



SFY 15

Nevada Division of Environmental Protection

Clean Water State Revolving Fund

Intended Use Plan

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LIST OF ACRONYMS

AB=Assembly Bill
CBR= Clean Water Benefits Reporting
CWA = the Clean Water Act of 1987, as amended
CWSRF = Clean Water State Revolving Fund
DWSRF = Drinking Water State Revolving Fund
EPA = Environmental Protection Agency
FFY = Federal Fiscal Year
HUD=Housing and Urban Development
IUP = Intended Use Plan
MHI = Median Household Income
NAC = Nevada Administrative Code
NDEP = Nevada Division of Environmental Protection
NIMS= National Information Management System
NRS = Nevada Revised Statute
OFA = Office of Financial Assistance
SFY = State Fiscal Year
USDA=United States Department of Agriculture
USEPA = United States Environmental Protection Agency

I. INTRODUCTION

A. History and Legislation

The 1987 Amendments to the Clean Water Act (CWA) authorized the Clean Water State Revolving Fund (CWSRF). Nevada's allotment of the Federal Fiscal Year (FFY) 2015 CWSRF budget is \$6,863,000. These funds are available after Nevada successfully obtains a Capitalization Grant Award from the U. S. Environmental Protection Agency (EPA) for its CWSRF program.

In 1989, the Nevada State Legislature passed legislation, Assembly Bill (AB) 88, which authorized the State Department of Conservation and Natural Resources to implement and administer the CWSRF program in Nevada. In accordance with the CWA, the legislation authorized the Treasurer of the State of Nevada to set up the account for the revolving fund and the account for administration. NRS 445A.060 to 445A.160, inclusive, is the state statutes for the CWSRF and may be reviewed at the following Internet Web URL:

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

The regulations for the CWSRF promulgated by the Department of Conservation and Natural Resources, later revised by the State Environmental Commission, are found in Nevada Administrative Code (NAC) 445A.685 to 445A.805 inclusive and may be reviewed at the following Internet Web URL:

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

The CWA requires State Programs to prepare an annual Intended Use Plan (IUP) for Federal funding. The IUP must describe the use of a state's capitalization grant, state match funds, principal and interest from loan repayments, other interest earnings of the CWSRF, bond proceeds, funds designated for administration, funds transferred from or to the Drinking Water State Revolving Fund (DWSRF) and any other monies deposited into the CWSRF. The IUP is the central component of the CWSRF grant application and communicates plans to stakeholders who include; systems, the public, EPA, and other state departments. This IUP provides specific details on key aspects of the program including our state's short- and long-term goals, the priority setting process used to rank projects and the list of projects eligible to receive funding from available CWSRF funding. Figure 1 on page 3 displays the role the IUP plays in the CWSRF funding process.

The program is administered by the Office of Financial Assistance (OFA) under the administration of the Nevada Division of Environmental (NDEP), and as such, is the designated agency to apply for the capitalization grant for the CWSRF Program and related state funds. This IUP reflects the priorities set by OFA, which administers the CWSRF program's construction loan program.

In State Fiscal Year (SFY) 2015, OFA will continue to focus on ensuring the integrity of Nevada's water and protection of public health and will ensure the funds move expeditiously and responsibly from the time Nevada is awarded the capitalization grant to the time the funds are awarded to projects. These efforts are instrumental in achieving the requirements of the CWA. The OFA works closely with other state and federal agencies to identify opportunities for funding specific projects and to coordinate funding efforts.

B. What's New for 2015

Cash flow monitoring

The OFA will continue its outreach activities to increase awareness of the program and types of projects fundable through the program. A pamphlet introducing Nevada's program was developed and will be sent out during the Priority List Solicitation of Projects. While OFA has always presented at the Nevada Rural Water Conference, this year the OFA plans to have a booth allowing more continued exposure throughout the conference. In addition, the OFA will promote refinancing of SRF and, more importantly, outside loans.

Changes to the Clean Water Act

The Water Resources Reform and Development Act of 2014 (WRRDA) was signed into law on June 10, 2014 and made significant changes to Titles I, II, V and VI of the Clean Water Act. Some of the changes include expanding eligible types of projects fundable under the Act, allowing 30 year loans to recipients, allowing loans to privately owned systems, requiring loan recipients to prepare fiscal sustainability plans, and increased flexibility in state administration of the programs. Another of the requirements for the CWSRF program is to establish affordability criteria to assist in identifying municipalities that would receive additional subsidy, should funding be available through appropriation. The OFA has included this requirement in section V (b) and Attachment D in this document. Additionally, loan contracts have been update to reflect the new requirements, including reporting requirements for generally accepted accounting principles.

Figure 1: The CWSRF Funding Process



II. STRUCTURE OF THE CWSRF

The CWSRF consists of two components that will be used to provide assistance to accomplish its goals.

A. Capital Planning, Design and Construction

Capital planning, design and construction will provide assistance for the planning, design, and construction of improvements to publicly owned wastewater treatment works and for the implementation of programs for the management of point and nonpoint sources of water pollution. Eligible project types include sewage treatment plants, collection systems, interceptors, infiltration/inflow correction, sludge management projects, storm water control projects, erosion control and other non-point source control projects. This account will consist of all federal funds used for infrastructure loan assistance, all state match funds, loan repayments, and interest earnings of the fund. All loan recipients must comply with all federal CWA requirements, including recent WRRDA changes. These requirements will include compliance to the applicable federal crosscutters, federal architectural and engineering procurement, preparation of fiscal sustainability plans, cost and effectiveness analysis, federal reporting, and auditing requirements. Recipients will be required to self-certify their compliance to these regulations.

B. Administration

Funds made available in the grant will be used to support the state operation and management of the CWSRF program.

III. CWSRF GOALS

In establishing the national Clean Water State Revolving Fund program, Congress gave states the flexibility to design a program that can be tailored to meet the needs of local systems. The long- and short-term goals developed for the CWSRF are presented below. They provide a framework that will guide the decision-making in Nevada's CWSRF program.

A. Long-Term Goals

1. **Maintain compliance by all publicly owned treatment works with water quality goals and protect the public health by assisting in the completion of cost effective projects.** Outreach techniques are used, including meetings with various funders, participation in conferences, and personal visits to communities. The CWSRF expects to continue these efforts and to respond to evolving water quality and environmental priorities in the state and nationally.
2. **Provide low-cost financing for important water quality projects while maintaining the perpetuity of the CWSRF through fiscal and technical integrity of the State Revolving Fund program.** NDEP's CWSRF is committed to bringing projects to the program that address the state's most important water quality priorities. NDEP uses a CWSRF financial planning model to guide decisions on funding levels, interest rates, and other financing terms.

- 3. Work with other state funding sources to coordinate water quality financing.**
The CWSRF 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 resources and cost savings.

B. Short-Term Goals

- 1. Issue loans totaling at least \$12,500,000 (see Attachment B, Fundable List). This includes \$500,000 in principal forgiveness loans funded with subsidy money from the grant.**
- 2. Effectively manage day to day operation of CWSRF by continuing to meet goals and restructure program duties as needed.**
- 3. Fund green infrastructure, water and energy efficiency, and environmentally innovative projects in an amount at approximately \$686,300 of the capitalization grant (GPR Projects).** For the 2015 appropriation, Congress directed that at least 10 percent of the capitalization grant be allocated towards energy efficiency and environmentally innovative projects. GPR projects on the 2015 priority list were not ready to proceed in order to be considered fundable for the 2015 IUP. OFA will continue to work closely with these systems to help them become ready to proceed in the near future. The program continues to expand its outreach to GPR projects across the state, but no additional projects have been identified at this time.

IV. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

A. Distribution of Funds Analysis

The OFA conservatively estimates the needs of the systems within the state over a two year fiscal period. The needs of our systems, however, vary widely. Some of our systems are concerned with aging infrastructure, while others are working on attainment of water quality standards. The OFA planning accounts for these challenges by having direct dialogue with systems, engineers, and contractors that deal with these systems directly. Nevada is a small enough state by system count that allows the OFA to work with these systems and understand which projects will be most ready to proceed for the communities' needs. This is done in conjunction with the preparation of the priority list. Once the OFA has determined the need, funding

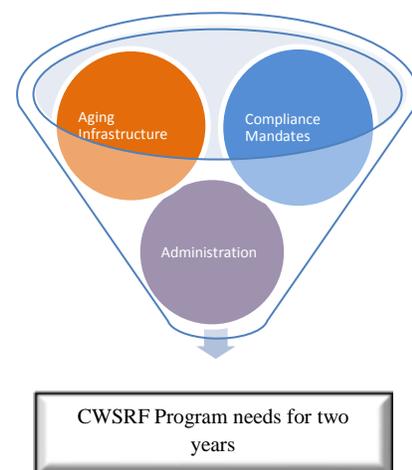


Figure 2: Two year program needs

sources for these systems are then determined and the likelihood they will come to the program for funding. [Figure 2]

Figure 3: Historical Grant Distribution



Historically, Nevada has not requested its full authority on administration to allow for more grant dollars to go towards projects [Figure 3].

The OFA considers the need of systems and the health and safety of the citizens of Nevada its first priority. To ensure the Program is available to assist with this goal, the OFA analyzes the health of the program and availability of funds in perpetuity. The methodology OFA employs to determine its fund balance, in other words, amount of

funding available for loans has ensured that current needs are being met, along with a long term growth of the fund. As Figure 4 illustrates, while funding levels have fluctuated greatly over the life of the program (partially due to leveraging 2003-2005), the trend line demonstrates a gradual increase of the funding.

