking Water Act in the following order:
 - 1) Significant health risks;
 - 2) Primary and secondary drinking water standards;
 - 3) Infrastructure replacement; and
 - 4) Refinance of existing debt.

These criteria are considered in any evaluation or reprioritization of a priority list. The regulations for establishing the priorities of projects are included in NAC 445A.67566 to 445A.76573.

6. All requests for projects to be included on the priority list will be reviewed using records maintained by NDEP and the Health Division. Projects will be put into the appropriate class to address the most severe problem.
7. Within each class, the projects will be ranked by type of public water system in the following order: community; non-transient, non-community, non-profit entity; or transient, non-community, non-profit entity;
8. The initial ranking number determined for each type of system developed in Paragraph 5 is multiplied by the ratio of the State median household income to median household income of the service area of the public water system.
9. Ranking within each class cannot result in a project being moved from one class to another class. Points assigned to address different problems within a class are additive.
10. Requests for financial assistance for emergency situations may be made to the Division at any time. All other applicants on an approved priority list will be notified of such a request to provide an opportunity for comment and any objections. Subject to public review, such projects may receive a high priority rating and may receive assistance for that year.

11. Eligible projects on the priority list may be bypassed if the applicant withdraws a project, requests that action be deferred, fails to meet submittal deadlines, or is not ready to proceed as determined by the Division. Those projects will be provided notice by the Division and have an opportunity for objection.
12. The Division reviewed the 2004 priority list in a workshop on March 16, 2004 in Carson City. The IUP was publicly noticed with a copy of the notice sent to a mailing list of interested parties. A summary of the public workshops, comment and public participation is included in Attachment C.

B. Priority List

The Resolution of the Board for Financing Water Projects approving the 2004 Priority List effective March 31, 2004 is included in Attachment B.

C. Impact of Funding Decisions On the Long-Term Financial Health of the DWSRF

A projection of funding decisions is included in Attachment D.

D. Relationship to State Program Goals and Objectives

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

E. Transferring Funds Between the DWSRF and the CWSRF

No transfer of funds between the DWSRF and the Clean Water State Revolving Fund (CWSRF) is planned for this year. Nevada reserves the right to make a transfer of up to 33% of the DWSRF capitalization grant into the CWSRF or an equivalent amount from the CWSRF capitalization grant into the DWSRF, when it is permissible. This would require public review and the approval of the Governor, State of Nevada.

VI. ASSISTANCE TO SMALL PUBLIC WATER SYSTEMS

A minimum of 15% of the DWSRF must be used to provide loan assistance to small public water systems serving fewer than 10,000 people to the extent such funds can be obligated for eligible projects. The 2004 project priority list includes a large number of projects associated with small public water systems. It also includes several projects associated with large water systems. Every effort will be made to fund the small system projects, recognizing the requirement outlined in Section 1452 (a)(2) of the SDWA to make at least 15% of the fund available to small systems.

Loans to large systems are important in obligating the entire capitalization grant, especially in the early years of the program. Repayments of these loans then make low-cost loans available to small systems in the future.

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

To date, Nevada has not offered reduced interest rates, zero interest or principal forgiveness to economically disadvantaged communities. However, to provide a better opportunity for funding from the account for the revolving fund for disadvantaged communities, the current project prioritization process does take into account the median household income (MHI) in the area served by a water system. The process ranks projects in communities with a lower MHI higher than an equivalent project in a community with a higher MHI. This ranking process, therefore, gives those projects serving communities with a lower MHI the first opportunity at loan funds.

In the past, Nevada had determined that a program to provide assistance to disadvantaged communities was not necessary, partly because Nevada has an existing grant program. However, funds in the grant fund are close to being exhausted. Therefore, Nevada is taking the initial steps of developing a disadvantaged community loan program. The first step, to define a disadvantaged community, is already in place. The Nevada Administrative Code defines a disadvantaged community as an area served by a public water system in which the average income per household is less than 80 percent of the average median household income of the county. NDEP has proposed to revise the definition to an area served by a public water system in which the median household income is less than 80 percent of the state median household income.

In addition to meeting the definition of disadvantaged community, a public water system would have to meet the affordability criteria of water rates being greater than or equal to 1.5% of water system median household income. Over the next year, additional criteria will be developed. Consideration will be given to the degree of public health threat and the urgency of the need for the project. Additionally, over the next year, NDEP will evaluate the amount of the loan fund that can be reserved for the disadvantaged program. This amount will be based on ensuring that the corpus of the fund will be maintained and that the program will be able to operate in perpetuity, while still providing some additional assistance to economically disadvantaged communities. It is envisioned that initially, the disadvantaged program will offer reduced interest rate or zero interest rate loans.

