

**Board for Financing Water Projects
Drinking Water State Revolving Fund
November 2024**

Drinking Water Program Funding Updates as of October 28, 2024

Program Cash Balances	DWSRF Base Program	DWSRF Emerging Contaminants	DWSRF Lead Service Lines	Total DWSRF Funding
Cash in the State Account	\$113,201,387.03	\$0.00	\$0.00	\$113,201,387.03
Less bond debt service reserves	(8,049,125)	0	0	(8,049,125)
Add Federal Cash Available for Loans	53,491,026	21,768,860	25,212,000	100,471,886
Add pending federal grants			0	0
Cash Available for Loans	\$158,643,288.03	\$21,768,860.00	\$25,212,000.00	205,624,148.03
Committed funds not yet disbursed	162,215,167	6,000,000	0	168,215,167
Add commitments for Board consideration	2,170,600	0	0	2,170,600
Total committed funds after Board Approval	164,385,767	6,000,000	0	170,385,767
Add projects in discussion with OFA	12,680,000	10,000,000	0	22,680,000
Total committed and potential project loans^A	\$177,065,767.00	\$16,000,000.00	\$0.00	\$193,065,767.00

^A Nevada evaluates cash over a three-year period to determine the amount of cash available for loan commitments. This practice is highly encouraged by EPA for effective use of funds management. Therefore, the amount committed to projects at any given time *may* be higher than the current cash available in the program accounts.

Program Cash Balances for Principal Forgiveness (PF) Loans^B	DWSRF Base Program	DWSRF Emerging Contaminants	DWSRF Lead Service Lines	Total DWSRF Funding
Required amount to commit to PF loans	41,135,188	21,768,860	12,353,880	75,257,928
Add pending federal grant requirements				0
Total Required PF Loan Balance	41,135,188	21,768,860	12,353,880	75,257,928
Committed funds not yet disbursed	26,951,997	6,000,000	0	32,951,997
Commitments for Board consideration	2,170,600	0	0	2,170,600
Add projects in discussion with OFA	5,580,000	15,768,860	0	21,348,860
Remaining Authority^B	\$6,432,591	\$0	\$12,353,880	\$18,786,471

^B Cash available for PF loans is included in the Program Cash Balance table above. This table reflects the federal requirements for Nevada to distribute a portion of the available cash as PF loans.

Drinking Water Cash Flow Projections (Base Program Only)¹

	Jul 01,2024	Jul 01,2025	Jul 01,2026	Jul 01,2027	Net Change
	Year 1	Year 2	Year 3	Year 4	
Cash balance forward	\$137,869,411	\$99,231,805	\$87,740,983	\$63,891,438	
Receipts from grants awarded	19,793,640	19,793,640	19,793,640	0	59,380,920
Transfer to the CWSRF program ²	(30,000,000)	0	0	0	(30,000,000)
Receipts from bonds issued	6,000,000	10,000,000	15,000,000	0	31,000,000
Receipts from treasurer's interest ³	3,196,985	2,471,513	1,798,648	1,323,066	8,790,212
Receipts from loan principal	14,531,953	13,522,074	12,918,277	12,963,734	53,936,038
Receipts from loan interest	3,367,913	3,107,540	2,796,898	2,497,451	11,769,802
Payments for debt service on bonds	(4,863,738)	(4,601,675)	(3,447,450)	(3,519,225)	(16,432,088)
Payments for loan recipients ³	(48,631,022)	(56,866,364)	(72,911,983)	(11,501,752)	(189,911,121)
Change in debt service reserves	(2,033,337)	1,082,450	202,425	679,725	(68,737)
Cash balance forward	\$99,231,805	\$87,740,983	\$63,891,438	\$66,334,437	(\$71,534,974)
				Beginning Cash	\$137,869,411
				Ending Cash	\$66,334,437

²Transfer to CWSRF is dependent upon budget approval and EPA consent

³Estimated at 2% AP.R. on undisbursed cash in the fund. Subject to change.

Program Updates

Drinking Water Project funding increases

None

Drinking Water Capitalization Grants

Federal Grant Awards available to Nevada			
	Available	Current Plan	Future Plan
2022 Base Appropriation Re-allotment	\$33,000	\$33,000	\$0
2024 Base Appropriation	\$4,832,000	\$4,832,000	\$0
Subtotal Base funding	\$4,865,000	\$4,865,000	\$0
2024 BIL Supplemental	\$23,831,000	\$23,831,000	\$0
2022 BIL (EC) Re-allotment	\$59,000	\$59,000	\$0
2023 BIL Emerging Contaminants (EC)	\$7,921,000	\$7,921,000	\$0
2024 BIL Emerging Contaminants (EC)	\$7,921,000	\$7,921,000	\$0
2024 BIL Lead Service Lines (LSL)	\$28,650,000	\$0	\$0
Subtotal BIL Funding	\$68,382,000	\$39,732,000	\$0
Total Federal Funding	\$73,247,000	\$44,597,000	\$0

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

Base Appropriation requirements in dollars

	2021 Base	2024 Base	Total
Total Amount Provided as Subsidy	\$16,170	\$2,367,680	\$2,383,850
Mandate to Disadvantaged Communities	\$11,550	\$1,691,200	\$1,702,750
Mandate to qualified entities	\$4,620	\$676,480	\$681,100
Total Amount for Set-asides	\$16,830	\$1,497,920	\$1,514,750
2% Small systems technical assistance	\$11,880	\$96,640	\$108,520
4% Administration	\$0	\$193,280	\$193,280
10% State program management	\$0	\$483,200	\$483,200
15% Local assistance	\$4,950	\$724,800	\$729,750
Amount provided as Loans	\$0	\$966,400	\$966,400
Total Amount of grant	\$33,000	\$4,832,000	\$4,865,000
Federal Match requirement	\$6,600	\$966,400	\$973,000

