

**Supplemental**  
**State of Nevada—Intended Use Plan**  
**for the**  
**Allocation of Drinking Water State Revolving Funds**  
**For 2009 Stimulus**  
**From**  
**Federal 2009 American Recovery and Reinvestment Act**  
**Under the Safe Drinking Water Act, as Amended in 1996**

**Nevada Division of Environmental Protection**

**Final**

**April 2009**



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## **LIST OF ACRONYMS**

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

## **I. INTRODUCTION**

### **A. History and Legislation**

The 1996 Amendments to the Safe Drinking Water Act (SDWA) authorized the Drinking Water State Revolving Fund (DWSRF). Nevada's allotment of the Federal 2009 American Recovery and Reinvestment Act (ARRA) funds for DWSRF is \$19,500,000. These funds are available after Nevada successfully obtains a Capitalization Grant Award from the U. S. Environmental Protection Agency (EPA) for its DWSRF program.

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

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

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

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

The State of Nevada 2009 ARRA Intended Use Plan describes how the state intends to use available federal DWSRF funds to meet the objectives of the Safe Drinking Water Act and further the goal of protecting public health.

### **B. Financial Status of the Nevada DWSRF**

Since program inception, Nevada has received nine DWSRF Capitalization Grants from EPA. Including the State match, these grants have made available \$99,939,500 for DWSRF loans. As of February 2009, the Nevada DWSRF has funded or committed to fund thirty one loans totaling \$103,119,510. Nevada's DWSRF allotment of the 2009 ARRA funds is \$19.5 million. Since ARRA has unique requirements, Nevada will not comingle ARRA funds with past or future capitalization grants. Table 1 shows an estimated projection of the sources and uses of 2009 ARRA funds.

**TABLE 1: Sources and Uses of Funds**

Table 1

	Federal	Bond Proceeds	Reloan	Total
Expected sources & uses for the period 7/1/08-6/30/09				
Sources of funding:				
Uncommitted prior years' loan funds	19,500,000			19,500,000
Set-aside funds from prior grants				0
Grants (SFY 2009)				0
Loan principal repayments SFY 09				0
Loan interest earnings SFY 09				0
Investment interest earnings SFY 09				0
Bond issues SFY 09				0
<b>Total Sources of Funds</b>	<b>19,500,000</b>	<b>0</b>	<b>0</b>	<b>19,500,000</b>
<u>Uses of Funding:</u>				
<u>Set-Aside Program Activities:</u>				
Administrative (4% set-aside)	50,000			50,000
State Program Management (10% set-aside)				0
State Program Management	444,179			444,179
Technical Assistance & Education				0
Capacity Strategy	0			0
Operator Certification	0			0
Local Assistance (15% set-aside)				0
Capacity Assistance	0			0
Wellhead Protection (BHPS)	0			0
Wellhead Protection (NDEP)	0			0
Technical Assistance-Systems (2% set-aside)	60,000			60,000
Sub-total: Set-aside programs	554,179	0	0	554,179
<u>Bond repayment:</u>				
Bond principal				0
Bond interest				0
<u>Project funding:</u>				
Loans expected to be made	18,945,821			18,945,821
Loan applications pending				0
Loan commitments pending				0
Revolving Loan Fund (Uncommitted funds)				0
Set-aside commitments				0
<b>Total Uses of Funds</b>	<b>19,500,000</b>	<b>0</b>	<b>0</b>	<b>19,500,000</b>

### **C. Nevada Request**

This Intended Use Plan (IUP) is a required element of the grant application documentation to obtain the 2009 Federal ARRA funds. Nevada herewith submits its revised IUP for the 2009 ARRA 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 2009 Federal ARRA allotment is \$19,500,000. This allotment does not require the 20% match requirement from state financial resources. Nevada intends to divert \$554,179 of this allotment to the account for set-aside programs, leaving \$18,945,821 in federal funds for the account for the revolving loan fund (Table 2).

Nevada reserves the right to submit additional projects to EPA for funding. If eligible for re-allotted ARRA funds, Nevada will provide certification through an amendment to this IUP that all funds received for additional projects will be under contract for construction within 120 days of re-allotment.

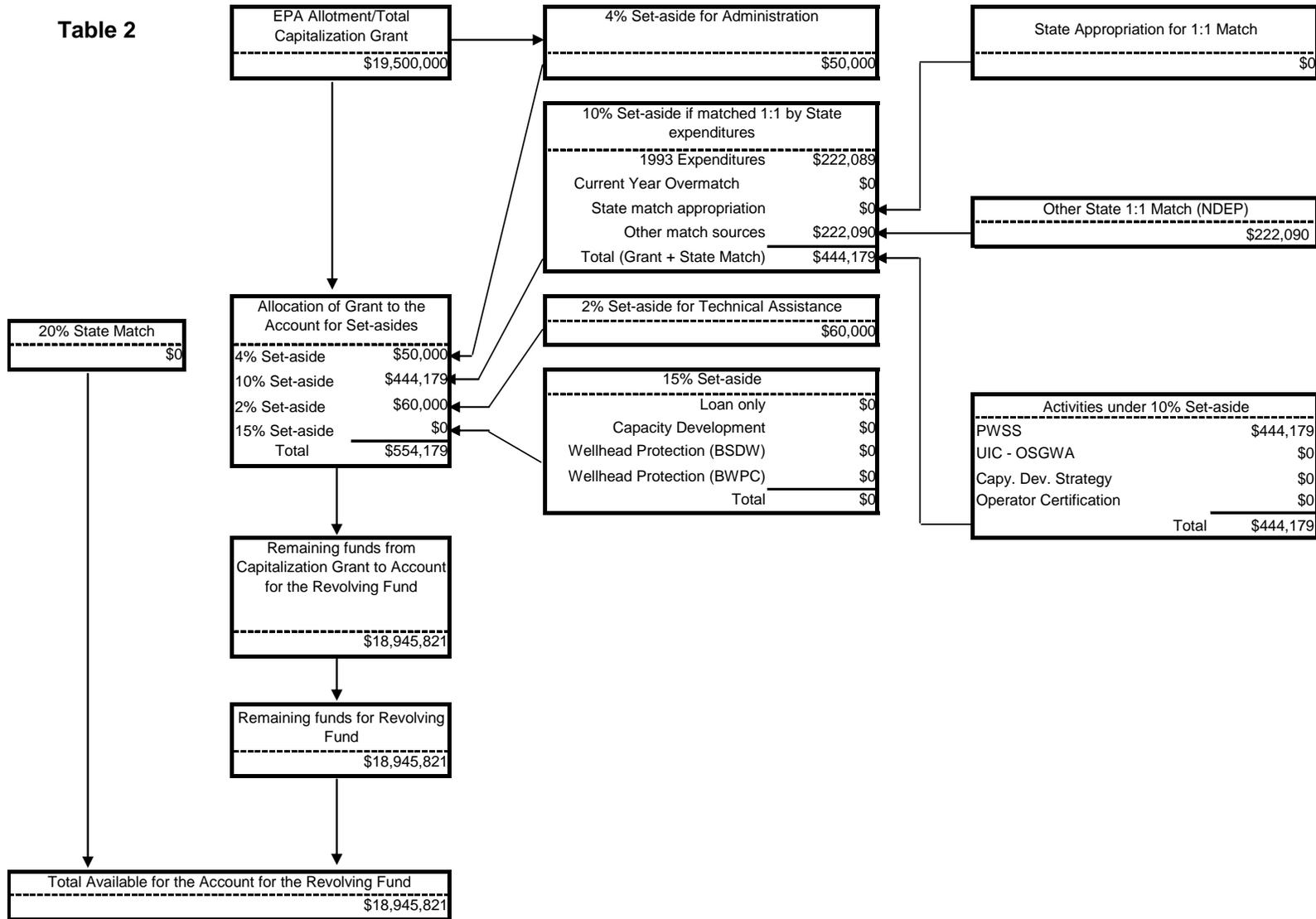
## **II. TYPES OF PROJECTS TO BE FUNDED FROM THE VARIOUS DWSRF ACCOUNTS**

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

1. Construction/upgrading of water treatment facilities;
2. Replacement of contaminated sources with new groundwater or surface water sources;
3. Installation/upgrade of treatment and disinfection facilities to meet public health standards and to protect public health;
4. Consolidation and interconnection of public water systems to address technical, managerial and financial capacity issues;
5. Planning and engineering associated with eligible projects;
6. Replacement of aging infrastructure;
7. Replacement/rehabilitation of transmission and distribution lines and storage facilities;
8. Installation of meters and backflow prevention devices;
9. Other projects necessary to address compliance/enforcement or security issues; and
10. Green projects that generate clean energy or conservation/restoration projects with multiple environmental benefits.