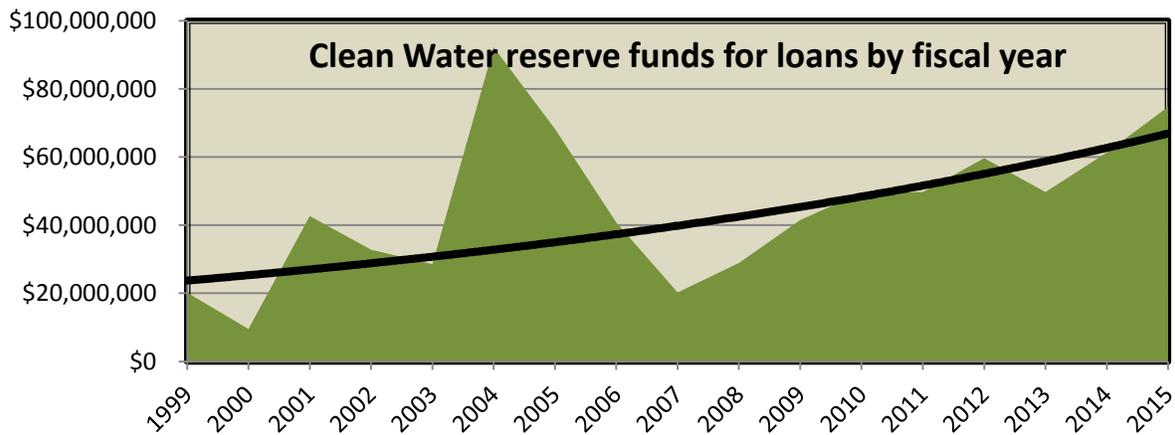


Figure 4: Growth of reserve funds by fiscal year

B. Disadvantaged Community Program

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. OFA has prepared criteria in which systems will need to meet in order to qualify for additional subsidy from the program,

which incorporates disadvantaged communities. See section V (B.2) Financial Terms of Loans below for details on the evaluation criteria.

C. Establishing Project Priority

Nevada uses a ranking system to prioritize the order in which eligible projects will be financed (NAC 445A.765 to NAC 445A.769, inclusive). In general, priority is given to projects that are necessary to meet the enforceable requirements of the water quality standards or permit requirements. Priority is also given to those projects which otherwise significantly further the health protection objectives of the CWA and for systems most in need on a per capita basis. Projects shall be ranked within the Priority Classes on the basis of the total number of ranking points each project receives.

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

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 sewered communities where existing facilities have exceeded their useful life and have deteriorated to the point that a public health hazards exists. (10 points)

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)

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)

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

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)

Interceptors in sewered communities, pumping stations, infiltration inflow correction, correction of combined sewer overflows, sewer system rehabilitation, and reclaimed water distribution. (8 points)

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

Projects which provide wastewater treatment and collection in existing unsewered communities where no public health hazards or water standards violations have been demonstrated or to provide wastewater collection systems to unsewered portions of sewer communities. (10 points)

All other treatment works or pollution control projects. (5 points)

Other Considerations for Points on the Priority List

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.

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 customer's 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:

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 point)
2. The system has developed appropriate rate structures to build, operate, and maintain the system (1 point)
3. The system has specifically allocated funds for the rehabilitation and replacement of aging and deteriorating infrastructure (1 point)

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. Systems may receive additional points for projects that incorporate green infrastructure, water conservation/efficiency, energy efficiency, or environmentally innovative components.

1. Energy efficient retrofits and upgrades to pumps, treatment processes, etc. (5 points)
2. On site clean power production including: wind, solar, hydroelectric, geothermal, biogas, etc. (5 points)
3. Installation of water meters. (5 points)
4. Replacement or rehabilitation of distribution lines that have data documenting water loss. (5 points)
5. Reuse of treated effluent (5 points)
6. Other environmentally innovative projects(5 points)

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.

D. Priority List/Fundable List

On an annual basis, following a statewide solicitation for projects, the Division develops a statewide priority list of 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 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. The Division may, without holding a public participation workshop, revise a priority list to correct minor typographical or technical errors.

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

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 systems for proposed water projects. In late December 2013, NDEP sent out a solicitation letter for the 2015 Priority List. The Division held a Priority List Workshop on May 21, 2014 at 10:30am for review of the 2015 Priority List. The Division held a follow up public workshop to the 2015 Priority List on August 26, 2014 at 10:30am for amendments made. The fundable list for 2015 is included in Attachment B. In December 2014, NDEP sent out a solicitation letter for the 2016 Priority List. The Division held a Priority List Workshop on April 27, 2015 at 10:30am for review of the 2016 Priority List. The 2016 Priority List went into effect at the close of that public meeting. Although the 2015 Priority List is presented in this IUP, due to timing differences some projects applied to the 2015 grant may be derived from prior or future year Priority Lists.

1. Tie Breaking Procedure

If the scores for two or more projects are tied, ranking will be based on population, with the higher population given the higher ranking.

2. Bypass Procedures/Readiness to proceed

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.

3. Refinancing Existing Loans

The CWSRF may be used to buy or refinance debt obligations for CWSRF projects. The long-term debt must have been incurred and construction began after March 7, 1985, to be eligible for refinancing. Projects must meet CWSRF requirements. The OFA will not refinance loans that were solely for the purchase of land.

V. FINANCIAL MANAGEMENT

A. Sources and Uses of Funds

1. State Match Source

The CWA requires states to provide a 20 percent match to the capitalization grants received from the federal government. The OFA continues to meet this requirement through the issuance of General Obligation Bonds. The State intends to issue bonds in late Fall of 2015 totaling approximately \$4 million. This will meet the required match through the 2017 grant award. No funds will be drawn from these grants until the match funds have been deposited. Please see Table 1 for further detail.

2. Fee Income

The OFA applies a loan origination fee of 0.5% of the amount of base loans. The fee will be applied to all projects/loans except principal forgiveness loans and the refinance of an SRF loan. The fee income will eventually help cover the costs of administration. Approximately \$10,000 dollars in fees are expected to be deposited into the CWSRF administrative budget for SFY 2015. This fee is from Lyon County/Dayton Valley Septic Conversion project listed on the 2014 IUP fundable list.

3. Leveraging

States may issue bonds through the CWSRF program using the federal capitalization grant as security to provide for higher funding levels in the current year of the program. Leveraging of federal funds is a useful financial option available to states with a high demand of shovel ready projects for immediate CWSRF funding. The CWSRF program has taken advantage of leveraging previously, but the OFA does not see a need for additional leveraged funds in FY2015.

4. Use of All Funds Available

Since the program's inception, the CWSRF has closed 75 loans (a total of \$439.4 million). The amount of funds in the CWSRF for SFY 2015-including the FFY 2015

grant, repayments, and interest earnings-and the intended allocation to each activity is presented in Table 1 Sources and Uses. SFY 2015 funding will total \$33.4 million. The CWSRF will provide \$12.5 million in loans and loan refinancing to systems and \$198,500 to administer the program. All infrastructure projects will be funded through the capitalization grants, repayment funds, a bond funds (match), and investment interest.

Estimated FY2015 Cumulative Sources and Uses			
	Cumulative Total through FY2014	2015 Fiscal Year (Projected)	Cumulative Total through 2015 Grant
Sources			
Federal Capitalization Grants	162,955,372	6,863,000	169,818,372
ARRA Capitalization Grant	19,239,100		19,239,100
State Match/Provided from State Match Bond Issues	33,755,531	4,000,000	37,755,531
CWSRF Leveraged Bond Proceeds	99,991,711		99,991,711
Principal Repayments on Assistance Provided	174,656,297	16,721,064	191,377,361
Interest Repayments on Assistance Provided	88,587,713	5,543,961	94,131,675
Fees Deposited into the CWSRF Admin. Budget	756,163	10,000	766,163
Treasurers Interest	17,953,758	287,048	18,240,806
TOTAL SOURCES	597,895,646	33,425,073	631,320,719
USES			
Financing Agreements Entered (Base Program)	420,140,202		420,140,202
Projects in the 2015 IUP Fundable List	0	12,500,000	12,500,000
ARRA Financing Agreements Executed	19,222,555		19,222,555
Leverage Bond Debt Service			
Principal	48,295,000	11,310,000	59,605,000
Interest	45,400,090	1,918,873	47,318,963
Bond Debt Service Reserve	23,095,440	5,676,300	28,771,740
State Match Bond Debt Service			
Principal	28,035,000	1,645,000	29,680,000
Interest	8,950,348	176,400	9,126,748
ARRA Administrative Expense	16,545		16,545
Administrative Expenses (non-ARRA)	4,740,465	198,500	4,938,965
TOTAL USES	597,895,646	33,425,073	631,320,719

Table 1: Sources and Uses

B. Financial Terms of Loans

1. Standard Loans

The CWA allows states to charge interest rates ranging from zero percent to below market rates for standard CWSRF loans. The OFA has determined that the interest rate on a CWSRF loan should reflect current market conditions. Interest

rates are set 62.5% of the General Obligations Bond Index or the Revenue Bond Index rate at the time of the loan award. Loans will have a maximum repayment term of 30 years with fixed interest rates. Repayment of loans will commence no later than one year after project completion.

2. Principal Forgiveness Loans

The federal 2015 appropriation authorized the state to use a portion 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 CWSRF has authority to offer principal forgiveness and negative interest loans, in an amount up to 100% of the value of a loan. In SFY 2015, OFA will provide \$500,000 of funds available to principal forgiveness loans.

The OFA will evaluate systems using the criteria outlined in Attachment C to determine if they will qualify for a principal forgiveness loan up to a maximum of \$500,000. A total of 185 points are available. A system needs to obtain 50 or more points to be eligible for a Principal Forgiveness Loan.

- a. Median Household Income (MHI) shall be taken to mean:
 - i. The latest American Community Survey information used for the current year priority list, or
 - ii. A valid income survey performed within the last five (5) years.
- b. Population Trends shall be taken to mean:
 - i. The change in population over a three (3) year period as reported on the latest American Community Surveys available.
- c. Unemployment Percentage shall be taken to mean:
 - i. The percent listed on the same American Community Survey used for the MHI calculations.
- d. Percent of population not in workforce shall be taken to mean:
 - i. The percent listed on the same American Community Survey used for the MHI calculations.
- e. Affordability shall be taken to mean:
 - i. Whether or not an interest bearing loan will increase reasonable user rates by 25% or more.
 1. A comparison to the existing operating, maintenance and debt service requirements to the new operating, maintenance, and debt service will be performed. This will be compared to existing user rates.
 2. Existing rates must be considered reasonable, meaning they are currently sufficient to cover existing operating, maintenance and debt service.
- f. Other factors will be counted if they relate to the project.

