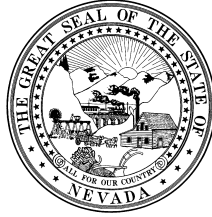


Steve Sisolak
Governor

Jason B. Cooper, CGFM
Board Advisor

Katie Armstrong
Senior Deputy Attorney General

STATE OF NEVADA



Board Members:
Bruce Scott, *Chair*
Andrew Belanger, *Vice Chair*
Lori Williams
Mike Workman
Carl Ruschmeyer

Non-Voting Member:
Andrea Seifert

AGENDA (Revised)

STATE BOARD FOR FINANCING WATER PROJECTS

July 29, 2020

1:30 PM

Pursuant to Governor Sisolak's Declaration of Emergency Directive 006, NDEP is providing other methods for the public to participate and provide public comment, either virtually or telephonically, using the link below or the dial-in number below.

To be held virtually Using Lifesize:

Download the Lifesize app:

<https://call.lifesize.com/downloads>

Join the Meeting at:

<https://call.lifesizecloud.com/4155018>

Join the Lifesize meeting using Skype for Business: <https://skype.lifesizecloud.com/4155018>

Click to call from Mobile (audio only)
United States: +1 (877) 422-8614, 4155018#

Call in by Phone (audio only)
United States: +1 (877) 422-8614
Meeting extension: 4155018#

This meeting will **not** be broadcast over the Internet.

For information: Contact: Jason Cooper (775) 687-9531, Kyle Casci (775) 687-9420 or ndep-ofa@ndep.nv.gov.

We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify Kyle Casci at (775) 687-9420, 24 hours prior to the meeting.

Note: Items on this agenda may be taken out of order, may be combined for consideration by the public body, and may be pulled or removed from the agenda at any time. Public comment will be solicited prior to action on agenda items.

- 1 **Call to Order** – Chair Bruce Scott
- 2 **Introduction / Establish Quorum** (Discussion)
- 3 **Public Comment** (Discussion)

Members of the public will be invited to speak before the BFWP; however, no action may be taken on a matter during public comment until the matter itself has been included on an agenda as an item for possible action. Public comment may be limited to three (3) minutes per person at the discretion of the chair.
- 4 **Approval of Minutes – January 14, 2020 Meeting** (For Possible Action)
- 5 **Election of Board Chair and Vice Chair** (For Possible Action)
- 6 **Funding and updates for the Drinking Water State Revolving Fund (DWSRF)** (Discussion)

Presented by Jason Cooper
- 7 **Funding and updates for the Capital Improvement Grants Program** (Discussion)

Presented by Jason Cooper
- 8 **Approval of the Nevada Drinking Water Priority List—Effective July 2020** (For Possible Action)

Presented by Sharada Maligireddy and Jason Cooper

Projects for Consideration

- 9a **Topaz Ranch Estates GID** (For Possible Action)

Proposed project for the DWSRF program
Summary by Sharada Maligireddy and Jason Cooper
- 9b **McGill Ruth General Improvement District** (For Possible Action)

Proposed project for the DWSRF program
Summary by Sharada Maligireddy and Jason Cooper
- 9c **Hawthorne Utilities** (For Possible Action)

Proposed project for the DWSRF program
Summary by Sharada Maligireddy and Jason Cooper
- 9d **Lovelock Meadows Water District** (For Possible Action)

Proposed project for the DWSRF program and the Capital Improvements Grant program
Summary by Sharada Maligireddy and Jason Cooper
- 9e **Churchill County** (For Possible Action)

Proposed project for the Capital Improvements Grant program
Summary by Sharada Maligireddy and Jason Cooper

Capital Improvements Grant Program Policies

10a Board Policy on Nonprofit Public Systems (For Possible Action)

Summary by Jason Cooper

10b Board Policy on Septic to Community Sewage System Connections (For Possible Action)

Summary by Jason Cooper

10c Discussion of Board Policy Additions and Changes (Discussion)

Summary by Jason Cooper

a) Scale to Determine Grant Amount

b) Funding Water Resource Plans

11 Board Comments (Discussion)

12 Public Comments (Discussion)

13 Adjourn

Additional Information:

The Board for Financing Water Projects was created by NRS 349.957. Under NRS 445A.265, the Board is charged with approving the priority of projects applying for grant assistance and the review and approval of loans to water systems applying for assistance from the Drinking Water State Revolving Fund. Under NRS 349.982, the Board is charged with the administration of the programs that provide grants for capital improvements to publicly owned water systems, grants for improvements to conserve water and grants for Technical Support for Water Rights.

Address Questions to:

Jason Cooper, Manager
Division of Environmental Protection
Office of Financial Assistance
901 South Stewart Street, Suite 4001
Carson City, Nevada 89701-5249
Phone: (775) 687-9531
Fax: (775) 687-5856
Email: j.cooper@ndep.nv.gov

Kyle Casci, Management Analyst
Division of Environmental Protection
Office of Financial Assistance
901 South Stewart Street, Suite 4001
Carson City, Nevada 89701-5249
Phone: (775) 697-9420
Fax: (775) 687-5856
Email: kcasci@ndep.nv.gov

Notice of this meeting was posted at the following Nevada locations:

- Nevada Public Notice Website - <https://notice.nv.gov/>
- The Nevada Division of Environmental Protection public notice website - <https://ndep.nv.gov/posts>

Supporting materials for all agenda items can be viewed online at: <https://ndep.nv.gov/water/financing-infrastructure/board-for-financing-water-projects/meeting-agendas-minutes> or by contacting: Kyle Casci – kcasci@ndep.nv.gov or (775) 687-9420.

Meeting Minutes
THE BOARD FOR FINANCING WATER PROJECTS
January 14, 2020
1:30 p.m.

Legislative Building
Senate Hearing Room 1214
401 South Carson Street, 1st Floor
Carson City, NV 89701

Audio Conference
(877) 336-1831

Members Present:

Bruce Scott, Chair
Andrew Belanger, Vice Chair
Lori Williams
Carl Ruschmeyer
Mike Workman
My-Linh Nguyen, ex-officio member

Legal Counsel Present:

Katie Armstrong, Senior Deputy Attorney
General

NDEP Present:

Jason Cooper
Michelle Stamates
Kyle Casci
Valerie King
Marcy McDermott

Public Present:

Jim Harker, Riverbelle Properties LLC
Cathy Harker, Riverbelle Properties
Paul Winkelman, Shaw Engineering
Cody Black, Shaw Engineering
Marie Henson, Churchill County
Rusty Kiel, Lovelock Meadows Water District
Bill Reid, Roark Estates
Bill Sampson, Roark Estates
Terry Johnson, Roark Estates
Joe Phillips, Sunrise Engineering

Board for financing water projects regular meeting

1) Call to order

Chair Bruce Scott opened the meeting and invited introductions from board members and those present in person and on the phone.

2) Introduction/establish quorum

Chair Scott established a quorum as all board members were present.

3) Public comment

There were no public comments.

4) Approval of Minutes from the June 25, 2019 Regular Meeting

Motion by Board Member Williams, seconded by Board Member Workman. Motion carried unanimously.

5) Approval of Minutes from the November 14, 2019 Workshop

Kyle Casci of the Nevada Division of Environmental Protection (NDEP) pointed out that on the last page, under Public Comments, Ms. Carr suggested that the last sentence be changed to, "She asked the Board to consider providing NDEP staff their thoughts and guidance assistance on funding priorities." Motion by Member Ruschmeyer, seconded by Member Williams, to approve with the suggested change.

6) Funding update for the Drinking Water State Revolving Fund (DWSRF)

Mr. Cooper of the NDEP gave an update on the Drinking Water State Revolving Fund (DWSRF). As of December 31, 2019, there is \$52,382,270 in the bank, with \$33,086,216.19 committed. There is a request before the Board for \$907,175 to further spend that money, which would leave \$39,445,718 in the bank (lowest balance over the next three years for cash flow needs).

Projections for the next three years are displayed. DWSRF currently has \$4,023,027.21 available in principal forgiveness funding, with \$813,000 being presented to the Board today, leaving \$3.2 million on the table to commit (still working on those projects).

7) Funding Update for the Capital Improvements Grant Program

Mr. Cooper stated the funding for the Capital Improvements Grant Program is funded entirely by state issued tax exempt bonds. As of December 31, 2019, there is \$1,690,294.33 in the bank, with \$14,325.80 reserved for administration, and \$130,932.77 committed to one project which will be disbursed shortly. The projects staff is presenting today total \$435,000, which will leave \$1,110,035.76 left to commit from current funds. In the last legislative session AB541 authorized the State Treasurer's Office to issue up to \$3 million in bonds. The Treasurer's Office issued \$1.5 million in bonds on December 10, 2019, and will be asking for the additional \$1.5 million this fall.

8) Approval of the 2020 Drinking Water Priority List

Ms. Stamates of NDEP stated that projects are ranked into four classes: Class I, significant or acute health risks; Class II, violation of primary and/or secondary drinking water standards; Class III, infrastructure rehabilitation and replacement projects; and Class IV, refinancing of existing debt. They can fund community public water systems, both private and political subdivisions, and non-transient, non-community water systems (non-profits, such as schools, office buildings). She noted the last group as the transient, non-community and non-profit water systems, such as gas stations and campgrounds. There is a different point system within each class. If applications are received for multiple projects or systems and two systems are tied, then the system with the largest population will be ranked higher. Points are multiplied by the ratio of the state median household income to the applicant system's median household income, derived from the Census Bureau.

Ms. Stamates added that the NAC allows other factors to be considered, but if new categories came about, those categories can be added to the intended use plan for the year in which the priority list is created, although right now, there is nothing that allows points to be added (they are in the regulation). Eligible projects on the priority list can be bypassed if the applicant is not ready to proceed, if there are no objections within the required 30-day notice period. The Drinking Water 2020 Priority List has been revised two times this fiscal year, because of the additional funds received from the Capital Improvements Grant Program, so for those systems that are not eligible for funds from the Drinking Water Fund may well be eligible for funds from the Capital Improvements Grant fund. She noted that thirteen (13) projects were provided on the list (and incorporated into the longer list in the packet), with five projects removed, either because they are completed, or they requested to be removed.

Ms. Stamates stated a column on the end was recently added, in order to clarify the projects that are currently receiving funding. All projects stay on the list until completed, in case they need to come back for more money. Federal and state regulations require a public review process (met by the November 14, 2019 meeting), and any comments from that meeting were updated or addressed. Staff recommends the Board Financing Water Projects approve the State Fiscal Year 2020 Revision One Drinking Water State Revolving Fund Priority List.

Chair Scott asked about the added task under the Class III rehabilitation for Humboldt County Gold Country Estates, although they were already on the list for a Class II with an acute issue for nitrates. Ms. Stamates stated it was to be determined if the acute issue would deal with the nitrate issue, and a PER would most likely be required, and checking of sources and volumes (Humboldt County would probably do a PER if they pursue through the County; if Gold Country moves ahead on its own, then they would stay on the list as a stand-alone. The Bureau of State Drinking Water would continue to monitor for acuteness.

Member Ruschmeyer commented that the acute list is getting smaller, which is positive, since those dollars represented less than 1% of the total need.

Motion by Member Ruschmeyer, seconded by Member Williams, to approve the State Fiscal Year 2020 Drinking Water Priority List as presented. Motion carried unanimously.

9) Project List for Consideration

Ms. Stamates introduced the following projects (9a – 9d):

a. Riverbelle MHP – See staff report, Exhibit 9A

Riverbelle MHP is consolidated with Truckee Meadows Water Authority. Truckee Meadows Water Authority came in for funding at the same time as Riverbelle did, with an extension of their pipeline from the new subdivision Big Meadow. In August of 2017, Riverbelle's spring water tested positive for E. coli, which caused that water source to be closed indefinitely. Riverbelle negotiated a temporary emergency inter-tie with the Truckee Meadows Utility

Company in the River Oak subdivision. In the meantime, Riverbelle brought on its own old existing well (uncertain about capacity), which included approximately 4,000 feet of new water main, and was part of an overall plan to improve water movement to the entire area. On-site improvements included a vault with a meter and backflow prevention and another vault that had a backflow preventer from the fire flow area. Due to higher than expected bids, Riverbelle would like to increase their original request by \$94,175. NDEP recommends approval, with the caveat that the loan will contain a condition that the amended Annexation Agreement between Riverbelle and Truckee Meadows Water Authority also be approved.

It was moved by Member Williams and seconded by Member Ruschmeyer, to approve the project with the inclusion of staff recommendations and for the amount of \$94,175. Motion carried.

b. Churchill County – See staff report, Exhibit 9b

Water system was constructed in the early 2000s with partial funding from the Capital Improvements Grant Program and the USDA Rural Development. System is to the west of the Fallon system and includes a single, 1,000 gpm well, a 750 gpm arsenic treatment plant, a 1 million gallon ground level storage tank, and a booster pump station that pressurizes the single pressure zone in the system. Transmission and distribution pipe ranges from 6 to 16 inches. Churchill County currently provides service to 310 residential connections, all metered. In January 2019 the County funded the master plan to provide source water redundancy for the system. The County is seeking funding assistance for the preliminary engineering report and environmental review to thoroughly evaluate each alternative for long-term system sustainability, including evaluation of drilling a six inch wide, 400 foot deep monitoring well to evaluate the chosen site for potable water. Manganese and iron are issues in this area, and the monitoring well will help monitor that. Churchill County is seeking funding from DWSRF for \$100,000, and they will match with local funding of \$50,000. The current estimated breakout for the monitoring well is approximately \$75,000, PER estimated at \$50,000 and ER at \$25,000. If this ends up as an environmentally sensitive area, costs could be higher. NDEP recommends the Board approve a principal forgiveness loan commitment from the DWSRF for \$100,000 to Churchill County to complete a preliminary engineering report and an environmental report for the purpose of providing a backup source of water. Churchill County expects to complete the exploratory drilling and the PER and ER by this summer

Chair Scott stated that staff was moving in a positive direction in improving those areas that need it. He added that other non-water system requirements did not allow for the water system connection to the City of Fallon.

It was moved by Member Workman and seconded by Member Williams, to approve Resolution titled 1-2020 Churchill County Sand Creek Water System Project Loan Commitment, intended to finance certain projects in an amount not to exceed \$100,000. Motion carried.

c. Lovelock Meadows Water District – See staff report, Exhibit 9C

With over 115 square miles, the service area is very large by Nevada's standards. Groundwater in the Lovelock area is generally not suitable for domestic use, irrigation or stock watering, due to sulfate, chloride, nitrates, fluoride, and arsenic. The drinking water is supplied from three drinking wells approximately 15 miles northeast of Lovelock. Chlorination occurs at each well and storage consists of two tanks, a 1.5 million gallon tank, and a 2.5 million gallon tank beside it. The city is some distance away from the tanks. This

system is fully metered and currently serves 1,247 residential connections and 316 non-residential connections. The floor of the 1.5 million gallon welded steel storage construction tank constructed in 1991 has experienced significant corrosion due to native soils. Correcting the water loss due to leakage will help the system remain within its water conservation parameters. This project includes replacing the tank floor and base advocate, recoating the interior and exterior of the tank, and adding the cathodic protection. Funding is sought from two sources, the DWSRF and the Capital Improvements Grant Program, with Lovelock providing local money to the project. NDEP recommends that the board approve a Drinking Water State Revolving Fund Principal Forgiveness Loan in an amount not to exceed \$500,000 and a grant from the Capital Improvements Grant Program in an amount not to exceed \$435,000 to Lovelock Meadows Water District for the rehabilitation of the 1.5 million gallon tank. Design for the tank is complete. The project is expected to be bid by late January and be completed by July.

Member Workman asked for details on replacement of the tank floor. Mr. Rusty Kiel, Lovelock Meadows Water District Manager, answered that the column would be picked up and cut six inches around, and all aggregate beneath will be taken out, inside and out. He believed that this would be cheaper than a new tank, as the original bid came in at \$1.1 million for replacement.

Chair Scott inquired if Lovelock Meadows Water District was providing funding for the lawsuit regarding the Humboldt River. Mr. Kiel stated no funds from the water system are going to the lawsuit.

It was moved by Member Williams and seconded by Member Workman that the Board approve Resolution titled D-01-2020 the Lovelock Meadows Water District Project Loan Commitment for the rehabilitation of the tank in the amount not to exceed \$500,000. Motion carried.

It was moved by Member Williams and seconded by Vice-Chair Belanger to approve Resolution G-01-2020 Lovelock Meadows Water District Project Loan Commitment, which is intended to finance certain water projects using the Capital Improvement Grant funds in the amount not to exceed \$435,000. Motion carried.

- d. **Roark Estates Homeowners' Association** – See staff report, Exhibit 9D
In 2017 they replaced one of two 20,000 gallons storage tanks due to severe deterioration, and the second tank now needs replacing. Roark Estates previously received \$207,000 in principal forgiveness funds in order to develop a new water supply source and an additional \$178,700 in principal forgiveness was later received, which mitigated an arsenic issue and funded replacement of the first tank. Staff recommends funding for Roark Estates in an amount not to exceed \$213,000, with the project estimated to bid in the spring and final completion of second tank replacement is expected in September.

It was moved by Vice-Chair Belanger and seconded by Member Workman to approve the project titled 1-2020 Roark HOA Water System Project Loan Commitment, intended to finance certain projects in the amount of \$213,000. Motion carried.

10) Capital Improvements Grant Funding of Water Plans

Mr. Cooper provided information on the possible funding available from any tax exempt bond. NDEP staff is exploring the possibility of using technical assistance in order to complete water plans. He added that the challenge is not knowing what the plans include and how involved they might be. Technical assistance work usually includes water conservation but not engineering and planning. The best funding approach for any project

can only be determined once they receive an application. He stated that if further information came forth, staff would share with the Board.

Chair Scott stated that it was his understanding that Nevada Rural Water may have resources to provide these needs. Mr. Cooper stated that even the environmental finance center has resources to help with technical water assistance. He noted that not being sure of the plan's requirement, and whether it might have an engineering component that could be in competition. He said that PERs can be funded through some set-asides, as other states do, but that has not yet been done in Nevada because of the competition for engineering work. Other things to consider would be if there might be a component that could be helped out with technical assistance, partnered with an engineering firm.

Chair Scott encouraged continuation of the dialogue in case a statutory change might result in a more difficult situation.

11) Board Policies

a. Policy on Funding Level for Irrigation Projects

Ms. Katie Armstrong stated that at the last board meeting the question was brought up asking if the Board could create a policy regarding funding levels for irrigation projects. SB237, from Legislative Session 1999, was enacted in order to allow smaller irrigation districts to benefit from the grants, and was then codified in NRS Chapter 349, which created the irrigation districts as eligible entities under that chapter, and to allow the Board to award those grants for irrigation projects (only applies to grant monies with the exception of the Clean Water Program). Mr. Cooper stated this was on the agenda to allow Ms. Armstrong to update the board on their question from last meeting, and because of recent requests for funding which are still being considered for eligibility.

b. Policy on Scale to Determine Grant Amount

Mr. Cooper stated that this was discussed at the November workshop and he wanted to make sure that staff understood the Board's wishes before staff began reviewing how this policy would impact potential borrowers. Suggestions were:

- Remove the property tax rate point system; it would be best to put the focus back on water rates.
- Consider the monthly residential water rate on date of application section. This indicates whether the residential rate is sufficient and what percentage of MHI in the area is being charged for water. This is the only metric they have to determine if residents are disadvantaged and having to pay more than approximately 1.5 percent of MHI. Staff would not bring before the Board any system that is not charging a sufficient rate

Chair Scott stated he would like to discuss and potentially take action by eliminating the property tax rate, and Mr. Cooper said that since this was only a discussion point on the agenda, no vote could be made on the matter. He stated that making changes could be placed on the next agenda.

Vice Chair Belanger stated it makes sense to remove the property tax issue, and he wanted to make sure that the rate is principally based on the average household income of the customers or recipients, and that there are references to economic hardships and the existence of a threat to public health. His preference was to make it clear that those are the three principal considerations, as well as any other points the Board feels relevant.

Mr. Cooper stated that staff would bring more information to the next meeting and the Board could further refine or correct. He listed the three most important items as economic hardships, providing adjustments for economic hardships, and the existence of a threat to public health. Vice-Chair Belanger stated that the public health concern should not be overshadowed by any other items and Chair Scott agreed.

Member Williams agreed that getting rid of property tax rate and keeping the public health issue at the forefront was important. She added additional points should be given in instances where water rates are already high in communities compared to median income. Member Workman concurred.

Mr. Cooper stated it was the Board's direction to favor water systems that serve fewer than 6,000 people. He added that staff has no recommendations for this area. Chair Scott stated he had no recommendations for change, but stressed the importance of funding small communities. Mr. Cooper said that this grant does not eliminate larger communities, but favors those that serve fewer than 6,000 people.

Mr. Cooper stated this policy encourages water systems to meet water system compliance, and provide them with points if they have improved and updated their operations and maintenance manuals, cross connection control plan, emergency response plan, and if they have an approved and up-to-date water conservation plan and are following it. He noted that the current policy encourages the reduction of water leakage, and should also focus on whether or not they are metered, and charging a sufficient rate. Mr. Cooper stated that recommendations are:

- To remove some of the project management points, since they are already required
- Fiscal sustainability is already a requirement and applicants can get points if they come to the board with an updated plan ready
- Remove the portion that states "at or above MHI," which has been added to other areas of policy.

Member Workman inquired if the provision to reduce water leakage by at least 25% to cut costs is realistic. He opined that 15% would be reasonable. Mr. Cooper agreed, noting that was another reason staff wanted the Board to consider this policy.

All Board Members agreed with the staff's recommended changes to the above policy.

c. Policy on Nonprofit Public Systems

Mr. Cooper stated that staff's only recommendation was to change the name of this policy to Consolidation of Nonprofit Public Water Systems based on the Board's feedback from the November workshop.

d. Policy on Septic to Community Sewage System Connections

Mr. Cooper stated that staff brought this forward due to communities like Churchill County coming forward recognizing they have a wellhead issue, and are not out of compliance but being proactive. Staff proposes language as follows, “policy for the Board for Financing Water Projects to discontinue funding for the abandonment of individual septic tanks and connecting homes to community systems unless public groundwater is being impacted by failing septic systems or the septic system was installed prior to the date of inception of this policy and could impact public groundwater should it fail.” He wanted that wording in the policy because some communities are installing septic systems today and there is a concern that they might come to the Board in ten years asking for funding.