**Distribution of 2009 American Recovery and Reinvestment DWSRF Funds  
Projected Program Expenditures**

**Table 2**



**B. Activities intended to be funded from the ARRA 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. Assistance with water system consolidation; and
5. Update contaminant source inventories.

**III. DWSRF LOAN PROGRAM DESCRIPTION AND GOALS**

**A. DWSRF Loan Program General Information**

The Nevada DWSRF Loan Program funds publicly and privately owned community water systems and non-profit non-community water systems. Any project to facilitate compliance with the health protections goals of the Safe Drinking Water Act or state requirements is eligible including replacing aging infrastructure. Projects to consolidate water systems may also be eligible. Projects solely for new growth or fire protection are not eligible. Loans made under ARRA will be 0% interest. Loan repayments to the State will provide a continuing source of infrastructure financing into the future. The program also places an emphasis on small and disadvantaged communities and on programs that emphasize prevention as a tool for ensuring safe drinking water.

**B. Long-Term Goals**

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

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

**C. Short-Term Goal**

For the purposes of this IUP, a short-term goal is an activity intended to be initiated and,

in some cases, completed within a year.

- Make drinking water in Nevada more affordable by providing Federal, State and repayment funds as loans to water systems in Nevada at below market interest rate.
- Enter into construction contracts for 100% of the ARRA funds by the required date of February 17, 2010.
- Quickly deliver assistance to “ready to go” projects.
- Use the ARRA funds in a way that maximizes job creation and economic benefit.
- Use 20% of the ARRA funds for green infrastructure.
- Use 50% of the ARRA funds for additional subsidies.
- Strive to obtain the goal of committing 50% of the ARRA funds by June 17, 2009.

#### **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 will be for a term not to exceed 20 years from loan closing date, except that under some conditions, loans to disadvantaged communities for financing projects may be made for a period of 30 years from loan closing date.
2. Loan terms are not to exceed the useful life of the project.
3. Terms of financial assistance to public water systems serving disadvantaged communities are addressed in Section VII.
4. Repayment of loan principal must begin within 12 months of project completion based on the construction schedule available at the loan closing date or actual completion date or three years from the date of the initial principal advance, whichever is earlier.
5. Loans are to be made on a cost-reimbursement basis.
6. Leveraging: The decision to leverage will be based on demand on the loan fund for projects to address health concerns, market conditions and long term impact to the fund.
7. Administration Fee: Currently, Nevada does not assess a fee. At some point in the future, Nevada intends to assess a small administrative fee, calculated as a percentage of the remaining principal balance, to be collected at the time of the semi-annual loan repayments. Fees collected will be deposited and maintained outside of the SRF accounts.

#### **IV. DWSRF SET-ASIDE PROGRAM DESCRIPTION AND GOALS**

The American Recovery and Reinvestment Act (ARRA) of 2009 allows the State to reserve set-asides from the capitalization grant for the activities described in Sections A through C (below). The ARRA allows all set-asides except the 15% set-aside. Nevada expects to reserve 2.8% of the American Recovery and Reinvestment Act of 2009 capitalization grant for these purposes.

Nevada will submit for EPA approval detailed workplan and budget for set-aside activities described in Sections A through C. The following sections describe each of the set-asides individually. Each section contains a description of the set-aside.

##### **A. Program Administration (4% Set-aside)**

The Bureau of Administrative Services within the Division of Environmental Protection will manage the day-to-day operation of the DWSRF. The Board for Financing Water Projects, a board that exists independent of the Division, approves the priority lists and loan commitments. Support for administering the program is also obtained from the State Treasurer's Office. ARRA funds will not be used to pay existing staff within the Bureau of Administrative Services. Nevada is proposing to reserve \$50,000 in 4% set-aside ARRA funds which will be used to create additional jobs through contract support for ARRA related activities. Nevada reserves the right to bank the full 4% set-aside amount (\$780,000 less \$50,000) toward future grants.

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

Small rural water systems will be the focus of the ARRA funds additional subsidies. Many of the communities lack staff to obtain and manage ARRA funds. Nevada proposes to reserve \$60,000 in 2% set-aside ARRA funds which will be used to create additional jobs through contract support. If needed a contractor will be available to provide technical assistance to small communities in obtaining and managing ARRA funds. Nevada reserves the right to bank the full 2% set-aside amount (\$390,000 less \$60,000) toward future grants.

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

Nevada will utilize the 10% ARRA set-aside activities for enhancement of the Public Water System Supervision program. The 10% set-aside requires a 1:1 match which the State may derive from three possible sources. The first source comes from the State expenditure for the 1993 Public Water System Supervision (PWSS) program as allowed by the Safe Drinking Water Act. This historical amount is **\$238,129**. This amount cannot exceed the match credits derived from the other components. Since Nevada is proposing to reserve \$444,179 in 10% set-aside ARRA funds, this source of match will be limited to \$222,089. The third source is annual permit fees NDEP collects for water system operation, operator certification, lab certification or plan reviews. 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 collected for groundwater discharge permits. Under Nevada's source water protection program, these groundwater discharge permit fees are used to reduce or eliminate the exposure of drinking water aquifers to contaminants from groundwater discharge activities. No direct State appropriation match money will be provided for 2009 ARRA Funds. Nevada reserves the right to bank the full 10% set-aside amount (\$1,950,000 less \$444,179) toward future grants.

### **1. Public Water System Supervision (PWSS) Program:**

The DWSRF funds will be used to develop, implement and improve the current public water system information management system and enhance current PWSS activities administered by the Bureau of Safe Drinking Water. ARRA funds will be used to create additional jobs through contract support for PWSS and to update vulnerability assessments for new contaminants.

#### Long-Term Goals:

- Develop and maintain long-term data system for use in managing Nevada PWSS; and
- Supplement and enhance PWSS program.

#### Short-Term Goals:

- Contract assistance for PWS plan reviews;
- Update vulnerability assessments for new contaminants to renew monitoring waivers.

## **V. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS**

### **A. Priority List Ranking Process**

Nevada uses a ranking system to prioritize the order in which eligible projects will be financed (NAC 445A.67566 to NAC 445A.67574, inclusive). In general, priority is given to projects that facilitate compliance with national primary drinking water regulations applicable to the public water system under Section 1412 of the SDWA. Priority is also given to those projects which otherwise significantly further the health protection objectives of Section 1452 of the SDWA and for public water systems most in need on a per capita basis. The priority ranking system, described generally below, is described in detail in NAC 445A.67569. Projects are ranked into the following four classes, listed in order of priority.

1. Significant health risks;
2. Primary and secondary drinking water standards;
3. Infrastructure replacement; and
4. Refinance of existing debt.

Points assigned, as specified in NAC 445A.67569, to address different problems within a class are additive. The initial ranking number is multiplied by the ratio of the State median household income to the public water system median household income. If the scores for two or more projects are tied, ranking will be based on population, with the higher

population given the higher ranking. Within each of the above categories, the projects are ranked by type of public water system in the following order:

1. Community public water systems;
2. Non-profit, non-transient, non-community water systems;
3. Non-profit transient, non-community water system;

In anticipation of Congress passing a stimulus bill, NDEP solicited utilities for projects that are ready to go during the month of December 2008. Placement on the priority list does not guarantee that a project will be funded. However, only those projects that are included on the priority list will be considered for possible funding. The IUP, including the list of projects, undergoes a public review and comment process at least once each year.