BIL funding requirements in dollars

	Supplemental	2022 EC	2023 EC	2024 EC	Total
Total Amount Provided as Subsidy	\$11,677,190	\$59,000	\$7,921,000	\$7,921,000	\$27,578,190
Mandate to Disadvantaged Communities	\$11,677,190	\$14,750	\$1,980,250	\$1,980,250	\$15,652,440
Mandate to qualified entities	\$0	\$44,250	\$5,940,750	\$5,940,750	\$11,925,750
Total Amount for Set-asides	\$7,387,610	\$0	\$0	\$0	\$7,387,610
2% Small systems technical assistance	\$476,620	\$0	\$0	\$0	\$476,620
4% Administration	\$953,240	\$0	\$0	\$0	\$953,240
10% State program management	\$2,383,100	\$0	\$0	\$0	\$2,383,100
15% Local assistance	\$3,574,650	\$0	\$0	\$0	\$3,574,650
Amount provided as Loans	\$4,766,200	\$0	\$0	\$0	\$4,766,200
Total Amount of grant	\$23,831,000	\$59,000	\$7,921,000	\$7,921,000	\$39,732,000
Federal Match requirement	\$4,766,200	\$0	\$0	\$0	\$4,766,200

**Board for Financing Water Projects
Capital Improvements Grant Program
November 2024**

Capital Improvements Grant Program Funding Update as of October 28, 2024

Current Cash¹:	\$ 1,192,126.64¹	
Less Funds for Administration:	\$ 25,192.79	
Add Projected treasurer's Interest:	\$ 35,025.47	
Cash Available for Projects:		\$1,201,959.32
Committed bond funds not yet disbursed:	\$ 1,103,406.97	
Projects for Consideration:	\$ 0	
Un-committed funds:		\$147,447.94²

Bond Series	2021B	
Legislative Authority	AB492 (81st Session) \$8,000,000	
Date of Issuance	December 07, 2021	
Initial Proceeds	\$	8,082,775.25
Treasurer's Interest ²	\$	532,934.63
Total Proceeds	\$	8,615,709.88
6 months	\$ (81,028.81)	0.94%
12 months	\$ (81,028.81)	0.94%
18 months	\$ (83,699.34)	0.97%
24 months	\$ (645,672.63)	7.49%
30 months	\$ (2,531,723.28)	29.38%
36 months	\$ (7,446,158.03)	86.43%
42 months	\$ (7,446,158.03)	86.43%
Unspent Proceeds	\$ 1,169,551.85	13.57%

Between June 26, 2024 and October 28, 2024, **\$4,860,685.87** has been disbursed from the bond.

By December 1, 2024, NDEP is forecasting to disburse **\$784,341.68** with **\$425,641.27** remaining in the program. This represents 95% of the **proceeds spent.**

¹ From all sources including bond proceeds, administration fees, and treasurer's interest.

² Includes estimated bond interest earnings for the next 12 months at 2.00%.

Status update 10/28/2024

Entity	Contract	Date	Amount	Drawn	Outstanding	Last Draw Date
Las Vegas Valley Water District-Big Bend	GP2103	1/20/2021	\$ 1,908,622.00	1,821,520.81	\$ 87,101.19	9/30/2024
Alamo Sewer and Water GID	GP2104	8/2/2021	\$ 655,623.17	608,439.51	\$ 47,183.66	8/26/2024
Las Vegas Valley Water District-Big Bend	GP2201	4/19/2022	\$ 86,449.13	86,449.13	\$ -	Closed De-obligated 9,157.86
Golconda GID	GP2202	8/2/2022	\$ 793,000.00	753,397.25	\$ 39,602.75	10/9/2024
Topaz Ranch Estates GID	GP2203	5/17/2022	\$ 1,645,520.00	1,388,863.29	\$ 256,656.71	10/15/2024
Beatty Water & Sanitation District	GP2502	7/2/2024	\$ 354,876.00	40,755.00	\$ 314,121.00	10/8/2024
Pershing County	GP2503	6/28/2024	\$ 550,500.00	305,784.81	\$ 244,715.19	Pending 10/28/2024
Carlin, City of	GP2504	6/28/2024	\$ 1,648,360.00	1,583,229.12	\$ 65,130.88	10/10/2024
Henderson, City of	GP2505	6/28/2024	\$ 1,694,000.00	1,694,000.00	\$ -	10/15/2024
			\$ 9,336,950.30	\$ 8,282,438.92	\$ 1,054,511.38	

Pending actions before December 1, 2024

GP2103 Las Vegas Valley Water District (Big Bend).....\$0
 Las Vegas Valley Water District has submitted an additional draw for review totaling \$87,101.19 Once approved, all funds will be spent on this project.

GP2104 Alamo Sewer and Water GID.....\$0

GP2202 Golconda GID.....\$39,602.75

GP2203 Topaz Ranch Estates GID.....\$256,656.71
 This grant commitment was signed December 2021, before the June 26, 2024, Board meeting. The project went out to bid to procure a contractor to equip the newly drilled well, well housing construction and modifications, and electrical upgrades. A contractor was awarded the project in September 2024. Construction is currently underway and is not expected to be completed until XXXXXX. Draws are not forecasted to be spent until XXXX.

GP2502 Beatty Water & Sanitation District.....\$314,121.00
 Beatty Water & Sanitation is currently submitting a draw for \$263,200.25 and has agreed to de-obligate the remaining balance of \$50,920.75.

