

**State of Nevada—Intended Use Plan  
for the  
Allocation of Drinking Water State Revolving Funds  
For Federal Fiscal Year 2012 Allotment  
Under the Safe Drinking Water Act, as Amended in 1996**

**Nevada Division of Environmental Protection**

**Draft**

**April 2012**



## **LIST OF ACRONYMS**

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

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## **I. INTRODUCTION**

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

The 1996 Amendments to the Safe Drinking Water Act (SDWA) authorized the Drinking Water State Revolving Fund (DWSRF). Nevada's allotment of the Federal fiscal year 2012 DWSRF budget is \$8,975,000 with an additional \$150,000 added from the amendment of the 2011 DWSRF allotment (see Attachment F) for a total of \$9,125,000. These funds are available after Nevada successfully obtains a Capitalization Grant Award from the U. S. Environmental Protection Agency (EPA) for its DWSRF program.

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

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

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

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

The 2012 Intended Use Plan describes how the state intends to use available federal fiscal year 2012 DWSRF funds to meet the objectives of the Safe Drinking Water Act and further the goal of protecting public health.

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

The financial status of the DWSRF is shown in Table 1 on the next page.

### **C. Nevada Request**

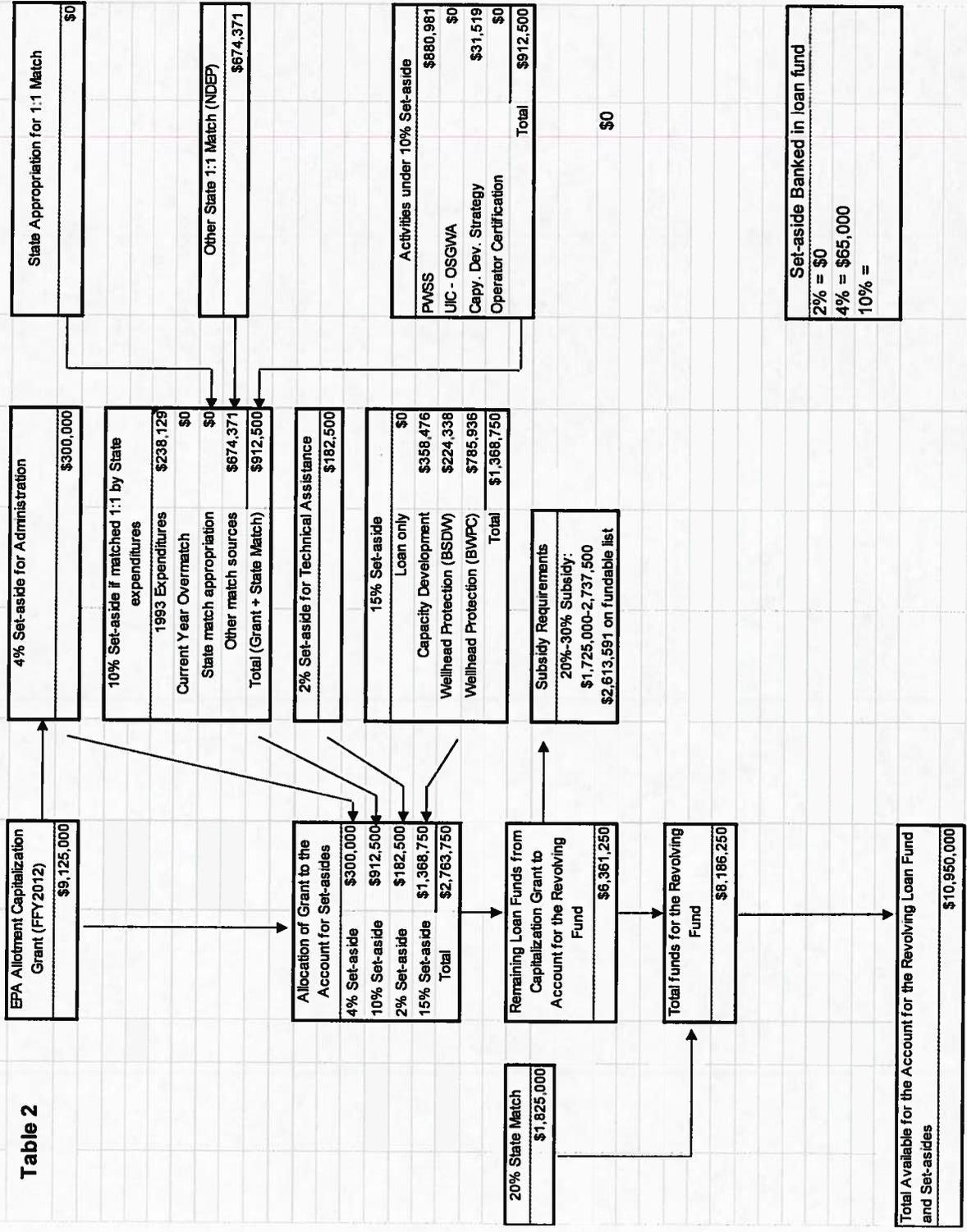
This Intended Use Plan (IUP) is a required element of the grant application documentation to obtain the Federal Fiscal Year (FFY) 2012 grant award. Nevada herewith submits its IUP for the 2012 funds available to Nevada for the purposes of continuing the development, implementation and administration of the DWSRF program in Nevada. The allotment available to Nevada from EPA's 2012 grant totals \$9,125,000; this includes \$150,000 from an amended allotment for 2011 funds. The total allotment will be matched by the 20% match requirement of \$1,825,000 from state financial resources. Nevada intends to divert \$2,763,750 of this allotment to the account for set-aside programs, leaving \$6,361,250 in federal funds for the account for the revolving loan fund (Table 2).

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

Estimated FY2012 and Cumulative Sources and Uses			
	Cumulative Total from 1998 through 2011 Grants	2012 Grant	Cumulative Total through 2012 Grant
<b>SOURCES</b>			
Federal Capitalization Grants	130,926,500	9,125,000	140,051,500
ARRA Capitalization Grant	19,500,000		19,500,000
State Match			0
Provided from State Match Bond Issues	27,272,510	2,900,000	30,172,510
Principal Repayments on Assistance Provided	23,668,841	4,478,894	28,147,735
Interest Repayments on Assistance Provided	17,807,223	2,357,961	20,165,184
Investments Earnings	3,862,480	141,448	4,003,928
Funds Transferred from (To) DWSRF	0	0	0
<b>TOTAL SOURCES</b>	<b>223,037,553</b>	<b>19,003,303</b>	<b>242,040,857</b>
			0
<b>USES</b>			
			0
Financing Agreements Entered (Base Program)	152,624,413		152,624,413
Projects on IUP (2012 IUP)		12,695,791	3,863,591
ARRA Financing Agreements Executed	19,054,301	0	19,054,301
Bond Debt Service Reserve	16,960,771	771,660	26,564,631
State Match Bond Debt Service			0
Principal	7,015,000	1,660,000	8,675,000
Interest	6,080,543	834,565	6,915,108
4% ARRA Administrative Expense	14,189	2,581	16,770
4% Administrative Expenses (Non-ARRA)	3,856,544	300,000	4,156,544
2% Small Systems Technical Assistance (Non-ARRA)	2,013,802	182,500	2,196,302
10% ARRA State Program Management	169,223	274,956	444,179
10% State Program Management (Non-ARRA)	6,337,520	912,500	7,250,020
15% Local Assistance (Non-ARRA)	8,911,248	1,368,750	10,279,998
			0
<b>TOTAL USES</b>	<b>223,037,553</b>	<b>19,003,304</b>	<b>242,040,857</b>

**Distribution of DWSRF Funds  
Projected Program Expenditures**

**Table 2**



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

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

- C. Construction/upgrading of water treatment facilities;
- D. Replacement of contaminated sources with new groundwater or surface water sources;
- E. Installation/upgrade of treatment and disinfection facilities to meet public health standards and to protect public health;
- F. Consolidation and interconnection of public water systems to address technical, managerial and financial capacity issues;
- G. Planning and engineering associated with eligible projects;
- H. Replacement of aging infrastructure;
- I. Replacement/rehabilitation of transmission and distribution lines and storage facilities;
- J. Installation of meters and backflow prevention devices;
- K. Refinancing eligible projects where debt was incurred after July 1, 1993;
- L. Land acquisition that is integral to a DWSRF-eligible project;
- M. Other projects necessary to address compliance/enforcement or security issues; and
- N. Promote green infrastructure, water and energy efficient projects.