Member Ruschmeyer said that the policy is important, and he agreed with the suggested change in order to prevent more septic systems without long-term viability.

Chair Scott expressed concern that if the needs expand in the future, the policy may be super sedeced by the legislature.

Mr. Cooper stated that when considering current needs, septic to sewer conversions are important so he did not wish to limit that.

Valerie King of NDEP suggested adding the statement “unless the Board deems otherwise.” Chair Scott agreed, noting that staff should revise that and bring back to the Board.

Board Comments

There were no Board comments.

Public comment

There were no Public comments.

12) Adjourn the board for financing water projects meeting

The board meeting adjourned at 3:15 p.m.

**Board for Financing Water Projects
Drinking Water State Revolving Fund
July 2020**

Drinking Water Program Funding Updates as of July 15, 2020

Cash in fund		\$54,495,804.92
Committed funds not yet disbursed	\$24,151,839.97	
Add commitments for Board consideration	\$2,160,412.00	
Total committed funds after Board approval	\$26,312,251.97	
Lowest cash flow balance in three (3) years		\$25,635,630

Drinking Water Cash Flow Projections¹

	July 2020 to June 2021	July 2021 to June 2022	July 2022 to June 2023
Cash balance forward	\$47,714,365	\$39,163,001	\$31,544,580
Receipts from grants awarded	\$10,334,770	Not forecasted	Not forecasted
Receipts from bonds issued	\$0	Not forecasted	Not forecasted
Receipts from treasurer's Interest ²	\$1,029,187	\$797,327	\$650,587.69
Receipts of loan principal	\$13,219,875	\$13,547,652	\$13,616,797.22
Receipts of loan interest	\$4,158,250	\$3,838,076	\$3,491,121.30
Payments for debt service	(\$3,405,688)	(\$2,872,619)	(\$2,788,825)
Payments to loan recipients ³	(\$33,887,759)	(\$22,928,857)	(\$20,820,000)
Cash balance forward	\$39,163,001	\$31,544,580	\$25,694,261

Drinking Water Grant Conditions for Principal Forgiveness

Current funds to obligate for principal forgiveness loans		\$3,466,860.78
Less projects for board consideration	\$2,160,412	
Current funds to obligate for principal forgiveness loans		\$1,306,448.78
Pending 2020 Grant Application (submitted May 2020)	\$2,552,800	
Total Principal Forgiveness Funds		\$3,859,248.78

¹ Estimate only for planning purposes. All numbers are subject to change.

² Estimated at 2% A.P.R. on undisbursed cash in the fund. Subject to change.

³ Values contain planned loans not yet presented to the Board for Financing Water Projects for funding.

Program Updates

DWSRF Systems and Coronavirus Update

DWSRF is actively monitoring the financial status of all borrowers from the program to ensure technical, managerial and financial capacity requirements are being met during these difficult times. Systems have not indicated any significant technical or managerial issues they need assistance with.

Borrowers are asked to submit quarterly information related to the water operations fund including budget information and economic impact surveys. The next submission of data will not occur until August 14, 2020.

- All borrowers have made their July 1, 2020 debt service payments timely.
- As of March 20, 2020, the program has 31 separate borrowers:
 - 22 Public entities with \$167,116,252.50 outstanding
 - 9 Private entities with \$1,806,703.90 outstanding
- The data collection on May 15 was for Quarter 1 of 2020, which ended March 30. As of that date:
 - Only one private system has expressed concern over being able to make future debt service payments due to temporary closure of their primary business. This business has since re-opened and revenues have returned to normal levels.
 - Many systems expressed concern over their future revenue projections, but indicated it was too early to tell the magnitude of the shutdown and pandemic.

Federal stimulus funding for DWSRF program continues to be discussed in Congress in the wake of the Coronavirus pandemic. The Council of Infrastructure Finance Authority (CIFA) reports they continue to hear bipartisan support for the SRF programs and a desire by Congress to continue supporting them, but have not worked out the amounts, timing, or details of the next grant awards. They are also not sure it will be a special grant versus the normal annual appropriations. Discussions have included:

- Not requiring a state match for federal funds
- Not requiring “shovel-ready” project funding similar to ARRA
- Allowing states to use up to 100% of the grant as principal forgiveness
- No additional changes are expected to the current grant conditions

DWSRF 2020 Intended Use Plan

The 2020 Drinking Water Intended Use Plan was posted for public comment on February 26, 2020. The plan was final on March 26, 2020. Highlights include:

- Forecasted grant funding totaling:
 - For traditional loans: \$7,781,970 (60.97%)
 - For principal forgiveness loans: \$2,552,800 (20%)
 - For-set-aside activities: \$2,429,230 (19.03%)
 - Total 2020 Drinking Water Grant: \$12,764,000



- Principal forgiveness cap raised to \$1,000,000. Systems are still required to self-evaluate water rates every three years, prepare a fiscal sustainability plan, and fund a capital replacement reserve account.
- Additional extenuating circumstances allowing additional funds over \$1 million was expanded to include: 1) Failing infrastructure threatens only source of supply or only storage facility.
- Special incentive for loans until March 27, 2021. Borrowers taking out a loan of \$2 million or more may receive \$250,000 in principal forgiveness. Certain conditions apply. Does not need to be a disadvantaged community or small system to qualify. System must still demonstrate sufficient rates, a fiscal sustainability plan (or equivalent), and a capital replacement reserve.

**Board for Financing Water Projects
Capital Improvement Grants Program
July 2020**

Capital Improvement Grants Program Funding Update as of July 15, 2020

Current Cash:	\$ 1,476,863.58
Reserved for Administration	\$ 14,064.81
Committed funds not yet disbursed	\$ 328,426.01
Projects for Consideration:	\$ 1,134,372.00
Un-committed funds:	\$ 0.76

Committed funds not yet disbursed:

GP2001	Lovelock Meadows Water District	Storage Tank 1 rehabilitation	\$328,426.01
Total			\$328,426.01

Projects for consideration:

#16	Lovelock Meadows Water District	Storage Tank 2 rehabilitation	\$487,500.00
#27	Churchill County	New well for redundant source requirements	\$646,872.00
Total			\$1,134,372.00

Letter of Intent Submitted

#14	Las Vegas Valley Water District (Big Bend)	Treatment plant improvements; storage rehabilitation; distribution; electrical controls	\$5,000,000
	Pershing County Water Conservation District	Rodgers Flume Replacement	\$2,160,000
Total			\$7,160,000

Bond authority:

AB 541	2019 Legislative Session, Section 17	\$3,000,000
	The State Board of Finance shall issue general obligation bonds of the State of Nevada in the face amount of not more than \$3,000,000 in the 2019-2021 biennium as provided in NRS 349.986 for the program for providing grants for water conservation and capital improvements to certain water systems.	
	Less 2019B Series issued December 10, 2019	\$1,500,000
Remaining Authority		\$1,500,000
June 17, 2020	Formal request to the State Treasurer's Office for issuance of additional funds in fall 2020 (Fiscal Year 2021)	\$1,500,000

Arbitrage Rebate:

2019 B Series:

For construction projects = two-year expenditure requirement:

Tahoe / AB541	\$4,000,000
WTR GRTS / AB541	<u>\$1,500,000</u>
	\$5,500,000

Period	Cumulative Expenditures
6 Months	10%
12 Months	45%
18 Months	75%
24 Months	100%

For the 2020 Series:

For construction projects = two-year expenditure requirement:

Tahoe / AB541	\$?
WTR GRTS / AB541	<u>\$1,500,000</u>
	\$1,500,000

Period	Cumulative Expenditures
6 Months	10%
12 Months	45%
18 Months	75%
24 Months	100%

Nevada
Drinking Water State Revolving Fund
Priority List—Effective July 2020

Board for Financing Water Projects

July 2020

Recommendation

It is recommended that the Board for Financing Water Projects approve the Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2020.

General

The 1996 amendments to the Safe Drinking Water Act (SDWA) authorized the DWSRF. The DWSRF is a national program to assist public water systems in financing the cost of drinking water infrastructure projects needed to achieve or maintain compliance with the SDWA requirements and to further the public health objectives of the SDWA. The SDWA authorizes the US Environmental Protection Agency (EPA) to award capitalization grants to states that have established DWSRF programs. The Nevada Legislature passed legislation that authorizes NDEP to administer the DWSRF under the *Nevada Revised Statutes* (NRS) 445A.200 to 445A.295, inclusive. In addition, Nevada has adopted Nevada Administrative Code (NAC) 445A.6751 to 445A.67644, inclusive, which describes the program requirements. Federal regulations for implementation of the DWSRF are found in 40 CFR Part 35. Other program directives include the conditions of the grant award, the Operating Agreement with the EPA, and EPA guidance and policies.

One of the requirements of the NRS pertaining to the DWSRF is that NDEP shall not “Establish the priorities for determining which public water systems will receive money...without obtaining the prior approval of the board for financing water projects” (NRS 445A.265(3)(b)).

Ranking Process

Nevada uses a ranking system to prioritize the order in which eligible projects may be financed¹. 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. The priority ranking system is described in detail in NAC 445A.67569. Projects are ranked into the following four classes and listed in order of priority:

Class I: Significant (acute) health risks

Class II: Violation of primary and/or secondary drinking water standards (chronic health risks)

Class III: Infrastructure rehabilitation/replacement

Class IV: Refinance of existing debt

¹ Nevada Administrative Code (NAC) 445A.67566 to 445A.67574, inclusive

As specified in NAC 445A.67569, points assigned 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. Within each of the above classes, the projects are ranked by type of public water system in the following order:

- a) Community public water systems;
- b) Nonprofit, non-transient water systems; and
- c) Nonprofit, non-transient water systems.

If two or more water projects within the same class and type have the same number of total points, the water project associated with the service area with the highest population is ranked higher.

Nevada regulations allow NDEP to consider any other factor as provided in the Intended Use Plan established for the year in which the priority list is developed. 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 NDEP. Projects that are bypassed are provided notice by NDEP and have an opportunity for objection.

DWSRF Priority List Changes

In May 2020, NDEP sent a solicitation letter to all eligible water systems for proposed new water projects. The following projects are being added to the previous list:

Rank	Applicant	Project
12	TRI GID	Transmission Line Expansion / Arsenic mitigation
13	Baker Water & Sewer GID	New Water System for Lehman Creek Subdivision
34	Southern Nevada Water Authority	Treatment upgrades / system improvements
55	Weed Heights Development, LLC	PER/Storage repair or replacement
56	Gerlach GID	Rehabilitate transmission line appurtenances
62	Town of Tonopah	Main St Utility conflicts
65	Moapa Valley Water District	PER/Gubler Main replacement
74	Gardnerville Ranchos GID	Replace distribution mains
76	Silver Springs Mutual Water Co	Transmission Line upgrade & replacement
83	Moapa Valley Water District	Main St water main replacement
87	Ely, City of	Advanced Metering Infrastructure Project
88	Canyon GID	PER/Well Capacity

The following projects are being removed from the previous list because they were funded or no longer wish to be on the priority list.

Rank	Applicant	Project
42	Kingsbury GID	PER/ER; rehabilitation
48	Yerington, City of	PER/ER; consolidation of Campbell Lane

The Priority List Effective July 2020 also contains changes to the median household income (MHI) of some communities. The 2018 5-Year American Community Census Survey changed disadvantaged designation for the following communities:

Changes in Median Household Income Impacting Disadvantaged Community Designation

System	County	2020R Priority List		Priority List Effective July 2020	
Nevada		\$55,434	2013-2017 American Community Survey	\$57,598	2014-2018 American Community Survey
80% of State MHI		\$44,347		\$46,078	

Removed from Disadvantaged Status

Gabbs, Town of	Nye	\$ 34,063	2013-2017 Community Survey (Gabbs CCD)	\$ 55,847	2014-2018 Community Survey (Gabbs CDP)
Hawthorne, Town of	Mineral	\$ 42,250	2013-2017 Community Survey (Hawthorne CDP)	\$ 48,618	2014-2018 Community Survey (Hawthorne CDP)
McDermitt, Town of	Humboldt	\$ 36,336	2013-2017 Community Survey (McDermitt CCD)	\$ 53,911	2014-2018 Community Survey (McDermitt CCD)
Orovada	Humboldt	\$ 36,336	2013-2017 Community Survey (McDermitt CCD)*	\$ 53,911	2014-2018 Community Survey (McDermitt CCD)
Silver City	Lyon	\$ 41,971	2013-2017 Community Survey (Lyon Co Census Tract 9603.01)	\$ 49,451	2014-2018 Community Survey (Lyon Co Census Tract 9603.01)

CCD = Census County Division: A section of a county

CDP= Census Designated Place: A population concentration for Census statistics

DWSRF Priority List Statistics

As of July 7, 2020, subject to change frequently

Project Status	Percent of Projects	Count of Projects	Estimated Project Cost
In Discussion for Funding / Active Applicants	11.58%	11	139,131,356.00
Project has been funded / Open Project	23.16%	22	95,529,185.00
System not ready to proceed / Need more information	65.26%	62	197,696,806.00
Grand Total	100.00%	95	432,357,347.00

Project Class	Disadvantaged	Systems serving less than 10,000 people	Systems serving more than 10,000 people
Class I Acute Health Risk	0	2	0
Class II Chronic Health Risks	2	8	3
Class III Rehabilitation	24	70	12
Count of Projects	26	80	15
Percent of Total Projects	27.4%	84.2%	15.8%
Percent of Project Costs	15.3%	54.7%	45.3%

Drinking Water State Revolving Fund Priority List -- Effective July 2020

Priority	Water System	PWS ID#	Pop. Served	Number of Svc. Conn.	Total Points	State MHI/ PWS MHI	Revised Points	D	Ownership	Project Description	Estimate	Funded
1	Gold County Estates	NV0003079	950	415	4	0.91	3.63		Private	Nitrate compliance	\$1,200,000	
2	Humboldt Co (Grass Valley)	NV0001098	4,000	1,600	2	1.10	2.21		Public	PER/ER - Creation of new water system	\$100,000	
Total Class I											\$1,300,000	

Class II--Chronic Health Risks Community Water Systems

3	Beatty Water & Sanitation District	NV0000009	1,010	446	12	1.76	21.11	D	Public	PER/ER, Wells 2 & 3 arsenic & fluoride treatment	\$1,970,000	Y ²
4	Carson City	NV0000015	56,000	16,447	13	1.11	14.39		Public	Completion of Regional Water Project - extension from Washington & Phillips to Quill Treatment Plant	\$7,544,452	Y ³
5	Humboldt Co (McDermitt)	NV0000162	200	100	13	1.07	13.89		Public	Arsenic treatment	\$700,000	Y
6	Truckee Meadows Water Authority	NV0000190	325,000	91,000	13	1.00	12.94		Public	Groundwater treatment (arsenic, iron, manganese removal) for reliable source during drought (Phase 1 @ \$ 34,339,000) & Transmission Line (Phase 2 @ \$ 16,862,000)	\$51,201,000	
7	Truckee Meadows Water Authority	NV0000190	325,000	91,000	13	1.00	12.94		Public	Consolidation of Old 40 West water system w/ TMWA (arsenic compliance)	\$250,000	Y
8	Alamo Sewer & Water GID	NV0000005	900	318	12	1.01	12.15		Public	Arsenic treatment	\$1,692,600	Y ²
9	Mt Rose Bowl Property Owners' Water Co	NV0000732	40	15	12	0.91	10.98		Private	LCR compliance, new storage tank	\$800,000	Y & Y ³
10	Silver Knolls Mutual Water Co	NV0004021	120	63	11	0.91	9.96		Private	Arsenic compliance	\$516,000	Y
11	Douglas Co (Fairgrounds/Sunrise Estates)	NV0002540	150	46	13	0.88	8.81		Public	Arsenic compliance	\$2,619,000	

Class II--Chronic Health Risks Non-Community Water Systems

12	TRT GID ¹	NV0000913	10,000	200	13	0.92	12.02		Public	Transmission line Expansion - Arsenic compliance-mitigation	\$1,150,000	
13	Baker Water & Sewer GID ¹	NV0000863	30	20	11	0.99	10.88		Public	To establish new water system - alternative to un-treated surface water source currently in use - Lehman Creek	\$570,000	
Total Class II											\$69,013,052	

Class III--Rehabilitation Community Public Water Systems

14	Las Vegas Valley Water Dist (Big Bend Water Dist)	NV0004092	9,300	2,200	50	1.70	85.06	D	Public	SW treatment plant improvements, storage tank rehabilitation, transmission & distribution line replacement, electrical & control systems improvements	\$5,290,000	
15	Beatty Water & Sanitation District	NV0000009	1,010	446	44	1.76	77.40	D	Public	Pipeline replacement, controls & other system projects	\$2,582,830	Y
16	Lovelock Meadows Water District	NV0000161	5,278	1,409	42	1.38	58.02	D	Public	New well, transmission line, storage, & other system improvements	\$5,000,000	Y
17	Golconda GID	NV0005029	114	102	44	1.25	55.17	D	Public	Spring rehabilitation, transmission line replacement, new chlorination system, & other system improvements	\$810,000	
18	Storey Co (Virginia City Highlands)	NV0000240	1,400	500	59	0.92	54.56		Public	PER/ER (VC Highlands - new source, storage, transmission & distribution system)	\$125,000	
19	Topaz Ranch Estates GID	NV0000239	1,501	730	39	1.33	51.71	D	Public	Rehabilitation/replacement: well, storage tank, transmission & distribution lines	\$13,773,956	Y ³
20	Humboldt Co (Gold County Estates)	NV0003079	950	415	48	0.91	43.61		Public	Consolidation of Gold Country with Humboldt Co, water quality mitigation, SRF loan refinancing	\$2,200,000	
21	Douglas Co (Lake Tahoe Systems)	NV0000258 & NV0000259	2,800	1,085	65	0.66	42.58		Public	Replacement/upgrade: storage tank, booster stations, water lines, SCADA, redundant treatment capacity, & meters	\$38,800,000	
22	Walker Lake GID	NV0000268	400	160	26	1.64	42.52	D	Public	Distribution rehabilitation: source water treatment	\$6,400,000	
23	Las Vegas Valley Water District	NV0000090	1,306,410	354,123	36	1.05	40.02		Public	System rehab: source, storage, distribution & backflow	\$13,209,090	Y
24	Lyon County Utilities (Dayton)	NV0000838	13,000	6,400	42	0.91	38.23		Public	New well, storage, & upgrade transmission & distribution lines	\$9,000,000	
25	North Las Vegas, City of	NV0000175	334,800	87,000	38	1.00	37.92		Public	Replacement of 4 wells including disinfection & buildings	\$11,860,000	Y
26	Blue Diamond Water Cooperative, Inc.	NV0000092	85	23	58	0.85	37.69		Private	PER/ER: Rehab/replace source, storage, transmission & other system improvements; possible consolidation?	\$1,741,500	
27	Churchill Co (Sand Creek Redundant Well)	NV0000406	750	320	33	1.12	36.90		Public	PER/ER: Churchill Co back-up well, storage, distribution looping, & other system improvements	\$1,300,000	Y ²
28	Lander Co Sewer & Water Dist 2 (Austin)	NV0000006	350	230	59	0.82	36.31		Public	Source, treatment, storage, transmission & distribution rehabilitation/replacement	\$1,007,000	Y ³
29	Elko Co (Mountain City)	NV0000170	134	40	23	1.48	34.02	D	Public	Spring rehabilitation & transmission line replacement	\$993,384	
30	Carlin, City of	NV0000014	2,500	900	43	0.72	31.06		Public	PER/ER, Source, storage, transmission & distribution rehabilitation/replacement, & meters	\$10,000,000	Y ²
31	Hawthorne Utilities	NV0000073	3,020	1,894	26	1.18	30.80		Public	Rehabilitation/replacement: distribution mains, source, & storage	\$13,000,000	Y ²
32	Las Vegas Valley Water Dist (Big Bend Water Dist)	NV0004092	9,300	2,200	18	1.70	30.63	D	Public	Riverbank filtration pretreatment	\$1,308,317	Y
33	Lyon County Utilities (Silver City)	NV0000240	244	116	26	1.16	30.28		Public	Storage tank, transmission & distribution line replacements	\$2,000,000	