GP2503 Pershing County (Imlay).....\$22,805.83

Pershing County has a balance \$22,805.83 that will remain on this project. Pershing County has been responsive to NDEP requests and will utilize the remaining balance as soon as possible.

GP2504 Carlin, City of.....\$0

Carlin has submitted an additional draw for review totaling \$65,130.88 Once approved, all funds will be spent on this project. NDEP is working on a contract amendment to increase funding up to \$135,000 to spend down additional funds in the program that are not committed due to interest and/or de-obligations.

GP2505 Henderson, City of.....\$0

Henderson has fully drawn their funding of \$1,694,000. NDEP is working on a contract amendment to increase funding up to \$13,000 to spend down additional funds in the program that are not committed due to interest and/or de-obligations that may arise.

Projected cash remaining on December 1, 2024.....\$425,641.27

95.XX% of proceeds

Drinking Water State Revolving Fund

Board for Financing Water Projects

November 2024

Drinking Water Priority List – Effective November 2024

Data

199 Projects

\$1,060,610,755

Total Estimated Costs

Recommendation

The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approve the Drinking Water Priority List – Effective November 2024.

Priority List Classes

Class I Acute

- Acute health risks: Demonstrated illness attributable to the public water system
- Significant non-compliance
- Court ordered compliance
- Systems addressing acute health issues in the specific project

Class II Chronic

- Chronic health concerns – documented non-compliance with primary & secondary drinking water standards
- Systems addressing chronic health issues in the specific project

Class III Rehabilitation

- Projects that address deteriorated, substandard, or inadequate conditions in a public water system.
 - Treatment
 - Storage
 - Transmission & Distribution
 - Meters
 - Security
 - Planning

Class IV Refinancing

- Refinancing of debt incurred after July 1, 1993

Additional Points for Asset Management System Project for Funding

Projects can receive additional points for the following:

- (5 pts) System is mapped, and assets are cataloged/evaluated.
- (5 pts) System has a rate structure that supports O&M.
- (5 pts) System has allocated funds for rehabilitation/replacement of aging infrastructure.

Disadvantaged Systems (Attachment B)

Nevada Administrative Code amended:

“Disadvantaged community” means an area in which, as compared to other communities in this State, residents disproportionately experience economic, environmental, or health issues, including, without limitation, high rates of poverty or unemployment. (NAC 445A.675245)

Federal Drinking Water Act Requirements:

[42 U.S.C §300j-12(b)(d)(3)] The term “disadvantaged community” means the service area of a public water system that meets affordability criteria established after public review and comment by the State in which the public water system is located.

2024 Drinking Water Intended Use Plan:

- 50 points are needed to qualify for principal forgiveness.
- 25 points will be added to the initial score for systems qualifying as disadvantaged.

Disadvantaged Criteria:

- Income Factors:
 - Median Household Income (MHI) versus State MHI
 - Poverty levels in the service area
- Population trends:
 - Change in population over three years based upon the latest American Community Survey data available.
- Unemployment:
 - Percent of the population not in the workforce
 - Unemployment rate of service area
- Affordability:
 - Whether or not an interest-bearing loan will increase already sufficient user rates by 10.0%, 20.0%, or 30.0%.
 - This also has a look-back option for five years.
 - Residential rates compared to MHI
 - Based on 1.0%, 1.5%, and 2.0%
- Other Factors:
 - Nature of the project
 - Incentives for project types
 - Financial assistance from government or political subdivisions

Priority List (Attachment A)

- Priority Rank
- *N¹: New to the list*
- *D²: System or project qualifies as disadvantaged*
- *C³: Water System Classification (community/noncommunity)*
- *Entity*
- *PWS ID#*
- *Project Population*

- *Project Service Connections*
- *Total Points*
- *Revised Points*
- *NIFS project ID*
- *Project Description*
- *Estimated Loan Amount*
- *Special Funding (Emerging Contaminants or Lead Service Line Funding)*
- *Funded: Indicates the project has received at least partial funding, is not complete, and must remain on the list.*

Priority List Statistics

	Projects	Disadvantaged Systems or Projects	Small Systems (less than 10,000)
Previous List	195	155	163
New to the List	4	4	4
Removed	0	0	0
Current List	199	161	167
		80.9%	83.9%

	Projects	Disadvantaged Systems or Projects	Small Systems (less than 10,000)
Class I	5	4	3
Class II	24	20	19
Class III	169	136	144
Class IV	1	1	1
Total	199	161	167

Project Readiness and Bypass Process

NDEP may bypass a project on the priority list if NDEP determines the project is not ready to proceed, fails to file a letter of intent, or the applicant requests action to be deferred. (NAC 445A.67573)

- Projects ready to proceed may bypass projects with a higher point score that are not ready to proceed.
- Written notice is given to systems being bypassed.
- Current list readiness-to-proceed: *

Funded/Partially Funded	47 projects (23.6%)
All others	152 projects (76.4%)

*As of October 21, 2024. Data subject to change.

DWSRF Authority and Purpose

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

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

RECOMMENDED MOTION FOR THE DWSRF PRIORITY LIST

I move to approve the resolution titled “D07-1124 Nevada Drinking Water State Revolving Fund (DWSRF) Priority List – Effective November 2024,” to establish the priorities for determining which public water systems will receive money or other assistance from the Account for the Revolving Fund as required in NRS 445A.265(3).