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

1. Arsenic concentration between 36 ppb and 50 ppb
2. Arsenic concentration between 31 ppb and 36 ppb
3. Arsenic concentration between 26 ppb and 30 ppb
4. Arsenic concentration between 21 ppb and 25 ppb
5. Arsenic concentration less than 16 ppb and 20 ppb
6. Arsenic concentration between 11 ppb and 15 ppb

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

The ARRA Priority List is included in Attachment A. EPA guidance on the ARRA requires states include a fundable list in their IUP. The fundable list is included in Attachment B. For the Priority List associated with ARRA (Appendix A) an additional “readiness” factor was applied to the ranking as identified in the following table.

	Readiness
1	Applied for funds
2	Preliminary Engineering Report complete
3	Pilot testing complete
4	Design complete
5	Plans approved by NDEP

The factor in the above table was multiplied by the score determined by the process described above and the resulting score was used to rank the projects for ARRA funds. If

the Environmental Review can not be completed by December 2009, the project will not be funded with ARRA funds.

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

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

Eligible projects on the priority list may be bypassed if the applicant withdraws a project, requests that action be deferred, fails to meet submittal deadlines, or is not ready to proceed as determined by the Division. The projects that are bypassed will be provided notice by the Division and have an opportunity for objection. The Division will utilize the priority list to develop a separate priority list that identifies fundable projects considering readiness to proceed.

## **B. 2009 American Recovery and Reinvestment Act**

The objectives of the ARRA, as they relate to the SRF programs, are:

- To preserve and create jobs and promote economic recovery
- To assist those most impacted by the recession
- To provide investments needed to increase economic efficiency by spurring technological advances in science and health
- To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits

The ARRA has a number of new requirements that do not apply to the traditional SRF program. These additional requirements are described in Appendix G.

## **C. Priority List Public Participation**

A list of projects in order of priority that may receive assistance from the account for the revolving fund is made a part of this IUP (See Attachment A). The Division will hold a public workshop on the 2009 ARRA List on April 15, 2009. After holding a public workshop, NDEP will request the Board for Financing Water Projects approve the 2009 ARRA Priority List on April 20, 2009.

A summary of the public workshops, comment and public participation is included in Attachment D. The Resolution for the Board for Financing Water Projects to approve the 2009 Stimulus Priority List effective April 20, 2009 is included in Attachment C.

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

A projection of funding decisions is included in Attachment E.

#### **E. Relationship to State Program Goals and Objectives**

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

#### **F. Transferring Funds between the DWSRF and the CWSRF**

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

### **VI. ASSISTANCE TO SMALL PUBLIC WATER SYSTEMS**

The federal regulations for the DWSRF state that a minimum of 15% of the DWSRF must be used to provide loan assistance to small public water systems serving fewer than 10,000 people to the extent such funds can be obligated for eligible projects. The 2009 ARRA project priority list includes a large number of projects associated with small public water systems. It also includes several projects associated with large water systems. Every effort will be made to fund the small system projects, recognizing the requirement outlined in Section 1452 (a)(2) of the SDWA to make at least 15% of the fund available to small systems. Loans to large systems are important in obligating the entire capitalization grant. Repayments of these loans then make low-cost loans available to small systems in the future.

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

To receive the ARRA grant award from USEPA, the State of Nevada must agree to use at least 50% of its grant to provide additional subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants or any combination of these. Under the existing program, the DWSRF has authority to offer principal forgiveness and negative interest loans in an amount up to 100% of the value of a loan to disadvantaged communities.

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

There are adequate projects on the Priority List that meet the above affordability criteria to more than satisfy the requirement of 50% of the grant. The terms and amount of the additional subsidy will be determined on a case by case basis based on the individual community's financial situation.

It is possible that some of the projects on the Priority List meeting the above affordability criteria will not utilize SRF funds under ARRA. If necessary to meet the 50% of the grant in additional subsidization requirement, the eligibility for additional subsidy will be expanded to include all communities with a population less than 10,000 people. For the purposes of ARRA, disadvantaged communities includes rural communities serving a population of less than 10,000 people.

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

See Attachment G for information related to the additional subsidy required under ARRA.

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

The Nevada DWSRF program supports the National USEPA Strategic Plan Goal 2 (Clean and Safe Water), Objective 1 (Protect Human Health), Sub-objective 1 (Water Safe to Drink) listed below. Specifically, Nevada established and is managing the revolving loan fund to make low cost loans and other types of assistance to water systems to finance the cost of infrastructure projects to achieve or maintain compliance with Safe Drinking Water Act requirements. Nevada DWSRF activities support USEPA Program Reporting Measure SDW-4 and SDW-5. Nevada's commitments for FY 2009 are included in Attachment E.

All planned and prior year loans have assisted public water systems in meeting the federal and state drinking water compliance requirements. Details of Nevada's DWSRF activities supporting the National USEPA Strategic Plan will be included in the DWSRF Annual Report published in December each year. NDEP commits to enter all projects funded by ARRA monies into DWSRF Project Tracking System on an on-going basis.

**Attachment A**

**2009 ARRA Project Priority List**

**ARRA Funds Year 2009 Priority List--Drinking Water State Revolving Fund**

S	Subsidy Eligible
G	Green Project

Rank	Water System	Total Points	Arsenic Factor	Adjust. Total	State MHI/ PWS MHI	Revised Points	Readi-ness Factor	Readi-ness Revised Points	Owner-ship of System	County	ID#	Pop. Served	Number of Svc. Conn.	Project Description	Amount	
<b>Class I--Acute Health Risks</b>																
S	1	Deluxe Mobile Home Park	4	NA	4	1.58	6.32	1.00	6.32	Private	CH	NV0000047	100	46	Consolidation, arsenic compliance, boil water order	\$298,333
S	2	Tolas Mobile Home Park	4	NA	4	1.58	6.32	1.00	6.32	Private	CH	NV0000061	54	32	Consolidation, arsenic compliance, boil water order	\$298,334

