

## NEVADA CWSRF PROJECT PRIORITY LIST RANKING CRITERIA

### SECTION I GENERAL POLICY

Clean water state revolving loan funds (CWSRF) for the construction of municipal wastewater treatment works and pollution control projects are made available to Nevada communities pursuant to the Federal Clean Water Act. These funds are not sufficient to satisfy all of the State's wastewater treatment needs. With this constraint, the limited funds must be used in a manner consistent with the water quality and public health goals of the State in order to ensure maximum public benefit. The Nevada Administrative Code (NAC) 445A.765 to 445A.769 (<http://www.leg.state.nv.us/NAC/NAC-445A.html#NAC445ASec765>) provides the regulatory basis for the priority list. The priority ranking criteria described herein reflects the policies of the Nevada Department of Conservation and Natural Resources, Division of Environmental Protection (NDEP) regarding the utilization of the CWSRF and is structured to support the following goals:

- Elimination of surface and groundwater pollution within the State;
- Protection of the health of the people of the State from the threat created by inadequate treatment, collection and improper disposal of municipal wastewater and wastewater from non-point sources;
- Attainment of water quality standards adopted by the State Environmental Commission to protect designated beneficial uses; and
- Operation of the CWSRF program in such a manner so as to impose the minimal possible financial burden on municipalities and other entities eligible for loans from the SRF.

The primary purpose of the priority system is to describe how staff of NDEP will evaluate projects in Nevada in terms of the above goals. Projects are placed in a priority classes and given a priority value, as is described in Section V. The product of this evaluation is a project priority list which will be formally adopted by NDEP following a public hearing. Clean water projects must be listed on the CWSRF Priority List in order to be considered eligible for financial assistance.

NAC 445A.685 – 445A.727 (<http://www.leg.state.nv.us/NAC/NAC-445A.html#NAC445ASec685>) provides a complete list of definitions as they apply to the CWSRF.

### SECTION II SPECIFIC POLICIES

#### A. Adoption of Priority List and Public Participation

Each year NDEP will prepare a project priority list. NDEP will solicit all of the wastewater systems in the state to submit a request to keep projects on the priority list or add new projects to the list. A pre-application – posted on NDEP's website at <https://ndep.nv.gov/water/financing-infrastructure/state-revolving-fund-loans/how-do-i-apply> – is submitted for each proposed new project. The pre-application provides a description, justification, estimated cost, and implementation schedule for the project. Utilizing this information and other data obtained from the discharge permit program, water quality management plans, municipal compliance plans,

local district health officials, and other sources, the proposed projects are classified and ranked to form the state clean water project priority list.

NDEP will conduct a public hearing on the proposed priority list in order to encourage public participation and provide a time for public comment. NDEP shall provide notice of the time and place set for the workshop not less than 15 days before the workshop, unless a longer period is required. NDEP may provide such notice by publishing in a newspaper of general circulation in an area affected by the proposed action, mailing the notice to each interested person who requests to be on a mailing list maintained by NDEP, posting on NDEP's public notice website, posting on the state's public notice website, or any other means reasonably calculated to provide such notice to the general public and any person who may be affected. The notice will include all of the required elements of a public notice as outlined in the statutes.

The Administrator of NDEP or his/her designee will act as hearing officer and will consider all testimony presented at the public hearing or in writing prior to the public hearing. Based upon the testimony, NDEP may modify the proposed list prior to adoption. The adopted list and a public comment summary will be submitted to EPA as an attachment to the annual Clean Water Intended Use Plan.

**B. Additions, Modification, Bypass, and Removal**

NDEP may adjust the priority list in accordance with NAC 445.768. Any change to the priority list that affects the funding or priority of any project on the priority list shall be made only after written notice has been given to all affected parties, a public hearing if required has been held, and a period of 10 working days has elapsed after the date of such notice or hearing.