RESOLUTION D07-1124

Nevada Drinking Water State Revolving Fund (DWSRF) Priority List – Effective November 2024

WHEREAS:	The Nevada Division of Environmental Protection (NDEP) is authorized pursuant to Nevada Revised Statutes (NRS) 445A.200 to 445A.295, inclusive, to establish procedures for the administration of the Drinking Water State Revolving Fund (DWSRF); and
WHEREAS:	The DWSRF Program Guidelines promulgated by the United States Environmental Protection Agency require that the State establish a priority list of public water system projects eligible for funding from the DWSRF and seek public review and comment on the priority list; and
WHEREAS:	NRS 445A.265 (3) requires that NDEP shall not establish the priorities for determining which public water systems will receive money from the Account for the Revolving Fund without obtaining the prior approval of the Board for Financing Water Projects (Board); and
WHEREAS:	NDEP may at any time after receiving approval from the Board revise the ranking of a water project in accordance with Nevada Administrative Code 445A.67567; and
WHEREAS:	NDEP provided notice and held a workshop for public comments on its proposed priority system on October 30, 2024, in-person and via virtual platform; and
WHEREAS:	All substantive comments, suggestions, or recommendations were addressed;

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

Section 1: This resolution shall be known as the “D07-1124 Nevada Drinking Water State Revolving Fund (DWSRF) Priority List – Effective November 2024.”

Section 2: Based on its review of the information and recommendation submitted to the Board concerning the (DWSRF) Priority List – Effective November 2024, the Board hereby makes the following findings of fact in support of its determination to approve the revised priority list:

- (a) NDEP has provided public notice of the DWSRF Priority List – Effective November 2024.
- (b) NDEP held a workshop for public review and comment on the DWSRF Priority List – Effective November 2024; and

Section 3: In connection with its findings of fact set forth in Section 2 of this Resolution, the Board has determined, and does hereby declare, that it approves the DWSRF Priority List—Effective November 2024 of public water system projects eligible for funding by the DWSRF.

Section 4: The DWSRF Priority List—Effective November 2024 included as Attachment A to this resolution and by reference incorporated herein is a true and correct copy filed with the Board by NDEP.

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

PASSED, ADOPTED, AND SIGNED November 13, 2024

Signed: _____

Chair
Board for Financing Water Projects

Attest: _____

Advisor
Board for Financing Water Projects

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

November 2024

Gerlach General Improvement District

Total Commitment \$670,600	Recommendation The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approve a loan commitment to Gerlach General Improvement District for Garden Spring Rehabilitation.	
Amount	Resolution	Program and Terms
\$670,600	D08-1124	DWSRF principal forgiveness loan

Management and Structure

Loan Recipient and Structure Gerlach General Improvement District is a community public water system.

System Number NV0000071

System Information

County	Washoe
System Population	180
System Service Connections	144
System Infrastructure	Gerlach GID is supplied by two springs, two water storage tanks, a Uranium Reduction Filter and Chlorinator, and distributed by pipelines.
System Compliance	This project is not to address any current compliance violations

System Project for Funding

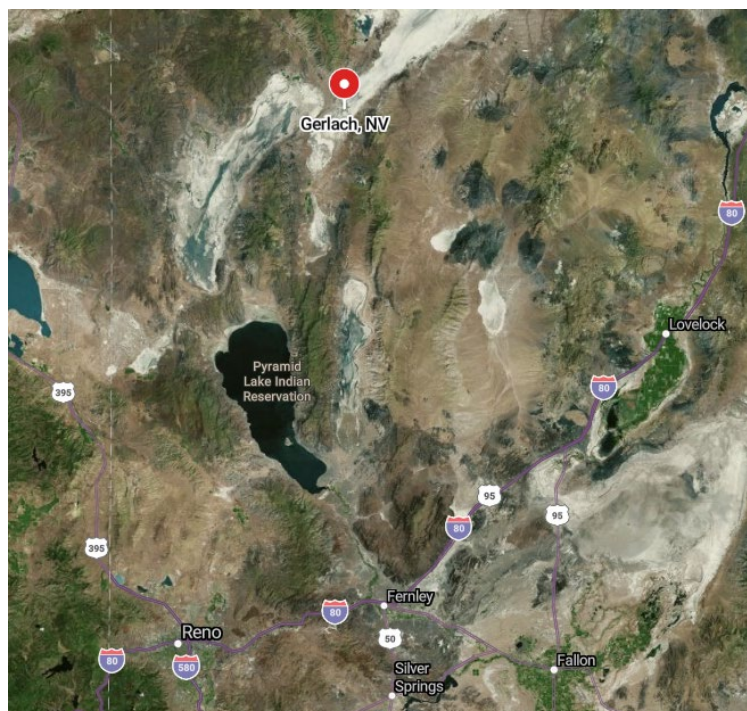
DWSRF Priority List	Priority #51 on the Drinking Water SRF Priority List Effective November 2024.
System need for the project	The spring is currently delivering diminished flow and showing increasing signs of degradation (excess sand and silt in collection box, positive P/A tests for coliform bacteria). It is also believed that the construction method used when the spring was last modified does not meet current standards and regulations for safe drinking water.
Project Narrative	This project is to rebuild the collection infrastructure at Garden Springs. This spring is one of two water sources for the town of Gerlach, NV. The project would involve removing the existing collection gallery and replacing it with a modern design collection system which would be environmentally sealed from rain and surface runoff waters,