Priority	Water System	PWS ID#	Pop. Served	Number of Svc. Conn.	Total Points	State MH/ PWS MH	Revised Points	D	Ownership	Project Description	Estimate	Funded
34	Southern Nevada Water Authority ⁴	NV0000289	2,200,000	441,123	29	1.01	29.41		Public	Clark County regional water system modifications: Ozone equipment upgrade, Hacienda Switchgear/MCC Replacement, and South Valley Lateral Actuator Replacement	\$50,600,000	
35	Orovada GID	NV0003022	200	50	27	1.07	28.85		Public	Storage, distribution, & meters	\$1,800,000	
36	Truckee Meadows Water Authority	NV0000190	325,000	91,000	28	1.00	27.88		Public	Consolidation of Verdi Mutual Water System with TMWA	\$710,000	
37	Kingsbury GID (Ponderosa HOA)	NV0000004	3,839	2,450	28	0.98	27.48		Public	Consolidation of Ponderosa HOA with KGID	\$570,355	
38	Alamo Sewer & Water GID	NV0000005	900	318	27	1.01	27.34		Public	New storage tank & source	\$3,670,000	
39	Silver Springs Mutual Water Co	NV0000222	3,070	1,164	18	1.52	27.33	D	Private	Rehabilitate/replace Idaho Well	\$800,000	
40	Yerington, City of	NV0000255	1,750	1,088	17	1.60	27.16	D	Public	Replacement of transmission & distribution mains & appurtenances	\$18,904,418	Y ³
41	Fernley, City of	NV0000062	19,500	7,000	30	0.90	27.05		Public	Surface water conveyance & treatment	\$6,000,000	
42	Gold Country Water Company	NV0003079	360	122	38	0.91	25.44		Private	Acquisition/Consolidation of Star City HoA Water System	\$675,000	
43	Esmeralda Co (Goldfield)	NV0000072	375	276	11	2.30	25.34	D	Public	Transmission line replacement	\$3,475,674	Y & Y ³
44	Crystal Trailer Park	NV0000193	110	40	27	0.86	23.27		Public	Consolidation with TMWA	\$250,000	
45	Moapa Valley Water District	NV0000160	9,000	3,200	28	0.83	23.25		Public	PER/ER: New Arrow Canyon Well #3 & Warm Springs 500k Tank	\$4,292,030	
46	Kingston Town Water Utility	NV0000265	200	195	18	1.25	22.47		Public	PER/ER: New source	\$2,014,000	
47	Douglas Co (Uppaway)	NV0000817	85	35	34	0.66	22.27		Public	PER/ER: Distribution system upgrades; Consolidation of Uppaway with Glenbrook, & Other system needs for consolidation	\$2,200,000	
48	Storey Co (Virginia City)	NV0000240	2,517	694	21	1.02	21.34		Public	Tank & transmission main rehabilitation/replacement	\$7,000,000	Y ³
49	Tonopah Public Utilities	NV0000237	2,600	1,500	13	1.54	20.03	D	Public	Airport storage tank replacement & booster pump re-conditioning	\$395,500	
50	Roark Estates HOA	NV0000319	62	27	13	1.53	19.94	D	Private	Replace backup storage tank	\$225,000	Y
51	Silver Springs Mutual Water Co	NV0000223	3,070	1,164	13	1.52	19.74	D	Private	Rehabilitate/recoat north water storage reservoir	\$228,404	Y & Y ³
52	Esmeralda Co (Silver Peak)	NV0000363	111	75	13	1.44	18.72	D	Public	Storage tank rehabilitation	\$257,300	
53	Virgin Valley Water District	NV0000167	18,000	8,071	18	1.00	17.94		Public	New source(s)	\$4,050,000	
54	Elko Co (Montelo)	NV0000169	180	75	17	1.03	17.58		Public	PER/ER: New source	\$500,000	
55	Weed Heights Development, LLC ⁴	NV0000242	560	301	11	1.60	17.58	D	Private	PER/Storage Tanks repair or replacement	\$507,800	
56	Glenloch GID ⁴	NV0000071	120	156	11	1.49	16.41	D	Public	Rehabilitate transmission line appurtenances between spring sources & town	\$143,000	
57	Ely, City of	NV0000038	5,500	2,200	16	0.99	15.83		Public	Distribution main replacements & storage upgrades	\$23,568,000	
58	Elko Co (Tuscanora)	NV0000189	40	21	8	1.91	15.31	D	Public	Distribution system looping	\$229,704	
59	Round Hill GID	NV0000260	1,821	480	23	0.64	14.67		Public	PER/ER: Redundant treatment system contact chamber & other system improvements	\$600,000	
60	McCill - Ruth GID	NV0000164	700	320	17	0.86	14.65		Public	New water source for Ruth	\$1,624,000	Y ³
61	Las Vegas Valley Water District (Jean)	NV0000089	160	13	11	1.27	13.93	D	Public	Storage tank rehabilitation	\$145,000	
62	Tonopah, Town of (Tonopah Public Utilities) ⁴	NV0000237	2,211	1,332	9	1.54	13.86	D	Public	Correction of Main Street Water Utility Conflicts - to achieve NAC Compliance and meet NDOT Standards	\$157,766	
63	Esmeralda Co (Goldfield)	NV0000072	375	282	6	2.30	13.82	D	Public	Metering system upgrade to radio read	\$198,802	
64	Las Vegas Valley Water District (Kyle Canyon)	NV0000142	1,040	353	23	0.58	13.33		Public	New source: Rainbow Well discharge line relocation	\$1,230,000	
65	Lyon County Utilities	Various	17,000	8,000	11	1.04	11.42		Public	PER/ER for Lyon Co Utilities expansion to Silver Springs	\$150,000	
66	West Wendover, City of	NV0000246	4,406	1,173	11	1.03	11.31		Public	Johnson Spring transmission system - PCCP replacement project	\$1,907,105	
67	Verdi Meadows Water Company	NV0000197	510	171	13	0.86	11.20		Private	Storage tank rehabilitation	\$262,361	
68	Verdi Valley Water District	NV0000167	18,000	8,071	11	1.00	10.96		Public	Transmission main - Mesquite Heights to Pulte	\$1,080,000	
69	Steamboat Springs Water Works, Inc.	NV0000282	989	290	13	0.83	10.83		Private	Tank & appurtenances rehabilitation/replacement	\$500,000	
70	Moapa Valley Water District ⁴	NV0000160	9,000	3,200	13	0.83	10.80		Public	PER/MWVD Gubler Main 4" distribution line replacement to meet 6" minimum pipe-size & installation of PRV station	\$679,500	
71	Lyon County Utilities (Stagecoach GID)	NV0000224	1,411	580	10	1.04	10.38		Public	Inertie Stagecoach GID with Lyon County Utilities	\$1,280,000	
72	McCill - Ruth GID	NV0000164	700	320	12	0.86	10.34		Public	New/Rehabilitate storage tank for Ruth	\$975,000	
73	Churchill Co	NV0000406	750	320	9	1.12	10.06		Public	8-inch distribution line extension from Bottom Rd to Alcorn Rd	\$333,325	
74	Gardnerville Ranchos GID ⁴	NV0000066	11,312	4,400	9	1.05	9.43		Public	Replace schedule 40 & AC distribution mains throughout system	\$9,350,000	
75	West Wendover, City of	NV0000246	4,990	1,103	9	1.03	9.25		Public	Sycamore Way waterline improvement project	\$736,983	
76	Silver Springs Mutual Water Company ⁴	NV0000223	3,070	1,194	6	1.52	9.11	D	Private	Transmission line - Highway 50 Crossing - upgrade & replacement	\$380,000	
77	Esmeralda Co (Silver Peak)	NV0000363	111	99	6	1.44	8.64	D	Public	Metering system upgrade to radio read	\$135,419	
78	Douglas Co (West Valley Water System)	NV0002564 & NV0002054	1,090	421	17	0.51	8.59		Public	New source	\$3,000,000	
79	Nye Co (Gabbas)	NV0000063	411	160	8	1.03	8.25		Public	Distribution line & appurtenances replacement	\$1,658,085	
80	Rosemont Water Company	NV0000767	55	26	12	0.68	8.22		Private	Storage tank rehabilitation	\$150,000	
81	R&M MHP	NV0000054	130	42	7	1.12	8.22		Private	Distribution system & appurtenances replacement	\$89,426	
82	Verdi Meadows Water Company	NV0000196	510	171	9	0.86	7.76		Private	Distribution line & appurtenances replacement	\$1,510,344	
83	Cottonwood MHP	NV0000017	250	91	6	1.11	6.64		Private	PER/ER: distribution system & appurtenances replacement, & other system improvements	\$100,000	
84	West Wendover, City of	NV0000246	4,990	1,103	6	1.03	6.17		Public	Water meter & meter yoke replacement	\$1,921,617	
85	North Las Vegas, City of	NV0000175	334,600	87,000	6	1.00	5.99		Public	Advanced Metering Infrastructure project	\$27,550,000	Y
86	Ely, City of ⁴	NV0000038	5,500	2,190	6	0.99	5.94		Public	Advanced Metering Infrastructure project - under advise per water conservation plan review	\$18,659,700	
87	Canyon GID ⁴	NV0000566	1,250	500	6	0.92	5.55		Public	PER/Well Capacity issue prevention	\$735,000	
88	Douglas Co Public Works	Multiple	9,450	3,610	6	0.92	5.53		Public	Telemetry & SCADA improvements	\$1,265,000	
89	Lyon County Utilities (Dayton)	NV0000032	13,000	6,400	6	0.91	5.46		Public	Systemwide meter replacement project	\$1,150,000	
90	Humboldt Co (McDermitt)	NV0000162	200	100	5	1.07	5.24		Public	Water meter replacement	\$60,000	
91	Glenbrook Water Cooperative	NV0000356	1,000	288	8	0.86	5.24		Private	PER: distribution line replacement/looping	\$38,000	
92	Las Vegas Valley Water District (Blue Diamond)	NV0000010	550	120	8	0.65	5.18		Public	Distribution line & appurtenances replacement	\$2,239,000	
93	Steamboat Springs Water Works, Inc.	NV0000282	989	290	6	0.83	5.00		Private	System metering	\$510,000	

Priority	Water System	PWS ID#	Pop. Served	Number of Svc. Conn.	Total Points	State MHI/ PWS MHI	Revised Points	D	Ownership	Project Description	Estimate	Funded
Class III--Rehabilitation Non-Community Public Water Systems												
94	Trout Canyon Land & Water Users Assoc	NV0004060	140	70	59	0.65	38.23		Private	PER/ER; Repair/rehab spring or replace with well; replace transmission & distribution lines; chlorination; additional storage	\$2,996,000	Y ² & Y ³
Total Class III											\$360,844,295	

Class IV--Refinance

Total Class IV												
TOTAL FOR ALL PROJECTS											\$431,157,347	

Legend:

- ¹ Eligible for Disadvantaged Community Designation
- ² PER & ER or Design funded only
- ³ Funded by Others
- ⁴ New Project on DWSRF Priority List

Public Participation

Federal and state regulations require that the priority list go through a public review process. A public workshop was held in Carson City on July 15, 2020. Prior to the workshop, the proposed, revised list and notice of the workshop was posted 15 days prior to the workshop on the State of Nevada website, posted on the NDEP website, and sent to individuals who have subscribed to the Listserv as required by NRS 241.020(3). All substantive comments, suggestions, or recommendations were addressed.

RECOMMENDED MOTION

I move to approve the resolution designated the “Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2020” to establish the priorities for determining which public water systems will receive money or other assistance from the Account for the Revolving fund as required in Nevada Revised Statute 445A.265(3).

RESOLUTION July-2020

Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2020

- WHEREAS:** The Nevada Division of Environmental Protection (NDEP) is authorized pursuant to *Nevada Revised Statutes* (NRS) 445A.200 to 445A.295, inclusive, to establish procedures for the administration of the Drinking Water State Revolving Fund (DWSRF); and
- WHEREAS:** The DWSRF 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 DWSRF and seek public review and comment on the priority list; and
- WHEREAS:** NRS 445A.265 (3) requires that NDEP 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 (Board); and
- WHEREAS:** NDEP may at any time after receiving approval from the Board revise the ranking of a water project in accordance with Nevada Administrative Code 445A.67567; and
- WHEREAS:** NDEP provided notice and held a workshop for public comments on its proposed priority system on July 15, 2020, via virtual platform pursuant to the Governor’s directive regarding ongoing Covid-19 challenges; and
- WHEREAS:** All substantive comments, suggestions, or recommendations were addressed;

IT IS RESOLVED by the Board for Financing Water Projects of the State of Nevada:

Section 1: This resolution shall be known as the “Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2020” (Resolution)

Section 2: Based on its review of the information and recommendation submitted to the Board concerning the Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2020, the Board hereby makes the following findings of fact in support of its determination to approve the revised priority list:

- (a) NDEP has provided public notice of the Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2020.
- (b) NDEP held a workshop for public review and comment of the Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2020; and

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 Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2020 of public water system projects eligible for funding by the DWSRF.

Section 4: The Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2020 included as Attachment A to this resolution and by reference incorporated herein is a true and correct copy filed with the Board by NDEP.

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

PASSED, ADOPTED, AND SIGNED July 29, 2020

Signed: _____

Chair
Board for Financing Water Projects

Attest: _____

Advisor
Board for Financing Water Projects

**Loan Commitment from the
Nevada Drinking Water State Revolving Fund
Board for Financing Water Projects**

July 2020

Topaz Ranch Estates General Improvement District

Amount and Term	Recommendation
\$ 79,662 Principal Forgiveness	The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects approve a loan commitment to Topaz Ranch Estates General Improvement District (TREGID) for the purposes of completing a preliminary engineering report (PER) and environmental report (ER) to address water infrastructure needs of their public water system (PWS), to identify a viable secondary source, and to address existing pump station repair or rehabilitation needs.

Community Information

Location	Topaz Ranch Estates, Douglas County (See Appendix A)
Structure	General Improvement District
Population	1501
Service Connections	730

Project for Funding

Need The PER and ER will investigate the alternatives to provide redundancy for the existing source, namely Well #1. TREGID PWS has a total of 6 existing wells, here in referred to as Well #1 through #6. Currently, the system relies on a single municipal well (Well #1). Wells #2, #3, #4, and #5 are inactive. A redundant production capacity is mandatory to comply with Nevada Administrative Code (NAC) 445A.6686. Well #6 rehabilitation project, fiscally supported by USDA, was determined to no longer be a viable water source. The PER shall further evaluate booster stations 1 & 2 as well as additional measures/upgrades needed to ensure uninterrupted water supply from Well #1 until a reliable redundant source is established.

Also evaluated will be the distribution system. In a previous water infrastructure project, old water lines were not properly abandoned in place. They are considered “live,” posing a potential health risk to customers if not addressed. The PER update will evaluate these lines and identify potential solutions for corrective measures.

In May 2015, USDA issued a categorical exclusion determination for a systemwide project. NAC mandates a re-evaluation for environmental review determinations 5 or greater years old. As such, depending on the new well location, an ER may be prepared, either extensively or as a simple reassessment of the most recent version of the ER report, to review the impacts of the project on cross-cutting regulations. The PER and ER will follow the USDA RUS Bulletin 1780-2 and USDA Environmental Review policies, respectively.

Timeline PER & ER (including the drilling of a test well): July 2020 – January 2021.

Sources of Project Funding

	DWSRF	Other Partner Funders	Local	Total
Planning	\$ 79,662		\$ 14,058	\$ 93,720
Design, inspection, & Construction Management				
Equipment				
Construction				
Administration				
Contingency				
Financing				
Totals	\$ 79,662	\$0	\$ 14,058	\$ 93,720

Previous Commitments and Studies

TREGID Water Distribution System Improvements Project

In early 2016, TREGID negotiated a new loan with the USDA-RD office for a water line replacement project. Selecting the USDA loan for the new \$3.8 million project allowed TREGID to take advantage of \$2.9 million in grant funds. The project funded by USDA was intended to replace 53,000 linear feet of 2” and 4” inch diameter aged and undersized water mains, update the system layout to eliminate dead ends through pipe looping, improve two of the system’s wells, and increase the number of fire hydrants throughout the service area, enabling TREGID to meet safety and code requirements for the International Fire Code and National Regulatory Services. The Nevada Drinking Water State Revolving Fund (DWSRF) partnered with USDA-RD by refinancing the original loan and making the USDA project more affordable for the GID. As such, on May 31, 2016, TREGID received a refinancing loan of \$412,000 and a 20-year DWSRF loan @ 2.08% interest rate for the purposes of refinancing TREGID’s 2000 Revenue Water Bond.

The PWS needs to resolve multiple pressure zone anomalies ascribed to improper abandonment of the old pipelines when distribution system was last upgraded with new pipelines. The pump equipment for Well #6 is functional. Well #6 was expected to yield water similar in quality to that drawn from Well #1 as these two wells are located only half mile apart within the same groundwater

basin. However Well #6 is currently yielding muddy and sandy water that is not suitable for treatment. A more recent hydrogeological study indicated that, despite proximity, the soil profile under Well #6 is distinctly different from that under Well #1 which compels TREGID to find a new well to re-establish a redundant capacity.

Community Engagement

- **April 16, 2020** – TREGID Staff Issued a public noticed Request for Qualifications for engineering services. The list of services to be covered by the engineering work included planning and design of a new well.
- **May 20, 2020** – TREGID Board meeting discussed and approved an engineer for a new well.
- **June 10, 2020** – TREGID Board meeting discussed and approved “the State Revolving Fund loan application to address water system deficiencies (new well source, distribution system repairs/modifications, etc.)”
- **July 8, 2020** – TREGID Board Meeting with SRF in attendance.

Current System Information

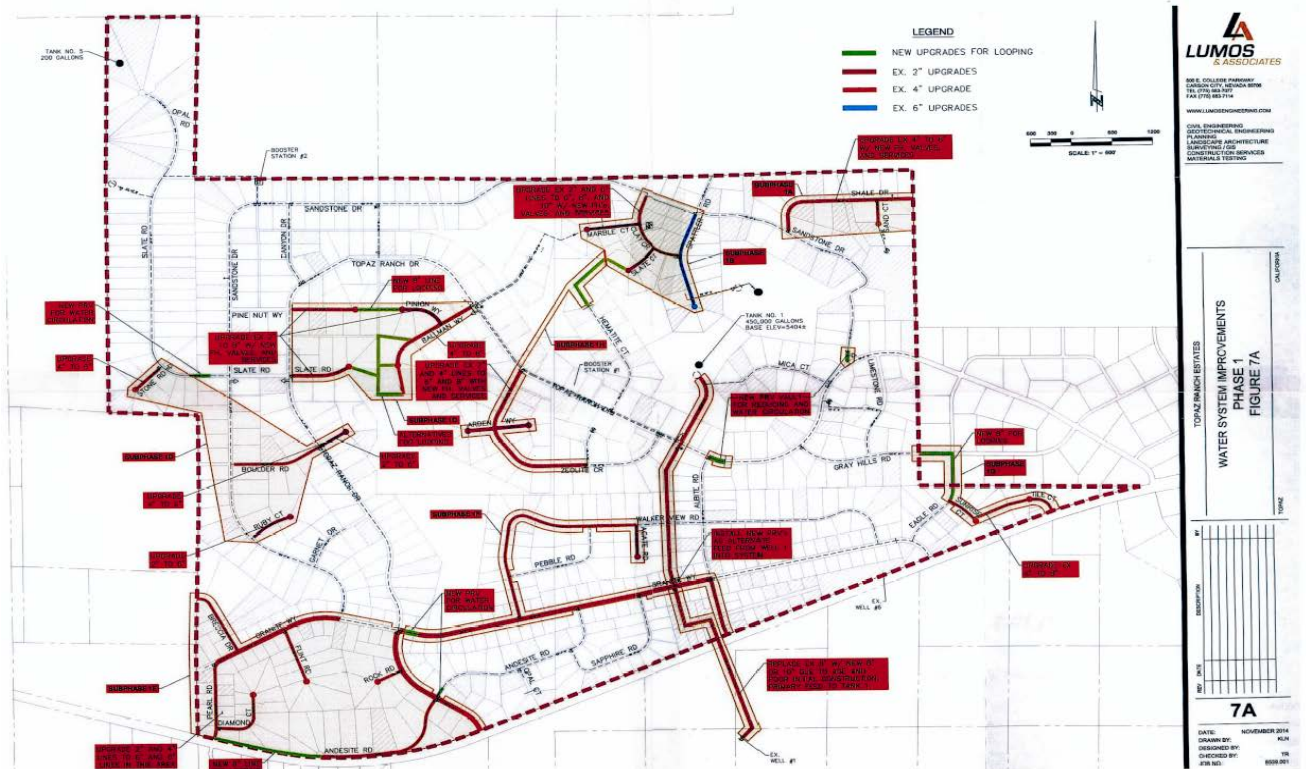
Infrastructure The TREGID water system consists of a 525 gallon per minute well, three storage tanks – Storage Tank 2 (460,000-gallon capacity), Storage Tank 3 (660,000-gallon capacity), and Storage Tank 5 (203,000-gallon capacity). Distribution system comprises PVC, ACP, and PE pipes. Distribution pipes range in size from 4” to 10”. Transmission pipes range in size from 6” to 16”. Significant distribution system upgrades were conducted recently using USDA funding and the TREGID estimates that about 25% of upgrades are pending.

Compliance The most recent sanitary survey of the TREGID water system was conducted by NDEP Bureau of Safe Drinking Water on August 17, 2017. The sanitary survey report indicated a few system deficiencies. The most significant finding was the need to achieve water supply redundancy. Deficiencies were noted with the existing water system infrastructure, specifically, the need to repair or replace aging plumbing at entry point of the chlorinator unit at Well #1 and to replace the fine mesh on the well-to-waste outlet. Other comments in the survey addressed the operations and maintenance manual and storage tank exterior maintenance issues. The USDA-funded project presumably addressed most of the issues, but as detailed below, TREGID must still conduct more exploratory studies to adequately address the redundancy issue and remainder of the distribution system deficiencies.

Water Conservation Plan TREGID has a beneficial use appropriation water right of 873.455 acre-feet per year (290.5 million gallons per year). TREGID water system is a fully metered system. The TREGID water conservation plan was updated in September 2006. A more recent version is currently under review by the Division of Water Resources. TREGID is adopting water-use regulations to promote water conservation during non-emergency situations. TREGID works in cooperation with the other GIDs in the Douglas County (Town of Minden and Gardnerville Ranchos GID) to ensure availability of system components in the event of an emergency. The system has also joined the Nevada Water/Wastewater Agency Response Network (NvWARN), a formal system of “utilities helping utilities” by mutual aid during emergencies.

Technical Capacity	TREGID conducted a technical, managerial, and financial (TMF) capacity survey in April 2020. This survey identified a few technical capacity issues that need improvements. The items of concern include fluctuating pressure ranges, a single water source, and lack of system mapping; however, the overall technical capacity category score of 2.2 (out of 3) satisfies the regulatory requirements for capacity. The PWS maintains a certified distribution and treatment contract operator and is compliant with all water quality monitoring and reporting requirements.
Managerial Capacity	The TMF survey self-reported by the TREGID scored managerial capacity at 2.4 (out of 3). The significant deficiency reported entails the PWS to quantify water rights and maintain its involvement in water rights management. The water system is governed by a five-member Board and employs a full-time District operations manager to oversee operations and fiscal matters of the system. The GID can conduct its affairs in a manner enabling the system to achieve and maintain compliance with federal and state requirements and regulations.
Financial Capacity	Based on the financial information provided, TREGID can meet its short- and long-term financial needs. Financial Information as of June 30, 2019 Unrestricted Cash: \$830,838 (no significant change in cash since 2019) Days Cash on Hand: 654 Outstanding Debt: \$4,595,954 (40.84% of total assets) Operating Income before depreciation: \$122,107 Current Ratio: 4.68 Debt Coverage: 0.69 Financial information is independently audited by VT Accounting Associates.
User Water Rates	Residential base rate per user, per month: \$45.50 service charge and \$2.75 per 1000 gallons of water used. Corresponding rates for commercial and public facility customers are \$60.75 monthly service charge and \$2.90 per 1000 gallons of water usage. TREGID's average monthly residential water consumption is 9,200 gallons. Therefore, the average monthly residential user rate would be: \$73.00. See Appendix B. The water rates established are sufficient to cover operating, maintenance, debt service, and reserves of the system. The system is fully metered.
Fiscal Sustainability Plan	A fiscal sustainability plan will not be required in the loan agreement since this is for a PER and ER only.
Capital Asset Reserve Account	The TREGID is maintaining a capital replacement reserve account as required by previous capital improvements grant funding agreements. The current balance is \$91,793. This proposed funding agreement will not contain a requirement to maintain this reserve account since it is for a PER and ER only.
Principal Forgiveness Eligibility Criteria	The 2021 Intended Use Plan outlines criteria for systems to be eligible for principal forgiveness funding. Preparation of a PER with an ER is a qualified project for up to \$100,000 of principal forgiveness funding with a required 15% match from other sources.