**Total Class I** \$596,667

<b>Class II--Chronic Health Risks</b>																
	3	Carson City Utilities	20	1.0	20	1.07	21.33	5.00	106.63	Public	CC	NV0000015	56,000	16,447	Arsenic & uranium compliance	\$3,400,000
S	4	Ember Mobile Manor	10	1.0	10	5.57	55.73	1.00	55.73	Private	CH	NV0004002	35	23	Consolidation, arsenic compliance	\$180,000
S	5	Beatty	10	0.6	6	2.34	14.04	3.00	42.12	Public	NY	NV0000009	1,100	500	Arsenic compliance	\$2,980,000
S	6	South Maine MHP	20	1.0	20	1.58	31.58	1.00	31.58	Private	CH	NV0000055	100	49	Arsenic & uranium compliance	\$298,333
	7	Topaz Lodge Water Co.	10	1.0	10	1.21	12.15	2.00	24.29	Private	DO	NV0000070	40	14	Arsenic compliance	\$700,000
S	8	Silver Springs Mutual Water Co.	10	0.6	6	1.30	7.78	3.00	23.34	Private	LY	NV0000223	3,000	1,052	Arsenic compliance	\$2,680,000
	9	Desert Springs	10	0.4	4	0.97	3.90	5.00	19.49	Public	WA	NV0001085	11,980	5,800	Arsenic compliance	\$164,000
S	10	Yerington	10	0.4	4	1.43	5.72	3.00	17.17	Public	LY	NV0000255	2,900	1,835	Arsenic compliance	\$4,430,000
	11	Devil's Gate GID	10	0.7	7	1.19	8.36	2.00	16.73	Public	HU	NV0002573	145	58	Arsenic compliance	\$1,110,000
S	12	Panaca	10	0.5	5	1.50	7.48	2.00	14.96	Public	LI	NV0000185	800	349	Arsenic compliance	\$1,984,750
S	13	Jackpot	10	1.0	10	1.46	14.62	1.00	14.62	Public	EL	NV0000088	1,240	456	Uranium compliance	\$523,400
S	14	Alamo Sewer & Water GID	10	1.0	10	1.36	13.58	1.00	13.58	Public	LI	NV0000005	900	275	Arsenic compliance, new well, storage, distrib.	\$2,087,380
S	15	McDermitt	10	0.5	5	2.69	13.46	1.00	13.46	Public	HU	NV0000162	200	100	Arsenic compliance	\$478,000
S	16	Five Star MHP	10	1.0	10	1.30	12.97	1.00	12.97	Private	LY	NV0002516	90	29	Arsenic compliance	\$580,600
	17	Carvers Smokey Valley RV	10	1.0	10	1.24	12.38	1.00	12.38	Private	NY	NV0000218	180	120	Arsenic compliance	\$398,394
	18	Crescent Valley	10	0.5	5	1.19	5.97	2.00	11.95	Public	HU	NV0000043	400	280	Arsenic compliance	\$1,110,000
	19	Frontier Village MHP	10	1.0	10	1.00	9.99	1.00	9.99	Private	CL	NV0000147	60	71	Arsenic compliance	\$145,920
	20	Churchill Co. (Moody Ln Treatment)	10	0.8	8	1.09	8.74	1.00	8.74	Public	CH	?	503	183	Arsenic compliance	\$2,000,000
	21	Shoshone Estates	10	0.7	7	1.24	8.66	1.00	8.66	Private	NY	NV0005028	240	76	Arsenic compliance	\$1,660,000
	22	Indian Hills GID	10	1.0	10	0.79	7.95	1.00	7.95	Public	DO	NV0000355	5,800	244	Arsenic compliance	\$4,320,000
S	23	Wildes Manor	10	0.5	5	1.58	7.90	1.00	7.90	Private	CH	NV0000058	70	20	Arsenic compliance	\$375,000
	24	Spring Creek MHP	10	1.0	10	0.74	7.42	1.00	7.42	Private	EL	NV0000036	12,000	4,053	Arsenic compliance	\$3,950,000
S	25	Lander Co. - Austin	10	0.4	4	1.32	5.26	1.00	5.26	Public	LA	NV0000006	350	164	Arsenic compliance	\$500,000
	26	So. Truckee Meadows Water Treatment Facility (includes Double Diamond)	10	0.4	4	1.10	4.40	1.00	4.40	Public	WA	NV0000215 NV0000832	34,500	12,250	Arsenic compliance	\$21,500,000
S	27	Churchill Co (Waterline to Soda Lake)	10	0.4	4	1.09	4.37	1.00	4.37	Public	CH	NV0000406	336	3	Connect Sage Valley, R&M and OK MHPs	\$1,500,000
S	28	Sage Valley MHP	1	NA	1	1.09	1.09	1.00	1.09	Private	CH	NV0002023	188	47	Manganese compliance, distribution, well house	\$93,000

**Total Class II** \$59,432,633

<b>Class II--Chronic Health Risks Non Transient, Noncommunity Public Water System</b>																
S	29	Schurz Elementary School	10	0.5	5	1.84	9.19	2.00	18.37	Public	MI	NV0000827	170		Arsenic compliance	\$283,856

<b>Class III--Rehabilitation Community Public Water Systems</b>																
S	30	Hawthorne Utilities	15	NA	6	1.30	19.43	5.00	97.16	Public	MI	NV0000073	2,960	1,684	New well	\$715,000
S	31	Imlay	18	NA	18	2.35	42.23	2.00	84.46	Public	PE	NV0000226	150	90	Distribution	\$575,000
G	32	Truckee Meadows Water Authority	15	NA	8	1.10	16.50	5.00	82.50	Public	WA	NV0000190	325,000	90,000	Replace Mogul bypass resulting in significant energy and water savings	\$15,400,000
S	33	Golconda GID	23	NA	23	1.78	41.01	2.00	82.03	Public	HU	NV0005029	115	90	Transmission, spring rehabilitation	\$400,000
G	34	Southern Nevada Water Authority	20	NA	20	1.01	20.23	4.00	80.93	Public	CL	NV0000289	2,000,000	NA	Solar Photovoltaic Panels at AMS treatment plant, other energy or conservation projects	\$21,000,000
	35	Southern Nevada Water Authority	20	NA	20	1.01	20.23	4.00	80.93	Public	CL	NV0000289	2,000,000	NA	Water treatment pilot plant for process optimization	\$10,290,000
	36	Carson City Utilities	18	NA	18	1.07	19.19	4.00	76.77	Public	CC	NV0000015	56,000	16,447	Tank, transmission	\$5,000,000
S	37	Walker Lake GID	25	NA	25	1.36	33.89	2.00	67.77	Public	MI	NV0000268	400	160	New well, storage	\$1,620,000
G	38	Truckee Meadows Water Authority	15	NA	15	1.10	16.50	4.00	66.00	Public	WA	NV0000190	325,000	90,000	Replace diversion at Glendale Treatment Plant	\$7,650,000
	39	Big Bend Water District	26	NA	26	1.21	31.42	2.00	62.85	Public	CL	NV0004092	8,843	2,035	Distribution (TTHM control), treatment upgrades	\$5,012,000
	40	Southern Nevada Water Authority	15	NA	15	1.01	15.17	4.00	60.70	Public	CL	NV0000289	2,000,000	NA	Pump motor variable frequency drive	\$3,000,000
	41	Southern Nevada Water Authority	15	NA	15	1.01	15.17	4.00	60.70	Public	CL	NV0000289	2,000,000	NA	PLC at pump stations (energy efficiency)	\$5,060,000
	42	Southern Nevada Water Authority	20	NA	20	1.01	20.23	3.00	60.70	Public	CL	NV0000289	2,000,000	NA	Treatment (filter valve replacement)	\$2,000,000
	43	Southern Nevada Water Authority	15	NA	15	1.01	15.17	4.00	60.70	Public	CL	NV0000289	2,000,000	NA	Lake Mead Intake #3 (pump station)	\$121,000,000
	44	Southern Nevada Water Authority	15	NA	15	1.01	15.17	4.00	60.70	Public	CL	NV0000289	2,000,000	NA	Lake Mead Intake #3 (underground pumping)	\$115,500,000