	capturing source water more efficiently, and avoiding any further degradation of the existing system.
Project Alternatives Evaluated	<p>To repair the well, the following improvements were identified by an Engineering Review, stamped March 5, 2024:</p> <ol style="list-style-type: none"> 1. Replace spring collection box, drain piping, overflow piping, and collection piping. 2. Install woven geotextile to eliminate vegetative growth in and around spring collection area. 3. Repair fencing surrounding spring collection area 4. Repair collection wall and replace gravel/cobbles in collection area. 5. Install a cutoff/diversion channel to route surface runoff away from spring collection area. <p>There are limited alternatives to the preferred options above. Should the system proceed with a “do nothing” alternative they will experience continued maintenance costs associated with vegetation growth as well as potential impacts to water quality. There are limited resources available for day-to-day maintenance of the water system due to its small size and staff resources. If the spring condition declined so much that production ceased, the timeline is unknown for when the spring could be put back into service. Additionally, the Gerlach GID only has two sources of water, both of which are springs, with productions that vary based on annual precipitation. Gerlach GID reported that there have been some years where one of the springs produces less than 25% of the flow that it does in an average precipitation year – making this project a high priority.</p>

Maps and Exhibits

In accordance with NRS 239C.210 and Executive Order 2020-01 dated February 4, 2020, drawings, maps, plans, or records that reveal the locations of critical infrastructure including primary buildings, facilities, and other structures used for storing, transporting, or transmitting water are deemed confidential and not subject to subpoena or discovery, and therefore not subject to inspection by the general public.

NDEP is able to provide the following information for further clarification on the project location, need, or scope:



Timeline

Loan Closing: 01/25/2025

Design: 06/30/2025

Construction Bid: 07/01/2025

Construction Start: 09/01/2025

Initiation of Operations: 11/01/2025

Sources of Project Funding

	DWSRF	Local	Other Source	Total Costs
Planning cost already incurred	\$0.00	\$0.00	\$0.00	\$ 0.00
Other planning costs	\$0.00	\$5,000.00	\$0.00	\$5,000.00
Design and Engineering	\$66,700.00	\$0.00	\$0.00	\$66,700.00
Land Acquisition	\$0.00	\$0.00	\$0.00	\$ 0.00
Equipment/Materials	\$0.00	\$0.00	\$0.00	\$ 0.00
Construction/Improvements	\$549,000.00	\$0.00	\$0.00	\$549,000.00
Administration	\$0.00	\$20,000.00	\$0.00	\$20,000.00
Financing	\$0.00	\$0.00	\$0.00	\$ 0.00
Construction Contingency	\$54,900.00	\$0.00	\$0.00	\$54,900.00
Other	\$0.00	\$0.00	\$0.00	\$0.00
Totals	\$670,600.00	\$25,000.00	\$ 0.00	\$695,600.00

Other Source:

N/A

Environmental Review

If funding for Gerlach GID project is approved and sufficient documentation is obtained from Gerlach, NDEP will issue a Categorical Exclusion for the project for a 15-day public comment period. In accordance with NAC 445A.67583(2)(a) (b) (d;2) the project is eligible for a Categorical Exclusion as it is "(a) The rehabilitation of an existing facility", "(b) The replacement of equipment or structures," and "(d) Minor upgrading or expansion of the existing capacity of: (2) a public water system to develop and treat water." All construction work is located on previously disturbed land and sufficient evidence exists that a significant effect on the quality of the environment is unlikely.

Community Engagement

Gerlach GID is governed by an elected Board of Directors (Board Chairman and four Board Members). Public meetings are held once a month on the first Thursday of each month at 5:00 pm at the Gerlach Community Center. Gerlach GID Board of Trustees approved a resolution on Thursday, April 4, 2024, to submit an application for funding to the Drinking Water State Revolving Fund for the Garden Springs Rehabilitation Project.

Loan Recipient Information

Possibility for Consolidation Due to the isolated location, consolidation is not an option at this time.

Water Conservation Plan Gerlach is in need of an updated Water Conservation Plan. The Water Conservation Plan on file was received on March 12, 2014.

Technical Capacity “Technical capability” means the ability of a public water system to:

1. Obtain an adequate and reliable source of water that is necessary to provide the quantity and quality of water required by the system; and
2. Establish and maintain an adequate infrastructure for the treatment, storage and distribution of the quantity and quality of water required by the system; and
3. Employ operators who have the technical knowledge and ability to operate the system¹.

An Engineering Review dated March 5, 2024, reported that the spring collection equipment is in poor condition, which is affecting production and, if not repaired, will result in a decline of source water quality and quantity. The proposed project will allow Gerlach to maintain and operate their infrastructure.

Gerlach General Improvement District has a certified operator Grade 2 in current good standing.

Gerlach General Improvement District has the technical capacity for NDEP to recommend funding support.

Managerial Capacity “Managerial capability” means the ability of a public water system to conduct its administrative affairs in a manner that ensures compliance with all applicable standards based on²:

1. The accountability, responsibility and authority of the owner or operator of the system; and
2. The personnel and organization of the system; and
3. The ability of the persons who manage the system to work with:
 - (a) Jurisdictional, regulatory and other governmental agencies; and
 - (b) Trade and industry organizations; and
 - (c) The persons served by the system.

Gerlach has a five-member board that meets monthly. Gerlach General Improvement District has demonstrated managerial capacity for NDEP to recommend funding support.

¹ NRS 445A.847

² NRS 445A.827

Financial Capacity

“Financial capability” means the ability of a public water system to:

1. Pay the costs related to maintenance, operations, depreciation and capital expenses; and
2. Maintain creditworthiness; and
3. Establish and maintain adequate fiscal controls and accounting methods required for the operation of the system³.