C. Loan Disbursements

At the end of FY2014, the OFA had disbursed \$389 million for water projects since the program's inception. Bond proceeds from either match bonds or leverage bonds are

spent first. Federal dollars are spent next. Federal funds are used for all principal forgiveness loans since state statutes and regulations do not expressly authorize the OFA to use state funds for these loans. Therefore, a portion of federal dollars will be reserved for these projects until fully funded. Once bond proceeds and grant dollars available to traditional loans are spent, then re-loan principal, re-loan interest, and investment interest is spent, in this order. However, an amount of 1.2 times Nevada's debt service requirement is retained from earnings as debt service coverage requirements.

D. Fund Transfers

NDEP reserves the right to transfer up to 33 percent of CWSRF capitalization grant to the DWSRF or an equivalent amount from the DWSRF to the CWSRF. Since program inception no funds have been transferred.

VI. ADMINISTRATION

The CWA allows each state to utilize up to 4 percent of its federal capitalization grant to support administration of the program. The funding request is based on the State biannual budget. For FY 2015, we plan to use a total of \$198,500 of federal funding (2.89 percent of the federal FY 2015 funding) for administration. The CWSRF administered by OFA. Administration funds will be used to pay salaries and associated expenses of program personnel devoting time to the administration of the CWSRF loan account. Part of this account will also be used to pay for of a contracted Financial Advisor, who will assist in fund analysis and bond issuances. Administration funds will also be used to procure all equipment and training necessary for the adequate performance of the staff.

VII. PUBLIC PARTICIPATION

A. Public Meetings and Comment Activities

To ensure that the public has an opportunity to review our proposed plans for the CWSRF, the 2015 draft IUP will post it on the Division's website (<http://ndep.nv.gov/bffwp/srlf01.htm>) for 30 days before it was finalized. A public workshop to solicit public comment for the 2015 Priority List was held on May 21, 2014 at 10:30am. A subsequent public workshop for an update to the 2015 Priority List was held on August 26, 2014 at 10:30am. A public workshop to solicit public comment for the 2016 Priority List was held April 27, 2015 and immediately went into effect.

VIII. AUDITS AND REPORTING

Ensuring transparency and accountability, all program materials are posted on our website (<http://ndep.nv.gov/bffwp/index.htm>). The State Controller's Office annually utilizes the services of an independent audit to ensure financial integrity. We commit to entering project and benefits data into the EPA Clean Water National Information Management System (NIMS) and Clean Water and Benefits Reporting (CBR) System to evaluate the benefits of the CWSRF program.

Among other parameters, the reporting systems will evaluate the number of CWSRF projects that provide the following public health benefits:

- i. Achieve compliance with CWA;
- ii. Maintain compliance with CWA; and
- iii. Meet future requirements of CWA.

We will enter project benefits information into CBR by the end of the quarter in which the assistance agreement is signed.

ATTACHMENT A.....2015 and 2016 Project Priority List

Final Year 2015 Priority List - Clean Water State Revolving Loan Fund - Rev 1

Class A: Project benefits public health and/or the environment									
Priority	Applicant Name & Address	Permit No.	Points	Population	State MHI / PWMS MHI	Revised Points	Project Description	Pre-Application Estimate	Pre-Application Estimate
1	Washoe County DWR	NV020150	25	20,239	1.00	25.04	Spanish Springs septic to sewer	\$	\$ 31,900,000
2	Carson City Public Works	N50090008	18	55,375	1.00	18.03	Septic to Sewer Conversion	\$	\$ 2,615,000
3	City of Winnemucca	N50040037	19	10,500	0.80	15.19	Replace RIBs in Floodplain w/ New Irrigated Pivot & RIBs outside of Floodplain	\$	\$ 18,000,000
4	Lyon County Utilities	N50040032	14	11,000	1.02	14.31	Carson Highlands WWTF Decommissioning	\$	\$ 2,200,000
5	Lyon County Utilities	N52000500	12	11,000	1.02	12.27	Dayton Valley Septic Conversions	\$	\$ 10,000,000
Total Class A									\$ 64,715,000
Class B: Projects necessary to increase reliability or sustainability									
Priority	Applicant Name & Address	Permit No.	Points	Population	State MHI / PWMS MHI	Revised Points	Project Description	Pre-Application Estimate	Pre-Application Estimate
6	Tonopah Public Utilities	N50000026	24	2,478	1.55	37.09	Treatment effluent infrastructure project-Phase 2 (GREEN)	\$	\$ 3,516,900
7	Elko Co Public Works (Mountain City)	N50040023	16	60	1.45	23.23	Sewer system repairs	\$	\$ 600,000
8	City of West Wendover	N50010019	16	4,410	1.40	22.46	Replacement of effluent reuse line (GREEN)	\$	\$ 1,316,000
9	MCDill-Ruth GID	N50087046	12	628	1.74	20.90	Wastewater treatment facility monitoring well	\$	\$ 56,000
10	City of Reno	NV0020150	18	258,138	1.13	20.36	Expansion of reclaimed water distribution system in and around Reno (GREEN)	\$	\$ 12,000,000
11	Nye County (Gabbs)	N50070021	9	378	2.07	18.61	1.5 miles of 8-inch sewer main replacement	\$	\$ 500,000
12	Tonopah Public Utilities	N50000026	11	2,478	1.55	17.00	Sierra Vista lift station repair	\$	\$ 460,798
13	Incline Village GID	N50030009	17	9,700	0.81	13.81	Effluent Export Rehabilitation Phase II	\$	\$ 23,000,000
14	Yerington	N50040033	10	3,300	1.35	13.55	Yerington WWTP Upgrades	\$	\$ 4,000,000
15	City of Sparks	N50095005	13	90,504	1.01	13.14	North Truckee Drain Project	\$	\$ 15,000,000
16	Carson City Public Works	N50090008	13	55,375	1.00	13.02	Wastewater treatment plant rehabilitation/upgrades, effluent line repair	\$	\$ 27,514,000
17	Clark County Water Rec. District	NV0024200	13	891,305	1.00	12.97	Membrane/Ozonation Upgrade at Central Plant, Phase II (GREEN)	\$	\$ 45,000,000
18	Clark County Water Rec. District	NV0021261	13	891,305	1.00	12.97	Central Plant Filters Replacement - Phase 3/4 (GREEN)	\$	\$ 50,660,000
19	City of Reno	NV0020150	11	225,818	1.13	12.44	El Rancho wastewater lift station replacement	\$	\$ 1,310,000
20	City of Reno	NV0020150	11	225,818	1.13	12.44	North Virginia St. Interceptor Phase II-Lift station, force main, gravity interceptor	\$	\$ 9,292,000
21	Lyon County Utilities	N52000500	11	11,000	1.02	11.24	Rose Peak, Cardelli Road lift station replacement; septic sewer conversions	\$	\$ 1,350,000
22	City of Ely	N50070015	8	5,500	1.26	10.12	Replacement of clay sewer line	\$	\$ 3,240,000
23	City of Ely	N50070015	8	5,500	1.26	10.12	New 8-inch PVC sewer pipeline and manholes on Murry St	\$	\$ 435,780
24	Douglas Co SID No. 1	N50080033	13	2,800	0.72	9.33	Headworks improvements	\$	\$ 692,160
25	Douglas Co SID No. 1	N50080033	13	2,800	0.72	9.33	Solids Handling & Dewatering Improvements	\$	\$ 884,800
26	Douglas Co SID No. 1	N50080033	13	2,800	0.72	9.33	Emergency Storage: Main Pump Station	\$	\$ 1,269,656
27	Douglas Co SID No. 1	N50080033	13	2,800	0.72	9.33	DCDIS/STRUD Emergency Intertie Project	\$	\$ 529,200
28	Douglas Co SID No. 1	N50080033	13	2,800	0.72	9.33	Grit Removal Rehabilitation Project	\$	\$ 1,322,720
29	Douglas Co SID No. 1	N50080033	13	2,800	0.72	9.33	Emergency Storage: Beach Pump Station	\$	\$ 818,215
30	City of Henderson	N50080003	11	258,138	0.82	8.99	Horizon Sewer Main Replacement (U0003)	\$	\$ 1,000,000
31	City of Henderson	N50080003	11	258,138	0.82	8.99	Replacement of Sunset lift station with gravity sewer (U0010)	\$	\$ 500,000
32	City of Henderson	N50080003	11	258,138	0.82	8.99	Replacement of Mohawk lift station with gravity sewer (U0028)	\$	\$ 1,500,000
33	City of Henderson	N50080003	11	258,138	0.82	8.99	Townsite Phase 2 (U0072)	\$	\$ 4,200,000
34	City of Henderson	N50080003	11	258,138	0.82	8.99	Townsite Phase 1 (U0034)	\$	\$ 2,900,000
35	Douglas Co (North Valley)	N50060025	12	4,500	0.72	8.61	North Valley Wastewater Treatment Plant Expansion	\$	\$ 4,900,000
36	Storey Co Public Works (Virginia City)	NV0020451	9	2,838	0.75	6.78	Major sewer line replacements	\$	\$ 11,300,000
Total Class B									\$ 231,068,229
Class C: Other clean water needs projects									
Priority	Applicant Name & Address	Permit No.	Points	Population	State MHI / PWMS MHI	Revised Points	Project Description	Pre-Application Estimate	Pre-Application Estimate
37	Clark County Water Rec. District	NV0021261	13	891,305	1.00	12.97	Solar Power Project at Main Plant (GREEN)	\$	\$ 40,000,000
Total Class C									\$ 40,000,000
TOTAL FOR ALL PROJECTS									\$ 335,783,229

Final Year 2016 Priority List - Clean Water State Revolving Loan Fund

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

Priority	Applicant Name & Address	Permit No.	Points	Population	State MHI / PWWS MHI	Revised Points	Project Description	Pre-Application Estimate
1	Carson City Public Works	N50090008	28	55,375	1.02	28.45	Septic to Sewer Conversion	\$ 3,000,000
2	Washoe County DWR	NV020150	28	20,239	1.00	27.87	Spanish Springs septic to sewer	\$ 31,900,000
3	Churchill Co - Pine Grove	N52006511	25	450	1.06	26.49	Pine Grove Lift Station Removal - Conversion to Gravity (GREEN)	\$ 641,140
4	Lyon County Utilities	N52000500	22	11,000	1.06	23.31	Dayton Valley Septic Conversions	\$ 10,000,000
5	Lyon County Utilities	N50040032	14	11,000	1.06	14.83	Carson Highlands WWTF Decommissioning	\$ 2,200,000
6	City of Winnemucca	N50040037	19	10,500	0.75	14.38	Replace RIBs in Floodplain w/New Irrigated Pivot & RIBs outside of Floodplain	\$ 18,000,000
7	Round Mountain Public Utilities	N50087032	15	944	0.62	9.37	Treatment Pond Lining & System Repair/Rehabilitation	\$ 3,050,840
Total Class A								\$ 68,791,980