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

1. Administration of the DWSRF program;
2. Assistance with technical, managerial and financial capacity development to small public water systems serving 10,000 or fewer persons;
3. Implementation of state drinking water program management;
4. Continued development of an information management system compatible with the Safe Drinking Water Information Management System (SDWIS) to enhance data storage, data queries and data retrieval;
5. Training for water operators and Board members;

6. Wellhead and source water protection programs;
7. Capacity Development;
8. Operator Certification; and
9. Assistance with water system consolidation.

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

#### **A. DWSRF Loan Program General Information**

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

#### **B. Long-Term Goals**

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

- *Ensure that DWSRF funds are available in perpetuity to all Nevada public water systems to provide their customers with water that is safe and pleasant to drink all of the time.* NDEP will accomplish this by, when at all possible, addressing the most critical water issues of the state first, obligating funds as quickly as possible, and through effective and efficient management of the fund.
- *Address the most serious risk to human health and comply with the requirements of the Safe Drinking Water Act.* This is accomplished through the priority list ranking system.
- *Assist systems most in need, on a per household basis, according to State determined affordability criteria.* This is accomplished through adjusting the priority list ranking based on MHI.
- *Coordinate funding with other funding agencies through the Infrastructure for Nevada's Communities.* The DWSRF program meets quarterly with other financing programs in Nevada, including the U.S. Department of Agriculture (USDA) Rural Development program, the Department of Housing and Urban Development's (HUD) Community Development Block Grant program and various state agencies. The

programs meet to discuss program applicants and develop funding packages, which can maximize cost savings.

### **C. Short-Term Goal**

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

- Make drinking water in Nevada more affordable by providing Federal, State and repayment funds as loans to water systems in Nevada at below market interest rate.
- Use 20%-30% of the federal 2012 funds for additional subsidies.
- Issue loans totaling at least \$12,695,00

### **D. Additional DWSRF Loan Program Information**

Financial Terms of Loans for Public Water System Projects:

1. Subject to the limitation in paragraph 2 of this section, all loans for the financing of projects, or loans made under the Section 1452(k)(1) set-aside, will be for a term not to exceed 20 years from loan closing date, except that under some conditions, loans to disadvantaged communities for financing projects may be made for a period of 30 years from loan closing date.
2. Loan terms are not to exceed the useful life of the project.
3. Terms of financial assistance to public water systems serving disadvantaged communities are addressed in Section VII.
4. Repayment of loan principal must begin within 12 months of project completion based on the construction schedule available at the loan closing date or actual completion date or three years from the date of the initial principal advance, whichever is earlier.
5. Loans are to be made on a cost-reimbursement basis.
6. Leveraging: The decision to leverage will be based on demand on the loan fund for projects to address health concerns, market conditions and long term impact to the fund.
7. Administration Fee: Currently, Nevada does not assess a fee. At some point in the future, Nevada intends to assess a small administrative fee, calculated as a percentage of the remaining principal balance, to be collected at the time of the semi-annual loan repayments. Fees collected will be deposited and maintained outside of the SRF accounts and used for administrative or other eligible costs.

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

The SDWA §1452(g) and §1452(k) allow States to set aside up to 31% of the capitalization grant for the activities described in Section II. B of this IUP. Nevada expects to reserve just under 31% of the FFY 2012 capitalization grant for these purposes. NDEP requests that 65,000 of the 4% administrative authority be transferred to the loan program and banked for possible use in the 4% set-aside at a later date.

The DWSRF account for set-aside programs includes four specific set-aside categories identified as the 4%, 10%, 2% and 15% set-asides. If all of the set-aside funds within a set-aside activity are not expended, those remaining funds may be redirected to another set-aside activity as long as the maximum allowed for that activity has not been reached for the fiscal year from which the funds were derived. Nevada has submitted a detailed work plan and budget for set-aside activities described in Sections A through D (below).

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

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

The Bureau of Administrative Services within the Division of Environmental Protection will manage the day-to-day operation of the DWSRF. The Board for Financing Water Projects, a board that exists independent of the Division, approves the priority lists and loan commitments. Support for administering the program is also obtained from the State Treasurer's Office.

This set-aside will be used to pay salaries and associated expenses of program personnel devoting time to the administration of the fund as well as the necessary ancillary services performed by other agencies or contractors. These funds will also be used to procure all equipment and training necessary for the adequate performance of staff. Expenses for DWSRF-related public meetings, workshops and hearings will also be paid for out of this set-aside. Funds not used immediately will be reserved for use in future years.

##### **Long-Term Goal:**

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

##### **Short-Term Goals:**

- Effectively and efficiently manage the day-to-day operation of the DWSRF;
- Award at least 20%, but not more than 30% of the 2012 grant as "subsidy" projects to disadvantage communities

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

Nevada will utilize this set-aside to provide technical assistance to small public water systems using independent contractors, coalitions and/or non-profit organizations. Small public water systems are those systems that serve 10,000 or fewer persons.

**Long-Term Goal:**

- Offer assistance to all of Nevada's small systems.

**Short-Term Goal:**

- Provide technical assistance to small systems including assistance with compliance issues, sampling plans;
- O&M Manuals, Cross Connection Control Programs,
- Interim guided sanitary surveys;
- Assist water systems in the grant/loan application process;
- Water conservation plan implementation including water loss determinations, leak detection, meter calibrations and checks;
- Document power use, patterns and rate structure; and
- Provide managerial assistance including budget, water rates and staffing needs.

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

Nevada will utilize the 10% set-aside activities for support of the Public Water System Supervision program. Support of the Operator Certification program is included in the Public Water Supervision Program. The 10% set-aside requires a 1:1 match which the State may derive from three possible sources. The first source comes from the State expenditure for the 1993 Public Water System Supervision (PWSS) program as allowed by the Safe Drinking Water Act. This historical amount is **\$238,129**. This amount cannot exceed the match credits derived from the other components. The second source is annual permit fees NDEP collects for water system operation, operator certification, lab certification or plan reviews. The third source of matching funds to meet State match requirements is the expenditure of money by the Nevada Division of Environmental Protection (NDEP) on the State's source water protection program. The NDEP administers the major elements of this SDWA program and collects permit fees collected for groundwater discharge permits. Under Nevada's source water protection program, these groundwater discharge permit fees are used to reduce or eliminate the exposure of drinking water aquifers to contaminants in groundwater discharge activities. No direct State appropriation match money will be provided for the 2012 grant.

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

The DWSRF funds will be used to implement overall ongoing PWSS activities administered by the Bureau of Safe Drinking Water and improve current public water system information management system functionality.

#### Long-Term Goals:

- Maintain the Safe Drinking Water Information System (SDWIS) for use in managing Nevada PWSs;
- Integrate SDWIS with other Bureau workflow management tools and other State databases as appropriate;
- Continue to manage State and US EPA compliance and enforcement priorities using Enforcement Targeting Tool information;
- Maintain operator certification program; and
- Maintain engineering design review activities.

#### Short-Term Goals:

- The US EPA has released an updated version of SDWIS State that the NDEP is considering for an upgrade of the current database software. Expenses involved in upgrading to SDWIS Web 3.x may be fully or partially funded by the 10% Set-aside;
- Develop Revised Total Coliform Rule (RTCR) implementation policies, procedures and regulations, following US EPA publication of the Final Rule;
- Conduct RTCR training for Bureau staff, PWSs and the public through targeted events and workshops, prepare for rule adoption and primacy revision application;
- Continue to identify and conduct training for older SDWA Rules for newer Bureau and Program staff;
- Under the Capacity Development Program the BSDW Bureau Chief will continue to participate in the State-EPA Re-Energizing Capacity Development Work group; and promote participation of NDEP OFA and BSDW staff on activities under that umbrella

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

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

##### **1. Loans for Source Water Protection Programs**

These loans could include loans for the acquisition of land or easements, for local, voluntary source water protection, or for source water petition programs. Nevada does not plan to set aside any 2012 funds for loans to be made under this program.

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

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

continue to coordinate between the OFA Capacity Development Program and the BSDW Operator Certification Program to enhance the effectiveness of various elements of Nevada's Capacity Development Strategy.