Financial Information as of:	June 30, 2023
Financial information independently audited by:	Eide Bailly
Unrestricted cash	\$351,631
Days cash on hand	369
Outstanding debt	\$0.00
Net Income before depreciation	\$70,617
Current ratio	86.68
Debt coverage	N/A

User Water Rates

Water user rates were adopted on May 6, 2021:

- Residential base rate per user per month: \$31.35 for first 10k/gal
- Empty Lot has a flat rate per month: \$24.00
- Commodity Rates:
 - 10k-20k/gal: \$0.80 k/gal
 - 20k-30k/gal: \$1.05 k/gal
 - 30k-40k/gal: \$1.35 k/gal
 - 40k and up: \$1.60 k/gal
- Average Water Rate/Use for System: \$39.00 avg rate. The average use is 1,438 gallons per day due to many homes having part time occupancy and water friendly landscaping.

The water rates established sufficiently cover current operation, maintenance, debt service, and reserves of the system.

Water Meters

The system is fully metered.

Asset Management Plan

Gerlach GID is working with RCAC to complete the Asset Management Plan.

Capital Replacement Reserve Account

Gerlach GID contributes \$1,150 each month toward reserves. As of 9/30/2024 the reserve account for water meters was \$116,733.58.

DWSRF Principal Forgiveness Eligibility Criteria

Gerlach GID has qualified as a Disadvantaged System.

System Previous Commitments and Studies

Project I.D. DW2111; Executed June 2021; Loan Amount \$238,000

System Rehabilitation

Project I.D. DW1801; Executed July 2017; Loan Amount \$343,425.67

Tank Replacement

Project I.D. DW1404; Executed February 2017; Loan Amount \$389,962.06

Replace Service Saddles

³ NRS 445A.817

DWSRF Authority and Purpose

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

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

DWSRF Loan Conditions

\$670,600 D08-1124 DWSRF principal forgiveness loan.

The above-referenced loan will contain the following conditions:

- 100% of the principal will be forgiven.
- Review user rates at least every three (3) years for the life of the loan.
- Develop and maintain an asset management plan that is reviewed by the governing board at least every five (5) years.
- Maintain a capital replacement reserve account that is funded at least annually and re-evaluated every five (5) years.
- The recipient agrees to draw funds available in this contract within three (3) years from the date of this contract. Funds will be subject to de-obligation and/or review after this time period by the Division.

RECOMMENDED MOTION FOR THE DWSRF LOAN

I move to approve the resolution titled “D08-1124 Gerlach General Improvement District Project Loan Commitment,” which is intended to finance certain projects in an amount not to exceed \$670,600. The loan will include terms and conditions as outlined in the resolution and staff report.

RESOLUTION D08-1124

Gerlach General Improvement District Project Loan Commitment

WHEREAS:	The Board for Financing Water Projects (Board) of the State of Nevada is authorized by Nevada Revised Statutes (NRS) chapter 445A.265 to approve the Nevada Division of Environmental Protection (NDEP) prioritized lists of water projects and to commit loans from the revolving fund account to help community water systems and non-transient water systems pay for capital improvements and debt refinancing, both of which are required and made necessary under NRS 445A.800 to 445A.955, inclusive, by the Safe Drinking Water Act (42 U.S.C. §§ 300f et seq.), and by corresponding regulations; and
WHEREAS:	NDEP has the responsibility of administering the Drinking Water State Revolving Fund program; and
WHEREAS:	On November 13, 2024, the Board, under NRS 445A.265(3), approved the Priority List Effective November 2024, which ranks water projects that are eligible for loans from the Drinking Water State Revolving Fund account; and
WHEREAS:	Gerlach General Improvement District (Recipient) owns and operates a public community water system in Nevada; and
WHEREAS:	The Recipient submitted a pre-application to NDEP for funding a project to rehabilitate the Garden Spring (Project); and
WHEREAS:	The Project is included as project #51 on the Priority List Effective November 2024 of water projects; and
WHEREAS:	The Recipient's Project is ready to proceed; and
WHEREAS:	In connection with seeking a loan, the Recipient has submitted a written application to NDEP consistent with NAC 445A.67613; and
WHEREAS:	NDEP has reviewed the application — including supporting materials — and has determined that the Recipient has the technical, managerial, and financial capability to manage a loan for the Project; and
WHEREAS:	NDEP has taken all necessary and proper actions as required by regulations on loan applications adopted by the State Environmental Commission (NAC 445A.6751 to 445A.67644, inclusive); and
WHEREAS:	The Board must give prior approval before NDEP may expend any money from the revolving fund account for the purposes set forth in NRS 445A.275;

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

Section 1: This resolution shall be known as the “D08-1124 Gerlach General Improvement District Project Loan Commitment”

Section 2: The loan for the Project shall be negotiated between the Recipient and NDEP. The loan will include terms and conditions as outlined in the staff report dated November 13, 2024, and must comply with applicable provisions in the Nevada Drinking Water Intended Use Plan.

Section 3: Based on NDEP’s review of the application and recommendation to the Board concerning the Project, and subject to the provisions of Section 2 and 4 of this resolution, the Board approves a commitment of funds in the amount not to exceed \$670,600 from the revolving fund account consistent with NRS 445A.265(3).

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

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

PASSED, ADOPTED, AND SIGNED November 13, 2024

Signed: _____

Chair
Board for Financing Water Projects

Attest: _____

Advisor
Board for Financing Water Projects

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

November 2024

Canyon General Improvement District

Total Commitment \$1,500,000	Recommendation The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approve a loan commitment to Canyon General Improvement District (Canyon GID) for their tank and meter project.	
Amount	Resolution	Program and Terms
\$1,500,000	D09-1124	DWSRF principal forgiveness loan

Management and Structure

Loan Recipient and Structure Canyon General Improvement District is a nonprofit public water system.