Attachment A

2004 Project Priority List

Year 2004 Priority List--Drinking Water State Revolving Fund Loan Pre-Applications

Rank	Water System	Total Points	State MHI/ PWS MHI	Revised Points	Owner- ship of System	County	ID#	Pop. Served	Number of Svc. Conn.	Project Description	Amount
Class I--Acute Health Risks											
1	Montello	3	1.2615	3.78	Public	EL	NV0000169	150	52	Surface water treatment required; drill well, distribution line replacement	\$565,000
2	Hidden Valley	3	1.1000	3.30	Public	WA	NV0000198	3,934	1,457	Surface water treatment required; arsenic & PCE removal	\$9,000,000
Class II--Chronic Health Risks											
3	Caliente	7	1.7257	12.08	Public	LN	NV0000013	1,132	427	New well, distribution	\$2,519,027
4	Gerlach GID	5	2.1078	10.54	Public	WA	NV0000071	420	136	Water treatment (uranium)	\$500,000
5	Empire Farms	8	1.2705	10.16	Private	WA	NV0000837	50	30	Pipeline & pumps to connect to wells that meet MCLs	\$1,200,000
6	Manhattan	7	1.1723	8.21	Public	NY	NV0000165	100	82	Water treatment (arsenic), new well, transmission, storage, SCADA	?
7	Virgin Valley Water District	7	1.1037	7.73	Public	CL	NV0000167	16,000	4,700	Water treatment (arsenic)	\$14,902,050
8	So. Truckee Meadows GID	7	1.1000	7.70	Public	WA	NV0000215	7,952	3,075	Water treatment (arsenic)	\$3,547,812
9	Double Diamond	7	1.1000	7.70	Public	WA	NV0000832	4,144	1,687	Water treatment (arsenic)	\$1,934,138
10	Lemmon Valley	7	1.1000	7.70	Public	WA	NV0000202	2,928	1,145	Water treatment (arsenic)	\$2,060,664
11	Sunrise Estates	7	1.1000	7.70	Public	WA	NV0002525	86	33	Water treatment (arsenic)	\$451,408
12	Carson City Utilities	7	1.0663	7.46	Public	CC	NV0000015	53,923	15,900	Water treatment (arsenic)	\$9,098,000
13	Lander Co. #1 (Battle Mountain)	7	1.0372	7.26	Public	LA	NV0000008	4,600	1,180	Water treatment (arsenic), transmission, distribution	\$10,769,550
14	Alamo Sewer & Water GID	7	1.0276	7.19	Public	LI	NV0000005	750	369	Water treatment (arsenic), new well, storage, distrib.	\$2,087,380
15	Fernley Utilities	7	0.9974	6.98	Public	LY	NV0000062	10,400	3,500	Water treatment (arsenic)	\$19,750,000
16	Desert Springs	7	0.9746	6.82	Public	WA	NV0001085	5,780	2,228	Water treatment (arsenic)	\$3,859,680
17	Spring Creek	7	0.9746	6.82	Public	WA	NV0004082	1,885	726	Water treatment (arsenic)	\$3,516,613
18	Truckee Meadows Water Auth.	7	0.9731	6.81	Public	WA	NV0000190	300,000	79,700	Water treatment (arsenic)	\$16,950,000
19	Round Hill GID	5	0.8388	4.19	Public	DO	NV0000260	1,000	430	Water treatment (uranium), extend lake intake, backwash holding tank, rehab. concrete tanks	\$2,310,000
20	Dayton Valley MHP	1	2.0469	2.05	Private	LY	NV0000033	55	28	Upgrade well, storage, distribution or consolidation	?
21	Deluxe Mobile Home Park	1	1.2406	1.24	Private	CH	NV0000047	45	30	Water treatment (manganese), consolidation	\$7,000
Total Class II											\$95,463,322
Class III--Rehabilitation											
Community Public Water Systems											
22	Lovelock GID	63	1.2899	81.26	Public	PE	NV0000161	3,900	1,365	Chlorination, storage, transmission, distrib., backflow	\$22,500,000
23	Pahrump MHP	25	3.1844	79.61	Private	NY	NV0000183	40	27	Consolidation	\$35,000
24	Tolas Park	64	1.2406	79.40	Private	CH	NV0000061	54	32	Consolidation, production, distribution	\$96,000
25	Golconda	48	1.6265	78.07	Public	HU	NV0005029	200	92	Chlorination, storage, transmission, distrib., backflow	\$1,170,000
26	Evergreen Trailer Park	25	2.9721	74.30	Private	WA	NV0000194	40	24	Consolidation with South Truckee Meadows GID	\$31,261
27	Churchill Co.	51	1.2375	63.11	Public	CH	NA	500	200	Wells, treatment, storage, distribution	\$675,000
28	Jackpot	41	1.4622	59.95	Public	EL	NV0000088	1,300	70	Storage, distribution and transmission lines	\$1,035,000
29	Roark Water Well Association	56	1.0116	56.65	Private	CL	NV0000319	60	24	Deeper well, treatment, storage, distribution	\$300,000
30	Central Nevada Utilities	43	1.2789	54.99	Private	NY	NV0000270, NV0002589, NV0005032	5,000	1,802	Storage, distribution lines, consolidation of systems	\$1,030,000
31	Blue Diamond Cooperative	66	0.8242	54.40	Private	CL	NV0000092	25	15	Pipeline replacement, storage	\$300,000
32	City of Elko	59	0.9172	54.11	Public	EL	NV0000272	18,000	6,814	Supervisory Control and Data Management System Acquisition, new well, transmission	\$1,675,000
33	Silver Springs Mobile Home Park	39	1.2949	50.50	Private	LY	NV0000267	70	36	Wells, storage, distribution	\$200,000
34	Sheridan Acres Water Company	64	0.7849	50.24	Private	DO	NV0000069	282	94	Consolidation, storage, transmission, distribution, new well	\$770,000
35	Big Bend Water District	38	1.2086	45.93	Public	CL	NV0004092	8,000	2,100	Treatment improvements, transmission, storage	\$6,000,000
36	Tuscarora	31	1.4117	43.76	Public	EL	NV0000189	72	24	Storage, power supply to well	\$105,000
37	Stagecoach GID (Cons.)	33	1.2949	42.73	Public	LY	NV0000224	1,098	377	Consolidation, transmission	\$1,122,000