**Long-Term Goal:**

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

**Short-Term Goals:**

- Edit, publish and mail quarterly newsletter *Water Lines*;
- Provide training to operators and Boards; and,
- Make available college level water courses.

### **3. State Source Water Protection Program**

The Nevada Source Water Protection Program (SWPP) was created in 2005. The goal of the SWPP is to ensure the protection of Nevada's drinking water resources by developing a comprehensive program to identify and address existing and potential water pollution sources, coordinate protection activities throughout the State, and provide outreach and technical assistance to communities on strategies to protect their drinking water resources. The SWPP is comprised of:

- The voluntary Wellhead Protection Program (WHPP), which has been renamed as the Integrated Source Water Protection Program (ISWPP) in 2010,
- Follow-up activities for the Source Water Assessment Program (SWAP), and
- Source water protection and coordination activities administered within the Nevada Division of Environmental Protection (NDEP).
- The Safe Drinking Water Information System (SDWIS) houses all the water quality data from Public Water Systems in Nevada. This data a critical link in an effective source water protection program for Nevada and is regularly mined for source water protection activities. The US EPA has released an updated version of SDWIS State that the NDEP is considering for an upgrade of the current database software. Expenses involved in upgrading to SDWIS Web 3.x may be partially funded by the 15% Set-aside.

The objectives of the SWPP are to 1) manage the ISWPP grant and provide technical assistance to communities and public water systems with the development and implementation of local source water protection or wellhead protection plans, and 2) coordinate and focus attention on ground and surface water protection activities conducted by NDEP, local agencies, state and federal agencies, other non-profit associations and groups working to protect sources of drinking water in Nevada. Although the SWPP addresses both ground water and surface water, the Drinking Water State Revolving Fund's (DWSRF) 15% set-aside funds are utilized to support the groundwater component. The SWPP is administered by the NDEP's Bureau of Water Pollution Control (BWPC).

#### **a. Wellhead Protection/Integrated Source Water Protection**

Section 1452(k) of the Safe Drinking Water Act (SDWA) specifies that wellhead protection programs are eligible for funding under the 15% set-aside. Since 1994,

NDEP has supported WHPP activities that protect underground sources of drinking water from anthropogenic (human caused) activities and events, which include the development and implementation of community/tribal source water or wellhead protection plans through financial and technical assistance and coordination with other agencies who manage related programs. Source water or wellhead protection activities are outlined in the "Comprehensive State Groundwater Protection Program" updated in March 1998 and approved by the U.S. Environmental Protection Agency.

In 2010, the WHPP underwent a thorough review and update. As a part of the review process, NDEP investigated the feasibility of integrating source water protection activities at NDEP. This included a detailed review of the existing source water protection activities and programs (WHPP, SWAP, and SWPP) managed within NDEP, with an emphasis on the WHPP review and update. We considered the programs' similarities and differences pertaining to long term and short term goals, federal and state funding requirements in carrying out the individual programs, data collection and use of data, and coordination among the applicable NDEP Bureaus who currently manage the programs. The intent was to alleviate redundant data collection and maintenance efforts and provide a more efficient process for entering, updating and sharing data related to source water protection in Nevada. Modifications as a result of the review and update process included: changing the WHPP's name to "Integrated Source Water Protection Program (ISWPP);" implementing the ISWPP on a countywide planning and funding schedule; using a State contracted technical assistance provider; and coordinating data collection, management and sharing efforts through NDEP's GIS services. These changes further enable NDEP to set standards for quality control and ensure that GIS data which is shared and referenced for various local, federal and state efforts is adequately verified.

#### **b. Source Water Protection Activities**

Section 1453 of the 1996 Amendment to the SDWA requires states to develop and implement Source Water Assessment Programs (SWAPs) approved by the United State Environmental Protection Agency. Components of the program include delineation of source water assessment areas, analysis of existing and potential sources of contamination within the delineated areas, and determination of susceptibility to contamination for all public drinking water sources within each state. NDEP Bureau of Safe Drinking Water (BSDW) is the primacy for development and implementation of the state of Nevada's SWAP. Nevada source water assessments were completed for all public water systems in 2003. Follow-up action is being coordinated by BSDW to implement vulnerability assessment and monitoring waiver programs for public water systems throughout Nevada. In January 2010 BSDW contracted with the University of Nevada-Las Vegas (UNLV) to perform vulnerability assessments using SWAP evaluation criteria at Community and NTNC water system wells permitted after 2003. As part of the contract, UNLV is also updating the potential contaminant source inventories of many of the Community and NTNC water systems that were previously evaluated during the Source Water Assessment Program. Completion of this project with UNLV is expected spring, 2012. Updated vulnerability assessment reports and Consumer Confidence Reports will then be prepared by BSDW staff and provided to the water systems.

The DWSRF funds will be used to enhance current activities administered by the

Bureau of Safe Drinking Water in the area of Local Source Water Protection Activities, and continue to enhance the current Public Water System information management system's use and effectiveness.

Continue to enhance activities linked with Source Water Protection through the use of vulnerability assessments, GIS capabilities, identification of potential contaminant sources during conduct of Sanitary Surveys, and other related activities.

**c. Other Source Water Protection Activities for**

The Bureau of Pollution Control (BWPC)'s SWPP is also responsible for collecting and analyzing information available to the State in order to develop tools and guidance to assist NDEP programs protect waters of the State from point source discharges. Activities that fall within the objectives of the SWPP, but fall outside of the scope of the ISWPP and SWAP, include:

- Analysis, prioritization and focused attention of potential contaminating activities based on review and analysis of results from the SWAP and data from other permitting, monitoring, and mitigation programs at NDEP to assist and enhance source water protection activities within the state;
- Coordination of ground water and surface water protection activities conducted by NDEP, other state and federal agencies, and other groups working to protect sources of drinking water in Nevada;
- Establishing state-wide standards and criteria for protection of drinking water sources within the state;
- Development and maintenance of a source water protection strategies and tools for the protection of the state's drinking water supply;
- Continuing and further promoting source water protection through public education and outreach efforts.

**Long-Term Goals SWPP :**

- Implement the comprehensive SWPP, by providing outreach and assistance to local communities on strategies to protect their local water resources by preventing contamination of ground water and surface water, identifying and reducing the risk posed by potential water pollution sources through various state and local programs, and coordinating water protection activities throughout the state.
- Utilize information gathered from the SWAP and related programs within NDEP to develop and implement source water protection strategies for the state.

#### Short-Term GoalsSWPP:

- › Enhance the State ISWPP and strategies for carrying out the programs and protecting public drinking water supplies and ground water resources;
- › Provide technical assistance with the development and implementation of community/public water system source water/wellhead protection plans; and encourage these activities at the local level;
- › Coordinate with federal, state and local agencies and other community groups involved with source water and wellhead protection activities; including participating in EPA sponsored source water protection forums and workshops.
- › Develop technical guidance for water pollution prevention activities and best management practices, including utilizing other federal, state, and local program guidance documents and fact sheets to promote source water protection activities at the state and local level;
- › Develop educational outreach materials and coordinate educational outreach activities (i.e. local government presentations, school presentations, outreach at scheduled community events, etc.) with other state and local programs, schools, and other established source water protection groups. Materials will be developed for a variety of audiences to inform the general public of the importance of source water/wellhead protection into the future;
- › Develop and enhance source water/wellhead protection data management and coordinate data sharing with related programs, local governments, and other source water/wellhead protection activities; and
- › Maintain/enhance staff technical capabilities through various local, state and federal training opportunities and coordinating and participating in source water/wellhead protection activities at the regional and national level.

## V. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

### A. Priority List Ranking Process

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

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

Points assigned, as specified in NAC 445A.67569, to address different problems within a

class are additive. The initial ranking number is multiplied by the ratio of the State median household income to the public water system median household income. If the scores for two or more projects are tied, ranking will be based on population, with the higher population given the higher ranking. Within each of the above categories, the projects are ranked by type of public water system in the following order:

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

On an annual basis, following a statewide solicitation for projects, the Division develops a statewide priority list of water projects. Placement on the priority list does not guarantee that a project will be funded. However, only those projects that are included on the priority list will be considered for possible funding. The IUP, including the list of projects, undergoes a public review and comment process at least once each year.