The priority of available funds will be assigned to those projects with the highest Priority Rank on the Priority Ranking List with preference given to those projects that are ready to proceed. NDEP may bypass projects on the Priority List that are not ready to proceed (NAC 445A.7675). Proposed projects with a lower Priority Rank may be fundable by virtue of bypass. Preference will be given to those lower-ranked projects that are ready to proceed and that will make progress towards compliance with the enforceable requirements of the Clean Water Act.

**C. Beneficial uses in Nevada are identified in NAC 445A.122 and include:**

- \_ Municipal or domestic supply;
- \_ Irrigation;
- \_ Propagation of aquatic life;
- \_ Recreation involving contact with the water;
- \_ Recreation not involving contact with the water;
- \_ Industrial supply;
- \_ Watering of livestock;
- \_ Propagation of wildlife;
- \_ Waters of extraordinary ecological or aesthetic value;
- \_ Enhancement of water quality.

## SECTION III

## RANKING CRITERIA

Projects shall be ranked within the Priority Classes on the basis of the total number of ranking points each project receives.

### PRIORITY CLASSES

#### **Class A: Project benefits public health and/or the environment**

1. Treatment works or pollution control projects necessary to eliminate documented public health hazards in unsewered communities as evidenced by a finding of violation which has been issued in writing by the public health authority having jurisdiction over the area and by an official action which has been taken to halt or restrict construction of individual sewerage disposal systems, eliminate or restrict the discharge from a non-point source, or treatment works necessary to eliminate documented public health hazards in sewerred communities where existing facilities have exceeded their useful life and have deteriorated to the point that a public health hazards exists. (10 points)
2. Treatment works or pollution control projects necessary to correct existing surface water quality standards violations. Violations must be documented by in-stream water quality data and have resulted in a notification of water quality standards violations being issued by NDEP to the municipal discharger or to the person(s) responsible for the non-point source discharge. (8 points)
3. Treatment works necessary to correct violations of discharge permit limitations. Permit limit violations must be documented by discharge monitoring reports or NDEP compliance monitoring, with a resultant notice of violation and administrative order issued by NDEP. (6 points)
4. Treatment works or pollution control projects necessary to eliminate and/or prevent interference with an existing beneficial use of groundwater where it has been determined that such an interference exists. (4 points)

#### **Class B: Projects necessary to increase reliability or sustainability**

1. Treatment works necessary to provide a degree of treatment beyond that required by water quality standards or permit requirements in order to reclaim and reuse wastewater or to provide treatment works or pollution control projects to sustain compliance with water quality standards or maintain beneficial uses. (10 points)
2. Interceptors in sewerred communities, pumping stations, infiltration inflow correction, correction of combined sewer overflows, sewer system rehabilitation, and reclaimed water distribution. (8 points)
3. Facility flow or loading as a percent of design capacity exceeds 85% (6 points); exceeds 75% (4 points)

#### **Class C: Other clean water needs projects**

1. Projects which provide wastewater treatment and collection in existing unsewerred communities where no public health hazards or water standards violations have been demonstrated or to provide wastewater collection systems to unsewerred portions of sewerred communities. (10 points)
2. All other treatment works or pollution control projects. (5 points)

**Water quality factor (WQF): applies only to Class A & B projects.**

Surface waters in Nevada are assessed based on a two-year, rotating watershed basin cycle. Assessment data and narrative explanations are compiled into the 305(b) Report to Congress. Section 303(d) of the CWA requires each state to list those waters within its boundaries for which technology based effluent limitations are not stringent enough to protect any water quality standard applicable to such waters. The 303(d) List of Waters, now published with the 305(b) report, identifies all waters assessed as "impaired" for one or more pollutants, and are therefore waters not "meeting the water quality standard." NDEP is required to develop TMDLs for those water bodies that are not meeting water quality standards establishing the allowable loadings of pollutants or other quantifiable parameters for a waterbody based on the relationship between point and nonpoint pollution sources and in-stream water quality conditions. TMDLs are prioritized with respect to designated use classifications and the severity of pollution.