	Water System	Total Points	Arsenic Factor	Adjst. Total	State MHI/ PWS MHI	Revised Points		Owner-ship of System	County	ID#	Pop. Served	Number of Svc. Conn.	Project Description		
S	45 Stagecoach GID	23	NA	23	1.30	29.82	2.00	59.65	Public	LY	NV0000224	1,471	574	New well, transmission	\$856,000
	46 Lamoille Water Users, Inc	39	NA	39	0.66	25.81	2.00	51.63	Private	EL	NV0000273	200	71	New well, storage, transmission, distribution	\$1,200,000
	47 Incline Village GID	20	NA	20	0.64	12.84	4.00	51.36	Public	WA	NV0000158	8,900	4,200	Replace ozone generators	\$600,000
	48 Fallon	20	NA	20	1.24	24.81	2.00	49.62	Public	CH	NV0000045	8,500	3,355	Replace hydrated lime with sodium hydroxide	\$120,000
	49 Fernley	20	NA	20	1.00	19.95	2.00	39.90	Public	LY	NV0000062	19,585	7,136	Mechanical solids dewater at treatment plant	\$5,000,000
	50 Star City Property Owners Assoc	19	NA	19	0.95	18.14	2.00	36.28	Private	HU	NV0000252	363	199	Storage, distribution, meters, backup power	\$1,768,575
	51 Southern Nevada Water Authority	8	NA	8	1.01	8.09	4.00	32.37	Public	CL	NV0000289	2,000,000	NA	South Valley lateral transmission pipe	\$20,000,000
	52 Southern Nevada Water Authority	8	NA	8	1.01	8.09	4.00	32.37	Public	CL	NV0000289	2,000,000	NA	Transmission pipeline discharge modifications	\$30,000,000
	53 Southern Nevada Water Authority	8	NA	8	1.01	8.09	4.00	32.37	Public	CL	NV0000289	2,000,000	NA	Lake Mead Intake #3 (2,000 feet of 12 ft dia pipe)	\$27,500,000
	54 Minden Town	18	NA	18	0.78	14.13	2.00	28.26	Public	DO	NV0000168	7,120	3,231	Storage, transmission (in part to supply East Valley)	\$3,750,000
	55 Douglas County (Jobs Peak)	20	NA	20	0.70	14.01	2.00	28.02	Public	DO	NV0000959	373	154	Treatment (corrosion control)	\$1,275,000
	56 Truckee Meadows Water Authority	6	NA	6	1.10	6.60	4.00	26.40	Public	WA	NV0000190	325,000	90,000	Valley Road main replacement	\$1,300,000
	57 Eureka	25	NA	25	1.02	25.57	1.00	25.57	Public	EU	NV0000044	450	297	Tank, booster station, well modification	\$4,100,000
	58 Churchill Co (Wild Goose)	23	NA	23	1.09	25.13	1.00	25.13	Public	CH	NV0000406	3,000	1,090	New well? transmission?	\$2,000,000
	59 Storey County (Virginia City)	24	NA	19	0.98	23.55	1.00	23.55	Public	ST	NV0000240	2,517	694	Tank, transmission	\$15,337,905
	60 Washoe Co DWR (Lemmon Valley)	18	NA	18	0.66	11.91	2.00	23.82	Public	WA	NV0000202	8,000	7,500	Transmission, storage	\$13,000,000
	61 Washoe Co DWR (Desert Springs)	18	NA	18	0.55	9.98	2.00	19.96	Public	WA	NV0001085	11,980	5,800	Tank relocation, transmission	\$2,898,300
	62 Incline Village GID	15	NA	15	0.64	9.63	2.00	19.26	Public	WA	NV0000158	8,900	4,200	Pump station replacement and upgrade	\$4,750,000
	63 Henderson	6	NA	6	0.80	4.78	4.00	19.12	Public	CL	NV0000076	246,000	77,889	Distribution - Wigwam/US 95, PRV	\$1,577,000
	64 Henderson	6	NA	6	0.80	4.78	4.00	19.12	Public	CL	NV0000076	246,000	77,889	Distribution - W226, Misc PRV	\$1,370,000
	65 Washoe Co DWR (Heppner)	14	NA	14	0.68	9.53	2.00	19.05	Public	WA	NV0000202	265	115	Transmission, distribution to serve residents currently on domestic wells	\$1,500,000
	66 Washoe Co DWR (Double Diamond)	15	NA	15	0.60	8.99	2.00	17.99	Public	WA	NV0000832	15,800	6,240	Equip (pumps, house, piping) new wells,	\$2,437,000
S	67 Stagecoach GID	6	NA	6	1.30	7.78	2.00	15.56	Public	LY	NV0000224	1,471	574	Distribution (undersized lines)	\$634,465
S	68 Hawthorne Utilities	6	NA	6	1.30	7.77	2.00	15.55	Public	MI	NV0000073	2,960	1,684	Distribution	\$2,049,000
	69 Kingsbury GID	3	NA	3	1.03	3.10	5.00	15.49	Public	DO	NV0000004	3,832	2,560	Meters	\$3,500,000
	70 Carlin	8	NA	8	0.90	7.19	2.00	14.39	Public	EL	NV0000014	2,450	840	Transmission	\$1,000,000
	71 Truckee Meadows Water Authority	6	NA	6	1.10	6.60	2.00	13.20	Public	WA	NV0000190	325,000	90,000	Sparks feeder main	\$5,700,000
	72 Sun Valley GID	6	NA	6	1.08	6.47	2.00	12.94	Public	WA	NV0000211	19,461	5,963	Distribution to eliminate dead ends, PRV	\$450,300
	73 Minden Town	8	NA	8	0.78	6.28	2.00	12.56	Public	DO	NV0000168	7,120	3,231	Transmission (Pole Line ditch), booster pump	\$4,750,000
	74 Eureka	6	NA	6	1.02	6.14	2.00	12.27	Public	EU	NV0000044	450	297	Distribution	\$2,445,000
	75 Southern Nevada Water Authority	6	NA	6	1.01	6.07	2.00	12.14	Public	CL	NV0000289	2,000,000	NA	Valve replacement at rate-of-flow stations	\$4,000,000
	76 Minden Town	15	NA	15	0.78	11.77	1.00	11.77	Public	DO	NV0000168	7,120	3,231	New well, existing well rehab (supply to East)	\$3,000,000
	77 Round Hill GID	10	NA	10	0.85	8.48	1.00	8.48	Public	DO	NV0000260	1,700	479	Replace storage	\$2,000,000
	78 Indian Hills GID	10	NA	10	0.79	7.95	1.00	7.95	Public	DO	NV0000355	5,800	1,810	Repair/replace storage tanks	\$427,000
	79 Incline Village GID	6	NA	6	0.64	3.85	2.00	7.70	Public	WA	NV0000158	8,900	4,200	Distribution line replacement	\$4,102,485
	80 Fallon	6	NA	6	1.24	7.44	1.00	7.44	Public	CH	NV0000045	8,500	3,355	Distribution	\$1,150,000
	81 Ely	6	NA	6	1.22	7.35	1.00	7.35	Public	WP	NV0000038	5,500	2,200	Distribution	\$6,420,000
	82 Washoe Co DWR (STMGID)	15	NA	15	0.46	6.91	1.00	6.91	Public	WA	NV0000215	10,828	4,708	New well, disinfection	\$1,020,000
	83 Minden Town	8	NA	8	0.78	6.28	1.00	6.28	Public	DO	NV0000168	7,120	3,231	Transmission (2nd East Valley connection)	\$3,500,000
	84 Lyon County - Dayton	3	NA	3	1.02	3.07	2.00	6.14	Public	DO	NV0000032	11,000	5,200	Meters, isolation valves	\$1,150,000
	85 Gardnerville Ranchos GID	6	NA	6	0.91	5.48	1.00	5.48	Public	DO	NV0000066	12,000	4,600	Distribution - replace AC pipe	\$10,260,000

Total Class III **\$514,120,030**

Subsidy Eligible Total **\$26,420,451**

Green Total **\$44,050,000**

Grand Total **\$574,149,330**

Class IV--Refinance

None

Readiness

- 1 Applied for funds
- 2 Preliminary Engineering Report complete
- 3 Pilot testing complete
- 4 Design complete
- 5 Plans approved by NDEP

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**

### **2009 ARRA Fundable Project Priority List**

The ARRA Priority List in Attachment A identifies \$574 million worth of projects. Nevada will be receiving \$19.5 million in DWSRF ARRA funding. The U.S. Environmental Protection Agency (USEPA) required Nevada develop a “fundable” list of projects that represents a total amount close to the grant amount of \$19.5 million. The “fundable” list in Attachment B is intended to satisfy the USEPA requirement and is a subset of Priority List in Attachment A. All projects on the Priority List in Attachment A are eligible funding and the actual funding distribution may vary from the fundable list based on readiness to proceed.