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

1. Arsenic concentration between 16 ppb and 20 ppb
2. Arsenic concentration between 11 ppb and 15 ppb
3. Arsenic concentration less than 16 ppb and 20 ppb
4. Arsenic concentration between 11 ppb and 15 ppb

*A project that is needed to comply with a EPA rule that has been adopted, but the compliance date is in the future will be ranked on the Priority List in either acute or chronic health class*

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

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

Requests for financial assistance for emergency situations may be made to the Division at any time. In any emergency situation, an applicant may submit a loan application without

waiting for a revision to the priority list. All other applicants on an approved priority list will be notified of an emergency request and be given an opportunity for any comments or objections. The Board for Financing will add the project to the priority list at the same time the Board approves the loan commitment.

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

The EPA FY-12 DWSRF Guidance requires identifying a fundable list of projects. The fundable list included in Attachment B was developed based on a readiness to proceed.

#### **B. Priority List Public Participation**

A list of projects in order of priority that may receive assistance from the account for the revolving fund is made a part of this IUP (See Attachment A). At the end of each calendar year, NDEP sends out a solicitation to all community and non-transient, non-community water systems for proposed water projects. In late December 2010, NDEP sent out this solicitation letter for the 2012 Priority List. The Division held a Priority List Workshop on June 7, 2011 on the 2012 Priority List. The Board for Financing Water Projects approved the 2012 Priority List at their meeting on July 27, 2011. The fundable list for 2012 is included in Attachment B. The Resolution of the Board for Financing Water Projects approving the 2012 Priority List effective July 2011 is included in Attachment C.

As is customary, in late December 2011, NDEP sent a solicitation to all community and non-transient, non-community water systems for proposed water projects for the 2013 Priority List. The Division held a Priority List Workshop on April 9, 2012 on the 2013 Priority List. Due to the infrequent scheduling of meetings of the Board for Financing Water Projects, the Board approved the 2013 Priority List at their meeting on April 17, 2012. The fundable list for 2013 is also included in Attachment B with the Board Resolution in Attachment C.

A summary of the public workshops, comment and public participation is included in Attachment D. The Resolution of the Board for Financing Water Projects approving the 2013 Priority List effective April 2012 is included in Attachment C.

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

To monitor the long-term financial health of the DWSRF, the Division relies on a capacity model to assess the financial impact of policy decisions including the amount of forgivable principal to award, loan interest rates, and state match bond structures. Attachment E is an example output from the capacity model and measures the DWSRF's ability to pay state match bond debt service based on the status of the loan portfolio and based on conservative assumptions about investment activity.

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

The Division places priority on projects that meet the goals specified in Section II of this IUP. In general, the resolution of imminent threat to public health by addressing acute

contaminants is paramount, followed by the resolution of compliance issues, long-term health protection through pollution or contamination prevention, long-term infrastructure needs, and consolidation of public water systems to improve system capabilities.

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

Although there are no immediate plans to transfer funds from one program to the other, Nevada reserves the right to make a transfer of up to 33% of the DWSRF capitalization grant into the CWSRF or an equivalent amount from the CWSRF capitalization grant into the DWSRF, when it is permissible. This would require public review and the approval of the Governor, State of Nevada.

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

The federal regulations for the DWSRF state that a minimum of 15% of the DWSRF must be used to provide loan assistance to small public water systems serving fewer than 10,000 people to the extent such funds can be obligated for eligible projects. The 2012 & 2013 project priority list include a large number of projects associated with small public water systems. It also includes several projects associated with large water systems. Every effort will be made to fund the small system projects, recognizing the requirement outlined in Section 1452 (a)(2) of the SDWA to make at least 15% of the fund available to small systems. Loans to large systems are important in obligating the entire capitalization grant. Repayments of these loans then make low-cost loans available to small systems in the future.

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

The federal 2012 appropriation required that the state use at least 20% and up to to 30% of its grant to provide additional subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants or any combination of these. Under the existing program, the DWSRF has authority to offer principal forgiveness and negative interest loans in an amount up to 100% of the value of a loan to disadvantaged communities.

The Nevada Administrative Code defines a disadvantaged community as an area served by a public water system in which the average income per household is less than 80 percent of the median household income of the state median household income. To meet the Federal 2012 appropriation requirement, additional subsidy will first be offered to communities that meet the definition of a disadvantaged community. If the minimum grant amount for additional subsidization is not met through addressing health concerns, projects with critical infrastructure needs where the community meets the definition of disadvantaged will be considered.

There are adequate projects on the Priority List that meet the above affordability criteria to more than satisfy the requirement of 20% to 30% of the grant. The terms and amount of the additional subsidy will be determined on a case by case basis based on the individual community's financial situation.

It is possible that some of the projects on the Priority List meeting the above affordability criteria will not utilize SRF funds. If necessary to meet the 20% of the grant in additional subsidization

requirement, the eligibility for additional subsidy will be expanded to include all communities with a population less than 10,000 people.

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

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

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

Measure	Measure Text	National Target	Nevada FY-09	Nevada FY-10	State FY-11
SDW-4	Fund utilization rate [cumulative dollar amount of loan agreements divided by cumulative funds available for projects] for the Drinking Water State Revolving Fund (DWSRF)	Target 89%	Actual 73.1%	Target 90%	Target 96%
SDW-5	Number of Drinking Water State Revolving Fund (DWSRF) projects that have initiated operations (cumulative)	Base 5,526 ARRA 200 Total 5,726	18 0 18	21 5 26	25 7 32

All planned and prior year loans have assisted public water systems in meeting the federal and state drinking water compliance requirements. Details of Nevada's DWSRF activities supporting the National USEPA Strategic Plan will be included in the DWSRF Annual Report, the Drinking Water National Information Management System (DW NIMS) and the Federal Funding Accountability and Transparency Act (FFATA) Reporting System.

## **Attachment A**

**2012 Project Priority Lists**  
**2013 Project Priority Lists**

Year 2012 Priority List--Drinking Water State Revolving Fund

Rank	Water System	Total Points	Arsenic Factor	Adjust. Total	State MHI PWS MHI	Revised Points	Ownership of System	County	ID#	Pop. Served	Number of Svc. Conn.	Project Description	Amount
<b>Class I--Acute Health Risks</b>													
1	Kingsbury GID	3	NA	3	0.87	2.61	Public	DO	NV00000004	3,839	2,450	LT2E Surface water treatment	\$8,000,000
2	Douglas County - Zephyr WUD	3	NA	3	0.74	2.23	Public	DO	NV00000258	1,193	477	LT2E surface water treatment distribution (GREEN)	\$3,300,000
3	Incline Village GID	3	NA	3	0.67	2.01	Public	WA	NV0000158	9,313	4,400	LT2E Surface water treatment (GREEN)	\$5,400,000
<b>Total Class I</b>												<b>\$16,700,000</b>	

<b>Class II--Chronic Health Risks Community Water Systems</b>													
4	McDermitt	10	0.5	5	5.77	28.87	Public	HU	NV0000162	200	100	Arsenic compliance	\$478,000
5	Alamo Sewer & Water GID	10	1.0	10	1.69	16.92	Public	LI	NV00000005	900	275	Arsenic compliance, new well, storage, distrib.	\$2,087,380
6	Carson City Utilities	10	1.0	10	1.07	10.66	Public	CC	NV00000015	56,000	16,447	Uranium compliance (pipeline to Douglas Co and transmission within Carson City)	\$18,000,000
7	Churchill Co (Moody Ln Treatment)	10	0.8	8	1.05	8.36	Public	CH	NV0000406	503	183	Arsenic compliance	\$2,000,000
8	Old River	10	0.8	8	1.05	8.36	Private	CH	NV0000303	300	110	Arsenic compliance	\$1,451,835
9	Wildes Manor	10	0.5	5	1.58	7.90	Private	CH	NV0000058	70	20	Arsenic compliance	\$375,000
10	Tonopah	10	0.4	4	1.59	6.35	Public	NY	NV0000237	2,600	1,500	Arsenic compliance	\$1,000,000
11	Douglas County - Sunrise Estates	10	0.8	8	0.78	6.20	Public	DO	NV0002540	150	46	Arsenic compliance	\$2,619,000
12	Lander Co. - Austin	10	0.4	4	1.38	5.53	Public	LA	NV0000006	350	164	Arsenic compliance	\$5,000,000
13	Battle Mountain Water & Sewer	10	0.5	5	1.06	5.31	Public	LA	NV0000008	4,600	1,145	Water treatment (arsenic), transmission, distribution, storage	\$11,510,910
14	Spring Creek (Washoe Co.)	10	0.5	5	0.99	4.93	Public	WA	NV0004082	1,850	743	Arsenic compliance	\$3,516,613
15	Shoshone Estates	10	0.7	7	0.68	4.77	Private	NY	NV0005028	240	76	Arsenic compliance	\$1,660,000
16	Desert Springs	10	0.4	4	0.99	3.94	Public	WA	NV0001085	7,629	3,869	Arsenic compliance	\$3,859,680
17	Gabbs	1	NA	1	1.67	1.67	Public	NY	NV0000063	411	160	Fluoride compliance	\$300,000
<b>Total Class II</b>												<b>\$54,598,178</b>	