The numerical value of WQF is based on the segment to which a treatment plant discharges or which is affected by the discharge from a non-point source:

1. Not supporting – At least one of the water quality standards for the beneficial use was not met (5 points)
2. Groundwater impairment that affects water quality (5 points)
3. Fully supporting; however project is needed to maintain attainment of water quality standards (1 point)

**Project Readiness: applies to all priority classes**

The highest point value is assigned to projects that are ready to bid a project. Those projects with approved facility plans and that will be ready to go to bid receive a median point value. Projects with an approved facility plan only receive the lowest point value available.

1. Plans and Specification approved by NDEP – includes everything needed to bid the project (10 points)
2. Facility Plan approved by NDEP; final plans and specifications to be completed within six months (7 points)
3. Facility Plan approved by NDEP (5 points)

**Asset Management: applies to all priority classes**

NDEP encourages systems that do not have an existing Asset Management Plan to develop and implement one. Asset management is actively managing infrastructure capital assets to minimize the total cost of owning and operating them, while delivering the service levels customers desire. Each utility is responsible for making sure that its system stays in good working order regardless of the age of components or the availability of additional funds. Asset management programs with long-range planning, life-cycle costing, proactive operations and maintenance, and capital replacement plans based on cost-benefit analyses can be the most efficient method of meeting this challenge.

Systems will receive additional points for all of the following criteria that apply:

1. The system has mapped its treatment and collection system and analyzed conditions, including risks of failure, expected dates of renewals and ultimate replacements, and sources and amounts of revenues needed to finance operation, maintenance, and capital needs (1 points)
2. The system has developed appropriate rate structures to build, operate, and maintain the system (1 points)
3. The system has specifically allocated funds for the rehabilitation and replacement of aging and deteriorating infrastructure (1 points)

**Green Projects: applies to all priority classes**

Green projects are projects that include a component(s) that has Green Infrastructure, Water Efficiency, Energy Efficiency or Environmentally Innovative Benefit. The EPA has provided information on green project reserve guidance at the following URL: [http://water.epa.gov/grants\\_funding/cwsrf/Green-Project-Reserve.cfm](http://water.epa.gov/grants_funding/cwsrf/Green-Project-Reserve.cfm). Systems may receive additional points for projects that incorporate green infrastructure, water conservation/efficiency, energy efficiency, or environmentally innovative components.

Systems will receive 5 additional points if any of the following criteria that apply (this is not an exhaustive list):

- Energy efficient retrofits and upgrades to pumps, treatment processes, etc;
- Installation of water-efficient devices
- On site clean power production including: wind, solar, hydroelectric, geothermal, biogas, etc;
- Energy management planning, including energy assessments, energy audits, optimization studies, and sub-metering of individual processes to determine high energy use areas expected to result in a capital project;
- Reuse of treated effluent;
- Establishment or restoration of permanent riparian buffers, floodplains, wetlands, or other vegetated buffers;
- Project to manage wet weather and restore natural hydrology by infiltration, evapotranspiration, or harvesting and using storm water;
- Green storm water infrastructure for parking areas; or
- Other environmentally innovative projects

**General Criteria: applies to all priority classes**

The product of the initial rank number of a project within a class of projects and the ratio of the state median household income to the median household income that is associated with the service area served by the applicant determines the final rank number associated with the project within each class.

If two or more projects within the same class have the same final rank number, the project that is associated with the service area with the highest population shall be deemed to be ranked higher within the class.

**CWSRF PROJECT PRIORITY LIST - POINT RANKING CRITERIA**

| Priority Class  | Points |
|---|--------|
| Class A   |        |
| Class B   |        |
| Class C   |        |
|   |        |
| Water Quality Factor  |        |
|   |        |
| Asset Management  |        |
|   |        |
| Project Readiness   |        |
|   |        |
| Green Project ( <a href="http://water.epa.gov/grants_funding/cwsrf/Green-Project-Reserve.cfm">http://water.epa.gov/grants_funding/cwsrf/Green-Project-Reserve.cfm</a> ) |        |
| <b>TOTAL</b>  |        |