**ARRA Year 2009 Fundable Priority List--Drinking Water State Revolving Fund**

S	Subsidy Eligible
G	Green Project

Rank	Water System	Owner-ship of System	County	ID#	Pop. Served	Number of Svc. Conn.	Project Description	Requested Amount	Projected ARRA Amount	Estimated Construction Date	
<b>Class I--Acute Health Risks</b>											
S	1	Deluxe Mobile Home Park	Private	CH	NV0000047	100	46	Consolidation, arsenic compliance, boil water order	\$298,333	\$298,333	Aug-09
S	2	Tolas Mobile Home Park	Private	CH	NV0000061	54	32	Consolidation, arsenic compliance, boil water order	\$298,333	\$298,333	Aug-09
<b>Class II--Chronic Health Risks</b>											
	3	Carson City Utilities	Public	CC	NV0000015	56,000	16,447	Arsenic & uranium compliance	\$3,400,000	\$3,400,000	Jun-09
S	4	Ember Mobile Manor	Private	CH	NV0004002	35	23	Consolidation, arsenic compliance	\$180,000	\$180,000	Aug-09
S	5	Beatty	Public	NY	NV0000009	1,100	500	Arsenic compliance	\$2,980,000	\$2,980,000	Nov-09
S	6	South Maine MHP	Private	CH	NV0000055	100	49	Arsenic & uranium compliance	\$298,333	\$298,333	Aug-09
	7	Topaz Lodge Water Co.	Private	DO	NV0000070	40	14	Arsenic compliance	\$700,000	\$700,000	Jul-09
S	8	Silver Springs Mutual Water Co.	Private	LY	NV0000223	3,000	1,052	Arsenic compliance	\$2,680,000	\$2,680,000	Oct-09
S	13	Jackpot	Public	EL	NV0000088	1,240	456	new well, chlorination, storage, distribution, uranium compliance	\$523,400	\$523,400	Oct-09
S	15	McDermitt	Public	HU	NV0000162	200	100	Arsenic compliance	\$478,000	\$478,000	Jan-10
S	16	Five Star MHP	Private	LY	NV0002516	90	29	Arsenic compliance	\$150,000	\$150,000	Aug-09
	17	Carvers Smokey Valley RV	Private	NY	NV0000218	180	120	Arsenic compliance	\$398,394	\$398,394	Nov-09
	19	Frontier Village MHP	Private	CL	NV0000147	60	71	Arsenic compliance	\$145,920	\$145,920	Nov-09
	21	Shoshone Estates	Private	NY	NV0005028	240	76	Arsenic compliance	\$307,926	\$307,926	Nov-09
S	23	Wildes Manor	Private	CH	NV0000058	70	20	Arsenic compliance	\$175,000	\$175,000	Aug-09
S	27	Churchill Co (Waterline to Soda Lake)	Public	CH	NV0000406	336	3	Connect Sage Valley, R&M and OK MHPs	\$1,500,000	\$1,500,000	Feb-10
<b>Class II--Chronic Health Risks Non Transient, Noncommunity Public Water System</b>											
S	29	Schurz Elementary School	Public	MI	NV0000827	170		Arsenic compliance	\$285,000	\$285,000	Aug-09
<b>Class III--Rehabilitation Community Public Water Systems</b>											
S	30	Hawthorne Utilities	Public	MI	NV0000073	2,960	1,684	New well	\$525,000	\$525,000	Jun-09
S	37	Walker Lake GID	Public	MI	NV0000268	400	160	New well, storage	\$1,620,000	\$1,000,000	
G	32	Truckee Meadows Water Authority	Public	WA	NV0000190	325,000	90,000	Replace Mogul bypass resulting in significant energy and water savings	\$15,400,000	\$2,000,000	Jul-09
G	34	Southern Nevada Water Authority	Public	CL	NV0000289	2,000,000	NA	Solar Photovoltaic Panels at AMS treatment plant, other energy or conservation projects	\$21,000,000	\$2,000,000	Oct-09
	35	Southern Nevada Water Authority	Public	CL	NV0000289	2,000,000	NA	Water treatment pilot plant for process optimization	\$10,290,000	\$0	Oct-09
	36	Carson City Utilities	Public	CC	NV0000015	56,000	16,447	Tank, transmission	\$5,000,000	\$0	Oct-09
S	42	Stagecoach GID	Public	LY	NV0000224	1,471	574	New well, transmission	\$856,000	\$0	Jul-09
S	67	Stagecoach GID	Public	LY	NV0000224	1,471	574	Distribution (undersized lines)	\$634,465	\$0	Jul-09
S	68	Hawthorne Utilities	Public	MI	NV0000073	2,960	1,684	Distribution	\$2,049,000	\$0	Oct-09

<b>Subsidy Eligible Total</b>	\$15,530,864	\$11,371,399
<b>Green Total</b>	\$36,400,000	\$4,000,000
<b>Other total</b>	\$20,242,240	\$4,952,240
<b>Grand Total</b>	\$72,173,104	\$20,323,639

Notes  
 1 The funding mechanism will be a loan agreement for all projects  
 2 Actual funding agreement amounts may vary from "Projected ARRA funds" amount listed in table

**Attachment C**

**Resolution of the Board for Financing Water Projects**

**2009 Stimulus Priority List**

## RESOLUTION

**A RESOLUTION DESIGNATED THE “AMERICAN RECOVERY AND REINVESTMENT ACT PROJECT PRIORITY LIST, DRINKING WATER STATE REVOLVING FUND DIVISION OF ENVIRONMENTAL PROTECTION”; TO APPROVE THE PRIORITIES FOR DETERMINING WHICH WATER SYSTEMS WILL RECEIVE MONEY FROM THE ACCOUNT OF THE REVOLVING FUND AS REQUIRED IN NEVADA REVISED STATUTES 445A.265(3).**

**WHEREAS**, the Nevada Division of Environmental Protection is authorized pursuant to NRS 445A.200 to 445A.295, inclusive, to establish procedures for the administration of the Drinking Water State Revolving Fund; and

**WHEREAS**, on February 17, 2009, President Obama signed the American Recovery and Reinvestment Act which allocated additional funds to the Drinking Water State Revolving Fund; and

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

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

**WHEREAS**, the Nevada Division of Environmental Protection may at any time after receiving approval from the Board for Financing Water Projects revise the ranking of a water project in accordance with NAC 445A.67567; and

**WHEREAS**, the Nevada Division of Environmental Protection has provided notice and has held a workshop for public comments on its proposed priority system on April 15, 2009 in Carson City.

**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 “American Recovery and Reinvestment Act Priority List Resolution.”

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

(a) The Nevada Division of Environmental Protection has provided public notice of the American Recovery and Reinvestment Act Priority List;

(b) The Nevada Division of Environmental Protection has held a workshop for public review and comment of the priority list;

(c) The Nevada Division of Environmental Protection has incorporated additional requirements of the American Recovery and Reinvestment Act.

**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 American Recovery and Reinvestment Priority List of public water system projects eligible for funding by the Drinking Water State Revolving Fund.

**Section 4.** The American Recovery and Reinvestment Act Priority List included as Attachment A to this resolution and by reference incorporated herein is a true and correct copy filed with the Board for Financing Water Projects by the Nevada Division of Environmental Protection.

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

**PASSED, ADOPTED AND SIGNED April 20, 2009.**

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Chairman  
Board for Financing Water Projects

Attest:

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Adele Basham, Technical Assistant

## **Attachment D**

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

The Draft Intended Use Plan and Priority List were posted on NDEP's web page for public review for a minimum of 2 weeks. A public workshop to take comments was held in Carson City on April 15, 2009. Notice of the public workshop was posted on the website and published in newspapers throughout the state.

Approximately 10 people attended the workshop. No objections to the ARRA Priority List were voiced at the workshop. Prior to the workshop, NDEP received written comments from Walker Lake GID which provided additional information on their readiness. Based on the information provided, the ranking of Walker Lake GID's project was adjusted. Also prior to the workshop, the community of Alamo conducted an income survey. Results of the income survey demonstrated that Alamo should be classified as subsidy eligible and this correction has been made to the ARRA Priority List.

The Board for Financing Water Projects held a public meeting on April 20, 2009. The Board approved the ARRA Priority List.