<b>Class III--Rehabilitation Community Public Water Systems</b>													
19	Lovelock Meadows	43	NA	43	1.62	69.78	Public	PE	NV0000161	5,278	1,409	New well, transmission, storage, treatment	\$7,478,000
20	Dayton Utilities	39	NA	24	1.15	44.66	Public	LY	NV0000838	1,578	895	New well storage, upgrade transmission & distribution	\$1,720,000
21	Orvada	19	NA	19	2.28	43.25	Public	HU	NV0003022	200	50	Storage, distribution, meters	\$700,000
22	Reno Sahara MHP	25	NA	25	1.42	35.40	Private	WA	NV0000701	90	30	Consolidation with TMWA	\$175,000
23	Footbill MHP	25	NA	25	1.42	35.40	Private	WA	NV0000200	35	17	Consolidation with TMWA	\$100,000
24	Wendover	24	NA	24	1.52	36.54	Public	EL	NV0000246	4,980	1,103	Transmission, distribution, storage	\$982,000
25	Lamolle Water Users, Inc	39	NA	39	0.66	25.81	Private	EL	NV0000273	200	71	New well, storage, transmission, distribution	\$1,200,000
26	Truckee Meadows Water Authority	23	NA	23	1.11	25.59	Public	WA	NV0000190	325,000	90,000	Glendale treatment plant operations building	\$2,000,000
27	Storey County (Virginia City)	24	NA	19	0.84	20.27	Public	ST	NV0000240	2,517	694	Tank, transmission	\$15,337,905
28	Walker Lake GID	11	NA	11	1.84	20.22	Public	MI	NV0000268	400	160	Distribution rehab - part GREEN some pipes leak 50%	\$1,000,000
29	Ruth	18	NA	18	1.05	18.81	Public	WP	NV0000164	700	320	Pipe, pump water from existing Steptoe Valley wells in	\$7,000,000
30	LVVWD - Blue Diamond	24	NA	24	0.70	16.85	Public	WA	NV0000010	282	125	New wells, replace distribution	\$4,173,693
31	Washoe Co DWR (Lemmon Valley)	18	NA	18	0.84	15.07	Public	WA	NV0000202	8,000	7,500	Transmission, storage	\$13,000,000
32	Douglas County (West Valley)	15	NA	15	0.87	13.12	Public	DO	NV0002054	980	980	New well	\$1,900,000
33	Washoe Co DWR (Desert Springs)	18	NA	18	0.69	12.44	Public	WA	NV0001085	11,980	5,800	Tank relocation, transmission	\$2,896,300
34	Henderson	14	NA	14	0.82	11.47	Public	CL	NV0000076	246,000	77,889	Townsite cast iron transmission and distribution replacement (U0026)	\$2,300,000
35	Henderson	14	NA	14	0.82	11.47	Public	CL	NV0000076	246,000	77,889	North Green Valley Parkway transmission and distribution improvements (U0027)	\$1,200,000
36	Henderson	14	NA	14	0.82	11.47	Public	CL	NV0000076	246,000	77,889	Pitkin/Boulder Highway waterline replacement (U0033)	\$5,400,000

Rank	Water System	Total Points	Aesthetic Factor	Adjust. Total	State MHI PWS MHI	Revised Points	Ownership of System	County	ID#	Pop. Served	Number of Svc. Conn.	Project Description	
37	Henderson	14	NA	14	0.82	11.47	Public	CL	NV00000076	246,000	77,889	Victory Road cast iron main replacement (U0034)	\$2,900,000
38	Henderson	14	NA	14	0.82	11.47	Public	CL	NV00000076	246,000	77,889	Townsite cast iron transmission and distribution replacement phase 2 (U0072)	\$4,300,000
39	Washoe Co DWR (Double Diamond)	15	NA	15	0.75	11.21	Public	WA	NV0000832	15,800	6,240	Equip (pumps, house, piping) new wells, disinfection	\$2,437,000
40	Stagecoach GID	8	NA	8	1.30	10.37	Public	LY	NV0000224	1,411	580	Inletle Stagecoach GID with Lyon County Utilities	\$1,280,000
41	Indian Hills GID	10	NA	10	0.92	9.18	Public	DO	NV0000355	5800	1,810	Replace "Valley Vista" storage tank	\$280,000
42	Henderson	10	NA	10	0.82	8.19	Public	CL	NV00000076	246,000	77,889	Reconstruct/retrofit existing transmission to include installation of an in-pipe hydroturbine (GREEN)	\$1,100,000
43	Henderson	10	NA	10	0.82	8.19	Public	CL	NV00000076	246,000	77,889	Reservoir Overflow Upgrades P1 R-11, R-17a and R-Distribution	\$2,150,000
44	Ely	6	NA	6	1.22	7.31	Public	WP	NV0000038	5,500	2,200	Distribution	\$6,420,000
45	Sun Valley GID	6	NA	6	1.12	6.70	Public	WA	NV0000211	19,461	5,963	Distribution to eliminate dead ends, PRV	\$450,300
46	Henderson	8	NA	8	0.82	6.55	Public	CL	NV00000076	246,000	77,889	2007 Pressure zone (east) Water Main Phase II -	\$1,100,000
47	Henderson	8	NA	8	0.82	6.55	Public	CL	NV00000076	246,000	77,889	P17/P18 Upgrades, 36-Inch Transmission Main	\$16,000,000
48	Sage Valley Mobile Home Park	6	NA	6	1.05	6.27	Private	CH	NV0002023	188	147	WD307/U0007	\$75,000
49	Henderson	6	NA	6	0.82	4.91	Public	CL	NV00000076	246,000	77,889	Replace existing water services	\$1,800,000
50	Lyon County - Dayton	3	NA	3	1.04	3.12	Public	DO	NV0000032	11,000	5,200	Tropicana Square Townhomes Pressure Zone Conversion - WD308/U0006	\$1,150,000
												Meters, isolation valves (GREEN)	

**Class III--Rehabilitation  
Non Community Public Water Systems**

None  
None

**Total Class III**

**\$110,007,198**

2010 Census did not collect MHI data.  
State MHI (Median Household Income) is \$55,585 based on 2005-2009 American Community Survey conducted by US Census.  
PWS MHI is based on 2005-2009 American Community Survey conducted by US Census where data is available for the community.  
If data not available for community in the 2005-2009 Survey, 2000 Census or individual income survey used.