APPENDIX A



APPENDIX B

Water Conservation Alert Stage 2: Tiered Rate Fees:

FEE DESCRIPTION	RESIDENTIAL	COMMERCIAL	BILLED RATE	
	RATES	& PUBLIC FACILITY RATES	RESIDENTIAL	COMMERCIAL
MONTHLY SERVICE CHARGE	\$45.50	\$60.75	\$45.50	\$60.75
1,000-9,999 PER 1,000 GALLONS	\$2.75	\$2.90	\$48.25-\$70.25	\$63.65-\$86.85
10,000-14,999 PER 1,000 GALLONS	\$3.75	\$3.90	\$74.00-\$89.00	\$90.75-\$106.35
15,000-19,999 PER 1,000 GALLONS (STAGE 3: RATES DOUBLE)	\$4.75	\$4.90	\$93.75-\$112.75	\$111.25-\$130.85
20,000-24,999 PER 1,000 GALLONS (STAGE 3: RATES DOUBLE)	\$5.75	\$5.90	\$118.50-\$141.50	\$136.75-\$160.35
25,000-29,999 PER 1,000 GALLONS (STAGE 3: RATES DOUBLE)	\$6.75	\$6.90	\$148.25-\$175.25	\$167.25-\$194.85
30,000-34,999 PER 1,000 GALLONS (STAGE 3: RATES DOUBLE)	\$7.75	\$7.90	\$182.50-\$214.00	\$202.75-\$234.35
35,000-39,999 PER 1,000 GALLONS (STAGE 3: RATES DOUBLE)	\$8.75	\$8.90	\$222.75-\$257.75	\$243.25-\$278.85
40,000-44,999 PER 1,000 GALLONS (STAGE 3: RATES DOUBLE)	\$9.75	\$9.90	\$267.50-\$306.50	\$288.75-\$328.35
45,000-49,999 PER 1,000 GALLONS (STAGE 3: RATES DOUBLE)	\$10.75	\$10.90	\$317.25-\$360.25	\$339.25-\$382.85
50,000+ PER 1,000 GALLONS (STAGE 3: RATES DOUBLE)	\$11.75	\$11.90	\$372.00+	\$394.75+

**STANDING RULE 22
EXHIBIT #1
TOPAZ RANCH ESTATES G.I.D.
FEE SCHEDULE
AS OF NOVEMBER 13, 2019**

FEE DESCRIPTION	RATES		
	1"	1-1/2"	2"
New Hook-up Fee	\$3,000.00	\$5,000.00	\$6,000.00
	RESIDENTIAL	COMMERCIAL	PUBLIC FACILITY
Monthly Service Charge	\$45.50	\$60.75	\$60.75
Per 1,000 Gallons of Water	\$2.75	\$2.90	\$2.75
Non-Pay Reconnect Fee	\$50.00	\$50.00	\$50.00
Returned Check Fee	\$40.00	\$40.00	\$40.00
New Account Deposit	\$100.00	\$100.00	\$100.00
New Account Set-up Charge	\$25.00	\$25.00	\$25.00
Re-Establish Service Fee	\$1,196.00	\$1,196.00	\$1,196.00
Shut-off Valve Installation & Parts	\$100.00	\$100.00	\$100.00
Shut-off Valve Key	\$25.00	\$25.00	\$25.00
Damage to Water Company Property per Hour Charge- plus All Parts	\$125.00	\$125.00	\$125.00
Late Charge on Past-Due Accounts	10%	10%	10%
Charge on Pre-Existing Water Balance; but, Ten Percent (10%) Initial Charge on All Late Non-Water Usage Charges	1.50%	1.50%	1.50%
Weekend/Holiday/After-hours Request to Turn on Water Service	\$60.00	\$60.00	\$60.00
Lien Notification Fee	\$25.00	\$25.00	\$25.00
Lien Filing Fee	\$60.00	\$60.00	\$60.00
Lien Release Fee	\$40.00	\$40.00	\$40.00
Bulk Water Purchase Deposit		\$100.00	
Bulk Water Charge per 1000 Gallons		\$4.00	
Fire Sprinkler Standby Fee for Commercial Properties - up to 3" lines (Monthly Fee)		\$10.00	\$10.00
Fire Sprinkler Standby Fee for Commercial Properties - up to 4" lines (Monthly Fee)		\$15.00	\$15.00
Fire Sprinkler Standby Fee for Commercial Properties - up to 6" lines (Monthly Fee)		\$20.00	\$20.00
Fire Sprinkler Standby Fee for Commercial Properties - up to 8" lines (Monthly Fee)		\$25.00	\$25.00
Credit Card Payment Convenience Fee per transaction	\$4.00	\$4.00	\$4.00
Will/Will Not Serve Letter	\$25.00	\$25.00	\$25.00

DWSRF Authority and Purpose

The 1996 amendments to the Safe Drinking Water Act (SDWA) authorized the DWSRF. The DWSRF is a national program to assist public water systems in financing the cost of drinking water infrastructure projects needed to achieve or maintain compliance with the SDWA and to further the public health objectives of the SDWA. The SDWA authorizes the U.S. Environmental Protection Agency (EPA) to award capitalization grants to states that have established DWSRF programs. The Nevada Legislature passed legislation that authorizes NDEP to administer the DWSRF under the Nevada Revised Statutes (NRS) 445A.200 to 445A.295, inclusive. In addition to the authorizing statute, Nevada has adopted Nevada Administrative Code (NAC) 445A.6751 to 445A.67644, inclusive, which describes the program requirements. Federal regulations for implementing the DWSRF are found in 40 CFR, part 35. Other program directives include the Operating Agreement between NDEP and EPA, the annual Intended Use Plan, EPA guidance and policies, and conditions of each grant award.

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

Loan Conditions

The principal forgiveness loan will contain the following conditions:

- A 15% match for each disbursement request is required.
- The PER must meet the conditions of NDEP’s guidance documents and the Rural Utilities Services Bulletin 1780-2. The ER must address the chosen project(s) area of impact to move the project into the design phase for funding. Should the document not meet these conditions, the funding awarded to create the document must be repaid to OFA.
- OFA will request planning meetings with borrowers and their selected engineering professional to discuss the status of the document. OFA may reimburse eligible expenses in connection with these meetings throughout the creation of the documents.

Percentage of completion of document	Eligible reimbursement
30%	30%
60%	60%
90%	90%
100%	100%

Should no reimbursements be requested that meet the percentage of completion requirement, NDEP will request the following planning meetings:

Months	Eligible reimbursement
6 months	30%
9 months	60%
12 months	90%
15 months and every 3 months thereafter	90% until complete

RECOMMENDED MOTION

I move to approve the resolution titled “D07A-2020 *Topaz Ranch Estates General Improvement District – PER/ER for Water System Project Loan Commitment*,” which is intended to finance certain projects in an amount not to exceed \$ 79,662. Since the project is eligible for additional subsidy as specified in Nevada’s Intended Use Plan, 100 percent of the principal will be forgiven.

RESOLUTION D07A-2020

Topaz Ranch Estates General Improvement District PER/ER for Water System Project Loan Commitment

- WHEREAS:** The Board for Financing Water Projects (Board) of the State of Nevada is authorized by Nevada Revised Statutes (NRS) chapter 445A.265 to approve the Nevada Division of Environmental Protection (NDEP) prioritized lists of water projects and to commit loans from the revolving fund account to help community water systems and non-transient water systems pay for capital improvements and debt refinancing, both of which are required and made necessary under NRS 445A.800 to 445A.955, inclusive, by the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*), and by corresponding regulations; and
- WHEREAS:** NDEP has the responsibility of administering the Drinking Water State Revolving Fund program; and
- WHEREAS:** On July 29, 2020, the Board, under NRS 445A.265(3), approved the Nevada Drinking Water State Revolving Fund (DWSRF) Priority List – effective July 2020, which ranks water projects that are eligible for loans from the Drinking Water State Revolving Fund account; and
- WHEREAS:** Topaz Ranch Estates General Improvement District (Recipient) owns and operates a public water system in Nevada; and
- WHEREAS:** The Recipient submitted a pre-application to NDEP for funding a project to make improvements to the TREGID Water System (Project); and
- WHEREAS:** The Project is included as project #19 on the DWSRF priority list—effective July 2020 for funding water projects; and
- WHEREAS:** The Recipient’s Project is ready to proceed; and
- WHEREAS:** In connection with seeking a loan, the Recipient has submitted a written application to NDEP consistent with NAC 445A.67613; and
- WHEREAS:** NDEP has reviewed the application — including supporting materials — and has determined that the Recipient has the technical, managerial, and financial capability to manage a loan for the Project; and
- WHEREAS:** NDEP has taken all necessary and proper actions as required by regulations on loan applications adopted by the State Environmental Commission (NAC 445A.6751 to 445A.67644, inclusive); and
- WHEREAS:** The Board must give prior approval before NDEP may expend any money from the revolving fund account for the purposes set forth in NRS 445A.275;

IT IS RESOLVED by the Board for Financing Water Projects of the State of Nevada:

Section 1: This resolution shall be known as the “D07A-2020 Topaz Ranch Estates General Improvement District – PER/ER for Water System Project Loan Commitment.”

Section 2: The terms and conditions of the loan for the Project shall be negotiated between the Recipient and NDEP. These terms will include 100% principal forgiveness.

Section 3: Based on NDEP’s review of the application and recommendation to the Board concerning the Project, and subject to the provisions of Section 2 and 4 of this resolution, the Board approves a commitment of funds in the amount not to exceed \$79,662 from the revolving fund account consistent with NRS 445A.265(3).

Section 4: The Board further recommends that NDEP take all other necessary and appropriate actions to advance the provisions of this resolution consistent with NRS 445A.200 to 445A.295, inclusive, and with corresponding regulations.

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

PASSED, ADOPTED, AND SIGNED July 29, 2020

Signed: _____

Chair
Board for Financing Water Projects

Attest: _____

Advisor
Board for Financing Water Projects



July 2020

McGill-Ruth Consolidated Sewer and Water General Improvement District - Town of Ruth Water System

Amount and Term	Recommendation
\$ 80,750 Principal Forgiveness	The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects approve a loan commitment to McGill-Ruth Consolidated Sewer and Water General Improvement District – Town of Ruth Water System for the purposes of completing a preliminary engineering report (PER) and environmental report (ER) to address water infrastructure needs, to identify a viable secondary source, and to address existing pump station repair or rehabilitation needs.

Community Information

- Location** Town of Ruth, White Pine County **(See Appendix A)**
- Structure** General Improvement District
- Population** 440
- Service Connections** 295 (274 Residential, 3 Commercial, and 8 White Pine County)

Project for Funding

Need The Town of Ruth public water system (PWS) is part of McGill-Ruth Consolidated Sewer and Water General Improvement District (McGill-Ruth GID). Presently, the Town of Ruth buys water from Ely and is connected to Ely PWS using a 7-mile long water main and a booster pump station that draws water from dewatering wells in Murry Canyon. When these wells were discontinued or pumped dry, the suction pressure for the booster station was noted to be marginal. The current practice of buying water from the Ely PWS is deemed fiscally unsustainable for the Town of Ruth. Also, achieving redundant production capacity is mandatory to comply with Nevada Administrative Code (NAC) 445A.6686. Additional concerns over the future capability of Ely’s system to meet the Town of Ruth’s drinking water needs prompted McGill-Ruth GID to prepare a PER to consider alternative water sources. Upon exhausting various alternatives identified in this PER, water sampling data recently collected in the Copper Flats area located north of the Town of

Ruth (**Appendix A**) compels the McGill-Ruth GID to pursue this alternative by drilling an exploratory well. Tentative locations for the new well falls on lands managed by the Bureau of Land Management. As such, an environmental report (ER) may be prepared.

The PER and ER will follow the USDA RUS Bulletin 1780-2 and NDEP Environmental Review policies.

Timeline PER & ER (including the drilling of a test well): July 2020 – January 2021.

Sources of Project Funding	DWSRF	Other Partner Funders	Local	Total
Planning	\$ 80,750	\$ 0	\$ 14,250	\$ 95,000
Design, inspection, & Construction Management				
Equipment				
Construction				
Administration				
Contingency				
Financing				
Totals	\$ 80,750	\$ 0	\$ 14,250	\$ 95,000

Previous Commitments and Studies

TOWN OF RUTH WATER SYSTEM: Water supply options to meet the Town of Ruth’s drinking water needs were previously investigated by Schlumberger Water Services in 2009. This study assumed that supply at the rate of 400 gallons per minute (gpm) was necessary to meet the Town of Ruth’s water demand. However, meter data collected by the District over a period of three years, between 2013 and 2016, indicated that a peak supply of 100 gpm would suffice to meet current demand. A PER was later prepared to identify a water supply source and considered Ward Mountain Springs, wells in McGill, and wells in the immediate vicinity of the Town of Ruth. A new 1,540-foot deep well was completed in 2018 by Robinson Mine. These three alternatives were found to be nonviable sources either due to water quality and quantity issues or due to cost of conveyance. The McGill-Ruth GID recently conducted a preliminary water sampling in the general area of Copper Flats—also an alternative identified in this PER. The results of this study make a compelling case for the McGill-Ruth GID to further explore this alternative.

Community Engagement

- **November 18, 2019, Board of County Commissioners Meeting:** The Board discussed and approved the McGill-Ruth GID to apply for funding from the State Revolving Fund Program.

Current System Information

Infrastructure McGill-Ruth GID consists of two groundwater wells operated by McGill as well as an 18-mile pipeline belonging to the Town of Ruth, which is currently not in use. The pipeline was used to convey water from springs in Ward Peak and several storage tanks. The Ruth portion of this consolidated system currently has its water main connected to Ely PWS and distributes water delivered from Murray Canyon in Ely. In 2018, a new well was drilled by Robinson Mine for the Town of Ruth's benefit. Due to the rapidly receding water table—currently measured at more than 1,000 feet below ground surface—this well is no longer considered a viable water supply source. The system currently has a storage tank, which sits on land leased from the Robinson Mine.

Compliance The most recent sanitary survey of the Town of Ruth PWS was conducted by NDEP's Bureau of Safe Drinking Water in 2013. The significant finding then was the need to achieve water supply redundancy. This deficiency was noted to be corrected as of July 2019 upon the construction of a new well by Robinson Mine. However, the applicant reports that this well soon became a non-source compelling the Town of Ruth to continue to explore other options. The Town of Ruth PWS further reports that a storage tank located within the mine property needs rehabilitation, regardless of the source of the water the Town ultimately identifies.

Water Conservation Plan Water conservation plans must be updated every five years to comply with Nevada statutes¹. The McGill-Ruth GID Water Conservation Plan was last updated in September 2009 and is available on the Nevada Division of Water Resources website. Since this plan was published, both short- and long-term sustainability of the community were frequently noted to be in delicate balance due to limited and challenging water supply options. The Town of Ruth PWS is currently drafting a new water conservation plan.

Technical Capacity The Town of Ruth PWS conducted a technical, managerial, and financial capacity survey in November 2019. This survey identified few technical capacity issues in need of improvements. The items of concern include the need to achieve water supply redundancy, a lack of back-up equipment, and the absence of tracking non-revenue water; however, the overall technical capacity category score of 2.63 (out of 3) satisfies the regulatory requirements for technical capacity. The PWS maintains a certified operator for distribution and treatment and is compliant with all water quality monitoring and reporting requirements.

Managerial Capacity The TMF survey identified a need for the Town of Ruth PWS to have an emergency response plan not older than 5 years old, and to routinely rehearse said plan. The Town of Ruth Water System is governed by a five-member board and employs a full-time utility manager to oversee operations and fiscal matters of the system. The PWS's managerial capacity category score of 2.5 (out of 3) demonstrates its ability to conduct its affairs in a manner enabling the system to achieve and maintain compliance with federal and state requirements and regulations.

¹ Nevada Revised Statutes (NRS) 540.121 to 540.151

Financial Capacity Based on the financial information provided, McGill-Ruth GID can meet its short- and long-term financial needs.

Financial Information as of **June 30, 2019**

Unrestricted Cash: \$861,453

Days cash on hand: 1,143

Outstanding Debt: \$0

Operating Income before depreciation: \$55,117

Current Ratio: 62.34

Debt Coverage: none

Financial information is independently audited by HintonBurdick.

User Water Rates Current rates were implemented July 1, 2020. Structure includes a 2.4% annual increase to the base rate for the next five (5) years.

Residential base rate per user, per month: \$19.00 (no water included)

Water Obligation Fee per parcel: \$7.00 / month

Tier One: \$1.00/1,000 gallons (0-5,000 gallons)

Tier Two: \$2.00/1,000 gallons (5,001-10,000 gallons)

Tier Three: \$3.00/1,000 gallons (10,001 or more gallons)

Average water rate/use for system: \$37.00 (8,000 gallons)

Adopted water rates are sufficient to cover operating, maintenance, and reserves of the system. The system is fully metered.

Fiscal Sustainability Plan A fiscal sustainability plan will not be required in the loan agreement since this is for a PER and ER only.

Capital Asset Reserve Account The McGill-Ruth GID is maintaining a capital replacement reserve account as required by previous capital improvements grant funding agreements. The current balance is \$200,000. This proposed funding agreement will not contain a requirement to maintain this reserve account since it is for a PER and ER only.

Principal Forgiveness Eligibility Criteria The 2021 Intended Use Plan outlines criteria for systems to be eligible for principal forgiveness funding. Preparation of a PER with an ER is a qualified project for up to \$100,000 of principal forgiveness funding with a 15% match on each draw.

APPENDIX A

Town of Ruth – Arial View



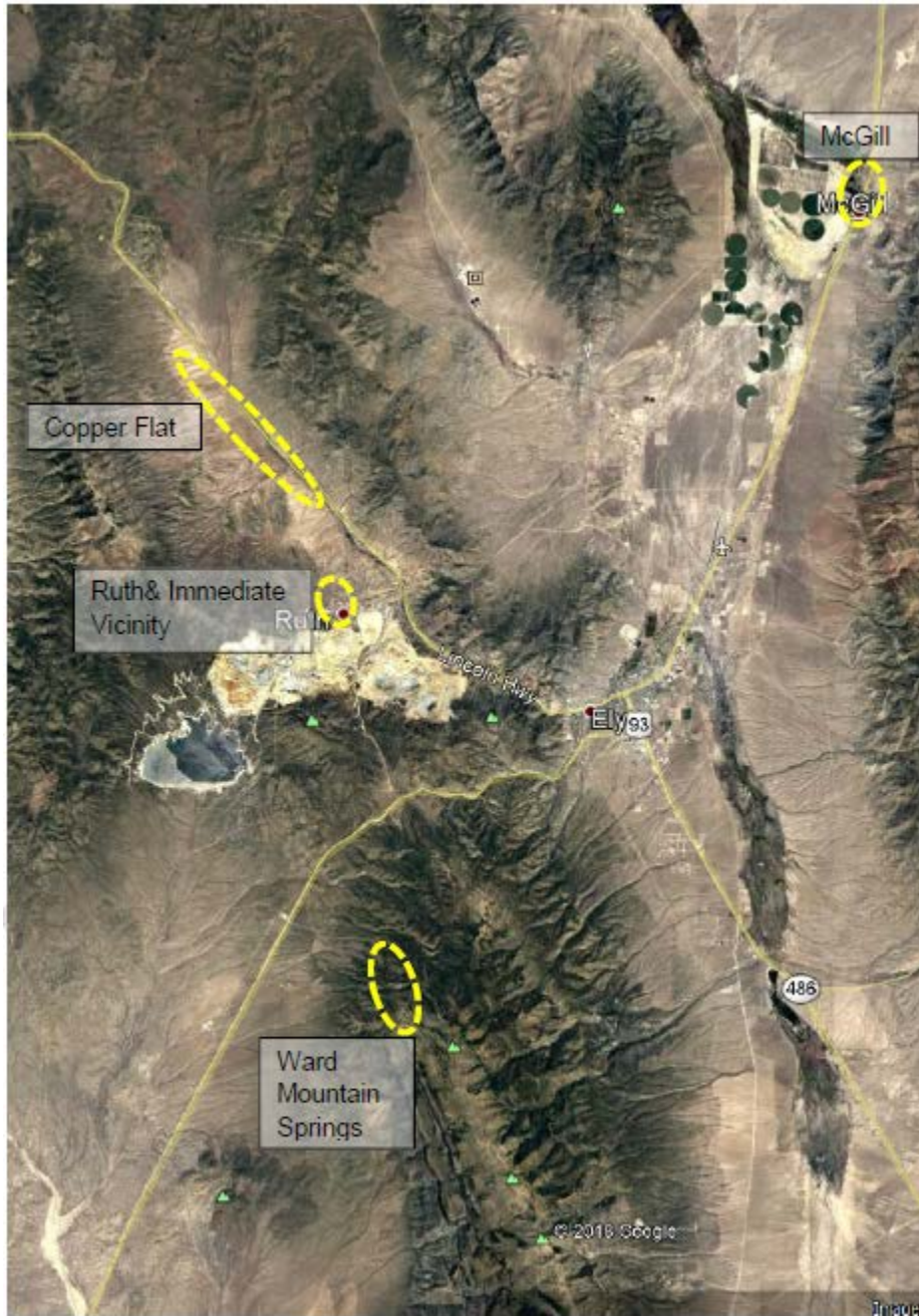


Figure 1. Generalized Project Location Map Showing Target Areas Identified by the District.