System Number NV0005056

System Information

County Storey

System Population 1,325

System Service Connections 516

System Infrastructure Canyon GID currently has two active wells, two Arsenic-Iron-Manganese Reduction treatment facilities, two welded steel storage tanks, and distribution pipelines. A third well provides irrigation water to the system.

System Compliance The proposed project does not address any current compliance violations.

System Project for Funding

DWSRF Priority List	Priority #73 on the Drinking Water SRF Priority List Effective November 2024.
System need for the project	Water tank #1 has serious corrosion issues and needs to be recoated. Aging meters are located on property without easement access and need replacement with radio-read meters to avoid trespassing.
Project Narrative	The project includes a Preliminary Engineering Report, an Environmental Assessment, the rehabilitation of an existing storage tank, and the installation of Fixed-Base Radio Read Water Meters at the most difficult meter sites (~15) for obtaining meter data.

<p>Project Alternatives Evaluated</p>	<p>Water Storage Tank Alternatives:</p> <ul style="list-style-type: none"> • Remove and Replace Tank Roof with External “Press-Broke” Style Roof; Blast and Recoat Existing Water Tank • Demolish & Replace Existing Water Tank • No Action <p>Meter Replacement Alternatives:</p> <ul style="list-style-type: none"> • Replace Existing Water Meters with Drive-by Radio-Read Meters • “No Action.” This alternative relies on the assumption that the current meters, despite their aging condition and inaccessibility issues, will continue to function without significant impairment. Many of the existing meters are approximately 30 years old and are susceptible to reduced accuracy and increased risk of leaks.
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Maps and Exhibits

In accordance with NRS 239C.210 and Executive Order 2020-01 dated February 4, 2020, drawings, maps, plans or records that reveal the location of critical infrastructure including primary buildings, facilities, and other structures used for storing, transporting, or transmitting water are deemed confidential and not subject to subpoena or discovery, and therefore not subject to inspection by the general public.

NDEP is able to provide the following information for further clarification on the project location, need, or scope:



Timeline

Loan Closing: 01/31/2025

Design: 02/01/2025

Construction Bid: 04/15/2025

Construction Start: 04/30/2025

Initiation of Operations: 09/15/2025

Sources of Project Funding

	DWSRF	Local	Other Source	Total Costs
Planning cost already incurred	\$93,600.00	\$23,400.00	\$0.00	\$117,000.00
Other planning costs	\$0.00	\$0.00	\$0.00	\$ 0.00
Design and Engineering	\$260,087.00	\$0.00	\$0.00	\$260,087.00
Land Acquisition	\$0.00	\$0.00	\$0.00	\$ 0.00
Equipment/Materials	\$0.00	\$0.00	\$0.00	\$ 0.00
Construction/Improvements	\$963,288.00	\$0.00	\$0.00	\$963,288.00
Administration	\$0.00	\$0.00	\$0.00	\$ 0.00
Financing	\$0.00	\$0.00	\$0.00	\$ 0.00
Construction Contingency	\$183,025.00	\$0.00	\$0.00	\$183,025.00
Other	\$0.00	\$0.00	\$0.00	\$ 0.00
Totals	\$1,500,000.00	\$23,400.00	\$ 0.00	\$1,523,400.00

Other Source: _____

Environmental Review

If funding for the Canyon GID project is approved and sufficient documentation is obtained from Canyon, NDEP will issue a Categorical Exclusion for the project for a 15-day public comment period. In accordance with NAC 445A.67583(2)(a)(b) the project is eligible for a Categorical Exclusion as it is "(a) The rehabilitation of an existing facility", "(b) The replacement of equipment or structures." All construction work is located on previously disturbed land and sufficient evidence exists that a significant effect on the quality of the environment is unlikely.

Community Engagement

The Canyon GID Board of Trustees (Board) meets on the third Tuesday of every month. The Board engages the public for comment on projects. The discussions at the board meetings on infrastructure projects cover items including benefits to the community, construction impacts, finances, and public input. The last Public Meeting for this project was held September 17, 2024.

Loan Recipient Information

Possibility for Consolidation Consolidation was not an alternative that was considered for this project at this time.

Water Conservation Plan Canyon GID updated their Wellhead Protection Plan in 2023 and their Water Conservation Plan in March 2024.

Technical Capacity “Technical capability” means the ability of a public water system to:

1. Obtain an adequate and reliable source of water that is necessary to provide the quantity and quality of water required by the system; and
2. Establish and maintain an adequate infrastructure for the treatment, storage and distribution of the quantity and quality of water required by the system; and
3. Employ operators who have the technical knowledge and ability to operate the system¹.

Canyon GID has submitted a Technical, Managerial, and Financial Assessment to NDEP.

A Preliminary Engineering Report dated 9/27/2024 identifies aging water tank corrosion and insufficient water meters as the number 1 and 2 priority deficiencies. The proposed storage rehabilitation and meter replacement for this project will allow Canyon GID to maintain infrastructure meeting technical capacity.

In addition, Canyon GID has an appropriately certified operator Grade D2, T2 in current good standing.

Canyon GID has the technical capacity for NDEP to recommend funding support.

Managerial Capacity “Managerial capability” means the ability of a public water system to conduct its administrative affairs in a manner that ensures compliance with all applicable standards based on²:

1. The accountability, responsibility and authority of the owner or operator of the system; and
2. The personnel and organization of the system; and
3. The ability of the persons who manage the system to work with:
 - (a) Jurisdictional, regulatory and other governmental agencies; and
 - (b) Trade and industry organizations; and
 - (c) The persons served by the system.