Year 2004 Priority List--Drinking Water State Revolving Fund Loan Pre-Applications

Rank	Water System	Total Points	State MHI/ PWS MHI	Revised Points	Owner- ship of System	County	ID#	Pop. Served	Number of Svc. Conn.	Project Description	Amount
Class III - Rehabilitation (continued)											
38	Country Club Estates	34	1.2406	42.18	Private	CH	NV0000046	105	30	New well, storage, distribution, meters	\$600,000
39	Kingston Water	31	1.3152	40.77	Public	LA	NV0000265	275	124	Supply, storage, distribution system	\$920,000
40	Hawthorne Utilities	31	1.2955	40.16	Public	MI	NV0000073	2,995	1,692	Rehabilitate well, storage, distribution	?
41	Lamoille Water Users	51	0.6619	33.76	Private	EL	NV0000273	165	60	New well, storage, distribution	\$1,210,500
42	Verdi Meadows Utility Co.	51	0.6584	33.58	Private	WA	NV0000196	120	62	New well, distribution, storage, disinfection	\$730,000
43	Kingsbury GID	27	1.0325	27.88	Public	DO	NV0000004	5,879	2,300	Storage tank, replace water mains, replace gas engines and install electric generators in five booster pump stations, install water meters	\$13,211,985
44	Palm Gardens Water Coop.	35	0.7878	27.57	Private	CL	NV0000819	60	18	8,000 gpd reverse osmosis system to remove fluoride and nitrate, storage, distribution	\$64,000
45	Reno Sahara Trailer Park	25	1.1000	27.50	Private	WA	NV0000701	90	30	Consolidation	\$69,000
46	Spirit Mountain Utility Co.	24	1.0474	25.14	Private	CL	NV0000221	350	117	Storage, upgrade distribution	\$300,000
47	State Water System - Marlette Lake	23	1.0663	24.52	Public	CC	NV0000031	54,000	2	Permanent conveyance from Marlette Lake to diversion at Red House, repair transmission line from Red House diversion to Lakeview tanks	\$7,928,437
48	Kyle Canyon	34	0.7062	24.01	Public	CL	NV0000142	1,049	333	New well, cap abandoned well, water meters	\$3,591,184
49	Topaz Ranch Estates GID	26	0.8598	22.36	Public	DO	NV0000239	2,100	712	Upgrade distribution, well and chlorination equipment	\$1,005,000
50	Midas Water Cooperative	15	1.4117	21.18	Private	EL	NV0003071	25	53	New well	\$130,000
51	Pioche Utilities - Castleton	15	1.3941	20.91	Public	LI	NV0000187	60	20	New water source	\$1,000,000
52	McGill	15	1.3915	20.87	Public	WP	NV0000163	680	575	New well	\$687,500
53	Stagecoach GID (Stor. & Dist.)	16	1.2949	20.72	Public	LY	NV0000224	1,098	377	Pump station, storage, and distribution	\$1,470,400
54	Southern Nevada Water Authority	20	0.9992	19.98	Public	CL	NV0000289	1,374,205	5	Ozonation	\$59,188,272
55	Silver Springs Mutual Water Co (Well)	15	1.2949	19.42	Private	LY	NV0000223	2,248	995	New well	\$40,000