Drinking Water State Revolving Fund Authority and Purpose

The 1996 amendments to the Safe Drinking Water Act (SDWA) authorized the Drinking Water State Revolving Fund (DWSRF). The DWSRF is a national program to assist public water systems in financing the cost of drinking water infrastructure projects needed to achieve or maintain compliance with the SDWA and to further the public health objectives of the SDWA. The SDWA authorizes the U.S. Environmental Protection Agency (EPA) to award capitalization grants to states that have established DWSRF programs. The Nevada Legislature passed legislation that authorizes NDEP to administer the DWSRF under the *Nevada Revised Statutes* (NRS) 445A.200 to 445A.295, inclusive. In addition to the authorizing statute, Nevada has adopted *Nevada Administrative Code* (NAC) 445A.6751 to 445A.67644, inclusive, which describes the program requirements. Federal regulations for implementing the DWSRF are found in 40 CFR, part 35. Other program directives include the Operating Agreement between NDEP and EPA, the annual Intended Use Plan, EPA guidance and policies, and conditions of each grant award.

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

Loan Conditions

The principal forgiveness loan will contain the following conditions:

- A 15% match for each disbursement request is required.
- The PER must meet the conditions of NDEP’s guidance documents and the Rural Utilities Services Bulletin 1780-2. The ER must address the chosen project(s) area of impact to move the project into the design phase for funding. Should the document not meet these conditions, the funding awarded to create the document must be repaid to OFA.
- OFA will request planning meetings with borrowers and its selected engineering professional to discuss the status of the document. OFA may reimburse eligible expenses in connection with these meetings throughout the creation of the documents.

Percentage of completion of document	Eligible reimbursement
30%	30%
60%	60%
90%	90%
100%	100%

Should no reimbursements be requested that meet the percentage of completion requirement, NDEP will request the following planning meetings:

Months	Eligible reimbursement
6 months	30%
9 months	60%
12 months	90%
15 months and every 3 months thereafter	90% until complete

RECOMMENDED MOTION

I move to approve the resolution titled “D07B-2020 *Town of Ruth PER/ER update for Water Project Loan Commitment*” which is intended to finance certain projects in an amount not to exceed \$80,750. Since the project is eligible for additional subsidy as specified in Nevada’s Intended Use Plan, 100 percent of the principal will be forgiven.

RESOLUTION D07B-2020

Town of Ruth PER/ER update for Water Project Loan Commitment

- WHEREAS:** The Board for Financing Water Projects (Board) of the State of Nevada is authorized by *Nevada Revised Statutes* (NRS) chapter 445A.265 to approve the Nevada Division of Environmental Protection (NDEP) prioritized lists of water projects and to commit loans from the revolving fund account to help community water systems and non-transient water systems pay for capital improvements and debt refinancing, both of which are required and made necessary under NRS 445A.800 to 445A.955, inclusive, by the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*), and by corresponding regulations; and
- WHEREAS:** NDEP has the responsibility of administering the Drinking Water State Revolving Fund program; and
- WHEREAS:** On July 29, 2020, the Board, under NRS 445A.265(3), approved the Nevada Drinking Water Priority List—Effective July 2020, which ranks water projects that are eligible for loans from the Drinking Water State Revolving Fund account; and
- WHEREAS:** McGill-Ruth Consolidated Sewer and Water General Improvement District for Town of Ruth Water System (Recipient) owns and operates a public water system in Nevada; and
- WHEREAS:** The Recipient submitted a pre-application to NDEP for funding a project to make updates to their most recent PER/ER for the Town of Ruth Water System (Project) redundant source exploration; and
- WHEREAS:** The Project is included as project # 60 on the Drinking Water Priority List effective July 2020 for funding water projects; and
- WHEREAS:** The Recipient's Project is ready to proceed; and
- WHEREAS:** In connection with seeking a loan, the Recipient has submitted a written application to NDEP consistent with NAC 445A.67613; and
- WHEREAS:** NDEP has reviewed the application — including supporting materials — and has determined that the Recipient has the technical, managerial, and financial capability to manage a public water system a loan for the Project; and
- WHEREAS:** NDEP has taken all necessary and proper actions as required by regulations on loan applications adopted by the State Environmental Commission (NAC 445A.6751 to 445A.67644, inclusive); and
- WHEREAS:** The Board must give prior approval before NDEP may expend any money from the revolving fund account for the purposes set forth in NRS 445A.275;

IT IS RESOLVED by the Board for Financing Water Projects of the State of Nevada:

Section 1: This resolution shall be known as the “D07B-2020 Town of Ruth PER/ER Update for Water Project Loan Commitment.”

Section 2: The terms and conditions of the loan for the Project shall be negotiated between the Recipient and NDEP. These terms will include 100% principal forgiveness.

Section 3: Based on NDEP’s review of the application and recommendation to the Board concerning the Project, and subject to the provisions of Section 2 and 4 of this resolution, the Board approves a commitment of funds in the amount not to exceed \$80,750 from the revolving fund account consistent with NRS 445A.265(3).

Section 4: The Board further recommends that NDEP take all other necessary and appropriate actions to advance the provisions of this resolution consistent with NRS 445A.200 to 445A.295, inclusive, and with corresponding regulations.

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

PASSED, ADOPTED, AND SIGNED July 29, 2020

Signed: _____

Chair
Board for Financing Water Projects

Attest: _____

Advisor
Board for Financing Water Projects

**Loan Commitment from the
Nevada Drinking Water State Revolving Fund**

Board for Financing Water Projects

July 2020

Mineral County - Hawthorne Utilities

Amount and Term	Recommendation
<u>\$1,000,000</u> Principal Forgiveness from DWSRF	The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approve a loan commitment to Hawthorne Utilities to replace their failing storage tanks.

Community Information

Location	APN 006-300-32-Corner of Armory Road and Corey View Road (Attachment A)
Structure	County Government
Population	3,300
Service Connections	Total 1665: 1,569 Residential; 62 Commercial; 7 Industrial; Other 27

Project for Funding

Need Hawthorne Utilities owns and operates a public water system (PWS) (**Appendix A for Map**). Some of the significant infrastructure components of the system were originally constructed between 1930 and 1970. Sanitary surveys conducted by the Bureau of Safe Drinking Water, and a recent regional water plan, noted that two storage tanks and two storage reservoirs have significant rehabilitation needs, including the need to replace one tank, which would be cost prohibitive. The purpose of the project is to replace existing ageing, deteriorated storage infrastructure by constructing two new storage tanks. The project includes, constructing two storage tanks and transmission line upgrades as needed, and decommissioning the older storage unit(s) via physical separation (**Attachment A**). This construction project will assist the water system's compliance with both the federal Safe Drinking Water Act and the regulations of NDEP, Bureau of Safe Drinking Water in five ways: 1) the new storage facilitates PWS compliance with the regulatory requirements for achieving sufficient total capacity of the system; 2)

materials used will be in compliance with all required regulations and standards including pipe sizes and water pressures; 3) one of the storage tank's coating reportedly contains lead based paint. The new storage tank will help avert potential health issues from the exposure to this paint to the staff and to the system in general; Utilization of the new storage tank will further improve the system's ability to consistently supply drinking water to the community in a manner protective of public health; 4) This project is considered a green project - an often encouraged option to promote increased returns for the State investment and help the water sector, in general, improve the water quality services without putting additional strain on the existing energy grid. The facility design and construction methods will follow current industry standards and efficiencies; and 5) Long-term benefits include increased flexibility in storage operation and reduced maintenance responsibilities.

Chosen Project A preliminary engineering report (PER) addressing a regional water plan was prepared by the applicant with partial funding from the Nevada Drinking Water State Revolving Fund. Based on the assessment of the existing regional infrastructure, it was recommended that two 1.5-million-gallon ground-level welded steel storage tanks be constructed to replace the existing in-town storage facilities, which include the small reservoir, the large reservoir, and Babbitt Tank. As part of this project, it is proposed that these three older facilities be decommissioned and physically separated from the system. The cost to construct the new storage tanks includes efforts to decommission the large reservoir through cutting and capping pipes for separation from the system, removal and disposal of the existing cover, and backfilling the structure.

The project will be designed to meet green project classification. A present worth analysis and rating matrix of non-monetary factors for each alternative will be conducted prior to finalizing project components of this project.

Project Alternatives *Do Nothing:* Storage capacity sufficient to meet peak daily demand, including reserve storage needed for fire protection, is a regulatory requirement that censures an un-interrupted drinking water supply. No action is not a feasible option for this PWS as the primary infrastructure for storage has reached the initial design life with various significant sanitary issues with a potential to compromise system's ability to continue to supply drinking water.

Specifics for other project alternatives to compare with the preferred project are not available to report.

Maps Maps are attached to this report.

Estimated Timeline Loan first draw/Bond closing: September 2020
Planning, Design and Specifications: February 2021
Contract Award: March 2021
Construction Procurement: April 2021

Sources of Project Funding

	DWSRF	Local	USDA Partner Funding	Total
Planning	\$ 0	\$ 0	\$ 0	\$ 0
Design, inspection, & Construction Management	\$ 517,800	\$ 0	\$ 0	\$ 517,800
Equipment & Materials	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 482,200	\$ 0	\$ 3,455,000	\$ 3,937,200
Administrative	\$ 0	\$ 0	\$ 0	\$ 0
Contingency	\$ 0	\$ 0	\$ 0	\$ 0
Financing	\$ 0	\$ 0	\$ 80,000	\$ 80,000
Totals	\$ 1,000,000	\$ 0	\$ 3,535,000^A	\$ 4,535,000
^A USDA offering loan and grant combination. Approximately 85% loan at 1.125% over 40 years. Subject to change.				

Environmental Review

The existing primary storage infrastructures for the Hawthorne Utility PWS are located within a 10-acre parcel for which easements were procured from Army Base in 1978. All construction activities including repairs and replacements shall require prior approval from the Base. A preliminary review of various federal crosscutters indicates that substantive work will be required to prepare a final environmental report. This project will be co-funded by United State Department of Agriculture (USDA). USDA shall be the lead agency for the primary environmental review. NDEP shall consider the outcome of USDA's determination in making a final determination consistent with environmental regulations and guidance pursuant to NAC.

Community Engagement

- The systems contracted engineer, Farr West Engineering, conducted meetings with interested parties as part of the development of the Preliminary Engineering Report (PER) partially funded under drinking water SRF contract DW1706.
- **January 2, 2020:** Water Conservation Plan for the PWS is approved.
- **May 20, 2020 Board of County Commission Meeting:** Approval to proceed with the water project by seeking funding support as needed.
- **May 20, 2020 Board of County Commission Meeting:** Approval to begin a rate study for the water utility system. Initial estimates indicate the rates need to be increased by 23.6%.

Current System Information

Infrastructure According to most recent PER, Hawthorne Utility PWS has a total of 7 wells and 4 storage structures, and approximately 192,100 feet of water distribution lines. Three of the wells are equipped with Chlorinators. Storage facilities include a 2.75 million-gallon (MG) capacity underground concrete reservoir, a 1.0 MG capacity steel tank (Babbitt Tank), and two smaller (250 thousand-gallon capacity) tanks – one underground concrete reservoir and one steel tank (Whiskey Flat Tank) (**See Attachment B**). Hawthorne Utility PWS distribution system consists of pipes made of asbestos cement, steel, galvanized iron, ductile iron, cast iron, and polyvinyl chloride, ranging from 2 to 14 inches in diameter. Much of the infrastructure is 50 years or older and the Babbitt Tank, constructed in 1956, is noted to contain lead-based paint used in coating.

Compliance The most recent sanitary survey of the Hawthorne Utilities PWS was conducted by the NDEP Bureau of Safe Drinking Water on October 22, 2019. Deficiencies noted with the existing water system infrastructure are as follows:

Concrete Tank 1 (3 MG): The reservoir liner is in advanced poor condition and replacement of this liner is recommended.

Concrete Tank 2: Inside of the roof of the tank is rusting, seal around the entire tank is failing, and manhole cover needs gasket.

Steel Tank 2 (1 MG): The hole around the level indicator cable must be closed. Storage facility must be fenced and locked.

Steel Tank 3 (1 MG): The tank coat is in advanced poor condition. Due to the existing lead-based paint coating, re-coating and/or rehabilitation of this tank may be cost prohibitive. Other storage options should be investigated.

Steel Tank 4 (250 K): Close the hole around the level indicator cable to protect the storage tank from insects or other contamination. Overflow pipe must be adequately sized, the terminus must be screened or equipped with flapper valve, must have a splash plate or other erosion prevention measures, and the terminus must be air gapped to daylight. Tanks needs Interior and Exterior Coating. Inspect the area marred by shotgun blast to make sure the tank's integrity has not been affected.

Whiskey Flat wells 1, 2, &3: All the wells must be equipped with piping and valves to pump to waste. Chlorinators at each of these wells must be maintained lead free.

Water Conservation Plan A water conservation plan for the Hawthorne Utilities PWS was prepared in 2016 and more recently it was updated in 2019. This plan is currently on file with and is made available on Nevada Division of Water Resources Website. Because of the limited revenue related to low growth Hawthorne Utilities, the utility must balance conservation with revenue requirements. To maintain this balance, the utility has instituted an inclining block rate structure which encourages conservation while generating sufficient revenue for the operation of the utility.

Using the State Demographer total population estimate of 3,023 in 2014, current average per capita water use in Hawthorne is 121.1 gallons per person per day. Additional water savings could be achieved through the efforts of individual customers who currently use the most water. Additionally, since the last conservation plan was drafted in 2016, Hawthorne replaced the water distribution lines and upgraded to smart meters in about two thirds of town. The new distribution lines and meters have reduced unaccounted for water.

Water conservation plans must be updated every five years and comply with Nevada statutes¹, as such next update of this plan is due in 2024.

Technical Capacity The water system conducted a technical, managerial, and financial capacity survey on July 14, 2020. The evaluation did not note any areas of potential improvement. The overall technical capacity category score of 2.96 (out of 3) satisfies the regulatory requirements for capacity. The PWS has enough certified operators to fulfill the daily operation and maintenance support services.

Managerial Capacity The water system is owned and governed by a three-member Board of County Commissioners and employs a full-time Director, an operations manager, and staff to oversee operations and fiscal matters of the system. The overall managerial category capacity score is 2.89 (out of 3) with a need to maintain an up to date operations and maintenance as the only noted capacity deficiency. The PWS can conduct its affairs in a manner enabling the system to achieve and maintain compliance with federal and state requirements and regulations.

Financial Capacity Based upon the financial information provided, Hawthorne Utilities can meet its short- and long-term financial needs.

Financial Information as of June 30, 2019:

Unrestricted Cash: \$610,034

Days cash on hand: 393

Outstanding Debt: \$3,246,888 (41.24% of total assets)

Operating Income before Depreciation and Post -Employment Benefits:
\$173,657

Current Ratio: 5.59

Debt Coverage: 1.59

Financial information is independently audited by Arrighi, Blake & Associates, LLC.

¹ Nevada Revised Statutes (NRS) 540.121 to 540.151

User Water Rates Residential base rate per user per month: \$16.28 0 – 5,000 gallons
 Loan fee: \$8.00 / month
 Commodity Rate Tier 1: 5,000—10,000 gallons: \$1.03 per 1,000 gallons
 Commodity Rate Tier 2: 10,000—20,000 gallons: \$1.19 per 1,000 gallons
 Average Water Rate/Use for system: \$33.00 13,000 gallons

The water rates established are sufficient to cover operating, maintenance, debt service and reserves of the current system. A rate study is being conducted by the system to evaluate rates for the USDA loan and the future system needs. This loan will contain a condition that rates be evaluated every three (3) years for the life of the asset to ensure the system is charging enough to fund needed operations, maintenance, debt service and reserves of the constructed assets and system.

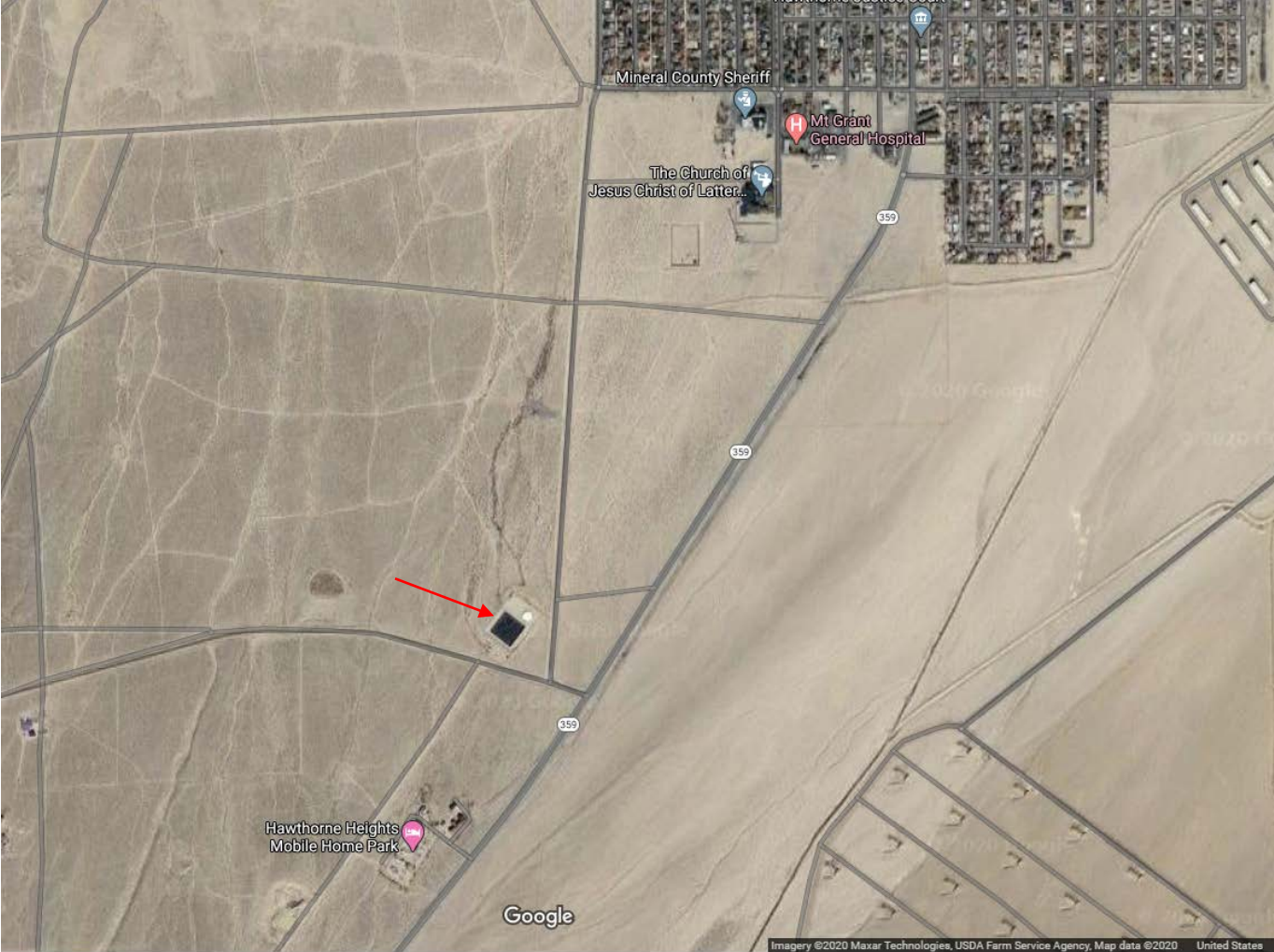
Fiscal Sustainability Plan Hawthorne Utilities recently completed a fiscal sustainability plan. This loan will contain a condition that the system maintain a fiscal sustainability plan and update it every five years for the life of the loan.

Capital Replacement Reserve Account Hawthorne Utilities is currently maintaining a capital replacement reserve account. The current balance is \$42,575. This loan will contain a condition that the system maintain a capital replacement reserve account for the life of the loan.