Class B: Projects necessary to increase reliability or sustainability

Priority	Applicant Name & Address	Permit No.	Points	Population	State MHI / PWWS MHI	Revised Points	Project Description	Pre-Application Estimate
8	Tomopah Public Utilities	N50000026	24	2,478	1.51	36.21	Treatment effluent infrastructure project - Phase 2 (GREEN)	\$ 3,516,900
9	Elko Co Public Works (Mountain City)	N50040023	16	60	1.52	24.25	Sewer system repairs	\$ 600,000
10	Elko Co Public Works (Jackpot)	N50080018	18	1,100	1.28	23.06	Wastewater reclaimed (GREEN)	\$ 1,040,000
11	City of Reno	NV020150	18	258,138	1.13	20.32	Expansion of reclaimed water distribution system in and around Reno (GREEN)	\$ 12,000,000
12	Clark County Water Rec. District	NV02024200	18	891,305	1.03	18.58	Membrane/Ozonation Upgrade at Central Plant, Phase II (GREEN)	\$ 45,000,000
13	Clark County Water Rec. District	NV02021261	18	891,305	1.03	18.58	Central Plant Filters Replacement - Phase 3/4 (GREEN)	\$ 50,660,000
14	Carson City Public Works	N50090008	18	55,375	1.02	18.39	WWRP rehab/upgrades, effluent line repair, & other system projects (GREEN)	\$ 24,000,000
15	McGill-Ruth GID	N50087046	12	1,200	1.45	17.36	Wastewater treatment facility monitoring well	\$ 56,000
16	McGill-Ruth GID	N50087046	12	1,200	1.45	17.36	McGill Wastewater Treatment Facility Upgrade	\$ 459,160
17	Nye County (Gabbis)	N50070021	8	378	2.08	16.61	1.5 miles of 8-inch sewer main replacement	\$ 500,000
18	City of Henderson	N50080003	16	258,138	0.82	13.10	Replacement of Sunset lift station with gravity sewer (U0010) (GREEN)	\$ 500,000
19	City of Sparks	N50080003	16	258,138	0.82	13.10	Replacement of Mohawk lift station with gravity sewer (U0028) (GREEN)	\$ 1,500,000
20	City of Sparks	N50095005	13	90,504	1.00	13.05	North Truckee Drain Project	\$ 15,000,000
21	Imlay Sewer Coop	GENE/OSD50910125	15	145	0.87	13.03	System Replacement/Rehabilitation & Extension	\$ 4,000,000
22	Yerington	N50040033	10	3,300	1.30	12.96	Yerington WWTP Upgrades	\$ 1,500,000
23	Incline Village GID	N50030009	17	9,700	0.76	12.84	Effluent Export Rehabilitation Phase II	\$ 23,000,000
24	City of West Wendover	N50010019	16	4,410	0.75	12.02	Replacement of effluent reuse line (GREEN)	\$ 1,500,000
25	Lyon County Utilities	N52009500	11	11,000	1.06	11.66	Replacement of clay sewer line	\$ 1,350,000
26	City of Ely	N50070015	8	5,900	1.16	9.26	Rose Peak, Cardelli Road lift station replacement; septic sewer conversions	\$ 3,240,000
27	City of Ely	N50070015	8	5,900	1.16	9.26	New 8-inch PVC sewer pipeline and manholes on Murry St	\$ 435,780
28	City of Henderson	N50080003	11	258,138	0.82	9.01	Horizon Sewer Main Replacement (U0003)	\$ 1,000,000
29	City of Henderson	N50080003	11	258,138	0.82	9.01	Townsite Phase 2 (U0072)	\$ 4,200,000
30	City of Henderson	N50080003	11	258,138	0.82	9.01	Townsite Phase 1 (U0034)	\$ 2,900,000
31	Douglas Co SID No. 1	N50080033	13	2,801	0.69	8.98	Headworks Improvements & other system improvements	\$ 892,160
32	Douglas Co SID No. 1	N50080033	13	2,800	0.69	8.98	Solids Handling & Dewatering Improvements	\$ 884,800
33	Douglas Co SID No. 1	N50080033	13	2,800	0.69	8.98	Emergency Storage; Main Pump Station	\$ 1,269,656
34	Douglas Co SID No. 1	N50080033	13	2,800	0.69	8.98	DCDIS/STPUD Emergency Inlet Project	\$ 529,200
35	Douglas Co SID No. 1	N50080033	13	2,800	0.69	8.98	Grit Removal Rehabilitation Project	\$ 1,322,720
36	Douglas Co SID No. 1	N50080033	13	2,800	0.69	8.98	Emergency Storage; Beach Pump Station	\$ 818,215
37	Shige Valley WHP	GENE/OSD50910150	11	188	1.06	8.46	Wet Well Rehab & Sewer Lift Pump Replacement	\$ 73,000
38	City of Carlin	N50093001	11	2,800	0.76	8.35	Lining of waste water ponds	\$ 800,000
39	Douglas Co (North Valley)	N50060025	12	4,500	0.69	8.29	North Valley Wastewater Treatment Plant Expansion	\$ 4,900,000
40	Douglas County Public Works	Multiple	8	9,450	0.88	7.03	Telemetry & SCADA Improvements	\$ 700,000
41	Storey Co Public Works (Virginia City)	NV02020451	9	2,838	0.76	6.86	Major sewer line replacements	\$ 11,300,000
Total Class B								\$ 221,447,951

Class C: Other clean water needs projects

Priority	Applicant Name & Address	Permit No.	Points	Population	State MHI / PWWS MHI	Revised Points	Project Description	Pre-Application Estimate
42	Clark County Water Rec. District	NV02021261	13	891,305	1.03	13.42	Solar Power Project at Main Plant (GREEN)	\$ 40,000,000
43	City of Fernley	N50080011	0	18,000	1.00	0.00	Loan Refinancing	\$ 8,000,000
44	Washoe County	Multiple	0	NA	1.00	0.00	Loan Refinancing	\$ 3,210,048
Total Class C								\$ 51,210,048
TOTAL FOR ALL PROJECTS								\$ 341,449,619

ATTACHMENT B.....2015 Fundable List

List of Projects to be funded, FY2015											
Rank	Community Name/Project Sponsor	NPDES permit number	Class	Project Description	Total Assistance	Interest Rate	Additional Subsidy/Principal Forgiveness Amount ¹	Green Project Reserve ² Amount	Category	Business Case Project	Estimated binding commitment date
1	Washoe County DWR	NV0020150 A		Septic to Sewer Conversion	500,000	Not yet determined	500,000				Pending
16	Carson City Public Works	NS0090008 B		Wastewater treatment plant rehabilitation/upgrades, effluent line repair	12,000,000	Not yet determined					Pending
Total					12,500,000		500,000	0			

ATTACHMENT C.....Criteria to Determine eligibility for a Principal Forgiveness Loan

SCALE TO DETERMINE PRINCIPAL FORGIVENESS AMOUNT		System
State Median Household Income (MHI) versus Community MHI		<u>Points</u>
Based upon the Current Priority List data		
1.25 or more	50	
less than 1.25	0	
Project Points		0
Population Trend		<u>Points</u>
Based upon last three years of American Community Survey best available data		
1. Decreasing	5	
2. Increasing	0	
Project Points		0
Unemployment Rate		<u>Points</u>
Based upon American Community Survey used for MHI data		
Greater than 80% of statewide unemployment	5	
Less than 80% of statewide unemployment	0	
Project Points		0
Population not in labor force		<u>Points</u>
Based upon American Community Survey used for MHI data		
Greater than state percentage	10	
Less than state percentage	0	
Project Points		0
Affordability		<u>Points</u>
Would an interest bearing loan increase already reasonable user rates by 25% or more with the new system and debt service?		
Yes	15	
No	0	
Project Points		0
Other Factor(s)		<u>Points</u>
Compliance order issued against system	25	
Consolidation into another system	50	
Project considered Green	15	
Small Systems that serve populations less than 10,000 people	10	
Project Points		0
Project Points		0
Maximum Points are 185		
Points needed to Qualify for Principal Forgiveness is 50		

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LIST OF ACRONYMS

AB=Assembly Bill
CBR= Clean Water Benefits Reporting
CWA = the Clean Water Act of 1987, as amended
CWSRF = Clean Water State Revolving Fund
DWSRF = Drinking Water State Revolving Fund
EPA = Environmental Protection Agency
FFY = Federal Fiscal Year
HUD=Housing and Urban Development
IUP = Intended Use Plan
MHI = Median Household Income
NAC = Nevada Administrative Code
NDEP = Nevada Division of Environmental Protection
NIMS= National Information Management System
NRS = Nevada Revised Statute
OFA = Office of Financial Assistance
SFY = State Fiscal Year
USDA=United States Department of Agriculture
USEPA = United States Environmental Protection Agency

I. INTRODUCTION

A. History and Legislation

The 1987 Amendments to the Clean Water Act (CWA) authorized the Clean Water State Revolving Fund (CWSRF). Nevada's allotment of the Federal Fiscal Year (FFY) 2015 CWSRF budget is \$6,863,000. These funds are available after Nevada successfully obtains a Capitalization Grant Award from the U. S. Environmental Protection Agency (EPA) for its CWSRF program.