Green project

Year 2013 Priority List - Drinking Water State Revolving Fund

Rank	Water System	Total Points	Arsenic Factor	Adjust. Total	State MHI/ PWS MHI	Revised Points	Ownership of System	County	ID#	Pop. Served	Number of Svc. Conn.	Project Description	Amount
<b>Class I--Acute Health Risks</b>													
1	Douglas County (Zephyr-WUD)	3	NA	3	0.91	2.72	Public	DO	NV0000258	1,193	477	L2E surface water treatment, distribution (GREEN)	\$1,300,000
<b>Total Class I</b>												\$1,300,000	
<b>Class II--Chronic Health Risks</b>													
<b>Community Water Systems</b>													
2	Roark Estates	10	1.0	10	2.10	21.05	Private	CL	NV00000319	62	27	Arsenic compliance	\$300,000
3	Alamo Sewer & Water GID	10	1.0	10	1.70	16.97	Public	LI	NV00000005	900	275	Arsenic compliance	\$750,000
4	LWVWD (Searchlight)	10	0.9	9	1.47	13.22	Public	CL	NV00002119	740	310	Arsenic compliance	\$466,150
5	McDemitt	10	0.9	9	1.44	12.93	Public	HU	NV0000162	200	100	Arsenic compliance	\$478,000
6	Wildes Manor	10	1.0	10	1.26	12.57	Private	CH	NV00000558	70	20	Arsenic compliance	\$375,000
7	Old River	10	1.0	10	1.08	10.80	Private	CH	NV00000303	300	112	Arsenic compliance	\$1,451,835
8	Carson City Utilities	10	1.0	10	1.07	10.70	Public	CC	NV0000015	56,000	16,447	Arsenic & Uranium compliance (pipeline to Douglas Co and transmission within Carson City)	\$10,388,000
9	Holbrooke Station	10	1.0	10	1.04	10.45	Private	DO	NV0002046	168	84	Arsenic compliance	\$103,000
10	Frontier Village MHP	10	1.0	10	0.99	9.91	Private	CL	NV0000147	60	71	Arsenic compliance	\$194,955
11	Shoshone Estates	10	1.0	10	0.86	8.63	Private	NY	NV0005028	240	76	Arsenic compliance	\$1,660,000
12	Douglas County (Fairgrounds/Sunrise Estates)	10	0.9	9	0.74	6.62	Public	DO	NV0002540	150	46	Arsenic compliance	\$2,619,000
13	Washoe Co DWR (Sunrise Estates)	10	0.9	9	0.67	6.00	Public	WA	NV0002525	86	32	Arsenic compliance	\$451,408
14	Gabbs	1	NA	1	2.35	2.35	Public	NY	NV0000063	411	160	Fluoride compliance	\$1,500,000
<b>Class III--Chronic Health Risks</b>													
<b>Non Community Water Systems</b>													
15	Verdi Business Park	10	0.8	8	0.74	7.39	Private	WA	NV0005061	225	16	Arsenic compliance through consolidation with TMWA	\$635,200
<b>Total Class II</b>												\$21,372,648	
<b>Class III--Rehabilitation</b>													
<b>Community Public Water Systems</b>													
16	Lovelock Meadows	43	NA	43	1.46	62.65	Public	PE	NV0000161	5,278	1,409	New well, transmission, storage, treatment	\$7,478,000
17	Callente	29	NA	29	2.14	61.96	Public	LI	NV0000013	1,123	465	Well upgrades, transmission & distribution line	\$1,905,000
18	Dayton Utilities	39	NA	24	1.05	40.82	Public	LY	NV0000838	1,578	895	New well storage, upgrade transmission & distribution	\$1,720,000
19	Elko Co (Montello)	10	NA	10	3.60	35.95	Public	EL	NV0000169	150	73	Storage tank, SCADA	\$289,300
20	Palm Gardens Water Coop	33	NA	33	1.00	32.85	Private	CL	NV0000819	58	51	Treatment, storage, security (fencing)	\$163,000
21	Wendover	24	NA	24	1.33	31.94	Public	EL	NV0000246	4,990	1,103	Transmission, distribution, storage	\$1,341,600
22	Lanollie Water Users, Inc	39	NA	39	0.70	27.28	Private	EL	NV0000273	200	71	Storage, transmission, distribution	\$500,000
23	Reno Sahara MHP	25	NA	25	1.07	26.72	Private	WA	NV0000701	90	30	Consolidation with TMWA	\$175,000
24	Foothill MHP	25	NA	25	1.07	26.72	Private	WA	NV0000200	35	17	Consolidation with TMWA	\$100,000
25	Truckee Meadows Water Authority	23	NA	23	1.14	26.21	Public	WA	NV0000190	325,000	90,000	Glendale treatment plant operations building	\$2,000,000
26	Walker Lake GID	11	NA	11	2.23	24.55	Public	MI	NV0000288	400	160	Distribution rehabilitation (GREEN)	\$1,000,000
27	Goldfield	15	NA	15	1.40	20.95	Public	ES	NV0000072	350	217	Back-up well	\$115,000
28	Ruth	18	NA	18	1.08	19.50	Public	WP	NV0000164	700	320	Pipe, pump water from existing Steptoe Valley wells in	\$7,000,000
29	Storey County (Virginia City)	19	NA	19	0.80	19.24	Public	ST	NV0000240	2,517	684	Tank, transmission	\$7,000,000
30	Orovada	19	NA	19	1.01	19.18	Public	HU	NV0003022	200	50	Storage, distribution, meters	\$1,800,000
31	LWVWD (Blue Diamond)	24	NA	24	0.71	16.96	Public	CL	NV0000010	282	125	New wells, replace distribution	\$4,173,693
32	Washoe Co DWR (Lenmon Valley)	18	NA	18	0.86	15.39	Public	WA	NV0000202	8,000	7,500	Transmission, storage	\$13,500,000
33	Lyon County (Silver City)	14	NA	14	1.03	14.41	Public	LY	NV0000240	244	116	Transmission & distribution line replacement	\$1,900,000
34	Tonopah	8	NA	8	1.59	12.74	Public	NY	NV0000237	2,600	1,500	Transmission line replacement	\$5,700,000
35	Washoe Co DWR (Desert Springs)	18	NA	18	0.69	12.48	Public	WA	NV0001065	11,980	5,800	Tank relocation, transmission	\$2,898,300
36	Henderson	14	NA	14	0.82	11.47	Public	CL	NV0000076	277,000	92,526	Townsite cast iron transmission and distribution replacement (U0026)	\$2,300,000
37	Henderson	14	NA	14	0.82	11.47	Public	CL	NV0000076	277,000	92,526	North Green Valley Parkway transmission and distribution improvements (U0027)	\$1,200,000

Rank	Water System	Total Points	Arsenic Factor	Adjust. Total	PWS MHI	Points of System	County	ID#	Pop. Served	Svc. Conn.	Project Description	Amount
38	Henderson	14	NA	14	0.82	11.47	CL	NV0000076	277,000	92,526	Pitman/Boulder Highway waterline replacement (U0033)	\$4,700,000
39	Henderson	14	NA	14	0.82	11.47	CL	NV0000076	277,000	92,526	Victory Road cast iron main replacement - Townsite Phase 1 (U0034)	\$2,900,000
40	Henderson	14	NA	14	0.82	11.47	CL	NV0000076	277,000	92,526	Townsite cast iron transmission and distribution replacement - Townsite Phase 2 (U0072)	\$4,200,000
41	Washoe Co DWR (Double Diamond)	15	NA	15	0.75	11.24	WA	NV0000832	15,800	6,240	Equip (pumps, house, piping) new wells, disinfection	\$2,437,000
42	Stagecoach GID	8	NA	8	1.33	10.61	LY	NV0000224	1,411	560	Infertile Stagecoach GID with Lyon County Utilities	\$1,280,000
43	Steamboat Springs Water Works	10	NA	10	1.00	10.05	WA	NV0000282	750	297	Telemetry, isolation valves	\$60,000
44	Palm Gardens Water Coop	10	NA	10	1.00	9.96	CL	NV0000819	58	51	Solar Power for Well (GREEN)	\$39,988
45	Henderson	10	NA	10	0.82	8.19	CL	NV0000076	277,000	92,526	Reconstruct/retrofit existing transmission to include installation of an in-pipe hydroturbine (GREEN)	\$1,100,000
46	Henderson	10	NA	10	0.82	8.19	CL	NV0000076	277,000	92,526	Reservoir Overflow Upgrades P1 R-11, R-17a and R-18 (U0004)	\$300,000
47	Round Hill GID	10	NA	10	0.79	7.94	DO	NV0000260	1,700	502	Replace Upper storage tank	\$900,000
48	Washoe Co DWR (Spring Creek)	8	NA	8	0.98	7.85	WA	NV0004082	1,850	743	Replace booster pump station	\$600,000
49	Ely	6	NA	6	1.17	7.04	WP	NV0000038	5,500	2,200	Distribution	\$6,420,000
50	Sun Valley GID	6	NA	6	1.11	6.65	WA	NV0000211	19,461	5,963	Distribution to eliminate dead ends, PRV	\$230,900
51	Henderson	8	NA	8	0.82	6.55	CL	NV0000076	277,000	92,526	2007 Pressure zone (east) Water Main Phase II (W0295)	\$1,002,000
52	Henderson	8	NA	8	0.82	6.55	CL	NV0000076	277,000	92,526	P17/P18 Upgrades, 36-Inch Transmission Main (W0307/U0007)	\$14,000,000
53	Sage Valley MHP & RVP	6	NA	6	1.08	6.48	CH	NV0002023	188	147	Replace existing MHP water services (50 connections)	\$75,000
54	Washoe Co DWR (Desert Springs)	8	NA	8	0.69	5.54	WA	NV0001085	11,980	5,800	Interline transmission line on Eagle Canyon Rd	\$1,900,000
55	Henderson	6	NA	6	0.82	4.91	CL	NV0000076	277,000	92,526	Tropicana Square Townhomes Pressure Zone Conversion (W0308/U0006)	\$500,000
56	McDermitt	3	NA	3	1.44	4.31	HU	NV0000162	200	100	Meters (GREEN)	\$80,000
57	Lyon County (Dayton)	3	NA	3	1.05	3.14	DO	NV0000032	11,000	5,200	Meters, isolation valves (GREEN)	\$1,150,000