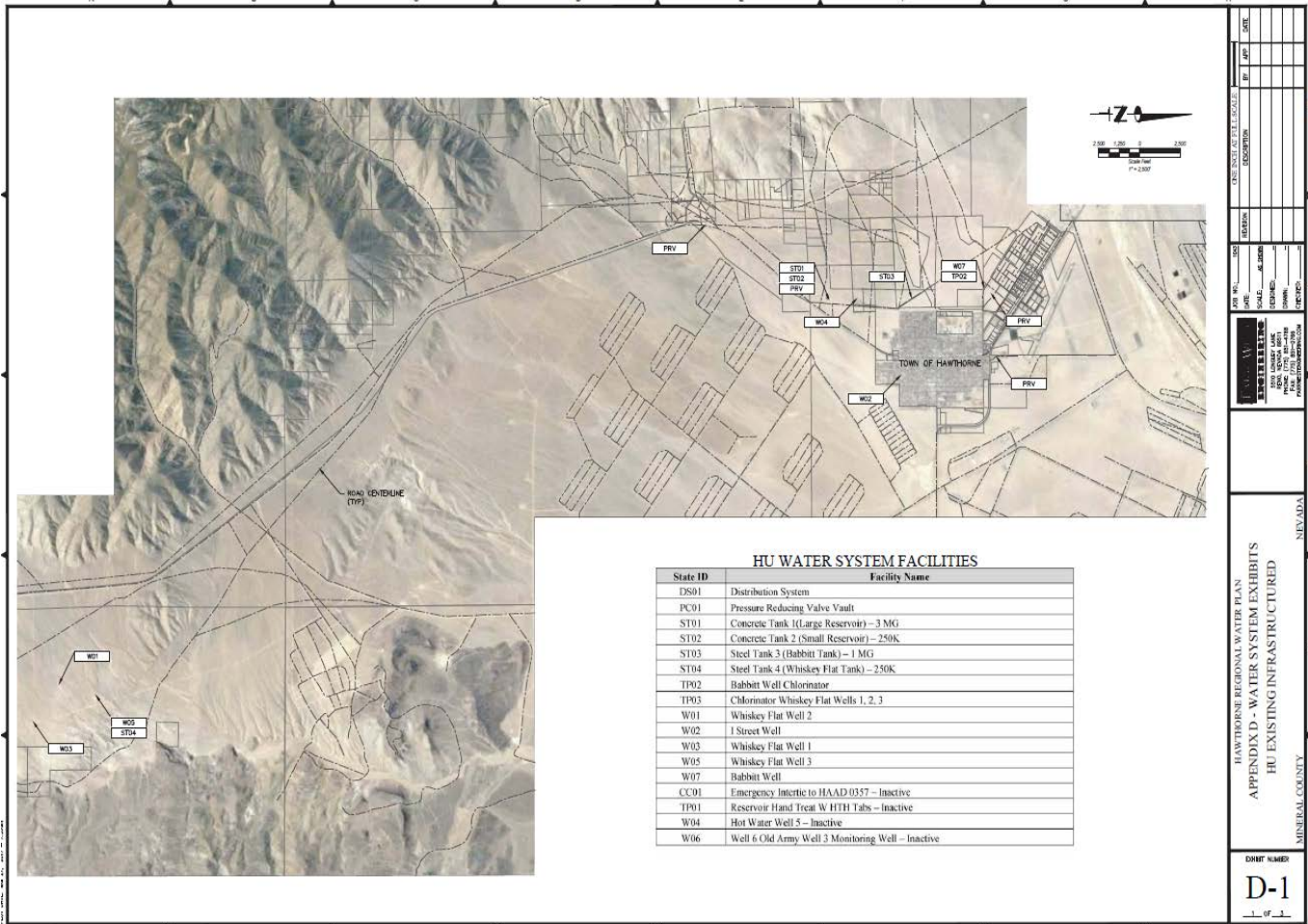
DWSRF Principal Forgiveness Eligibility Criteria Hawthorne Utilities received 65 points (50 needed to qualify) in order to receive principal forgiveness funding. A declining population, high percent of the population unemployed and not in the workforce, and a loan for the full amount would not be affordable were the qualifying factors. Hawthorne Utilities was previously designated a disadvantaged community, but the most recent Census data showed they were slightly above the 80% requirement for this designation.

APPENDIX A

Hawthorne Utility Existing Storage Tank & Reservoir



Hawthorne Utility Public Water System Facilities



HU WATER SYSTEM FACILITIES

State ID	Facility Name
DS01	Distribution System
PC01	Pressure Reducing Valve Vault
ST01	Concrete Tank 1(Large Reservoir) – 3 MG
ST02	Concrete Tank 2 (Small Reservoir) – 250K
ST03	Steel Tank 3 (Babbitt Tank) – 1 MG
ST04	Steel Tank 4 (Whiskey Flat Tank) – 250K
TP02	Babbitt Well Chlorinator
TP03	Chlorinator Whiskey Flat Wells 1, 2, 3
W01	Whiskey Flat Well 2
W02	J Street Well
W03	Whiskey Flat Well 1
W05	Whiskey Flat Well 3
W07	Babbitt Well
CC01	Emergency Inertic to HAAD 0357 – Inactive
TP01	Reservoir Hand Treat W HTH Tabs – Inactive
W04	Hot Water Well 5 – Inactive
W06	Well 6 Old Army Well 3 Monitoring Well – Inactive

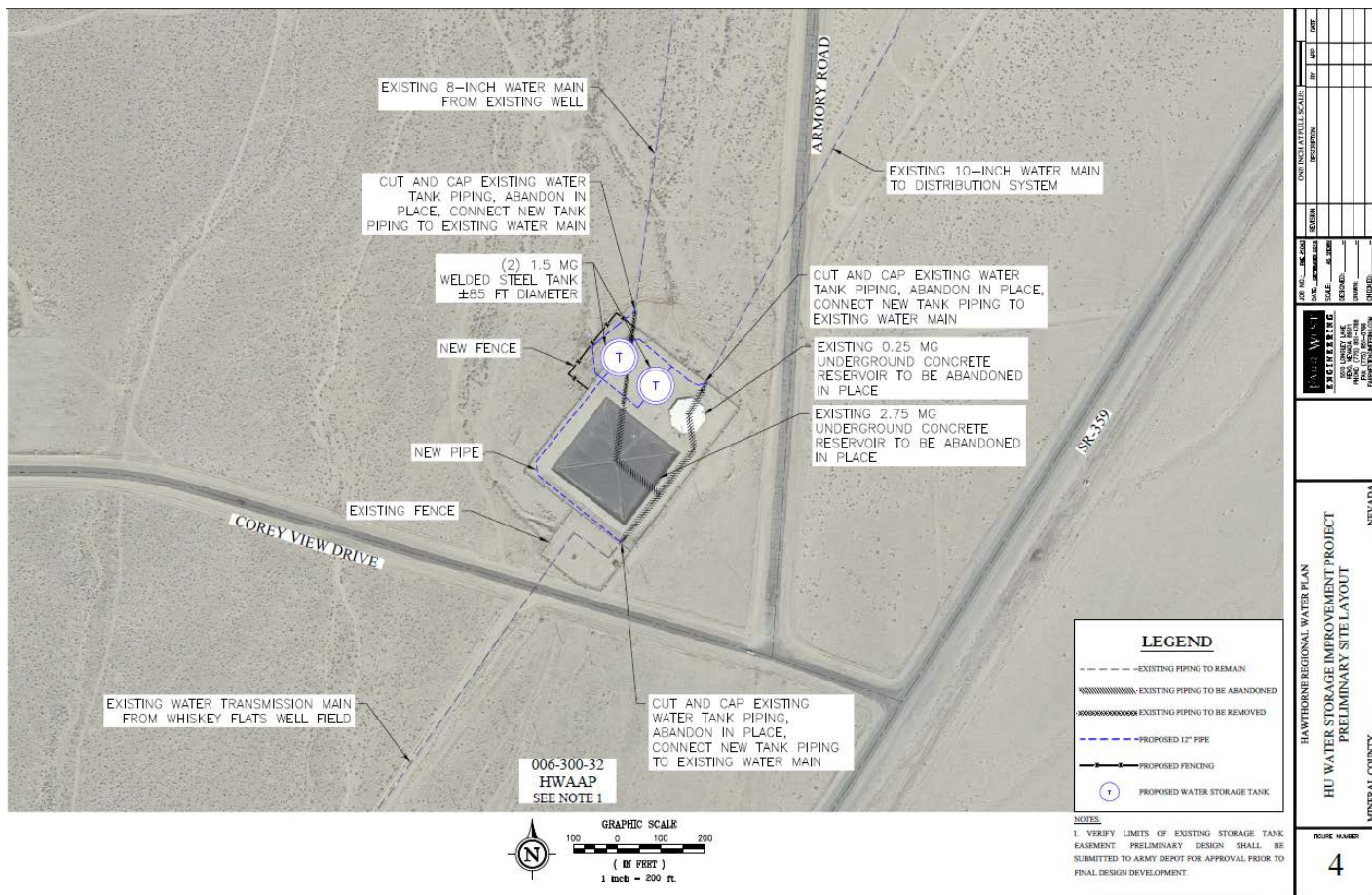
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HAWTHORNE REGIONAL WATER PLAN
APPENDIX D - WATER SYSTEM EXHIBITS
HU EXISTING INFRASTRUCTURE

MINERAL COUNTY, NEVADA

DHMT NUMBER
D-1
1 of 2

Proposed Project



DWSRF Authority and Purpose

The 1996 amendments to the Safe Drinking Water Act (SDWA) authorized the DWSRF. The DWSRF is a national program to assist public water systems in financing the cost of drinking water infrastructure projects needed to achieve or maintain compliance with the SDWA and to further the public health objectives of the SDWA. The SDWA authorizes the U.S. Environmental Protection Agency (EPA) to award capitalization grants to states that have established DWSRF programs. The Nevada Legislature passed legislation that authorizes NDEP to administer the DWSRF under the Nevada Revised Statutes (NRS) 445A.200 to 445A.295, inclusive. In addition to the authorizing statute, Nevada has adopted Nevada Administrative Code (NAC) 445A.6751 to 445A.67644, inclusive, which describes the program requirements. Federal regulations for implementing the DWSRF are found in 40 CFR, part 35. Other program directives include the Operating Agreement between NDEP and EPA, the annual Intended Use Plan, EPA guidance and policies, and conditions of each grant award.

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

DWSRF Loan Conditions

The principal forgiveness loan will contain the following conditions:

- Will self-review user rates at least every three (3) years for the life of the loan.
- Maintain a fiscal sustainability plan that is reviewed by the governing board at least every five (5) years.
- Maintain a capital replacement reserve account that is funded at least annually and re-evaluated every five (5) years.

RECOMMENDED MOTION FOR THE DWSRF LOAN

I move to approve the resolution titled “D07C-2020 Hawthorne Utilities Project Loan Commitment,” which is intended to finance certain projects in an amount not to exceed \$1,000,000. Since the project is eligible for additional subsidy as specified in Nevada’s Intended Use Plan, 100 percent of the principal will be forgiven.

RESOLUTION D07C-2020

Hawthorne Utilities Project Loan Commitment

- WHEREAS:** The Board for Financing Water Projects (Board) of the State of Nevada is authorized by *Nevada Revised Statutes* (NRS) chapter 445A.265 to approve the Nevada Division of Environmental Protection (NDEP) prioritized lists of water projects and to commit loans from the revolving fund account to help community water systems and non-transient water systems pay for capital improvements and debt refinancing, both of which are required and made necessary under NRS 445A.800 to 445A.955, inclusive, by the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*), and by corresponding regulations; and
- WHEREAS:** NDEP has the responsibility of administering the Drinking Water State Revolving Fund program; and
- WHEREAS:** On July 29, 2020, the Board, under NRS 445A.265(3), approved the Drinking Water Priority List—Effective July 2020, which ranks water projects that are eligible for loans from the Drinking Water State Revolving Fund account; and
- WHEREAS:** Hawthorne Utilities (Recipient) owns and operates a public community water system in Nevada; and
- WHEREAS:** The Recipient submitted a pre-application to NDEP for funding a project to replace water storage tanks (Project); and
- WHEREAS:** The Project is included as project #31 on the Nevada Drinking Water Priority List—Effective July 2020 of water projects; and
- WHEREAS:** The Recipient’s Project is ready to proceed; and
- WHEREAS:** In connection with seeking a loan, the Recipient has submitted a written application to NDEP consistent with NAC 445A.67613; and
- WHEREAS:** NDEP has reviewed the application — including supporting materials — and has determined that the Recipient has the technical, managerial, and financial capability to manage a loan for the Project; and
- WHEREAS:** NDEP has taken all necessary and proper actions as required by regulations on loan applications adopted by the State Environmental Commission (NAC 445A.6751 to 445A.67644, inclusive); and
- WHEREAS:** The Board must give prior approval before NDEP may expend any money from the revolving fund account for the purposes set forth in NRS 445A.275;

IT IS RESOLVED by the Board for Financing Water Projects of the State of Nevada:

Section 1: This resolution shall be known as the “D07C-2020 Hawthorne Utilities Project Loan Commitment”

Section 2: The terms and conditions of the loan for the Project shall be negotiated between the Recipient and NDEP. These terms will include 100% principal forgiveness.

Section 3: Based on NDEP’s review of the application and recommendation to the Board concerning the Project, and subject to the provisions of Section 2 and 4 of this resolution, the Board approves a commitment of funds in the amount not to exceed \$1,000,000 from the revolving fund account consistent with NRS 445A.265(3).

Section 4: The Board further recommends that NDEP take all other necessary and appropriate actions to advance the provisions of this resolution consistent with NRS 445A.200 to 445A.295, inclusive, and with corresponding regulations.

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

PASSED, ADOPTED, AND SIGNED JULY 29, 2020

Signed: _____

Chair
Board for Financing Water Projects

Attest: _____

Advisor
Board for Financing Water Projects



**Loan Commitment from the
Nevada Drinking Water State Revolving Fund and
Capital Improvement Grants Program
Board for Financing Water Projects**

July 2020

Lovelock Meadows Water District

Amount and Term	Recommendation
<p><u>\$1,000,000</u> Principal Forgiveness from DWSRF</p> <p><u>\$487,500</u> Capital Improvement Grant</p>	<p>The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approve loan and grant commitments to the Lovelock Meadows Water District for rehabilitation of its 2.5-million-gallon capacity storage tank.</p>

Community Information

Location	Lovelock, Pershing County, NV
Structure	Public Water System
Population	3,000
Service Connections	Residential 1,257; Non-residential 319

Project for Funding

Need The 2.5 million-gallon, welded-steel water storage tank was originally constructed in 1991. The floor of the storage tank has experienced significant corrosion due to the native soils. Replacing the tank floor – which is at the end of its service life – will assist the water system to stay in compliance with both the federal Safe Drinking Water Act and the regulations of NDEP, Bureau of Safe Drinking Water in five ways: 1) materials used will be in compliance with all required regulations and standards including, but not limited to, NSF 61 and AWWA; 2) the rehabilitated tank will facilitate compliance with the regulatory requirements for operating, emergency, and fire storage capacity; 3) correcting the water loss due to the leaking floor will assist the system to remain within its water conservation plan parameters; 4) additional venting in roof will be installed, so that the tank can be operated at maximum design flow rate, and excessive pressure/vacuum will not

develop; and 5) installing a cathodic protection for complete tank ensures longer service life for this asset.

The Storage Tank 1 rehabilitation construction, under active funding support by the State DWSRF and a capital improvement grant is scheduled to be completed in the coming months. Starting a second project for identical work without delay will optimize contractor and construction procurement resulting in substantial cost and time savings to the system.

Chosen Project The project includes replacing the existing tank floor and base aggregate material, recoating the interior and exterior of the tank, installing an additional roof ventilation, and adding a cathodic protection system. Except for the cost to paint the tank exterior, the remaining proposed project components are eligible for funding.

Project Alternatives *No Action:* In its current condition, the tank has the potential to cause water quality issues and possible loss of capacity to the water system if left unaddressed.

Maps Maps are attached to this report.

Timeline Design: To be Completed by entity
 Construction Procurement: November 2020 (tentative)
 Construction Award: December 2020 (tentative)
 Completion: April 2021 (tentative)

Sources of Project Funding

	DWSRF	Capital Improvement Grant	Local	Total
Planning	\$ 0	\$ 0	\$ 3,000	\$ 3,000
Design, inspection, & Construction Management	\$ 0	\$ 0	\$ 102,000	\$ 102,000
Equipment & Materials	\$ 335,000	\$ 487,500	\$ 0	\$ 822,500
Construction	\$ 665,000	\$ 0	\$ 157,500	\$ 822,500
Administrative	\$ 0	\$ 0	In-Kind	\$0
Totals	\$ 1,000,000	\$ 487,500	\$ 262,500	\$1,750,000

Environmental Review

NDEP conducts environmental reviews of water projects as authorized by Nevada law¹. Projects that include replacement of equipment or structures that will not have a significant individual or cumulative effect on the quality of the environment are eligible for a categorical exclusion and may be exempted from further substantive environmental review.

Consultation with appropriate crosscutting agencies will be completed prior to signing a final commitment of financial assistance. No wetlands, floodplains, agricultural lands, or significant fish or wildlife species or habitat is affected by the project. No national landmarks or property with nationally significant historic, architectural, prehistoric, archeological, or cultural value is affected by the project. On December 15, 2019, a public notice of similar determination of categorical exclusion for the rehabilitation tank 1 project was provided to the electronic mailing list for the DWSRF and board and was posted to the Nevada State Clearinghouse and NDEP websites and NDEP did not receive any objections. The project for rehabilitation of Tank 2 is identical in terms of project site and other construction logistics and is anticipated to result in similar determination.

Community Engagement

November 12, 2019 Board Meeting: The project manager identified the needed project of rehabilitating the storage tanks and the board discussed and approved the project to rehabilitate the first storage tank.

July 2020 Board Meeting: The project manager explained the progress of the first tank rehabilitation project. They determined that the second storage tank (2.5-million-gallon capacity) was also in need of rehabilitation due to normal deterioration. The board discussed and approved the submittal of a loan application to the Drinking Water State revolving fund for this project, as presented.

Current System Information

Infrastructure With over 115 square miles, the Lovelock Meadows Water District service area is very large by rural Nevada standards. The Lovelock Meadows Water District's sole focus is the procurement and distribution of water. Groundwater in the Lovelock area is generally not suitable for domestic use, irrigation, or stock watering because of high concentrations of sulfate, chloride, nitrate, fluoride, and dissolved salts. Arsenic appears to be a groundwater concern in the immediate area of the City.

The Lovelock Meadows Water District supplies drinking water from three groundwater wells located in Oreana, approximately 15 miles northeast of Lovelock. Chlorination occurs at each of the wells. Storage consists of two tanks: a 1.5 million-gallon tank and a 2.5 million-gallon tank (**Appendix A**). The system is fully metered. A project to rehabilitate the 1.5 million-gallon tank is currently under active construction phase and is scheduled to be completed this summer. This ongoing project is supported, in part, by Nevada DWSRF.

Compliance The most recent sanitary survey was conducted by the Bureau of Safe Drinking Water on June 13, 2019. Both the ongoing project and the proposed project will sufficiently address the deficiencies noted in this survey.

¹ Nevada Administrative Code (NAC) 445A.6758 to 445A.67612

Water Conservation Plan Water conservation plans must be updated every five years and comply with Nevada statutes². A water conservation plan is on file with the Nevada Division of Water Resources. This plan was last updated in January 2015 and is due to be updated in 2020.

Technical Capacity A technical, managerial, and financial capacity survey was conducted in November 2019. The water system evaluation noted few areas of improvement that include need to have the system mapped, to routinely test fire hydrants, and to retain adequate storage as fire reserve; however, the overall technical capacity category score of 2.77 (out of 3) satisfies the regulatory requirements for capacity. The district employs certified operators.

Managerial Capacity The district is governed by a five-member board. The district also employs a full-time manager to oversee all operations and fiscal matters of the system. The only deficiencies noted pertain to having an out of date operations & maintenance manual and emergency response plans. The overall managerial capacity category score of 2.46 (out of 3) amply satisfies the regulatory requirements for capacity. The district can conduct its affairs in a manner enabling the system to achieve and maintain compliance with federal and state requirements and regulations.

Financial Capacity Based on the financial information provided, the Lovelock Meadows Water District can meet its short- and long-term financial needs.

Financial Information as of **June 30, 2019**:

Unrestricted Cash: \$1,568,220 (Cash has increased since June 2019)

Days cash on Hand: 660

Outstanding Debt: \$4,137,735 (30.82% of Total Assets)

Operating Income before depreciation: \$117,280

Current Ratio: 10.60

Debt Coverage: 2.23

Financial information is independently audited by Eide Bailly.

User Water Rates The water rates established are sufficient to cover operating, maintenance, debt service, and reserves of the system.

Residential base rate per user per month: \$35.02 (0-7,000 gallons)

Commodity rate: \$3.00/1,000 gallons over the base gallons

Average water rate/use for system: \$43.02 (9,000 gallons)

Fiscal Sustainability Plan A fiscal sustainability plan will be required in the loan and grant agreements. The first loan also contains the same provision.

² Nevada Revised Statutes (NRS) 540.121 to 540.151

Capital Replacement Reserve Account The district is maintaining a capital replacement reserve account as required by previous funding agreements. The current balance is \$486,199. The proposed funding agreements will contain a requirement to maintain this reserve account.

DWSRF Principal Forgiveness Eligibility Criteria The system meets the definition of a disadvantaged community per NAC 445A.675245. "Disadvantaged community" means 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.

Capital Improvement Grant Scale determination The district has been found to be eligible for 60% of eligible projects costs based on the board's Scale to Determine Grant Amount policy revised on July 24, 2009. However, funding will first come from other sources to demonstrate the district's intent to utilize the capital improvements grant program as the last funding source. Therefore, a lesser amount is being proposed in the funding agreement.

APPENDIX A



Lovelock: 2.5 MG Tank to be rehabilitated

Similar work: Ongoing Project (1.5 MG Tank Rehabilitation)





Drinking Water State Revolving Fund Authority and Purpose

The 1996 amendments to the Safe Drinking Water Act (SDWA) authorized the DWSRF. The DWSRF is a national program to assist public water systems in financing the cost of drinking water infrastructure projects needed to achieve or maintain compliance with the SDWA and to further the public health objectives of the SDWA. The SDWA authorizes the U.S. Environmental Protection Agency (EPA) to award capitalization grants to states that have established DWSRF programs. The Nevada Legislature passed legislation that authorizes NDEP to administer the DWSRF under the *Nevada Revised Statutes* (NRS) 445A.200 to 445A.295, inclusive. In addition to the authorizing statute, Nevada has adopted Nevada Administrative Code (NAC) 445A.6751 to 445A.67644, inclusive, which describes the program requirements. Federal regulations for implementing the DWSRF are found in 40 CFR, part 35. Other program directives include the Operating Agreement between NDEP and EPA, the annual Intended Use Plan, EPA guidance and policies, and conditions of each grant award.

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

DWSRF Loan Conditions

The principal forgiveness loan will contain the following conditions. The recipient will:

- Review user rates at least every three years for the life of the loan.
- Maintain a fiscal sustainability plan that is reviewed by the governing board at least every five years.
- Maintain a capital replacement reserve account that is funded at least annually and reevaluated every five years.

RECOMMENDED MOTION FOR THE DWSRF LOAN

I move to approve the resolution titled “D07D-2020 Lovelock Meadows Water District Project-2 Loan Commitment,” which is intended to finance certain projects in an amount not to exceed \$1,000,000. Since the project is eligible for additional subsidy as specified in Nevada’s Intended Use Plan, 100 percent of the principal will be forgiven. This approval will be rescinded if NDEP receives substantive opposition from other water systems bypassed by this project.