In 1989, the Nevada State Legislature passed legislation, Assembly Bill (AB) 88, which authorized the State Department of Conservation and Natural Resources to implement and administer the CWSRF program in Nevada. In accordance with the CWA, the legislation authorized the Treasurer of the State of Nevada to set up the account for the revolving fund and the account for administration. NRS 445A.060 to 445A.160, inclusive, is the state statutes for the CWSRF and may be reviewed at the following Internet Web URL:

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

The regulations for the CWSRF promulgated by the Department of Conservation and Natural Resources, later revised by the State Environmental Commission, are found in Nevada Administrative Code (NAC) 445A.685 to 445A.805 inclusive and may be reviewed at the following Internet Web URL:

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

The CWA requires State Programs to prepare an annual Intended Use Plan (IUP) for Federal funding. The IUP must describe the use of a state's capitalization grant, state match funds, principal and interest from loan repayments, other interest earnings of the CWSRF, bond proceeds, funds designated for administration, funds transferred from or to the Drinking Water State Revolving Fund (DWSRF) and any other monies deposited into the CWSRF. The IUP is the central component of the CWSRF grant application and communicates plans to stakeholders who include; systems, the public, EPA, and other state departments. This IUP provides specific details on key aspects of the program including our state's short- and long-term goals, the priority setting process used to rank projects and the list of projects eligible to receive funding from available CWSRF funding. Figure 1 on page 3 displays the role the IUP plays in the CWSRF funding process.

The program is administered by the Office of Financial Assistance (OFA) under the administration of the Nevada Division of Environmental (NDEP), and as such, is the designated agency to apply for the capitalization grant for the CWSRF Program and related state funds. This IUP reflects the priorities set by OFA, which administers the CWSRF program's construction loan program.

In State Fiscal Year (SFY) 2015, OFA will continue to focus on ensuring the integrity of Nevada's water and protection of public health and will ensure the funds move expeditiously and responsibly from the time Nevada is awarded the capitalization grant to the time the funds are awarded to projects. These efforts are instrumental in achieving the requirements of the CWA. The OFA works closely with other state and federal agencies to identify opportunities for funding specific projects and to coordinate funding efforts.

B. What's New for 2015

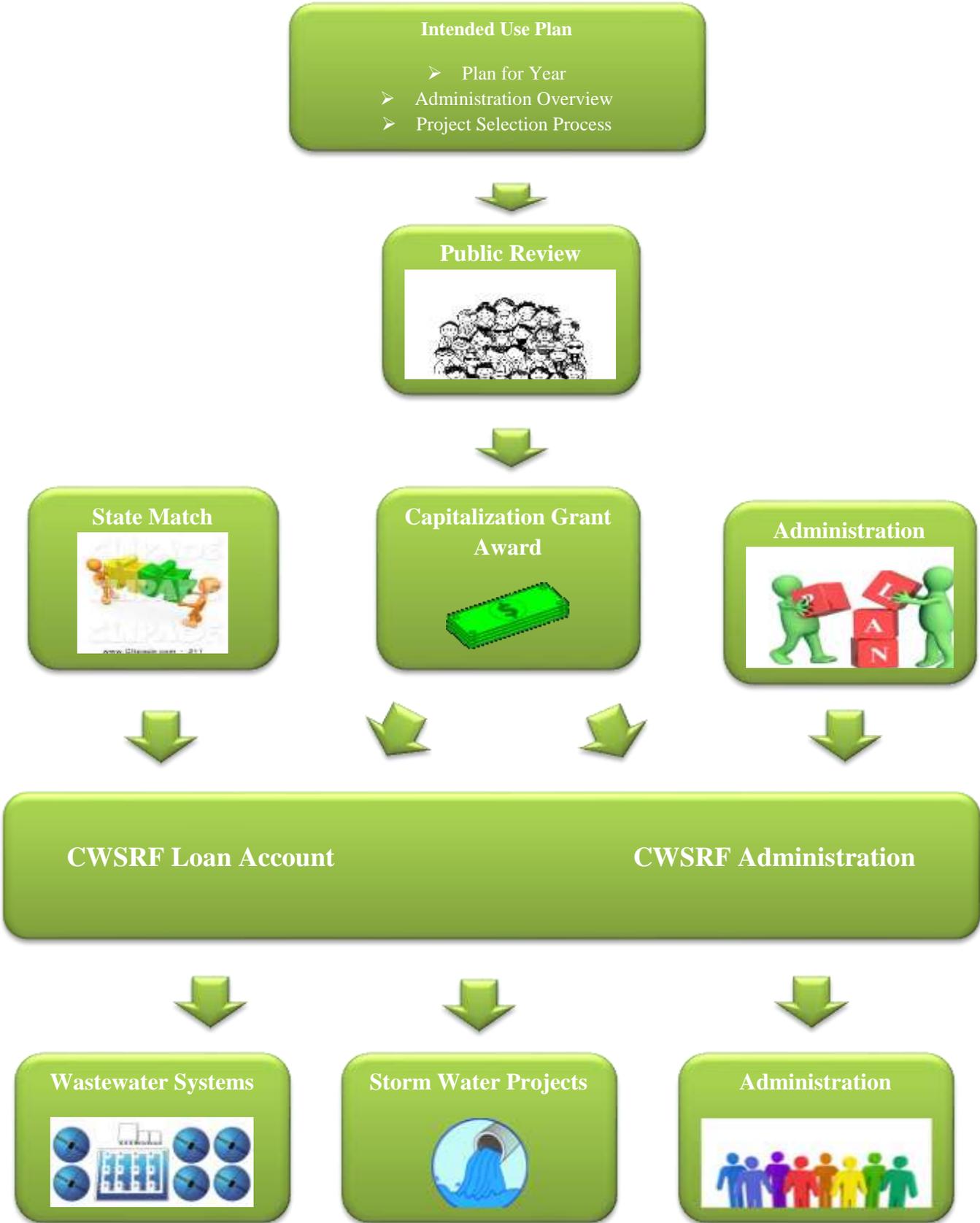
Cash flow monitoring

The OFA will continue its outreach activities to increase awareness of the program and types of projects fundable through the program. A pamphlet introducing Nevada's program was developed and will be sent out during the Priority List Solicitation of Projects. While OFA has always presented at the Nevada Rural Water Conference, this year the OFA plans to have a booth allowing more continued exposure throughout the conference. In addition, the OFA will promote refinancing of SRF and, more importantly, outside loans.

Changes to the Clean Water Act

The Water Resources Reform and Development Act of 2014 (WRRDA) was signed into law on June 10, 2014 and made significant changes to Titles I, II, V and VI of the Clean Water Act. Some of the changes include expanding eligible types of projects fundable under the Act, allowing 30 year loans to recipients, allowing loans to privately owned systems, requiring loan recipients to prepare fiscal sustainability plans, and increased flexibility in state administration of the programs. Another of the requirements for the CWSRF program is to establish affordability criteria to assist in identifying municipalities that would receive additional subsidy, should funding be available through appropriation. The OFA has included this requirement in section V (b) and Attachment D in this document. Additionally, loan contracts have been update to reflect the new requirements, including reporting requirements for generally accepted accounting principles.

Figure 1: The CWSRF Funding Process



II. STRUCTURE OF THE CWSRF

The CWSRF consists of two components that will be used to provide assistance to accomplish its goals.

A. Capital Planning, Design and Construction

Capital planning, design and construction will provide assistance for the planning, design, and construction of improvements to publicly owned wastewater treatment works and for the implementation of programs for the management of point and nonpoint sources of water pollution. Eligible project types include sewage treatment plants, collection systems, interceptors, infiltration/inflow correction, sludge management projects, storm water control projects, erosion control and other non-point source control projects. This account will consist of all federal funds used for infrastructure loan assistance, all state match funds, loan repayments, and interest earnings of the fund. All loan recipients must comply with all federal CWA requirements, including recent WRRDA changes. These requirements will include compliance to the applicable federal crosscutters, federal architectural and engineering procurement, preparation of fiscal sustainability plans, cost and effectiveness analysis, federal reporting, and auditing requirements. Recipients will be required to self-certify their compliance to these regulations.

B. Administration

Funds made available in the grant will be used to support the state operation and management of the CWSRF program.

III. CWSRF GOALS

In establishing the national Clean Water State Revolving Fund program, Congress gave states the flexibility to design a program that can be tailored to meet the needs of local systems. The long- and short-term goals developed for the CWSRF are presented below. They provide a framework that will guide the decision-making in Nevada's CWSRF program.

A. Long-Term Goals

1. **Maintain compliance by all publicly owned treatment works with water quality goals and protect the public health by assisting in the completion of cost effective projects.** Outreach techniques are used, including meetings with various funders, participation in conferences, and personal visits to communities. The CWSRF expects to continue these efforts and to respond to evolving water quality and environmental priorities in the state and nationally.
2. **Provide low-cost financing for important water quality projects while maintaining the perpetuity of the CWSRF through fiscal and technical integrity of the State Revolving Fund program.** NDEP's CWSRF is committed to bringing projects to the program that address the state's most important water quality priorities. NDEP uses a CWSRF financial planning model to guide decisions on funding levels, interest rates, and other financing terms.

- 3. Work with other state funding sources to coordinate water quality financing.**
The CWSRF 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 resources and cost savings.

B. Short-Term Goals

- 1. Issue loans totaling at least \$12,500,000 (see Attachment B, Fundable List). This includes \$500,000 in principal forgiveness loans funded with subsidy money from the grant.**
- 2. Effectively manage day to day operation of CWSRF by continuing to meet goals and restructure program duties as needed.**
- 3. Fund green infrastructure, water and energy efficiency, and environmentally innovative projects in an amount at approximately \$686,300 of the capitalization grant (GPR Projects).** For the 2015 appropriation, Congress directed that at least 10 percent of the capitalization grant be allocated towards energy efficiency and environmentally innovative projects. GPR projects on the 2015 priority list were not ready to proceed in order to be considered fundable for the 2015 IUP. OFA will continue to work closely with these systems to help them become ready to proceed in the near future. The program continues to expand its outreach to GPR projects across the state, but no additional projects have been identified at this time.

IV. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

A. Distribution of Funds Analysis

The OFA conservatively estimates the needs of the systems within the state over a two year fiscal period. The needs of our systems, however, vary widely. Some of our systems are concerned with aging infrastructure, while others are working on attainment of water quality standards. The OFA planning accounts for these challenges by having direct dialogue with systems, engineers, and contractors that deal with these systems directly. Nevada is a small enough state by system count that allows the OFA to work with these systems and understand which projects will be most ready to proceed for the communities' needs. This is done in conjunction with the preparation of the priority list. Once the OFA has determined the need, funding

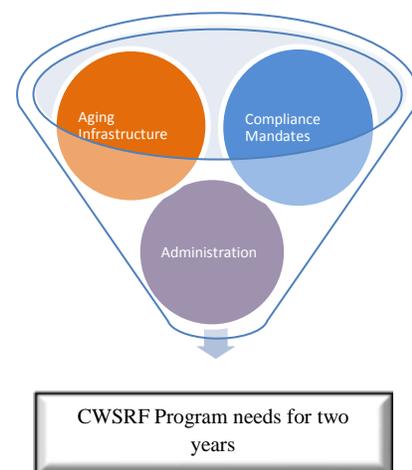


Figure 2: Two year program needs

sources for these systems are then determined and the likelihood they will come to the program for funding. [Figure 2]

Figure 3: Historical Grant Distribution



Historically, Nevada has not requested its full authority on administration to allow for more grant dollars to go towards projects [Figure 3].