56	Horizon Hills GID	21	0.8434	17.71	Public	WA	NV0000729	374	144	Upgrade existing well, connect with SPPCo line	\$660,000
57	Sun Valley GID	16	1.0782	17.25	Public	WA	NV0000211	15,000	6,000	Storage, distribution	\$3,417,750
58	Sky Ranch Estates	18	0.7920	14.26	Private	CL	NV0004031	55	21	Storage, transmission	\$95,001
59	Lander County Sewer & Water #2	10	1.3152	13.15	Public	LA	NV0000006	395	142	Storage	\$70,000
60	Sierra Estates	15	0.8598	12.90	Public	DO	NV0000030	140	65	Production	\$64,000
61	Cave Rock/Skyland Water System	19	0.5743	10.91	Public	DO	NV0000259	1,875	503	Storage, distribution, meters	\$6,876,793
62	City of Yerington	6	1.4311	8.59	Public	LY	NV0000255	2,665	930	Distribution	\$500,000
63	State Water System - Marlette Lake	8	1.0663	8.53	Public	CC	NV0000031	1,250	589	Replace State's portion of inverted siphon running from Lakeview Tanks to Highway 395	\$3,459,406
64	Virginia City	8	0.9800	7.84	Public	ST	NV0000240	1,250	589	Replace main supply pipeline from top of siphon to Five-Mile Reservoir	\$2,110,674
65	Incline Village GID	6	0.6419	3.85	Public	WA	NV0000158	12,000	4,500	Distribution	\$2,012,000
66	Gold Country Water Co.	3	0.8761	2.63	Private	HU	NV0003079	950	340	Water meters	\$90,000
Transient, Noncommunity Public Water System											
67	BSA Camp Potosi	51			Private	CL	NV0004071	NA	NA	Repair and paint five water storage tanks, install pump system for third well, repair piping	\$90,000
68	Verdi Business Water Coop	35			Private	WA	NV0005061	100	11	New well, upgrade treatment	\$101,250
Total Class III											\$111,693,152

**Class IV--Refinance
Publicly-owned Utilities**
None

\$0

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

Attachment B

**Resolution of the Board for Financing Water Projects
On
FY 2004 Priority List**

RESOLUTION

A RESOLUTION DESIGNATED THE “YEAR 2004 PROJECT PRIORITY LIST, DRINKING WATER STATE REVOLVING FUND—DIVISION OF ENVIRONMENTAL PROTECTION, BUREAU OF WATER POLLUTION CONTROL”; PERTAINING TO THE DETERMINATION BY THE BOARD FOR FINANCING WATER PROJECTS OF THE STATE OF NEVADA TO APPROVE THE PRIORITIES FOR DETERMINING WHICH WATER SYSTEMS WILL RECEIVE MONEY OR OTHER ASSISTANCE FROM THE ACCOUNT OF THE REVOLVING FUND AS REQUIRED IN NEVADA REVISED STATUTES 445A.265(3); MAKING CERTAIN FINDINGS OF FACT AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, the Division of Environmental Protection, Bureau of Water Pollution Control is authorized pursuant to NRS 445A.200 to 445A.295, inclusive, to establish procedures for the administration of the Drinking Water State Revolving Fund which includes the account for set-aside programs and the account for the revolving fund; and