RESOLUTION D07D-2020

Lovelock Meadows Water District Tank Project 2 Loan Commitment

- WHEREAS:** The Board for Financing Water Projects (Board) of the State of Nevada is authorized by Nevada Revised Statutes (NRS) chapter 445A.265 to approve the Nevada Division of Environmental Protection (NDEP) prioritized lists of water projects and to commit loans from the revolving fund account to help community water systems and non-transient water systems pay for capital improvements and debt refinancing, both of which are required and made necessary under NRS 445A.800 to 445A.955, inclusive, by the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*), and by corresponding regulations; and
- WHEREAS:** NDEP has the responsibility of administering the Drinking Water State Revolving Fund program; and
- WHEREAS:** On July 29, 2020, the Board, under NRS 445A.265(3), approved the July 2020 Priority List, which ranks water projects that are eligible for loans from the Nevada Drinking Water State Revolving Fund account; and
- WHEREAS:** Lovelock Meadows Water District (Recipient) owns and operates a community public water system in Nevada; and
- WHEREAS:** The Recipient submitted a pre-application to NDEP for funding a project to rehabilitate a water storage tank (Project); and
- WHEREAS:** The Project is included as project #16 on the Nevada DWSRF Priority List—Effective July 2020 of water projects; and
- WHEREAS:** The Recipient's Project is ready to proceed; and
- WHEREAS:** In connection with seeking a loan, the Recipient has submitted a written application to NDEP consistent with NAC 445A.67613; and
- WHEREAS:** NDEP has reviewed the application — including supporting materials — and has determined that the Recipient has the technical, managerial, and financial capability to manage a public water system and manage a loan for the Project; and
- WHEREAS:** NDEP has taken all necessary and proper actions as required by regulations on loan applications adopted by the State Environmental Commission (NAC 445A.6751 to 445A.67644, inclusive); and
- WHEREAS:** The Board must give prior approval before NDEP may expend any money from the revolving fund account for the purposes set forth in NRS 445A.275;

IT IS RESOLVED by the Board for Financing Water Projects of the State of Nevada:

Section 1: This resolution shall be known as the “D07D-2020 Lovelock Meadows Water District Tank Project 2 Loan Commitment”

Section 2: The terms and conditions of the loan for the Project shall be negotiated between the Recipient and NDEP. These terms will include 100% principal forgiveness.

Section 3: Based on NDEP’s review of the application and recommendation to the Board concerning the Project, and subject to the provisions of Section 2 and 4 of this resolution, the Board approves a commitment of funds in the amount not to exceed \$1,000,000 from the revolving fund account consistent with NRS 445A.265(3).

Section 4: The Board further recommends that NDEP take all other necessary and appropriate actions to advance the provisions of this resolution consistent with NRS 445A.200 to 445A.295, inclusive, and with corresponding regulations.

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

PASSED, ADOPTED, AND SIGNED July 29, 2020

Signed: _____

Chair
Board for Financing Water Projects

Attest: _____

Advisor
Board for Financing Water Projects

Capital Improvement Grants Program Authority and Purpose

Nevada Revised Statute (NRS) 349.980 to 349.987 describe the Capital Improvements Grant Program and the powers and duties of the Board for Financing Water Projects. NDEP administers the Capital Improvements Grant Program on behalf of the board as per NRS 349.982 and NAC 349.430 to 349.574, inclusive. If the board determines to provide a grant from the Capital Improvements Grant Program, one of the requirements of the Nevada Administrative Code (NAC) is that the board will adopt a resolution that includes a statement of approval of the board that sets forth its findings of fact (NAC 349.535, subsection 1).

Capital Improvement Grant Conditions

The funding agreement will contain the following conditions. The recipient will:

- Self-review user rates at least every three (3) years for the life of the loan.
- Maintain a fiscal sustainability plan that is reviewed by the governing board at least every five (5) years.
- Maintain a capital replacement reserve account that is funded at least annually and reevaluated every five (5) years.

RECOMMENDED MOTION FOR THE CAPITAL IMPROVEMENT GRANT

I move to approve the resolution titled "G07D-2020 Lovelock Meadows Water District Tank Project 2 Grant Commitment," which is intended to finance certain projects in an amount not to exceed \$487,500.

RESOLUTION G07D-2020

Lovelock Meadows Water District Tank Project 2 Grant Commitment

WHEREAS: The Board for Financing Water Projects (Board) of the State of Nevada (State) is authorized by Chapter 349.980 to 349.987, Nevada Revised Statutes (Act), to administer a program to provide grants of money to purveyors of water to pay for costs of capital improvements to publicly owned community water systems and publicly owned non-transient water systems;

WHEREAS: Lovelock Meadows Water District, (Applicant) has applied to the Board for a grant for a project having eligible costs estimated to be \$1,750,000 to pay for costs of capital improvements to a publicly owned community water system within the jurisdiction of the Applicant, which capital improvements are commonly referred to as the "Lovelock Meadows Water District Tank Project 2" (Project); and

WHEREAS: in connection with seeking a grant, the Applicant has submitted a written application (Application) to the Board (a true and correct copy of the Application is on file with the State); and

WHEREAS: the Board has taken all necessary and proper actions with respect to the Application as required pursuant to the Act and Chapter 349.430 to 349.545, Nevada Administrative Code (Regulations), and in connection therewith, the Board has determined to provide a grant to the Applicant; and

WHEREAS: NAC 349.535 provides in relevant part, as follows:

If the Board determines to provide a grant, it will adopt a resolution which will include: (a) a statement of the approval of the board that sets forth its findings of fact concerning its determinations made pursuant to NAC 349.530; (b) the application; and (c) the terms for providing the grant to the applicant. . . .

IT IS RESOLVED by the Board for Financing Water Projects of the State of Nevada:

Section 1: This resolution shall be known as the “G07D-2020 Lovelock Meadows Water District Tank Project 2 Grant Commitment”

Section 2: In connection with its findings of fact set forth in Section 3 of this Resolution and subject to the provisions of Section 4 of this Resolution, the Board has determined, and does hereby declare, that it approves and shall provide a grant to the Applicant in an amount not to exceed \$487,500 of eligible project costs estimated to be \$1,750,000.

Section 3: Based on its review of the Application, and based on the records and documents submitted to the Board concerning the Project, the Board hereby makes the following findings of fact in support of its determination to award a grant to the Applicant:

- (a) The proposed capital improvement is economically justified and financially feasible;
- (b) The proposed capital improvement complies with the provisions of the NRS 349.980 to 349.987, inclusive;
- (c) The plan for development of the proposed capital improvement is satisfactory;
- (d) The Applicant is able to obtain the financing required to complete the capital improvement;
- (e) The Applicant has taken sufficient and reasonable efforts to determine whether the proposed capital improvement conflicts with any regional master plan of any local, state or federal governing authority, and those efforts have not revealed such a conflict; and
- (f) The proposed capital improvement will not use or waste excessive quantities of water.

Section 4: The conditions for providing the grant to the Applicant are set forth on Attachment A attached hereto and by this reference incorporated herein.

Section 5: The Application, on file with the State and by this reference incorporated herein, is a true and correct copy of the application filed by the Applicant with the Board.

Section 6: The Board hereby authorizes and directs the Director of the Department of Conservation and Natural Resources to take all necessary and appropriate actions to effectuate the provisions of this Resolution in accordance with the Act and NAC 349.549.

Section 7: This resolution shall be effective on its passage and approval.

PASSED, ADOPTED, AND SIGNED July 29, 2020

Signed: _____

Chair
Board for Financing Water Projects

Attest: _____

Advisor
Board for Financing Water Projects

ATTACHMENT A

The Board for Financing Water Projects hereby approves a grant award subject to the following provisions and conditions:

1. The award of grant funds is contingent upon the availability of grant funds, which may be dependent upon the issuance of additional bonds. While the Board will use best efforts in selling any necessary bonds for the funding of this grant, approval of this grant does not imply or guarantee that any monies have been set aside for this project.
2. The State may enter into a funding agreement with Applicant for the grant funds subject to the following conditions:
 - a. Applicants costs of obtaining interim financing and the interest thereon, obtained after the execution of the Funding Agreement, will be eligible for grant reimbursement.
 - b. An administrative fee of \$1,000 has been paid to the State by the Applicant per NAC 349.549(1).
 - c. Per NRS 445A.920, the project's plans and specifications must be submitted to the Nevada Division of Environmental Protection for review and approval prior to construction.
 - d. Applicant must assure that a sufficient water rate to cover operations, maintenance, debt service and reserves will continue to meet or exceed the Board's policy on sufficient water rates as adopted on June 20, 2018.
 - e. Applicant must adhere to the Policy on Capital Replacement Reserves as adopted on June 20, 2018.
 - f. Applicant must adhere to the Policy on Fiscal Sustainability Plans as adopted on June 20, 2018.
 - g. Applicant is subject to the provisions of NAC 349.554 through 349.574 regarding the administration of this grant.
 - h. Prior to the execution of the Funding Agreement, Applicant must provide an estimate of the monthly disbursement of money, by the State, pursuant to the grant and provide monthly updates of anticipated draw requests.
 - i. Applicant must demonstrate that it has obtained all funding outlined in this summary. In the event that funding proposed for this project does not become available, Applicant must demonstrate that it has secured alternate match funding before any construction bids may be awarded.



**Grant Commitment from the
Nevada Capital Improvement Grants Program
Board for Financing Water Projects**

July 2020

Churchill County

Amount and Term	Recommendation
<p><u>\$646,872</u> Capital Improvement Grant</p>	<p>The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approve grant commitments to Churchill County for the purpose of constructing a new well and installing a transmission main to connect this well to their existing water system.</p>

Community Information

- Location** Churchill County, NV.
- Structure** Public Water System
- Population** 923
- Service Connections** Residential 329; Commercial 13

Project for Funding

Need Churchill County owns and operates the Sand Creek Water System, a public water system (PWS). This PWS presently contains one functioning well (Sand Creek Well) and two older wells (Pine Grove Wells) that are no longer useful as production wells (**Appendix A for Map**). Previous Master Planning efforts have identified the lack of a redundant source of supply as being a significant system vulnerability. The purpose of the project is to provide a second, redundant well capable of producing 500 to 1000 GPM to match the capacity of the existing well and existing arsenic treatment plant. The project includes drilling and equipping the new 14 inch well, constructing 2,400 feet of 10-inch raw water transmission main, and extending 3 phase overhead power 900 feet, as needed.

This construction project will assist the water system’s compliance with both the federal Safe Drinking Water Act and the regulations of NDEP, Bureau of Safe Drinking Water in four ways: 1) the new well will facilitate PWS compliance with the regulatory requirements for achieving water supply redundancy and having sufficient total capacity of the system; 2) materials used will be in compliance with all required regulations and standards including pipe sizes and water pressures; 3)

water from the new well will have Arsenic at levels lower than the current water source; Connecting the new source to the existing water treatment plant (WTP), will further improve the system's ability to consistently supply drinking water to the community in a manner protective of public health; and 4) This project is considered a green project - an often encouraged option to promote increased returns for the State investment and help the water sector, in general, improve the water quality services without putting additional strain on the existing energy grid. The new well pump, motor, and electrical components will be designed to current standards, resulting in a reduction in energy usage.

Chosen Project A preliminary engineering report (PER) was prepared by the applicant with funding support of Nevada Drinking Water State Revolving Fund. This PER was approved by NDEP in June 2020. Consideration of areawide water quality data indicated that an Arsenic-free water supply source that is economical to convey to this PWS does not exist. The water sourced from the new well at Site 1A (**See Appendix B**) is found to contain Arsenic at 12 parts per billion (ppb), slightly above the 10-ppb regulatory limit for Arsenic in drinking water. But this water is comparably better in quality than all other alternatives considered, including the existing source of water. The water will continue to be treated at the existing Sand Creek WTP. The project is designed to meet the green project classification. A present worth cost analysis and rating matrix of non-monetary factors for each alternative further support the selection of this project.

Other Project Alternatives *Do Nothing:* Water supply redundancy is critical to assure un-interrupted drinking water supply and is also a regulatory requirement. As such, no action is not a feasible option for this PWS.

Re-Activate Pine Grove Wells & associated water treatment plant: Churchill County owns the land where the existing wells are present (**Appendix A for Map**). However, the pipeline route to the Sand Creek WTP presents permit feasibility complications (Truckee-Carson Irrigation District encroachments) and complexities associated with installation of new pipeline in an existing utility corridor. Any rehabilitation work at these wells is considered higher risk than conducting new construction, with distance for adequate power source (480-volt power) an added cost. One-time project costs for this alternative is considerably less than the chosen alternative, but higher O7M Costs have a similar net present worth computed relative to a service life of 20 years.

Maps Maps are attached to this report.

Timeline Design & Construction: Phase 1 Well Drilling & Phase 2 Well Equip and transmission (To be Completed)

Water Rights Change: July 2020 - December 2020 (may take 6 months)

Construction Contractor Procurement: January 2020 (Phase 1 & 2)

Construction Award: February 2020

Completion: November 2021

Anticipated Sources of Project Funding	Capital Improvement Grant	USDA Funding	Local	Total
Planning	\$ 9,000	\$ 0	\$ 0	\$ 9,000
Design, inspection, & Construction Management	\$ 192,000	\$ 0	\$ 0	\$ 192,000
Equipment & Materials	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 445,872	\$ 513,128	\$ 0	\$ 959,000
Administrative	\$ 0	\$ 15,000	\$ 0	\$ 15,000
Contingency	\$ 0	\$ 143,000	\$ 0	\$ 143,000
Totals	\$ 646,872	\$ 671,128	\$ 0	\$ 1,318,000

Environmental Review

NDEP conducts environmental reviews of water projects as authorized by Nevada law¹. Projects that include replacement of equipment or structures that will not have a significant individual or cumulative effect on the quality of the environment are eligible for a categorical exclusion and may be exempted from further substantive environmental review.

A preliminary environmental review for the chosen project was recently conducted by the County and the Division is in receipt of this report. The findings per this report are as follows:

The proposed well site will be located on vacant but previously disturbed land that will ultimately lie within a planned residential development currently at the tentative map stage. The electrical power will be extended from the west within existing previously disturbed County road right of way. The pipeline connecting the well site to the Sand Creek WTP will lie within future County streets and/or within existing County streets within the development. The proposed Project could contaminate the existing public water system; therefore, the project will be designed in consultation and compliance with the NDEP Bureau of Safe Drinking Water's regulations and policies.

Consultation with appropriate crosscutting agencies will be completed prior to signing a final commitment of financial assistance. No wetlands, floodplains, agricultural lands, or significant fish or wildlife species or habitat is affected by the project. No national landmarks or property with nationally significant historic, architectural, prehistoric, archeological, or cultural value is affected by the project. Public notice of this determination will be provided to the electronic mailing list for the DWSRF and board and will also be posted to the Nevada State Clearinghouse and NDEP websites.

¹ Nevada Administrative Code (NAC) 445A.6758 to 445A.67612

Community Engagement

- Churchill County Board of County Commissioners held public meetings regarding this project on the following dates: **January 4, 2018 Board of County Commission Meeting:** Approval to submit pre-application to the State Revolving Fund
- **August 15, 2018 Board of County Commission Meeting:** Approval to hire Shaw Engineering to develop a new water and wastewater master plan
- **February 20, 2019 Board of County Commission Meeting:** Adoption of 2019 Churchill County Water and Wastewater Master Plan
- **June 19, 2019 Board of County Commission Meeting:** Approval for Shaw Engineering to provide engineering services regarding future water and wastewater service to the Churchill County Coleman Road Project
- **September 18, 2019 Board of County Commission Meeting:** Approval to submit an application to the NDEP Drinking Water State Revolving Fund program to request funding for a PER defining a redundant water supply for the existing Sand Creek Water System
- **September 18, 2019 Board of County Commission Meeting:** Approval for Shaw Engineering to provide a PER defining a redundant water supply for the existing Sand Creek Water System
- **May 7, 2020 Board of County Commission Meeting:** Presentation of Draft Preliminary Engineering Report for Sand Creek Redundant Well Project.
- **June 17, 2020 Board of County Commission Meeting:** Approval of Letter of Intent and grant application for Sand Creek Redundant Well Project to the Nevada Board of Financing Water Projects Grant Program requesting funding of construction of a redundant water supply for the existing Sand Creek Water System.
- To transfer existing water rights to the new well, State of Nevada Division of Water Rights requires the notification by letter to the approximately 140 owners of parcels with domestic wells within 2,500 feet of the proposed well. The applicant will commence this process shortly after getting approval by the Board for the loan commitment request.

Current System Information

Infrastructure	The Sand Creek water system consists of a 1,000 gallon per minute well, a 750 gallon per minute arsenic treatment plant, a one million gallon ground-level storage tank, a booster pump station that pressurizes the single pressure zone in the system, and transmission and distribution pipe that range in size from six to 16 inches.
Compliance	The most recent sanitary survey of the Sand Creek water system was conducted by the NDEP Bureau of Safe Drinking Water on July 19, 2018. No significant deficiencies were noted with the existing water system infrastructure.
Water Conservation Plan	Churchill County's water conservation plan was updated in June 2019 and is available on the Nevada Division of Water Resources website. The county has adopted effective water resources protection and planning essential to the long-term sustainability of the community, including: the adoption of water resource protection policies as a part of the 2015 county master plan; creation of a county water resource plan to ensure continued recharge to the aquifers; and the tracking of customer water usage and unaccounted-for water losses to prevent water waste. Water conservation plans must be updated every five years and comply with Nevada statutes ² .
Technical Capacity	The water system conducted a technical, managerial, and financial capacity survey in October 2019. The evaluation noted areas of potential improvement that include the need to have water supply redundancy and a need to maintain adequate water pressure throughout the water system; however, the overall technical capacity category score of 2.4 (out of 3) satisfies the regulatory requirements for capacity. The county retains certified distribution and treatment contract operations and management staff – SPB Utility Services, Inc. – to fulfill the daily operation and maintenance support services for the Sand Creek water system.
Managerial Capacity	The county is governed by a three-member commission and employs a full-time county manager to oversee operations and fiscal matters of the system. The overall managerial capacity category score of 2.7 (out of 3) amply satisfies the regulatory requirements for capacity. The district can conduct its affairs in a manner enabling the system to achieve and maintain compliance with federal and state requirements and regulations.
Financial Capacity	Based on the financial information provided, Churchill County can meet its short- and long-term financial needs. Financial Information as of June 30, 2019 : Unrestricted Cash: \$1,105,246 Days cash on hand: 1,252 Outstanding Debt: \$0

² Nevada Revised Statutes (NRS) 540.121 to 540.151

Operating Income Before Depreciation: \$117,280

Current Ratio: 21.87

Debt Coverage: None

Financial information is independently audited by Eide Bailly.

User Water Rates The water rates established are sufficient to cover operating, maintenance, debt service, and reserves of the system.

Residential base rate per user per month: \$51.10 (0 gallons)

First tier rate: \$2.10/1,000 gallons (0-6,000 gallons)

Second tier rate: 2.60/1,000 gallons (6,001-20,000 gallons)

Average water rate/use for system: \$76.70 (11,038 gallons)

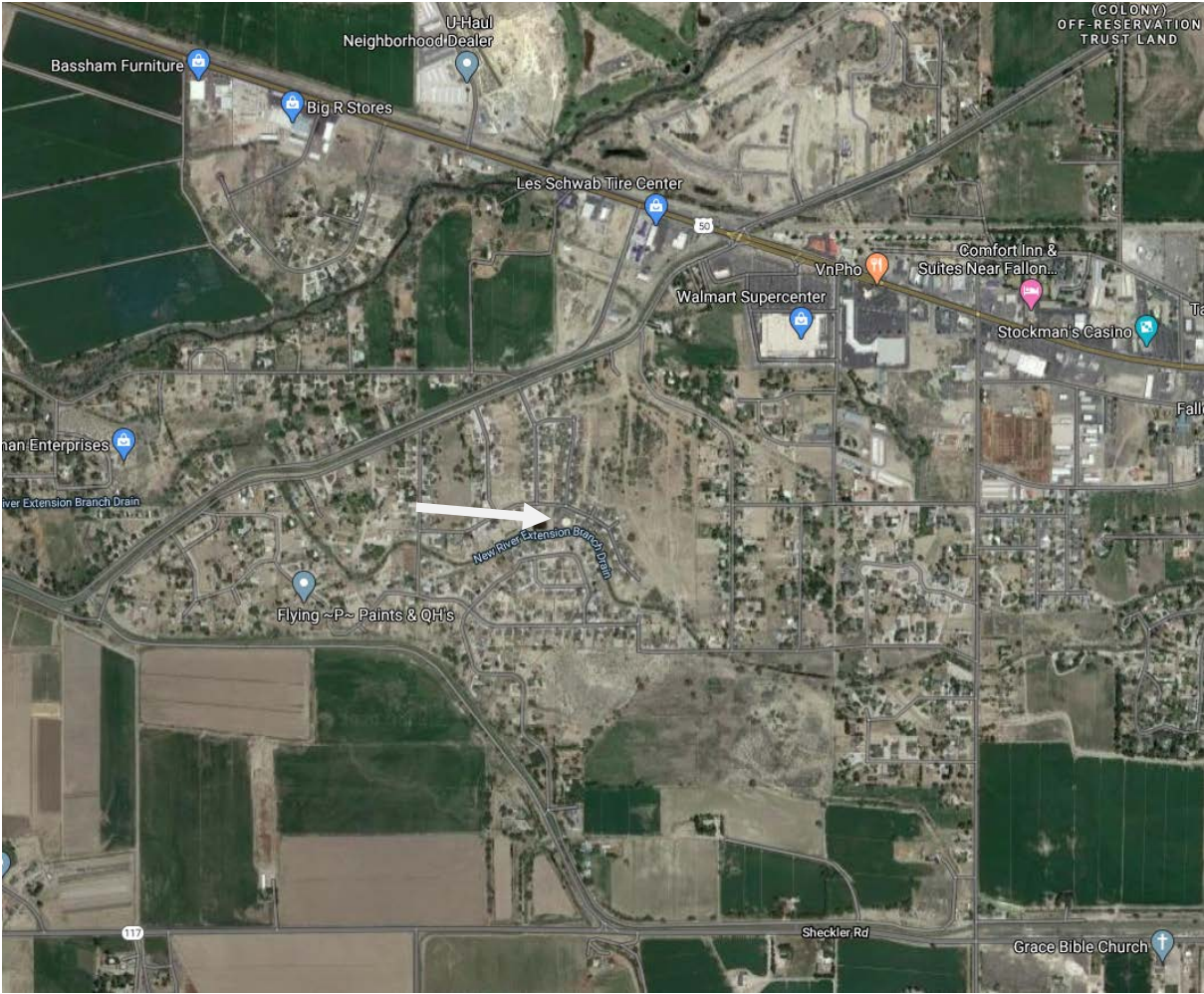
Fiscal Sustainability Plan A fiscal sustainability plan will be required in the grant agreements.