The OFA considers the need of systems and the health and safety of the citizens of Nevada its first priority. To ensure the Program is available to assist with this goal, the OFA analyzes the health of the program and availability of funds in perpetuity. The methodology OFA employs to determine its fund balance, in other words, amount of

funding available for loans has ensured that current needs are being met, along with a long term growth of the fund. As Figure 4 illustrates, while funding levels have fluctuated greatly over the life of the program (partially due to leveraging 2003-2005), the trend line demonstrates a gradual increase of the funding.

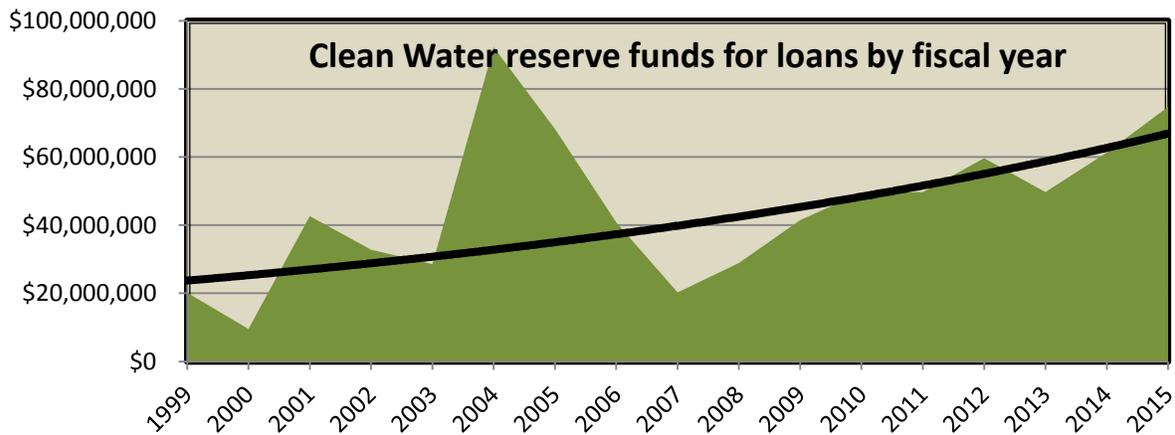


Figure 4: Growth of reserve funds by fiscal year

B. Disadvantaged Community Program

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. OFA has prepared criteria in which systems will need to meet in order to qualify for additional subsidy from the program,

which incorporates disadvantaged communities. See section V (B.2) Financial Terms of Loans below for details on the evaluation criteria.

C. Establishing Project Priority

Nevada uses a ranking system to prioritize the order in which eligible projects will be financed (NAC 445A.765 to NAC 445A.769, inclusive). In general, priority is given to projects that are necessary to meet the enforceable requirements of the water quality standards or permit requirements. Priority is also given to those projects which otherwise significantly further the health protection objectives of the CWA and for systems most in need on a per capita basis. Projects shall be ranked within the Priority Classes on the basis of the total number of ranking points each project receives.

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

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 sewered communities where existing facilities have exceeded their useful life and have deteriorated to the point that a public health hazards exists. (10 points)

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)

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)

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

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)

Interceptors in sewered communities, pumping stations, infiltration inflow correction, correction of combined sewer overflows, sewer system rehabilitation, and reclaimed water distribution. (8 points)

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

Projects which provide wastewater treatment and collection in existing unsewered communities where no public health hazards or water standards violations have been demonstrated or to provide wastewater collection systems to unsewered portions of sewer communities. (10 points)

All other treatment works or pollution control projects. (5 points)

Other Considerations for Points on the Priority List

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.

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 customer's 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:

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 point)
2. The system has developed appropriate rate structures to build, operate, and maintain the system (1 point)
3. The system has specifically allocated funds for the rehabilitation and replacement of aging and deteriorating infrastructure (1 point)

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. Systems may receive additional points for projects that incorporate green infrastructure, water conservation/efficiency, energy efficiency, or environmentally innovative components.

1. Energy efficient retrofits and upgrades to pumps, treatment processes, etc. (5 points)
2. On site clean power production including: wind, solar, hydroelectric, geothermal, biogas, etc. (5 points)
3. Installation of water meters. (5 points)
4. Replacement or rehabilitation of distribution lines that have data documenting water loss. (5 points)
5. Reuse of treated effluent (5 points)
6. Other environmentally innovative projects(5 points)

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.

D. Priority List/Fundable List

On an annual basis, following a statewide solicitation for projects, the Division develops a statewide priority list of 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 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. The Division may, without holding a public participation workshop, revise a priority list to correct minor typographical or technical errors.

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

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 systems for proposed water projects. In late December 2013, NDEP sent out a solicitation letter for the 2015 Priority List. The Division held a Priority List Workshop on May 21, 2014 at 10:30am for review of the 2015 Priority List. The Division held a follow up public workshop to the 2015 Priority List on August 26, 2014 at 10:30am for amendments made. The fundable list for 2015 is included in Attachment B. In December 2014, NDEP sent out a solicitation letter for the 2016 Priority List. The Division held a Priority List Workshop on April 27, 2015 at 10:30am for review of the 2016 Priority List. The 2016 Priority List went into effect at the close of that public meeting. Although the 2015 Priority List is presented in this IUP, due to timing differences some projects applied to the 2015 grant may be derived from prior or future year Priority Lists.

1. Tie Breaking Procedure

If the scores for two or more projects are tied, ranking will be based on population, with the higher population given the higher ranking.

2. Bypass Procedures/Readiness to proceed

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.

3. Refinancing Existing Loans

The CWSRF may be used to buy or refinance debt obligations for CWSRF projects. The long-term debt must have been incurred and construction began after March 7, 1985, to be eligible for refinancing. Projects must meet CWSRF requirements. The OFA will not refinance loans that were solely for the purchase of land.

V. FINANCIAL MANAGEMENT

A. Sources and Uses of Funds

1. State Match Source

The CWA requires states to provide a 20 percent match to the capitalization grants received from the federal government. The OFA continues to meet this requirement through the issuance of General Obligation Bonds. The State intends to issue bonds in late Fall of 2015 totaling approximately \$4 million. This will meet the required match through the 2017 grant award. No funds will be drawn from these grants until the match funds have been deposited. Please see Table 1 for further detail.

2. Fee Income

The OFA applies a loan origination fee of 0.5% of the amount of base loans. The fee will be applied to all projects/loans except principal forgiveness loans and the refinance of an SRF loan. The fee income will eventually help cover the costs of administration. Approximately \$10,000 dollars in fees are expected to be deposited into the CWSRF administrative budget for SFY 2015. This fee is from Lyon County/Dayton Valley Septic Conversion project listed on the 2014 IUP fundable list.

3. Leveraging

States may issue bonds through the CWSRF program using the federal capitalization grant as security to provide for higher funding levels in the current year of the program. Leveraging of federal funds is a useful financial option available to states with a high demand of shovel ready projects for immediate CWSRF funding. The CWSRF program has taken advantage of leveraging previously, but the OFA does not see a need for additional leveraged funds in FY2015.

4. Use of All Funds Available

Since the program's inception, the CWSRF has closed 75 loans (a total of \$439.4 million). The amount of funds in the CWSRF for SFY 2015-including the FFY 2015

grant, repayments, and interest earnings-and the intended allocation to each activity is presented in Table 1 Sources and Uses. SFY 2015 funding will total \$33.4 million. The CWSRF will provide \$12.5 million in loans and loan refinancing to systems and \$198,500 to administer the program. All infrastructure projects will be funded through the capitalization grants, repayment funds, a bond funds (match), and investment interest.

Estimated FY2015 Cumulative Sources and Uses			
	Cumulative Total through FY2014	2015 Fiscal Year (Projected)	Cumulative Total through 2015 Grant
Sources			
Federal Capitalization Grants	162,955,372	6,863,000	169,818,372
ARRA Capitalization Grant	19,239,100		19,239,100
State Match/Provided from State Match Bond Issues	33,755,531	4,000,000	37,755,531
CWSRF Leveraged Bond Proceeds	99,991,711		99,991,711
Principal Repayments on Assistance Provided	174,656,297	16,721,064	191,377,361
Interest Repayments on Assistance Provided	88,587,713	5,543,961	94,131,675
Fees Deposited into the CWSRF Admin. Budget	756,163	10,000	766,163
Treasurers Interest	17,953,758	287,048	18,240,806
TOTAL SOURCES	597,895,646	33,425,073	631,320,719
USES			
Financing Agreements Entered (Base Program)	420,140,202		420,140,202
Projects in the 2015 IUP Fundable List	0	12,500,000	12,500,000
ARRA Financing Agreements Executed	19,222,555		19,222,555
Leverage Bond Debt Service			
Principal	48,295,000	11,310,000	59,605,000
Interest	45,400,090	1,918,873	47,318,963
Bond Debt Service Reserve	23,095,440	5,676,300	28,771,740
State Match Bond Debt Service			
Principal	28,035,000	1,645,000	29,680,000
Interest	8,950,348	176,400	9,126,748
ARRA Administrative Expense	16,545		16,545
Administrative Expenses (non-ARRA)	4,740,465	198,500	4,938,965
TOTAL USES	597,895,646	33,425,073	631,320,719

Table 1: Sources and Uses

B. Financial Terms of Loans

1. Standard Loans

The CWA allows states to charge interest rates ranging from zero percent to below market rates for standard CWSRF loans. The OFA has determined that the interest rate on a CWSRF loan should reflect current market conditions. Interest

rates are set 62.5% of the General Obligations Bond Index or the Revenue Bond Index rate at the time of the loan award. Loans will have a maximum repayment term of 30 years with fixed interest rates. Repayment of loans will commence no later than one year after project completion.