WHEREAS, the Drinking Water State Revolving Fund Program Guidelines promulgated by the United States Environmental Protection Agency require that the State establish a priority list of public water system projects eligible for funding from the Drinking Water State Revolving Fund and seek public review and comment on the priority list; and

WHEREAS, NRS 445A.265(3) requires that the Division of Environmental Protection shall not establish the priorities for determining which public water systems will receive money or other assistance from the account for the revolving fund without obtaining the prior approval of the Board for Financing Water Projects; and

WHEREAS, the Division of Environmental Protection, through its Bureau of Water Pollution Control, has merged the new projects with the remaining projects carried forward from previously-approved priority lists; and

WHEREAS, the Division of Environmental Protection, through its Bureau of Water Pollution Control, may at any time after receiving approval from the Board for

Financing Water Projects revise the ranking of a water project in accordance with NAC 445A.67567; and

WHEREAS, the Division of Environmental Protection, through its Bureau of Water Pollution Control, has provided notice and has held a workshop for public comments on its proposed priority system on March 16, 2004 in Carson City; and

WHEREAS, comments, suggestions or recommendations received at the workshop from the public were incorporated into the 2004 Priority List;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD FOR FINANCING WATER PROJECTS OF THE STATE OF NEVADA:

Section 1. This Resolution shall be known as and may be cited by the short title of the “Year 2004 Project Priority List Resolution.”

Section 2. Based on its review of the information and recommendation submitted to the Board concerning the Year 2004 Project Priority List, the Board hereby makes the following findings of fact in support of its determination to approve the revised priority list:

- (a) The Division of Environmental Protection, through its Bureau of Water Pollution Control, has provided public notice of the Year 2004 Project Priority List;
- (b) The Division of Environmental Protection, through its Bureau of Water Pollution Control, has held a workshop for public review and comment of the priority list;
- (c) The Division of Environmental Protection, Bureau of Water Pollution Control, has addressed substantive comments from the public.

Section 3. In connection with its findings of fact set forth in Section 2 of this Resolution, the Board has determined, and does hereby declare, that it approves the Year 2004 Project Priority List of public water system projects eligible for funding by the Drinking Water State Revolving Fund.

Section 4. The Year 2004 Project Priority List, included as Attachment A to this resolution and by reference incorporated herein, is a true and correct copy filed with the Board for Financing Water Projects by the Division of Environmental Protection.

Section 5. This resolution shall be effective on its passage and approval.

PASSED, ADOPTED AND SIGNED March 31, 2004.

Kurt E. Kramer, Chairman
Board for Financing Water Projects

Attest:

E. Alan Tinney, P.E., Technical Assistant
Board for Financing Water Projects

Attachment C

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

A public workshop on the 2004 Priority List was held on March 16, 2004. No objections were offered with respect to the priority list. The Board of Financing Water Projects approved the 2004 Priority List at their meeting on March 31, 2004. The Board meeting provided additional opportunity for public input.

A public notice soliciting comment on the Draft 2004 Intended Use Plan (IUP) was published in newspapers throughout the state. The public notice was also sent to a mailing list of interested parties.