**Class III--Rehabilitation  
Non Community Public Water Systems**

None

Total Class III \$108,113,781

**Class IV--Refinance**

None

TOTAL FOR ALL PROJECTS \$130,786,329

2010 Census did not collect MHI data.

State MHI (Median Household Income) is \$55,726 based on 2006-2010 American Community Survey conducted by US Census.

PWS MHI is based on 2006-2010 American Community Survey where data are available unless an approve income survey done in the past 5 years is available. If data are not available for a community in the 2006-2010 Survey, 2000 Census or individual income survey was used. Current MHI will always be reviewed before a loan is recommended for approval.

**ATTACHMENT B**

**2012 Fundable List**

**2012 Fundable List**

Rank	Community Name/Project Sponsor	ID#	*Class	Project Description	Total Assistance	Interest Rate	Additional Subsidy/Principal Forgiveness	Estimated Binding Agreement
15	Verdi Water	NV00005061	II	Consolidation with TMWA/Arsenic compliance	635,200	3.17%		4/17/2012
21	West Wendover	NV0000246	III	Converting existing storage tank to the primary source of water, replacement of distribution system	746,435 PF		746,435	4/17/2012
3	Incline Village GID	NV0000158	I	Install ultraviolet light treatment under the LT2ESWTR rule & replace the ozone system with upgraded system	3,000,000	2.39%		7/27/2011
34	Tonopah Public Utilities	NV0000237	II	Construction of 2 new wells, installation of new transmission line, improvement on transmission main	1,060,780 PF		1,060,780	7/27/2011
2	Douglas County/ZWUD	NV0000258	I	Install ultraviolet light treatment along with the existing Ozone disinfection as the 2 primary disinfectants under the LT2ESWTR rule	1,300,000	2.49%		4/17/2012
1	Kingsbury GID (4)	NV0000004	I	Install ultraviolet light treatment under the LT2ESWTR rule & replace the air generated ozone system with a high-purity, liquid oxygen system	5,000,000	2.39%		9/28/2011
14	Nye County/Town of Gabbs	NV0000063	II	Mitigation of fluoride issue including a new primary well and appurtenances.	806,376 PF		806,376	9/28/2011
17	Esmeralda County/Goldfield	NV0000063	II	Troubleshoot and repair backup-up well, amendment 4/17/12 additional \$97,000	97,000 PF			4/17/2012
10	IGWT Investments	NV0000147	II	Arsenic compliance through treatment plant, amendment 4/17/12 additional \$50,000	50,000	2.54%		9/28/2011
					12,695,791		2,613,591	
*Class								
I	Acute Health Risk							
II	Chronic Health Risk							
III	Rehabilitation							

**Attachment C**  
**Resolution of the Board for Financing Water Projects**  
**On**

**2012 Priority List**  
**2013 Priority List**

## RESOLUTION

**A RESOLUTION DESIGNATED THE "YEAR 2012 PROJECT PRIORITY LIST, DRINKING WATER STATE REVOLVING FUND" TO APPROVE THE PRIORITIES FOR DETERMINING WHICH WATER SYSTEMS WILL RECEIVE MONEY FROM THE ACCOUNT OF THE REVOLVING FUND AS REQUIRED IN NEVADA REVISED STATUTES 445A.265(3).**

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

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

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

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

**WHEREAS**, the Nevada Division of Environmental Protection has provided notice and has held a workshop for public comments on its proposed priority system on June 7, 2011 in Carson City; and

**WHEREAS**, no substantive comments, suggestions or recommendations were received at the workshops from the public;

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

**Section 1.** This Resolution shall be known as and may be cited by the short title of the "Year 2012 Priority List Resolution."

**Section 2.** Based on its review of the information and recommendation submitted to the Board concerning the Year 2012 Priority List, the Board hereby makes the following findings of fact in support of its determination to approve the revised priority list:

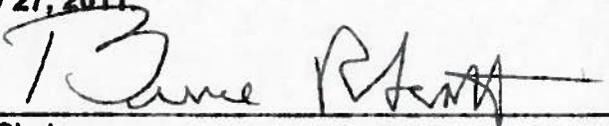
- (a) The Nevada Division of Environmental Protection has provided public notice of the Year 2012 Priority List;
- (b) The Nevada Division of Environmental Protection has held a workshop for public review and comment of the priority list;
- (c) The Nevada Division of Environmental Protection has received no substantive comments from the public.

**Section 3.** In connection with its findings of fact set forth in Section 2 of this Resolution, the Board has determined, and does hereby declare, that it approves the Year 2012 Priority List of public water system projects eligible for funding by the Drinking Water State Revolving Fund.

**Section 4.** The Year 2012 Priority List included as Attachment A to this resolution and by reference incorporated herein is a true and correct copy filed with the Board for Financing Water Projects by the Nevada Division of Environmental Protection.

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

**PASSED, ADOPTED AND SIGNED July 27, 2011**

  
\_\_\_\_\_  
Chairman  
Board for Financing Water Projects

Attest:

  
\_\_\_\_\_  
Advisor  
Board for Financing Water Projects

**RESOLUTION**

**A RESOLUTION DESIGNATED THE "YEAR 2013 PROJECT PRIORITY LIST, DRINKING WATER STATE REVOLVING FUND" TO APPROVE THE PRIORITIES FOR DETERMINING WHICH WATER SYSTEMS WILL RECEIVE MONEY FROM THE ACCOUNT OF THE REVOLVING FUND AS REQUIRED IN NEVADA REVISED STATUTES 445A.265(3).**

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

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

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

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

***WHEREAS***, the Nevada Division of Environmental Protection has provided notice and has held a workshop for public comments on its proposed priority system on April 9, 2012 in Carson City; and

***WHEREAS***, no substantive comments, suggestions or recommendations were received at the workshops from the public;

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

**Section 1.** This Resolution shall be known as and may be cited by the short title of the "Year 2013 Priority List Resolution."

**Section 2.** Based on its review of the information and recommendation submitted to the Board concerning the Year 2013 Priority List, the Board hereby makes the following findings of fact in support of its determination to approve the revised priority list:

(a) The Nevada Division of Environmental Protection has provided public notice of the Year 2013 Priority List;

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

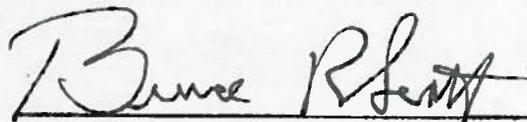
(c) The Nevada Division of Environmental Protection has received no substantive comments from the public.

**Section 3.** In connection with its findings of fact set forth in Section 2 of this Resolution, the Board has determined, and does hereby declare, that it approves the Year 2013 Priority List of public water system projects eligible for funding by the Drinking Water State Revolving Fund.

**Section 4.** The Year 2013 Priority List included as Attachment A to this resolution and by reference incorporated herein is a true and correct copy filed with the Board for Financing Water Projects by the Nevada Division of Environmental Protection.

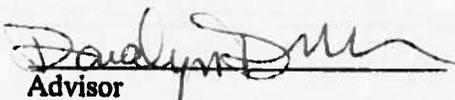
**Section 5.** This resolution shall be effective on its passage and approval.