2. Principal Forgiveness Loans

The federal 2015 appropriation authorized the state to use a portion 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 CWSRF has authority to offer principal forgiveness and negative interest loans, in an amount up to 100% of the value of a loan. In SFY 2015, OFA will provide \$500,000 of funds available to principal forgiveness loans.

The OFA will evaluate systems using the criteria outlined in Attachment C to determine if they will qualify for a principal forgiveness loan up to a maximum of \$500,000. A total of 185 points are available. A system needs to obtain 50 or more points to be eligible for a Principal Forgiveness Loan.

- a. Median Household Income (MHI) shall be taken to mean:
 - i. The latest American Community Survey information used for the current year priority list, or
 - ii. A valid income survey performed within the last five (5) years.
- b. Population Trends shall be taken to mean:
 - i. The change in population over a three (3) year period as reported on the latest American Community Surveys available.
- c. Unemployment Percentage shall be taken to mean:
 - i. The percent listed on the same American Community Survey used for the MHI calculations.
- d. Percent of population not in workforce shall be taken to mean:
 - i. The percent listed on the same American Community Survey used for the MHI calculations.
- e. Affordability shall be taken to mean:
 - i. Whether or not an interest bearing loan will increase reasonable user rates by 25% or more.
 1. A comparison to the existing operating, maintenance and debt service requirements to the new operating, maintenance, and debt service will be performed. This will be compared to existing user rates.
 2. Existing rates must be considered reasonable, meaning they are currently sufficient to cover existing operating, maintenance and debt service.
- f. Other factors will be counted if they relate to the project.

C. Loan Disbursements

At the end of FY2014, the OFA had disbursed \$389 million for water projects since the program's inception. Bond proceeds from either match bonds or leverage bonds are

spent first. Federal dollars are spent next. Federal funds are used for all principal forgiveness loans since state statutes and regulations do not expressly authorize the OFA to use state funds for these loans. Therefore, a portion of federal dollars will be reserved for these projects until fully funded. Once bond proceeds and grant dollars available to traditional loans are spent, then re-loan principal, re-loan interest, and investment interest is spent, in this order. However, an amount of 1.2 times Nevada's debt service requirement is retained from earnings as debt service coverage requirements.

D. Fund Transfers

NDEP reserves the right to transfer up to 33 percent of CWSRF capitalization grant to the DWSRF or an equivalent amount from the DWSRF to the CWSRF. Since program inception no funds have been transferred.

VI. ADMINISTRATION

The CWA allows each state to utilize up to 4 percent of its federal capitalization grant to support administration of the program. The funding request is based on the State biannual budget. For FY 2015, we plan to use a total of \$198,500 of federal funding (2.89 percent of the federal FY 2015 funding) for administration. The CWSRF administered by OFA. Administration funds will be used to pay salaries and associated expenses of program personnel devoting time to the administration of the CWSRF loan account. Part of this account will also be used to pay for of a contracted Financial Advisor, who will assist in fund analysis and bond issuances. Administration funds will also be used to procure all equipment and training necessary for the adequate performance of the staff.

VII. PUBLIC PARTICIPATION

A. Public Meetings and Comment Activities

To ensure that the public has an opportunity to review our proposed plans for the CWSRF, the 2015 draft IUP will post it on the Division's website (<http://ndep.nv.gov/bffwp/srlf01.htm>) for 30 days before it was finalized. A public workshop to solicit public comment for the 2015 Priority List was held on May 21, 2014 at 10:30am. A subsequent public workshop for an update to the 2015 Priority List was held on August 26, 2014 at 10:30am. A public workshop to solicit public comment for the 2016 Priority List was held April 27, 2015 and immediately went into effect.

VIII. AUDITS AND REPORTING

Ensuring transparency and accountability, all program materials are posted on our website (<http://ndep.nv.gov/bffwp/index.htm>). The State Controller's Office annually utilizes the services of an independent audit to ensure financial integrity. We commit to entering project and benefits data into the EPA Clean Water National Information Management System (NIMS) and Clean Water and Benefits Reporting (CBR) System to evaluate the benefits of the CWSRF program.

Among other parameters, the reporting systems will evaluate the number of CWSRF projects that provide the following public health benefits:

- i. Achieve compliance with CWA;
- ii. Maintain compliance with CWA; and
- iii. Meet future requirements of CWA.

We will enter project benefits information into CBR by the end of the quarter in which the assistance agreement is signed.

ATTACHMENT A.....2015 and 2016 Project Priority List

Final Year 2015 Priority List - Clean Water State Revolving Loan Fund - Rev 1

Class A: Project benefits public health and/or the environment									
Priority	Applicant Name & Address	Permit No.	Points	Population	State MHI / PWMS MHI	Revised Points	Project Description	Pre-Application Estimate	Pre-Application Estimate
1	Washoe County DWR	NV020150	25	20,239	1.00	25.04	Spanish Springs septic to sewer	\$	\$ 31,900,000
2	Carson City Public Works	N50090008	18	55,375	1.00	18.03	Septic to Sewer Conversion	\$	\$ 2,615,000
3	City of Winnemucca	N50040037	19	10,500	0.80	15.19	Replace RIBs in Floodplain w/ New Irrigated Pivot & RIBs outside of Floodplain	\$	\$ 18,000,000
4	Lyon County Utilities	N50040032	14	11,000	1.02	14.31	Carson Highlands WWTF Decommissioning	\$	\$ 2,200,000
5	Lyon County Utilities	N52000500	12	11,000	1.02	12.27	Dayton Valley Septic Conversions	\$	\$ 10,000,000
Total Class A									\$ 64,715,000
Class B: Projects necessary to increase reliability or sustainability									
Priority	Applicant Name & Address	Permit No.	Points	Population	State MHI / PWMS MHI	Revised Points	Project Description	Pre-Application Estimate	Pre-Application Estimate
6	Tonopah Public Utilities	N50000026	24	2,478	1.55	37.09	Treatment effluent infrastructure project-Phase 2 (GREEN)	\$	\$ 3,516,900
7	Elko Co Public Works (Mountain City)	N50040023	16	60	1.45	23.23	Sewer system repairs	\$	\$ 600,000
8	City of West Wendover	N50010019	16	4,410	1.40	22.46	Replacement of effluent reuse line (GREEN)	\$	\$ 1,316,000
9	MCDill-Ruth GID	N50087046	12	628	1.74	20.90	Wastewater treatment facility monitoring well	\$	\$ 56,000
10	City of Reno	NV020150	18	258,138	1.13	20.36	Expansion of reclaimed water distribution system in and around Reno (GREEN)	\$	\$ 12,000,000
11	Nye County (Gabbs)	N50070021	9	378	2.07	18.61	1.5 miles of 8-inch sewer main replacement	\$	\$ 500,000
12	Tonopah Public Utilities	N50000026	11	2,478	1.55	17.00	Sierra Vista lift station repair	\$	\$ 460,798
13	Incline Village GID	N50030009	17	9,700	0.81	13.81	Effluent Export Rehabilitation Phase II	\$	\$ 23,000,000
14	Yerington	N50040033	10	3,300	1.35	13.55	Yerington WWTP Upgrades	\$	\$ 4,000,000
15	City of Sparks	N50095005	13	90,504	1.01	13.14	North Truckee Drain Project	\$	\$ 15,000,000
16	Carson City Public Works	N50090008	13	55,375	1.00	13.02	Wastewater treatment plant rehabilitation/upgrades, effluent line repair	\$	\$ 27,514,000
17	Clark County Water Rec. District	NV02024000	13	891,305	1.00	12.97	Membrane/Ozonation Upgrade at Central Plant, Phase II (GREEN)	\$	\$ 45,000,000
18	Clark County Water Rec. District	NV02024000	13	891,305	1.00	12.97	Central Plant Filters Replacement - Phase 3/4 (GREEN)	\$	\$ 50,660,000
19	City of Reno	NV020150	11	225,818	1.13	12.44	El Rancho wastewater lift station replacement	\$	\$ 1,310,000
20	City of Reno	NV020150	11	225,818	1.13	12.44	North Virginia St. Interceptor Phase II-Lift station, force main, gravity interceptor	\$	\$ 9,292,000
21	Lyon County Utilities	N52000500	11	11,000	1.02	11.24	Rose Peak, Cardelli Road lift station replacement; septic sewer conversions	\$	\$ 1,350,000
22	City of Ely	N50070015	8	5,500	1.26	10.12	Replacement of clay sewer line	\$	\$ 3,240,000
23	City of Ely	N50070015	8	5,500	1.26	10.12	New 8-inch PVC sewer pipeline and manholes on Murry St	\$	\$ 435,780
24	Douglas Co SID No. 1	N50080033	13	2,800	0.72	9.33	Headworks improvements	\$	\$ 692,160
25	Douglas Co SID No. 1	N50080033	13	2,800	0.72	9.33	Solids Handling & Dewatering Improvements	\$	\$ 884,800
26	Douglas Co SID No. 1	N50080033	13	2,800	0.72	9.33	Emergency Storage: Main Pump Station	\$	\$ 1,269,656
27	Douglas Co SID No. 1	N50080033	13	2,800	0.72	9.33	DCDIS/STRUD Emergency Intertie Project	\$	\$ 529,200
28	Douglas Co SID No. 1	N50080033	13	2,800	0.72	9.33	Grit Removal Rehabilitation Project	\$	\$ 1,322,720
29	Douglas Co SID No. 1	N50080033	13	2,800	0.72	9.33	Emergency Storage: Beach Pump Station	\$	\$ 818,215
30	City of Henderson	N50080003	11	258,138	0.82	8.99	Horizon Sewer Main Replacement (U0003)	\$	\$ 1,000,000
31	City of Henderson	N50080003	11	258,138	0.82	8.99	Replacement of Sunset lift station with gravity sewer (U0010)	\$	\$ 500,000
32	City of Henderson	N50080003	11	258,138	0.82	8.99	Replacement of Mohawk lift station with gravity sewer (U0028)	\$	\$ 1,500,000
33	City of Henderson	N50080003	11	258,138	0.82	8.99	Townsite Phase 2 (U0072)	\$	\$ 4,200,000
34	City of Henderson	N50080003	11	258,138	0.82	8.99	Townsite Phase 1 (U0034)	\$	\$ 2,900,000
35	Douglas Co (North Valley)	N50060025	12	4,500	0.72	8.61	North Valley Wastewater Treatment Plant Expansion	\$	\$ 4,900,000
36	Storey Co Public Works (Virginia City)	NV020451	9	2,838	0.75	6.78	Major sewer line replacements	\$	\$ 11,300,000
Total Class B									\$ 231,068,229
Class C: Other clean water needs projects									
Priority	Applicant Name & Address	Permit No.	Points	Population	State MHI / PWMS MHI	Revised Points	Project Description	Pre-Application Estimate	Pre-Application Estimate
37	Clark County Water Rec. District	NV021261	13	891,305	1.00	12.97	Solar Power Project at Main Plant (GREEN)	\$	\$ 40,000,000
Total Class C									\$ 40,000,000
TOTAL FOR ALL PROJECTS									\$ 335,783,229