Attachment D

Historical Funding

Federal Fiscal Year	1997	1998	1999	2000	2001	2002	2003	2004
Capitalization Grant	\$12,558,800	\$7,121,300	\$7,463,800	\$7,757,000	\$7,789,100	\$8,052,500	\$8,004,100	\$8,303,100
Account for Set-Aside Programs								
4% Set-Aside-Administration	\$502,352	\$284,852	\$298,552	\$310,280	\$311,564	\$322,100	\$320,164	\$332,124
10% Set-Aside-PWSS Management								
1993 State Expenditure	\$238,129	\$238,129	\$238,129	\$238,129	\$238,129	\$238,129	\$238,129	\$238,129
State Overmatch Expenditure in Respective FFY	\$271,629	\$300,772	\$212,199	\$284,506	\$284,506	\$304,822	\$347,852	\$361,720
State Credit from Ground Water Discharge Permits	\$0	\$173,229	\$260,266	\$146,871	\$280,370	\$262,299	\$214,429	\$167,077
Subtotal of State Credit	\$509,758	\$712,130	\$684,665	\$669,506	\$803,005	\$805,250	\$800,410	\$766,926
Federal Funds Matching State Credit	\$509,758	\$712,130	\$684,665	\$669,506	\$803,005	\$805,250	\$800,410	\$766,926
Appropriation for State Match	\$49,248	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds Matching Appropriation for State Match	\$49,248	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Available funds for 10% Set-Aside	\$608,254	\$712,130	\$684,665	\$669,506	\$803,005	\$805,250	\$800,410	\$766,926
State Program Management	\$95,759	\$209,202	\$127,500	\$233,933	\$222,527	\$263,955	\$476,998	\$476,998
Technical Assistance and Education	\$201,338	\$194,034	\$150,000	\$156,000	\$118,454	\$36,444	\$36,964	\$0
Underground Injection Control Program	\$227,618	\$255,854	\$364,665	\$300,000	\$182,929	\$408,851	\$199,000	\$249,928
Develop and Implement Capacity Strategy	\$3,500	\$2,500	\$2,500	\$2,500	\$115,000	\$96,000	\$80,000	\$20,000
Operator Certification	\$80,040	\$50,540	\$40,000	\$50,000	\$140,000	\$0	\$7,448	\$20,000
Totals	\$608,254	\$712,130	\$684,665	\$742,433	\$778,910	\$805,250	\$800,410	\$766,926
Remainder to Loan Fund	\$0	\$0	\$0	\$72,927	\$24,095	\$0	\$0	\$0
2% Set-Aside-Tech. Assistance to Small Systems	\$223,608	\$142,426	\$149,276	\$155,140	\$155,782	\$161,050	\$160,082	\$166,062
15% Set-Aside (Funds Available)	\$1,883,820	\$1,068,195	\$1,119,570	\$1,163,550	\$1,168,365	\$1,207,875	\$1,200,615	\$1,245,465
Source Water Protection Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capacity Assistance	\$59,267	\$100,000	\$100,000	\$100,000	\$247,184	\$328,718	\$400,205	\$325,475
SWAP	\$1,255,880	Not Eligible						
WHPP	\$150,000	\$240,000	\$240,000	\$240,000	\$200,000	\$100,000	\$800,410	\$676,122
Totals	\$1,465,147	\$340,000	\$340,000	\$340,000	\$447,184	\$428,718	\$1,200,615	\$1,001,597
Account for Set-Asides--Subtotal	\$2,799,361	\$1,479,408	\$1,472,493	\$1,547,853	\$1,693,440	\$1,717,118	\$2,481,271	\$2,266,709
Account for the Revolving Fund	\$9,759,439	\$5,641,892	\$5,991,307	\$6,209,147	\$6,095,660	\$6,335,382	\$5,522,829	\$6,036,391
Required 20% State Match	\$2,511,760	\$1,424,260	\$1,492,760	\$1,551,400	\$1,557,820	\$1,610,500	\$2,481,271	\$1,660,620
Federal Funds	\$9,808,687	\$5,641,892	\$5,991,307	\$6,209,147	\$6,095,660	\$6,335,382	\$5,522,829	\$6,036,391
Account for the Revolving Fund--Subtotal	\$12,320,447	\$7,066,152	\$7,484,067	\$7,760,547	\$7,653,480	\$7,945,882	\$8,004,100	\$7,697,011
Cumulative Totals	\$12,320,447	\$19,386,599	\$26,870,666	\$34,631,213	\$42,284,693	\$50,230,575	\$58,234,675	\$65,931,686

Attachment E

Calculation of 1:1 Match Requirement

**Justification for 1 to 1 Match Requirement for Section 1452(g)(2) Activities
FFY 2004**

Line	Source Reference		FFY 2004
1	EPA Assistance Agreement + Carry Over	Total Project Costs	\$1,082,000
2	EPA Assistance	Federal Share based on FFY Appropriation	\$811,500
3	State Match	Required State Match (25% of Line 1)	\$270,500
4	Estimated Total State 2004 PWSS Expenditures based on 2003 Expenditures	State Outlays from PWSS Prior Year FSR	\$632,220
5	Line 4 - Line 3	Overmatch from current FY	\$361,720
	1:1 Match Calculation	10% of Capitalization Grant	
6	PWSS 1993 Match	Funds needed from Overmatch	\$238,129
7	Same as Line 5	Estimated Overmatch from current FY	\$361,720
8	Other Sources	NDEP, etc.	\$167,077
9	Total Line 6 + Line 7 + Line 8	Required 1:1 Match for 10% of Capitalization Grant	\$766,926

Note: The State of Nevada reserves the right to adjust the funding source proportions for the 1:1 match upon receipt of the final FFY-2004 Financial Status Report and final accounting of expenditures for the NDEP expenditures.