**PASSED, ADOPTED AND SIGNED April 17, 2012.**



Chairman  
Board for Financing Water Projects

Attest:



Advisor  
Board for Financing Water Projects



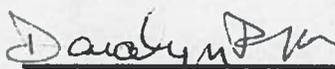
(iv) Legislative Building, Carson City, Nevada;

(v) Nevada Division of Environmental Protection's Public Notice  
website: <http://ndep.nv.gov/admin/public.htm>

6. A copy of the notice so given is attached to this certificate as Exhibit A.

7. No other proceedings were adopted and no other action taken or considered at such meeting relating to the subject matter of the Resolution.

***IN WITNESS WHEREOF***, I have hereunto set my hand on this date.



Daralyn Dobson

Advisor

Board for Financing Water Projects

4/18/12

Date

## **Attachment D**

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

A public workshop on the 2012 Priority List was held on June 7, 2011. No objections were offered with respect to the priority list. The Board of Financing Water Projects approved the 2012 Priority List at their meeting on July 27, 2011. The Board meeting provided additional opportunity for public input. Notice of the public workshop on priority list was published in newspapers throughout the state and sent to all applicants on the priority list.

A public workshop on the 2013 Priority List was held on April 9, 2012. No objections were offered with respect to the priority list. The Board of Financing Water Projects approved the 2013 Priority List at their meeting on April 17, 2012. The Board meeting provided additional opportunity for public input. Notice of the public workshop on priority list was published in newspapers throughout the state and sent to all applicants on the priority list.

A public notice soliciting comment on the Draft 2012 Intended Use Plan (IUP) was published in newspapers throughout the state. The public notice was also sent to a mailing list of interested parties. The Draft 2012 IUP was made available on NDEP's web page. No comments on the Draft 2012 IUP were received.

**Attachment E**  
**Capacity Model**

DRAFT

State of Nevada  
 Drinking Water Revolving Fund  
 Capacity Model/Cash Flows  
 July 1, 2011

Year Ending July 1	Beginning Retained Earnings	Earnings @ 1.50%	Loan Interest Payments	Earnings & Loan Interest Payments	Match Bonds Debt Service	Coverage without Retained Earnings	Coverage with Retained Earnings	Ending Retained Earnings	Investment Rate: 1.50%
2011	8,003,244	512,187	3,051,935	3,564,122	(2,405,104)	1.48	4.81	9,167,402	
2012	9,167,402	360,130	3,512,934	3,873,064	(2,726,806)	1.42	4.78	10,474,773	
2013	10,474,773	246,747	3,491,925	3,738,672	(2,836,262)	1.32	5.01	11,564,555	
2014	11,564,555	384,311	3,275,210	3,659,522	(2,828,375)	1.29	5.38	12,464,810	
2015	12,464,810	526,324	3,047,889	3,574,213	(2,822,095)	1.27	5.68	13,294,384	
2016	13,294,384	670,608	2,813,699	3,484,307	(2,831,130)	1.23	5.93	14,042,472	
2017	14,042,472	816,943	2,572,515	3,389,458	(2,835,629)	1.20	6.15	14,691,430	
2018	14,691,430	965,437	2,324,117	3,289,554	(2,703,784)	1.22	6.65	15,241,697	
2019	15,241,697	1,118,144	2,068,288	3,186,432	(1,873,366)	1.70	9.84	15,821,605	
2020	15,821,605	1,285,498	1,804,908	3,090,406	(1,401,966)	2.20	13.49	17,117,891	
2021	17,117,891	1,452,615	1,557,229	3,009,843	(1,102,622)	2.73	18.25	18,786,490	
2022	18,786,490	1,620,802	1,316,430	2,937,232	(1,105,822)	2.66	19.64	20,674,549	
2023	20,674,549	1,783,503	1,087,141	2,870,644	(1,101,552)	2.61	21.37	22,492,734	
2024	22,492,734	1,939,619	872,546	2,812,165	(1,105,303)	2.54	22.89	24,251,011	
2025	24,251,011	2,091,929	668,955	2,760,885	(1,106,623)	2.49	24.41	25,953,420	
2026	25,953,420	2,223,428	506,585	2,730,014	(595,520)	4.58	48.17	27,612,179	
2027	27,612,179	2,344,897	378,407	2,723,304	-			29,754,609	
2028	29,754,609	2,470,357	260,501	2,730,858	-			32,481,122	
2029	32,481,122	2,589,863	155,588	2,745,451	-			35,218,225	
2030	35,218,225	2,701,923	63,299	2,765,221	-			37,973,962	
2031	37,973,962	1,389,442	149	1,389,591	-			37,973,962	

Cash Flow Annual

State of Nevada  
 Drinking Water Revolving Fund  
 Capacity Model/Cash Flows  
 July 1, 2011

<b>Retained Earnings, June 30, 2010</b>	<b>\$ 8,003,244</b>	<b>NIMS</b>
<b>Sources</b>		
Cash Balances, May 1, 2011	34,145,786	
Federal Grants to be Drawn	45,253,982	(a)
Future State Match	3,767,200	(b)
<b>Total</b>	<u>83,166,968</u>	
<b>Uses</b>		
Administration	2,968,013	
Other Set Asides	7,372,532	15%
Forgiveable Principal		
Committed & Pending	6,638,255	(c)
Projected	8,758,740	(d)
Regular Rate Loans	57,429,428	(e)
<b>Total</b>	<u>83,166,968</u>	

**Notes**

(a) Includes the following grants as of May 1, 2011

FFY 2008	1,102,303	Matched
FFY 2009	-	Matched
FFY 2010	15,897,680	Matched
FFY 2011	9,418,000	Matched
FFY 2012	9,418,000	To Be Matched
FFY 2013	9,418,000	To Be Matched

(b) Future State Match Assumptions:

Dated Date:	December 1, 2011
Principal Payments	Aug 1, 2012 to Aug 1, 2026
Total Principal Payments	\$ 3,835,000
State Match Contribution	\$ 3,767,200
Closing Costs	\$ 67,800
Total Interest Payments	\$ 1,184,582

(c) Source: NDEP; includes existing & pending commitments.  
 (d) Assumes 31% of forgiveable principal from FFY's 11, 12, and 13  
 (e) Assumes loan interest rate of 2%

**Assumptions**

**Attachment F**  
**201B81E: Drinking Water State Revolving Fund-FY12 Prior year**  
**Carryover**

DRAFT

**201B81E: Drinking Water State Revolving Fund - FY12 Prior year Carryover**

DCN	State	FY11 Carryover	Open Commitments	Total Obligations	Remaining Allocation	% Obl
	ARIZONA	\$301,000			\$301,000	0%
	CALIF	\$1,401,000			\$1,401,000	0%
	HAWAII	\$150,000			\$150,000	0%
	NEVADA	\$150,000			\$150,000	0%
	AMER	\$23,000			\$23,000	0%
	SAMOA					
	GUAM	\$1,515,000			\$1,515,000	0%
	CNMI	\$68,468			\$68,468	0%

## **Daralyn Dobson**

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**From:** Licata.Juanita@epamail.epa.gov  
**Sent:** Thursday, November 17, 2011 10:12 AM  
**To:** r9\_srf@epa.gov; ssutton@azwifa.gov; AAguirre@cdph.ca.gov; DTran1@cdph.ca.gov; Kelvin.Yamada@cdph.ca.gov; kim.wilhelm@cdph.ca.gov; michael.miyahira@doh.hawaii.gov; Alain.Carey@doh.hawaii.gov; kevin.yoshioka@doh.hawaii.gov; joanna.seto@doh.hawaii.gov; Adele M. Basham; Daralyn Dobson; Lee.Michael@epa.gov; Goldstein.Carl@epa.gov; McCarroll.John@epamail.epa.gov; eberhardt.doug@epa.gov; Li.Corine@epamail.epa.gov; Gullatt.Kristin@epamail.epa.gov; Vanegas.Loretta@epamail.epa.gov  
**Cc:** Brown.GwenL@epamail.epa.gov  
**Subject:** Amendment to FY 2011 DWSRF allotment

Greetings,

As you may recall, funding that was originally targeted for a Small Systems Grant has been deobligated for distribution to the State DWSRF programs. The funds are now available to the Region and below is the allocation for R9 States, Territories and Tribes. The States/Territories/Tribes have two options to receive these funds either amend the FY 2011 grant award to add this amount or include this amount when applying for the FY 2012 funds. Please let your R9 project officer know your plans for receiving these funds.

Thanks