Final Year 2016 Priority List - Clean Water State Revolving Loan Fund

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

Priority	Applicant Name & Address	Permit No.	Points	Population	State MHI / PWWS MHI	Revised Points	Project Description	Pre-Application Estimate
1	Carson City Public Works	N50090008	28	55,375	1.02	28.45	Septic to Sewer Conversion	\$ 3,000,000
2	Washoe County DWR	NV020150	28	20,239	1.00	27.87	Spanish Springs septic to sewer	\$ 31,900,000
3	Churchill Co - Pine Grove	N52006511	25	450	1.06	26.49	Pine Grove Lift Station Removal - Conversion to Gravity (GREEN)	\$ 641,140
4	Lyon County Utilities	N52000500	22	11,000	1.06	23.31	Dayton Valley Septic Conversions	\$ 10,000,000
5	Lyon County Utilities	N50040032	14	11,000	1.06	14.83	Carson Highlands WWTF Decommissioning	\$ 2,200,000
6	City of Winnemucca	N50040037	19	10,500	0.75	14.38	Replace RIBs in Floodplain w/New Irrigated Pivot & RIBs outside of Floodplain	\$ 18,000,000
7	Round Mountain Public Utilities	N50087032	15	944	0.62	9.37	Treatment Pond Lining & System Repair/Rehabilitation	\$ 3,050,840
Total Class A								\$ 68,791,980

Class B: Projects necessary to increase reliability or sustainability

Priority	Applicant Name & Address	Permit No.	Points	Population	State MHI / PWWS MHI	Revised Points	Project Description	Pre-Application Estimate
8	Tomopah Public Utilities	N50000026	24	2,478	1.51	36.21	Treatment effluent infrastructure project - Phase 2 (GREEN)	\$ 3,516,900
9	Elko Co Public Works (Mountain City)	N50040023	16	60	1.52	24.25	Sewer system repairs	\$ 600,000
10	Elko Co Public Works (Jackpot)	N50080018	18	1,100	1.28	23.06	Wastewater reclaimed (GREEN)	\$ 1,040,000
11	City of Reno	NV020150	18	258,138	1.13	20.32	Expansion of reclaimed water distribution system in and around Reno (GREEN)	\$ 12,000,000
12	Clark County Water Rec. District	NV02024200	18	891,305	1.03	18.58	Membrane/Ozonation Upgrade at Central Plant, Phase II (GREEN)	\$ 45,000,000
13	Clark County Water Rec. District	NV02024261	18	891,305	1.03	18.58	Central Plant Filters Replacement - Phase 3/4 (GREEN)	\$ 50,660,000
14	Carson City Public Works	N50090008	18	55,375	1.02	18.39	WWRP rehab/upgrades, effluent line repair, & other system projects (GREEN)	\$ 24,000,000
15	McGill-Ruth GID	N50087046	12	1,200	1.45	17.36	Wastewater treatment facility monitoring well	\$ 56,000
16	McGill-Ruth GID	N50087046	12	1,200	1.45	17.36	McGill Wastewater Treatment Facility Upgrade	\$ 459,160
17	Nye County (Gabbis)	N50070021	8	378	2.08	16.61	1.5 miles of 8-inch sewer main replacement	\$ 500,000
18	City of Henderson	N50080003	16	258,138	0.82	13.10	Replacement of Sunset Lift station with gravity sewer (U0010) (GREEN)	\$ 500,000
19	City of Sparks	N50080003	16	258,138	0.82	13.10	Replacement of Mohawk Lift station with gravity sewer (U0028) (GREEN)	\$ 1,500,000
20	City of Sparks	N50095005	13	90,504	1.00	13.05	North Truckee Drain Project	\$ 15,000,000
21	Imlay Sewer Coop	GENE/OSD50910125	15	145	0.87	13.03	System Replacement/Rehabilitation & Extension	\$ 4,000,000
22	Yerington	N50040033	10	3,300	1.30	12.96	Yerington WWTP Upgrades	\$ 1,500,000
23	Incline Village GID	N50030009	17	9,700	0.76	12.84	Effluent Export Rehabilitation Phase II	\$ 23,000,000
24	City of West Wendover	N50010019	16	4,410	0.75	12.02	Replacement of effluent reuse line (GREEN)	\$ 1,500,000
25	Lyon County Utilities	N52009500	11	11,000	1.06	11.66	Replacement of clay sewer line	\$ 1,350,000
26	City of Ely	N50070015	8	5,900	1.16	9.26	Rose Peak, Cardelli Road lift station replacement; septic sewer conversions	\$ 3,240,000
27	City of Ely	N50070015	8	5,900	1.16	9.26	New 8-inch PVC sewer pipeline and manholes on Murry St	\$ 435,780
28	City of Henderson	N50080003	11	258,138	0.82	9.01	Horizon Sewer Main Replacement (U0003)	\$ 1,000,000
29	City of Henderson	N50080003	11	258,138	0.82	9.01	Townsite Phase 2 (U0072)	\$ 2,900,000
30	City of Henderson	N50080003	11	258,138	0.82	9.01	Townsite Phase 1 (U0034)	\$ 892,160
31	Douglas Co SID No. 1	N50080033	13	2,801	0.69	8.98	Headworks Improvements & other system improvements	\$ 884,800
32	Douglas Co SID No. 1	N50080033	13	2,800	0.69	8.98	Emergency Storage; Main Pump Station	\$ 1,269,656
33	Douglas Co SID No. 1	N50080033	13	2,800	0.69	8.98	DCDIS/STPUD Emergency Inlet Project	\$ 529,200
34	Douglas Co SID No. 1	N50080033	13	2,800	0.69	8.98	Grit Removal Rehabilitation Project	\$ 1,322,720
35	Douglas Co SID No. 1	N50080033	13	2,800	0.69	8.98	Emergency Storage; Beach Pump Station	\$ 818,215
36	Douglas Co SID No. 1	N50080033	13	2,800	0.69	8.98	Wet Well Rehab & Sewer Lift Pump Replacement	\$ 800,000
37	Shige Valley WHP	GENE/OSD50910150	11	188	1.06	8.46	Lining of waste water ponds	\$ 73,000
38	City of Carlin	N50093001	11	2,800	0.76	8.35	North Valley Wastewater Treatment Plant Expansion	\$ 4,900,000
39	Douglas Co (North Valley)	N50060025	12	4,500	0.69	8.29	Telemetry & SCADA Improvements	\$ 700,000
40	Douglas County Public Works	Multiple	8	9,450	0.88	7.03	Major sewer line replacements	\$ 11,300,000
41	Storey Co Public Works (Virginia City)	NV02020451	9	2,838	0.76	6.86		\$
Total Class B								\$ 221,447,951

Class C: Other clean water needs projects

Priority	Applicant Name & Address	Permit No.	Points	Population	State MHI / PWWS MHI	Revised Points	Project Description	Pre-Application Estimate
42	Clark County Water Rec. District	NV02021261	13	891,305	1.03	13.42	Solar Power Project at Main Plant (GREEN)	\$ 40,000,000
43	City of Fernley	N50080011	0	18,000	1.00	0.00	Loan Refinancing	\$ 8,000,000
44	Washoe County	Multiple	0	NA	1.00	0.00	Loan Refinancing	\$ 3,210,048
Total Class C								\$ 51,210,048
TOTAL FOR ALL PROJECTS								\$ 341,449,619

ATTACHMENT B.....2015 Fundable List

List of Projects to be funded, FY2015												
Rank	Name/Project Sponsor	Community	NPDES permit number	Class	Project Description	Total Assistance	Interest Rate	Additional Subsidy/Principal Forgiveness Amount ¹	Amount	Category	Business Case Project	Estimated binding commitment date
1	Washoe County DWR		NV0020150 A		Septic to Sewer Conversion	500,000	Not yet determined	500,000				Pending
16	Carson City Public Works		NS0090008 B		Wastewater treatment plant rehabilitation/upgrades, effluent line repair	12,000,000	Not yet determined					Pending
Total						12,500,000		500,000	0			

ATTACHMENT C.....Criteria to Determine eligibility for a Principal Forgiveness Loan

SCALE TO DETERMINE PRINCIPAL FORGIVENESS AMOUNT		System
State Median Household Income (MHI) versus Community MHI		<u>Points</u>
Based upon the Current Priority List data		
1.25 or more	50	
less than 1.25	0	
Project Points		0
Population Trend		<u>Points</u>
Based upon last three years of American Community Survey best available data		
1. Decreasing	5	
2. Increasing	0	
Project Points		0
Unemployment Rate		<u>Points</u>
Based upon American Community Survey used for MHI data		
Greater than 80% of statewide unemployment	5	
Less than 80% of statewide unemployment	0	
Project Points		0
Population not in labor force		<u>Points</u>
Based upon American Community Survey used for MHI data		
Greater than state percentage	10	
Less than state percentage	0	
Project Points		0
Affordability		<u>Points</u>
Would an interest bearing loan increase already reasonable user rates by 25% or more with the new system and debt service?		
Yes	15	
No	0	
Project Points		0
Other Factor(s)		<u>Points</u>
Compliance order issued against system	25	
Consolidation into another system	50	
Project considered Green	15	
Small Systems that serve populations less than 10,000 people	10	
Project Points		0
Project Points		0
Maximum Points are 185		
Points needed to Qualify for Principal Forgiveness is 50		