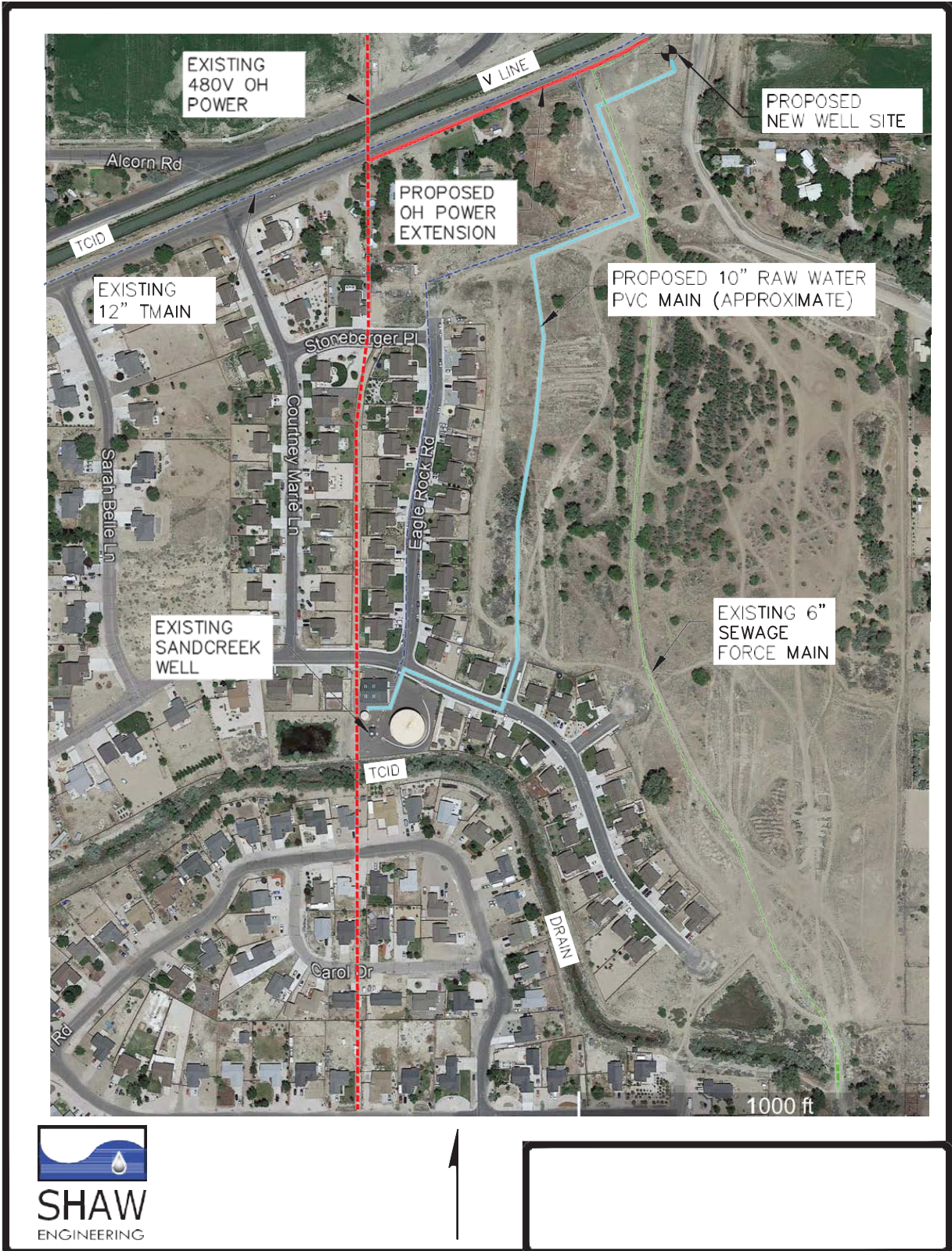
Capital Replacement Reserve Account The district is maintaining a capital replacement reserve account as required by previous capital improvement grant funding agreements. The current balance is \$318,879. The proposed funding agreement will contain a requirement to maintain this reserve account.

DWSRF Principal Forgiveness Eligibility Criteria The system does not meet the definition of a disadvantaged community per NAC 445A.675245. "Disadvantaged community" means 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. Additionally, Churchill County did not obtain enough points from the scale to qualify for principal forgiveness funding from the DWSRF.

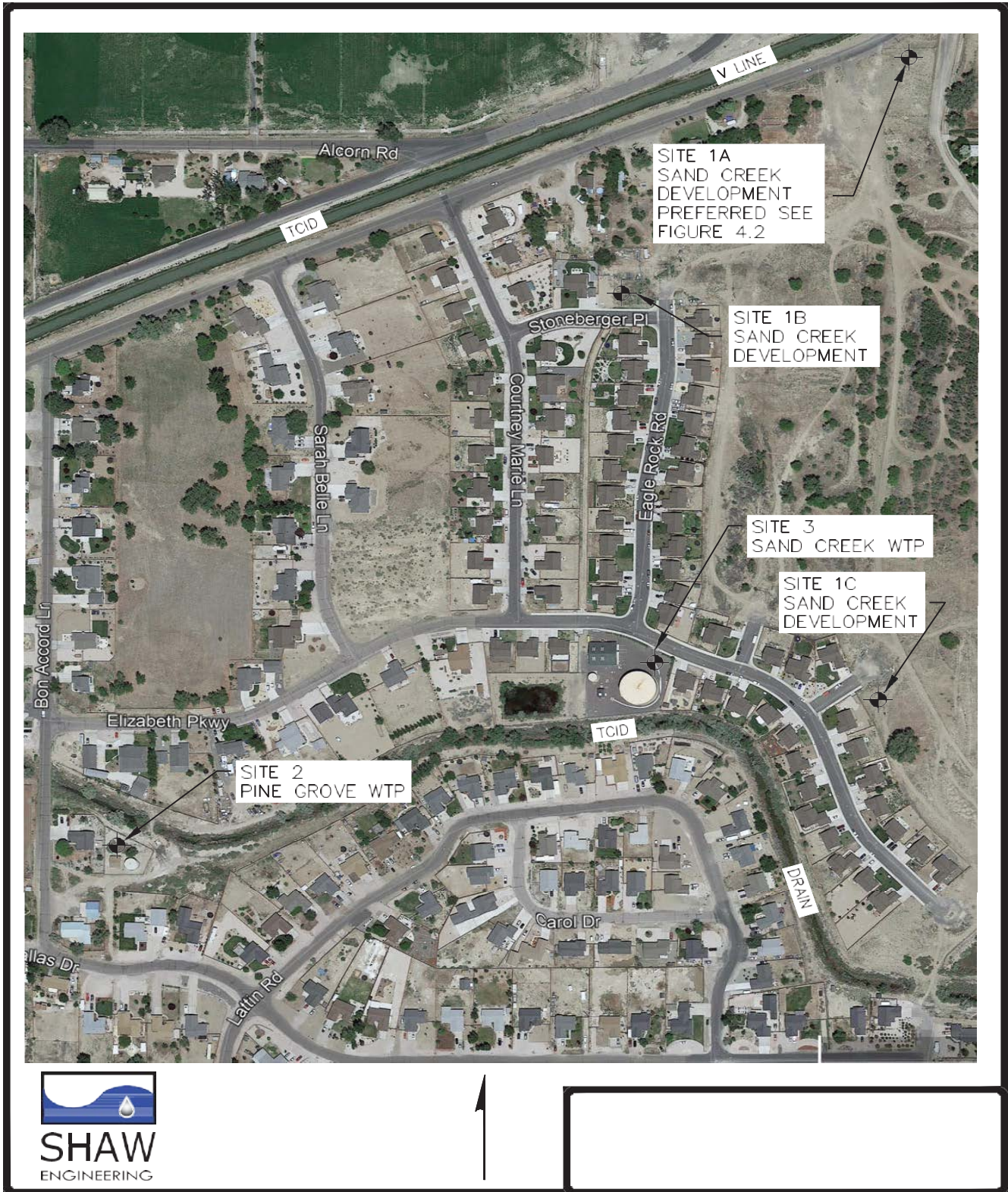
Capital Improvement Grant Scale determination The district has been found to be eligible for 56% of eligible projects costs based on the board's Scale to Determine Grant Amount policy revised on July 24, 2009. The system is partner funding the project with USDA loan and grant funds. Therefore, a lesser amount is being proposed in the funding agreement.

APPENDIX A





APPENDIX B



Capital Improvement Grants Program Authority and Purpose

Nevada Revised Statutes (NRS) 349.980 to 349.987 describe the Capital Improvements Grant Program and the powers and duties of the Board for Financing Water Projects. NDEP administers the Capital Improvements Grant Program on behalf of the board as per NRS 349.982 and NAC 349.430 to 349.574, inclusive. If the board determines to provide a grant from the Capital Improvements Grant Program, one of the requirements of the Nevada Administrative Code (NAC) is that the board will adopt a resolution that includes a statement of approval of the board that sets forth its findings of fact (NAC 349.535, subsection 1).

Capital Improvement Grant Conditions

The funding agreement will contain the following conditions. The recipient will:

- Self-review user rates at least every three (3) years for the life of the loan.
- Maintain a fiscal sustainability plan that is reviewed by the governing board at least every five (5) years.
- Maintain a capital replacement reserve account that is funded at least annually and reevaluated every five (5) years.

RECOMMENDED MOTION FOR THE CAPITAL IMPROVEMENT GRANT

I move to approve the resolution titled “G07E-2020 *Churchill County Sand Creek Redundant Well Construction Project Grant Commitment*,” which is intended to finance certain projects in an amount not to exceed \$646,872.

RESOLUTION G07E-2020

Churchill County Sand Creek Redundant Well Construction Project

Project Grant Commitment

WHEREAS: The Board for Financing Water Projects (Board) of the State of Nevada (State) is authorized by Chapter 349.980 to 349.987, *Nevada Revised Statutes* (Act), to administer a program to provide grants of money to purveyors of water to pay for costs of capital improvements to publicly owned community water systems and publicly owned non-transient water systems;

WHEREAS: Churchill County, (Applicant) has applied to the Board for a grant for a project having eligible costs estimated to be \$1,318,000 to pay for costs of capital improvements to a publicly owned community water system within the jurisdiction of the Applicant, which capital improvements are commonly referred to as the “Churchill County Sand Creek Redundant Well Construction Project” (Project); and

WHEREAS: in connection with seeking a grant, the Applicant has submitted a written application (Application) to the Board (a true and correct copy of the Application is on file with the State); and

WHEREAS: the Board has taken all necessary and proper actions with respect to the Application as required pursuant to the Act and Chapter 349.430 to 349.545, *Nevada Administrative Code* (Regulations), and in connection therewith, the Board has determined to provide a grant to the Applicant; and

WHEREAS: NAC 349.535 provides in relevant part, as follows:

If the Board determines to provide a grant, it will adopt a resolution which will include: (a) a statement of the approval of the board that sets forth its findings of fact concerning its determinations made pursuant to NAC 349.530; (b) the application; and (c) the terms for providing the grant to the applicant. . . .

IT IS RESOLVED by the Board for Financing Water Projects of the State of Nevada:

Section 1: This resolution shall be known as the “G07E-2020 Churchill County Sand Creek Redundant Well Construction Project Grant Commitment”

Section 2: In connection with its findings of fact set forth in Section 3 of this Resolution and subject to the provisions of Section 4 of this Resolution, the Board has determined, and does hereby declare, that it approves and shall provide a grant to the Applicant in an amount not to exceed \$646,872 of eligible project costs estimated to be \$1,318,000.

Section 3: Based on its review of the Application, and based on the records and documents submitted to the Board concerning the Project, the Board hereby makes the following findings of fact in support of its determination to award a grant to the Applicant:

- (a) The proposed capital improvement is economically justified and financially feasible; and
- (b) The proposed capital improvement complies with the provisions of the NRS 349.980 to 349.987, inclusive; and
- (c) The plan for development of the proposed capital improvement is satisfactory; and
- (d) The Applicant is able to obtain the financing required to complete the capital improvement; and
- (e) The Applicant has taken sufficient and reasonable efforts to determine whether the proposed capital improvement conflicts with any regional master plan of any local, state or federal governing authority, and those efforts have not revealed such a conflict; and
- (f) The proposed capital improvement will not use or waste excessive quantities of water.

Section 4: The conditions for providing the grant to the Applicant are set forth on Attachment A attached hereto and by this reference incorporated herein.

Section 5: The Application, on file with the State and by this reference incorporated herein, is a true and correct copy of the application filed by the Applicant with the Board.

Section 6: The Board hereby authorizes and directs the Director of the Department of Conservation and Natural Resources to take all necessary and appropriate actions to effectuate the provisions of this Resolution in accordance with the Act and NAC 349.549.

Section 7: This resolution shall be effective on its passage and approval.

PASSED, ADOPTED, AND SIGNED July 29, 2020

Signed: _____

Chair
Board for Financing Water Projects

Attest: _____

Advisor
Board for Financing Water Projects

ATTACHMENT A

The Board for Financing Water Projects hereby approves a grant award subject to the following provisions and conditions:

1. The award of grant funds is contingent upon the availability of grant funds, which may be dependent upon the issuance of additional bonds. While the Board will use best efforts in selling any necessary bonds for the funding of this grant, approval of this grant does not imply or guarantee that any monies have been set aside for this project.
2. The State may enter into a funding agreement with Applicant for the grant funds subject to the following conditions:
 - a. Applicant's costs of obtaining interim financing and the interest thereon, obtained after the execution of the Funding Agreement, will be eligible for grant reimbursement.
 - b. An administrative fee of \$1,000 has been paid to the State by the Applicant per NAC 349.549(1).
 - c. Per NRS 445A.920, the project's plans and specifications must be submitted to the Nevada Division of Environmental Protection for review and approval prior to construction.
 - d. Applicant must assure that a sufficient water rate to cover operations, maintenance, debt service and reserves will continue to meet or exceed the Board's policy on sufficient water rates as adopted on June 20, 2018.
 - e. Applicant must adhere to the Policy on Capital Replacement Reserves as adopted on June 20, 2018.
 - f. Applicant must adhere to the Policy on Fiscal Sustainability Plans as adopted on June 20, 2018.
 - g. Applicant is subject to the provisions of NAC 349.554 through 349.574 regarding the administration of this grant.
 - h. Prior to the execution of the Funding Agreement, Applicant must provide an estimate of the monthly disbursement of money, by the State, pursuant to the grant and provide monthly updates of anticipated draw requests.
 - i. Applicant must demonstrate that it has obtained all funding outlined in this summary. In the event that funding proposed for this project does not become available, Applicant must demonstrate that it has secured alternate match funding before any construction bids may be awarded.

BOARD FOR FINANCING WATER PROJECTS POLICY	DATE July 29, 2020	PAGE Page 1 of 1
SUBJECT: CONSOLIDATION OF NONPROFIT PUBLIC WATER SYSTEMS		

Authority:

The Board for Financing Water Projects (Board) is authorized by Nevada Revised Statutes (NRS) 349.982 to establish requirements for participation in the Capital Improvement Grants Program.

Purpose:

NRS 349.981(4)(b) authorizes funding from the Capital Improvement Grants Program to include public water systems that are owned and operated by nonprofit associations or cooperatives.

Policy:

1. Recognizing the increasing costs to operate public water systems and the economy of scale, it is the policy of the Board to support consolidation of privately owned, nonprofit public water systems with larger publicly owned systems where feasible.
2. Grant applications for improvements to privately owned, nonprofit public water systems will only be considered by the Board if the application includes a demonstration that consolidation with a publicly owned system is infeasible. The demonstration must include either written correspondence from the publically owned system that they are unable or unwilling to serve the nonprofit system users or documentation that the distance to a publicly owned system or cost of connection make consolidation infeasible.

BOARD FOR FINANCING WATER PROJECTS POLICY	DATE July 29, 2020	PAGE Page 1 of 1
SUBJECT: SEPTIC TO COMMUNITY SEWAGE SYSTEM CONNECTIONS		

Authority:

The Board for Financing Water Projects (Board) is authorized by Nevada Revised Statutes (NRS) 349.982 to establish requirements for participation in the Capital Improvement Grants Program.

Purpose:

To establish the Board's position on awarding grant funding for the abandoning of individual septic tanks and connecting the homes to community sewer systems.

Specific funds for abandoning of individual septic tanks and connecting the homes to community sewer systems are authorized for funding in the program through NRS 349.981 1(d).

Policy:

It is the policy of the Board for Financing Water Projects to discontinue funding for the abandoning of individual septic tanks and connecting the homes to community sewer systems unless Waters of the State is being impacted by failing septic systems and the septic system was installed and operating prior to the date of this policy.

Board for Financing Water Projects Authority

Creation and Structure

NRS 349.957 Board for Financing Water Projects: Creation; members.

- (1) The Board for Financing Water Projects is hereby created. The Board consists of one ex officio member and five members appointed by the Governor.
- (2) The Governor shall appoint to the Board:
 - (a) One member who is a representative of the county with the largest population in the State;
 - (b) One member who is a representative of the county with the second largest population in the State; and
 - (c) Three members who are representatives of counties in the State whose populations are less than 100,000, of whom one member is knowledgeable in the field of municipal finance and the remaining members are knowledgeable in the fields of planning and the development and reclamation of water resources.
- (3) The Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources, or a person he or she designates, shall serve ex officio as a nonvoting member of the Board.
- (4) Not more than three voting members of the Board may be members of the same political party, and not more than two may be residents of the same county.
(Added to NRS by 1987, 2278; A 1991, 532; 1995, 2502; 2005, 561)

NRS 349.958 Board for Financing Water Projects: Compensation of members.

- (1) Each voting member of the Board is entitled to receive a salary of not more than \$80 per day, as fixed by the Board, for his or her services while actually engaged in the performance of his or her duties as a member of the Board.
- (2) While engaged in the business of the Board, each voting member and employee of the Board is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.
(Added to NRS by 1987, 2279; A 1989, 1712; 1991, 533)

NRS 349.959 Board for Financing Water Projects: Election of Chair; meetings. The Board shall:

- (1) At its first meeting and annually thereafter elect a Chair from among its voting members.
- (2) Meet regularly at least once in each calendar quarter and at other times upon the call of the Chair.
(Added to NRS by 1987, 2279; A 1991, 533)

NRS 349.961 Water projects: Preliminary plan; approval.

- (1) When any municipality or other obligor desires to undertake a water project, it may present its preliminary plan to the Board for approval. If the proposed water project affects drinking water, the Board shall request that the Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources submit comments and recommendations regarding the project. The Board shall analyze the potential yield of the water project, and may tentatively approve it if it will preserve or increase the water available for beneficial use in this State.
- (2) If the Board, after a public hearing on the issue, tentatively approves the water project, the municipality or other obligor may proceed to prepare a final plan and submit it for final approval. If the Board finally approves the water project, the cost of the final plan may be included in the cost of the water project. If the Board does not finally approve the water project, the Director may, within the limits of money available for this purpose in the Account for the Financing of Water Projects, reimburse a municipality for the costs incurred after the tentative approval.
(Added to NRS by 1987, 2279; A 1991, 533; 1993, 639; 2005, 561)

Board for Financing Water Projects Authority

Drinking Water State Revolving Loan Fund Authority

NRS 445A.265 Powers and duties of Division; limitations.

- (3) The Division shall not:
 - (a) Commit any money in the Account for the Revolving Fund for expenditure for the purposes set forth in NRS 445A.275; or
 - (b) 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.
(Added to NRS by 1997, 1824; A 1999, 1866; 2009, 635)

Capital Improvement Grants Program Authority

NRS 349.981 Program to provide grants for water conservation and capital improvements to certain water systems; Board for Financing Water Projects to determine recipients of grants; applicability to certain recipients of provisions governing public works.

- (2) Except as otherwise provided in NRS 349.983, the determination of who is to receive a grant is solely within the discretion of the Board.
(Added to NRS by 1991, 1833; A 1999, 2121; 2003, 2502; 2005, 561, 969; 2009, 564)

NRS 349.982 Powers and duties of Board for Financing Water Projects: Administration of program; adoption of regulations; use of money in Fund to defray certain costs and expenses; imposition of administrative fee.

- (1) The Board shall administer the program and shall adopt regulations necessary for that purpose.
- (2) The regulations must provide such requirements for participation in the program as the Board deems necessary.
- (3) The money in the Fund may be used to defray, in whole or in part, the costs of administering the Fund and the expenses of the Board in administering the program.
- (4) The Board may, by regulation, impose an administrative fee which must be collected from each recipient of a grant from the Fund. If such a fee is imposed, all revenue derived from the fee must be used to defray, in whole or in part, the costs of administering the Fund and the expenses of the Board in administering the program.
(Added to NRS by 1991, 1833; A 1999, 2122)

Board for Financing Water Projects Authority

Policies Established by the Board for the Capital Improvement Grants Program

<https://ndep.nv.gov/water/financing-infrastructure/board-for-financing-water-projects/regulations-board-policies>

Board Policies	Revision Date
Administrative Funding	June 2018
Alternative Funding	June 2018
Capital Replacement Reserve Accounts	June 2018
Changes to Grant Funding or Project Scope	June 2018
Construction, Engineering and Contingency	June 2018
Fiscal Sustainability Plans	June 2018
Funding Level for Irrigation Projects	June 2018
Length of Grant	Nov 2005
Nonprofit Public Water Systems	June 2018
Scale to Determine Grant Amount	Jul 2009
Septic to Community Sewage System Connections	June 2018
Sufficient Water Rates	June 2018
Water Meters	June 2007