## **Attachment E**

### **Historical Funding**

Federal Fiscal Year	1997-2003	2004	2005	2006	2007	2008	Stimulus
Capitalization Grant	\$58,746,600	\$8,303,100	\$8,285,500	\$8,229,300	\$8,229,000	\$8,146,000	\$20,000,000
Account for Set-Aside Programs							
4% Set-Aside-Administration	\$2,349,864	\$332,124	\$331,420	\$329,172	\$329,160	\$325,840	\$50,000
10% Set-Aside-PWSS Management							
1993 State Expenditure	\$3,673,189	\$238,129	\$238,129	\$238,129	\$238,129	\$238,129	\$238,129
State Overmatch Expenditure in Respective FFY	\$2,006,286	\$361,720	\$308,869	\$0	\$0	\$0	\$0
State Credit from State Permit Fees (GW & PWS)	\$1,337,464	\$167,077	\$0	\$403,898	\$396,992	\$464,871	\$206,050
Subtotal of State Credit	\$4,984,724	\$766,926	\$546,998	\$642,027	\$635,121	\$703,000	\$444,179
Federal Funds Matching State Credit	\$5,057,651	\$766,926	\$546,998	\$642,027	\$635,121	\$703,000	\$444,179
Appropriation for State Match	\$49,248	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds Matching Appropriation for State Match	\$49,248	\$0	\$0	\$0	\$0	\$0	\$0
Less Trans to Loan Funds	\$0	\$250,000	\$250,000				
Available funds for 10% Set-Aside	\$5,156,147	\$516,926	\$296,998	\$642,027	\$635,121	\$703,000	\$444,179
State Program Management	\$2,523,108	\$476,998	\$476,998	\$572,027	\$570,921	\$643,000	\$444,179
Technical Assistance and Education	\$893,234	\$0	\$0	\$0	\$0	\$0	\$0
Underground Injection Control Program	\$1,938,917	\$249,928	\$0	\$0	\$0	\$0	\$0
Develop and Implement Capacity Strategy	\$302,000	\$20,000	\$50,000	\$50,000	\$52,200	\$60,000	\$0
Operator Certification	\$368,028	\$20,000	\$20,000	\$20,000	\$20,000	\$12,000	\$0
Totals	\$5,132,052	\$766,926	\$546,998	\$642,027	\$635,121	\$703,000	\$444,179
Remainder to Loan Fund	\$24,095	\$250,000	\$250,000	\$0	\$0	\$0	\$0
2% Set-Aside-Tech. Assistance to Small Systems	\$1,147,364	\$166,062	\$165,710	\$164,586	\$164,580	\$162,920	\$60,000
15% Set-Aside							
Source Water Protection Loans	\$1,335,374	\$0	\$0	\$0	\$0	\$0	\$0
Capacity Assistance	\$1,335,374	\$325,475	\$250,000	\$250,000	\$350,000	\$300,000	\$0
SWAP	\$1,255,880	Not Eligible	\$0				
WHPP	\$1,970,410	\$676,122	\$708,951	\$629,746	\$614,250	\$708,687	\$0
Less Trans to Loan Funds		\$668,411	\$831,589				\$0
Totals	\$4,561,664	\$333,186	\$127,362	\$879,746	\$964,250	\$1,008,687	\$0
Account for Set-Asides--Subtotal	\$13,215,039	\$1,348,298	\$921,490	\$2,015,531	\$2,093,111	\$2,200,447	\$554,179
Account for the Revolving Fund	\$45,531,561	\$6,954,802	\$7,364,010	\$6,213,769	\$6,135,889	\$5,945,553	\$19,445,821
Required 20% State Match	\$11,749,320	\$1,660,620	\$1,657,100	\$1,645,860	\$1,645,800	\$1,629,200	\$0
Federal Funds	\$45,580,809	\$7,204,802	\$7,614,010	\$6,213,769	\$6,135,889	\$5,945,553	\$19,445,821
Account for the Revolving Fund--Subtotal	\$57,330,129	\$8,865,422	\$9,271,110	\$7,859,629	\$7,781,689	\$7,574,753	\$19,445,821
Cumulative Totals	\$243,006,133	\$66,195,551	\$75,466,661	\$83,326,290	\$91,107,979	\$98,682,732	\$118,128,553

## **Attachment F**

### **Nevada National USEPA Strategic Plan Commitment**

<b>State PWSS Grant Template Measures</b>				
<b>NPM Title</b>	<b>Commitment Code</b>	<b>FY 2009 Commitment Text as shown in 2009 NPM Guidance</b>	<b>State level results reported (Target Listed)</b>	<b>Measure expressed at national or regional level only (Target Listed)</b>
<b>Categorical Grant: Public Water System Supervision SDWA</b>				
OW	2.1.1	Percent of the population served by community water systems that receive drinking water that meets all applicable health-based drinking water standards through approaches including effective treatment and source water protection.	95%	95%
OW	SP-1	Percent of community water systems that meet all applicable health-based standards through approaches that include effective treatment and source water protection.	90%	90%
OW	SP-2	Percent of "person months" (i.e., all persons served by community water systems times 12 months) during which community water systems provide drinking water that meets all applicable health-based drinking water standards.	98%	98%
OW	SP-4a	Percent of community water systems where risk to public health is minimized through source water protection.		
OW	SP-4b	Percent of the population served by community water systems where risk to public health is minimized through source water protection.		
OW	SDW-01a	Percent of community water systems (CWSs) that have undergone a sanitary survey within the past three years (five years for outstanding performers) as required under the Interim Enhanced and Long-Term I Surface Water Treatment Rules.	100%	100%
OW	SDW-4	Fund utilization rate (cumulative dollar amount of loan agreements divided by cumulative funds available for projects) for the Drinking Water State Revolving Fund (DWSRF).	80	80
OW	SDW-5	Number of Drinking Water State Revolving Fund (DWSRF) projects that have initiated operations.	17	201
OW	QW-17	Fund utilization rate (cumulative loan agreement dollars to cumulative funds available for projects) for the Clean Water State Revolving Fund (CWSRF).	95	95

## ATTACHMENT G

### **New Requirements under the American Recovery Reinvestment Act (ARRA)**

The following describes requirements that are specific to ARRA. These requirements apply only to ARRA funds and do not apply to the traditional DWSRF capitalization grants.

### **Additional Subsidization**

To receive a grant award from USEPA, the State of Nevada must agree to use at least 50% of its grant to provide additional subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants or any combination of these. Under the existing program, the DWSRF has authority to offer principal forgiveness and negative interest loans in an amount up to 100% of the value of a loan.

In Nevada, additional subsidization will be offered to communities meeting affordability criteria based on median household income. Experience has shown that the median household income is a relatively good measure of a community's ability to pay for infrastructure improvements. If the median household income of a community is less than 80 percent of the state median household income, the community will be eligible for additional subsidization. There are adequate projects on the Priority List that meet the above affordability criteria to more than satisfy the requirement of 50% of the grant. The terms and amount of the additional subsidy will be determined on a case by case basis based on the individual community's financial situation.

In the event that some of the projects on the Priority List meeting the above affordability criteria do not utilize SRF funds under ARRA, it is possible that the amount of projects receiving additional subsidy could fall below the 50% of the grant. If necessary to meet the 50% of the grant in additional subsidization requirement, the eligibility for additional subsidy will be expanded to include all communities with a population less than 10,000 people.

### **Green Infrastructure**

The ARRA requires that, to the extent there are sufficient eligible project applications, not less than 20% of the funds provided for projects must be used for water or energy efficiency, green infrastructure, or other environmentally innovative activities. EPA has directed states to prioritize projects that achieve the highest intent of the Act. The highest priority green projects for Nevada are those that generate clean energy or conservation/restoration projects with multiple environmental benefits. The project list in Attachment A identifies green projects that satisfy Nevada's highest priorities, of which there is at least 20% of the total assistance amount. Green projects will be funded with a 0% interest loan. All green projects will be identified by August 17, 2009.

### **ARRA Interest Rate**

After funding projects that qualify for additional subsidization and green projects, the terms for the remaining projects will a 0% interest rate.

### **Project Prioritization**

The prioritization process described in Section V.5 of this IUP applies to the ARRA Priority List. The ARRA requires priority be given to projects that will be ready to proceed to actual construction within 12 months of the date of enactment. To address this requirement, in

addition to the criteria described in Section V.5, a readiness factor detailed below was applied to the ARRA Priority List.

Factor	Readiness
1	Applied for funds
2	Preliminary Engineering Report complete
3	Pilot testing complete
4	Design complete
5	Plans approved by NDEP

The factor in the above table was multiplied by the score determined by the process described in Section V.5 and the resulting score was used to rank the projects for ARRA funds. If the Environmental Review can not be completed by December 2009, the project will not be funded with ARRA funds.

### **Prevailing Wages:**

Section 1606 of the ARRA applies Davis-Bacon wage rules to all assistance agreements made in whole or in part with funds appropriated under the ARRA. The Department of Labor provides all pertinent information related to compliance with labor standards, including prevailing wage rates and instructions for reporting.

### **American Iron, Steel, and Manufactured Goods**

Section 1605 of the ARRA requires that none of the appropriated funds may be used for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project is produced in the United States unless (a) a waiver is provided to the recipient by EPA or (b) compliance would be inconsistent with United States obligations under international agreements. In order to receive a waiver, the State must send a written request to the Administrator. A decision will be made based on the following criteria:

- The requirement is inconsistent with the public interest for purposes of the project for which a waiver has been requested,
- Iron, steel, and necessary manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality, or
- Inclusion of iron, steel, and manufactured goods produced in the United States will increase the overall cost of the project by more than 25%.