Canyon GID has a five-member board that meets monthly. The board has demonstrated responsiveness to their system needs and to NDEP for this loan. NDEP recommends funding for this project.

¹ NRS 445A.847

² NRS 445A.827

Financial Capacity

“Financial capability” means the ability of a public water system to:

1. Pay the costs related to maintenance, operations, depreciation and capital expenses; and
2. Maintain creditworthiness; and
3. Establish and maintain adequate fiscal controls and accounting methods required for the operation of the system³.

Financial Information as of:	June 30, 2024
Financial information independently audited by:	Knott CPA FY21-FY23
Unrestricted cash	\$299,229
Days cash on hand	391
Outstanding debt	\$353,713
Net Income before depreciation	\$35,511
Current ratio	14.57
Debt coverage	1.35

User Water Rates

Water user rates were adopted on September 17, 2024, and will be implemented beginning November 1, 2024. Rates were increased by 125% to cover expenses and ensure operations and maintenance can be properly funded for upcoming projects:

- Residential base rate per user per month: \$108 – increased from \$48 for first 15,000 gallons
- Commodity Rate: \$2.50 k/gal for 15k to 20k, \$4.00 k/gal over 20k
- Average Water Rate/Use for System: \$108 rate with 5k/gal use.

The water rates established sufficiently cover current operation, maintenance, debt service, and reserves of the system.

Water Meters

The system is fully metered. This project will help upgrade old meters and allow placing meters in areas with easier access for readings.

Asset Management Plan

Canyon GID has been referred to RCAC to utilize TA assistance to complete the Asset Management Plan.

Capital Replacement Reserve Account

Canyon GID does have a Capital Replacement account. The balance as of June 30, 2023, was \$242,280 for Drinking Water.

DWSRF Principal Forgiveness Eligibility Criteria

Canyon GID has qualified as a Disadvantaged Entity.

System Previous Commitments and Studies

None

³ NRS 445A.817

DWSRF Authority and Purpose

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

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

DWSRF Loan Conditions

\$1,500,000 D09-1124 DWSRF principal forgiveness loan.

The above-referenced loan will contain the following conditions:

- 100% of the principal will be forgiven.
- Review user rates at least every three (3) years for the life of the loan.
- Develop and maintain an asset management plan that is reviewed by the governing board at least every five (5) years.
- Maintain a capital replacement reserve account that is funded at least annually and re-evaluated every five (5) years.
- The recipient agrees to draw funds available in this contract within three (3) years from the date of this contract. Funds will be subject to de-obligation and/or review after this time period by the Division.

RECOMMENDED MOTION FOR THE DWSRF LOAN

I move to approve the resolution titled “D09-1124 Canyon General Improvement District Project Loan Commitment,” which is intended to finance certain projects in an amount not to exceed \$1,500,000. The loan will include terms and conditions as outlined in the resolution and staff report.

RESOLUTION D09-1124

Canyon General Improvement District Project Loan Commitment

WHEREAS:	The Board for Financing Water Projects (Board) of the State of Nevada is authorized by Nevada Revised Statutes (NRS) chapter 445A.265 to approve the Nevada Division of Environmental Protection (NDEP) prioritized lists of water projects and to commit loans from the revolving fund account to help community water systems and non-transient water systems pay for capital improvements and debt refinancing, both of which are required and made necessary under NRS 445A.800 to 445A.955, inclusive, by the Safe Drinking Water Act (42 U.S.C. §§ 300f et seq.), and by corresponding regulations; and
WHEREAS:	NDEP has the responsibility of administering the Drinking Water State Revolving Fund program; and
WHEREAS:	On November 13, 2024, the Board, under NRS 445A.265(3), approved the Priority List Effective November 2024 which ranks water projects that are eligible for loans from the Drinking Water State Revolving Fund account; and
WHEREAS:	Canyon General Improvement District (Recipient) owns and operates a public community water system in Nevada; and
WHEREAS:	The Recipient submitted a pre-application to NDEP for funding a project for water system improvements (Project); and
WHEREAS:	The Project is included as project #73 on the Priority List Effective November 2024 of water projects; and
WHEREAS:	The Recipient's Project is ready to proceed; and
WHEREAS:	In connection with seeking a loan, the Recipient has submitted a written application to NDEP consistent with NAC 445A.67613; and
WHEREAS:	NDEP has reviewed the application — including supporting materials — and has determined that the Recipient has the technical, managerial, and financial capability to manage a loan for the Project; and
WHEREAS:	NDEP has taken all necessary and proper actions as required by regulations on loan applications adopted by the State Environmental Commission (NAC 445A.6751 to 445A.67644, inclusive); and
WHEREAS:	The Board must give prior approval before NDEP may expend any money from the revolving fund account for the purposes set forth in NRS 445A.275;

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

Section 1: This resolution shall be known as the “D09-1124 Canyon General Improvement District Project Loan Commitment”

Section 2: The loan for the Project shall be negotiated between the Recipient and NDEP. The loan will include terms and conditions as outlined in the staff report dated November 13, 2024, and must comply with applicable provisions in the Nevada Drinking Water Intended Use Plan.

Section 3: Based on NDEP’s review of the application and recommendation to the Board concerning the Project, and subject to the provisions of Section 2 and 4 of this resolution, the Board approves a commitment of funds in the amount not to exceed \$1,500,000 from the revolving fund account consistent with NRS 445A.265(3).

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

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

PASSED, ADOPTED, AND SIGNED November 13, 2024

Signed: _____

Chair
Board for Financing Water Projects

Attest: _____

Advisor
Board for Financing Water Projects