If a waiver is granted by the Administrator, EPA will publish such a waiver, with a sufficient explanation, in the Federal Register. EPA will provide additional guidance on this provision as it becomes available.

### **De-obligation of Funds**

The ARRA requires the EPA Administrator to reallocate any funds that do not meet the required deadline for contracts or construction contracts. EPA will immediately de-obligate funds from awarded grants that are not under construction contracts or under construction by February 17, 2010. Loan contracts will include deadlines. If these deadlines are not met, the loan contract will be terminated and funds reallocated.

**Limit on Funds**

ARRA Section 1604 prohibits the use of funds for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool. NDEP and its assistance recipients will abide by these provisions and the following USEPA guidance: This section clearly prohibits particular activities, but does not prohibit the use of funds from having secondary effects that may impact any of the listed prohibited uses. For instance, a State is not prohibited from funding a treatment plant that may have a casino or golf course as a customer. However, a State may not provide funding to a casino to construct an on-site treatment plant.

**Prohibition on Purchase of Land or Easements**

None of the ARRA funds shall be available for the purchase of land or easements as authorized by section 603(c) of the Federal Water Pollution Control Act or for activities authorized by section 1452(k) of the Safe Drinking Water Act. Therefore, NDEP will not use any of the ARRA funds to purchase land or easements.

**Governor's Certification**

The Governor's certification as required by section 1607(a) of ARRA is attached.

**Project Certification (Section 1511)**

Section 1511 of ARRA requires project by project certification that the infrastructure investment has received the full review and vetting required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. Additionally, the certification shall include a description of the investment, the estimated total cost, and the amount of covered funds to be used. To fulfill the project by project certification, ARRA 1511 certification signed by the NDEP Administrator will be included as an Exhibit in the loan documents. NDEP will post these certifications on its website and will link the website to the Recovery.gov website.



## Office of the Governor

JIM GIBBONS  
GOVERNOR

March 10, 2009

The Honorable Barack Obama  
President of the United States  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, D.C. 20500

Dear Mr. President,

Please accept this letter as the required certification under Section 1607 of the American Recovery and Reinvestment Act of 2009 ("ARRA").

As a firm believer that our citizens are best served by a smaller, more efficient government I have my concerns about the magnitude of the stimulus package. I am concerned that future generations will be burdened with this sizeable and unprecedented debt.

Separately, I believe the federal requirements or "strings" associated with specific funding streams within the ARRA will have the effect – intentional or not – of institutionalizing programmatic expansions which the federal government will not fund beyond this stimulus action. Once this bill expires, states will be forced to pare back benefits to pre-stimulus levels or raise taxes to continue to provide these federally mandated expansions.

With these concerns in mind, I would like to also provide notification that there may be portions of the Stimulus package that Nevada will reject due to the constraints and current matching or future funding expectations that the funding would require.

Of significant further concern is the fact that the ARRA returns federal money to Nevada at a rate significantly lower than what our taxpayers pay in federal taxes. This "donor status" is indefensible, considering Nevada finds itself one of the hardest hit states during this current economic downturn. We are experiencing record unemployment rates and unprecedented shortfalls in state revenues needed to adequately fund core government services such as education, public safety and healthcare. Without a change in

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The Honorable Barack Obama  
March 10, 2009  
Page 2

the economic landscape we will see continued increases in unemployment and decreases in state revenues.

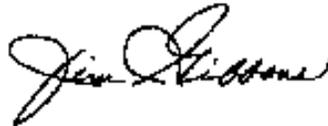
Despite my reservations about the scope and magnitude of the ARRA, the funds will provide relief to otherwise necessary state budget reductions and will provide jobs in Nevada. Of course, even with ARRA funds, Nevada faces historic revenue shortfalls and must take dramatic action to reduce spending and continue to provide core government services for our citizens.

It is my continued belief that the best way to stimulate the economy is not with additional regressive taxes but with low taxes, controlled government spending, and a sensible regulatory environment. The private sector needs to be encouraged to create jobs, not discouraged from growth out of fears of increased taxes.

While we have philosophical differences on the best solutions for Nevada and the country during this economic crisis, we have a responsibility to each American to work towards a better tomorrow.

For these reasons, I hereby certify that the State of Nevada will request and use funds provided by the ARRA and that these funds will be used to create jobs and promote economic growth.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Gibbons", written in a cursive style.

JIM GIBBONS  
Governor

## **Attachment H**

### **Allocation of American Recovery and Reinvestment funds to the Clean Water and Drinking Water State Revolving Funds Nevada Division of Environmental Protection**

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act (ARRA) of 2009 into law. The overall purpose of the Act is to create or save jobs and promote economic recovery. ARRA includes \$2 billion to fund drinking water infrastructure and \$4 billion to fund wastewater infrastructure. These infrastructure funds are being distributed to the States through the existing State Revolving Fund (SRF) program. Nevada's allotment is \$19.2 million for wastewater and \$19.5 million for drinking water.

Although the ARRA funds are being distributed through the existing SRF program, ARRA has new requirements for additional subsidization and green infrastructure. Nevada's plans to implement these two requirements are described below.

#### **Additional Subsidization**

To receive a grant award from USEPA, the State must agree to use at least 50% of its grant to provide additional subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants or any combination of these.

In Nevada, additional subsidization will be offered to communities meeting affordability criteria based on median household income. Experience has shown that the median household income is a relatively good measure of a community's ability to pay for infrastructure improvements. If the median household income of a community is less than 80 percent of the state median household income, the community will be eligible for additional subsidization. The Clean Water and Drinking Water Priority Lists identify the projects that meet the above affordability criteria. The terms and amount of the additional subsidy will be determined on a case by case basis based on the individual community's financial situation.

#### **Green Infrastructure**

ARRA requires that, to the extent there are sufficient eligible project applications, not less than 20% of the funds provided for projects must be used for water or energy efficiency, green infrastructure, or other environmentally innovative activities. EPA has directed states to prioritize projects that achieve the highest intent of the Act. The highest priority green projects for Nevada are those that generate clean energy or conservation/restoration projects with multiple environmental benefits. The Priority Lists for both Clean Water and Drinking Water identify the green projects that satisfy Nevada's highest priority. Green projects will be funded with a 0% interest loan.

#### **Remaining funds**

After funding projects that qualify for additional subsidization and green projects, remaining funds will be allocated to projects highest on the priority list that are ready to proceed. The terms for the remaining projects will be 0% interest rate loans.

#### **Project Readiness**

The ARRA requires that all funds must be under contract or under construction to eligible projects by February 17, 2009. If this condition is not met, Nevada loses the federal funds. To ensure Nevada does not lose federal funds, priority will be given to projects that have completed design and received applicable approvals. Loan contracts will include deadlines for

completion of design and bid. If these deadlines are not met, the contract will be terminated and funds reallocated.

The steps Nevada has and will take to spend the stimulus funds are outlined below.

1. **December 2008:** Solicited for both clean water and drinking water projects that are “ready to go”
2. **January 2009:** Solicitation resulted in approximately \$985 million in clean water projects and \$562 million in drinking water projects
3. **February 2009:** Draft Priority Lists developed
4. **March 20- April 15 2009:** Public comment period for draft Priority Lists
5. **April 30 2009:** Receive grant award from EPA
6. **April 2009:** Finalize Priority Lists and Intended Use Plans and start working with applicants
7. **May 2009:** Local communities complete loan application process. Priority will be given to projects that are ready to go (design complete, approvals obtained)
8. **June 2009:** Award first loan contracts
9. **July-August 2009:** Additional local communities complete loan application process
10. **September 2009:** Award next round of loan commitments
11. **October-November 2009:** Additional local communities complete loan application process
12. **December 2009:** Award next round of loan commitments if there are remaining or reallocated funds.
13. **February 17, 2010:** All loan contracts must be awarded and projects either under construction or have construction contracts in place.