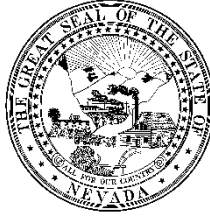


Joe Lombardo
Governor

Jason B. Cooper, CGFM
Board Advisor

Katie Armstrong
Senior Deputy Attorney General

STATE OF NEVADA



Board Members:
Bruce Scott, *Chair*
Andrew Belanger, *Vice Chair*
Abigail Yacoben
Mike Workman
Carl Ruschmeyer

Non-Voting Member:
Andrea Seifert

AGENDA

STATE BOARD FOR FINANCING WATER PROJECTS October 18, 2023 9:30 AM

The Board Meeting is open to the public and free to attend. However, only the first floor of the Bryan Building is open to the public without an escort. If you plan to attend the meeting in person please wait in the lobby; five minutes prior to the start of the meeting, we will have a staff member escort attendees to the meeting.

Location:

The Richard H. Bryan Building
Tahoe Hearing Room
901 South Stewart Street, 2nd Floor
Carson City, NV 89701

Join the Meeting virtually at:

Microsoft Teams:

Meeting ID: 277 390 550 026
Pass Code: MlyJJ5

Call in by Phone (audio only)
United States: +1 (775) 321-6111
Meeting extension: 581876216#

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

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

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

Members of the public will be invited to speak before the BFWP; however, no action may be taken on a matter during public comment until the matter itself has been included on an agenda as an item for possible action. Public comment may be limited to three (3) minutes per person at the discretion of the chair.

- 4 **Approval of Minutes – June 28, 2023 Meeting (For Possible Action)**
- 5 **Funding and updates for the Drinking Water State Revolving Fund (DWSRF) (Discussion)**
- 6 **Funding and updates for the Capital Improvement Grants Program (Discussion)**
- 7 **Increased Funding to Board-Approved Principal Forgiveness Loan (For Possible Action)**

Presented by Jason Cooper

Presented by Jason Cooper

One resolution for consideration
Summary by Elizabeth Kingsland

McGill Ruth Consolidated Sewer & Water GID (For Possible Action)

<i>DWSRF Loan</i>	<i>Current Loan:</i>	<i>Additional Funds:</i>	<i>Total Commitment:</i>
	\$80,750	\$19,250	\$100,000

Projects for Consideration

- 8 **Kingsbury General Improvement District (For Possible Action)**

Proposed project for the DWSRF program
One resolution for consideration
Summary by Elizabeth Kingsland and Jason Cooper
- 9 **Baker Water and Sewer General Improvement District (For Possible Action)**

Proposed project for the DWSRF program
One resolution for consideration
Summary by Elizabeth Kingsland and Jason Cooper
- 10 **Gardnerville Ranchos General Improvement District (For Possible Action)**

Proposed project for the DWSRF program
One resolution for consideration
Summary by Elizabeth Kingsland and Jason Cooper

11 Gardnerville Ranchos General Improvement District (For Possible Action)

Proposed project for the DWSRF program

One resolution for consideration

Summary by Elizabeth Kingsland and Jason Cooper

12 Silver Springs Mutual Water Company (For Possible Action)

Proposed project for the DWSRF program

One resolution for consideration

Summary by Elizabeth Kingsland and Jason Cooper

13 Silver Springs Mutual Water Company (For Possible Action)

Proposed project for the DWSRF program

One resolution for consideration

Summary by Elizabeth Kingsland and Jason Cooper

Other items

14 Board Comments (Discussion)

15 Public Comments (Discussion)

16 Adjourn

Additional Information:

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

Address Questions to:

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

Kyle Casci, Management Analyst
Division of Environmental Protection
Office of Financial Assistance
901 South Stewart Street, Suite 4001
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Fax: (775) 687-5856
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Notice of this meeting was posted at the following Nevada locations:

- Nevada Public Notice Website - <https://notice.nv.gov/>
- The Nevada Division of Environmental Protection public notice website - <https://ndep.nv.gov/posts>
- Department of Conservation and Natural Resources, 901 South Stewart Street, Carson City
- Nevada State Library and Archives, 100 Stewart Street, Carson City
- Nevada Division of Environmental Protection, 375 E Warm Springs Blvd. Ste 200, Las Vegas
- State Legislative Building, 401 S. Carson Street, Carson City

Supporting materials for all agenda items can be viewed online at:

<https://ndep.nv.gov/water/financing-infrastructure/board-for-financing-water-projects/meeting-agendas-minutes> or by contacting: Kyle Casci – kcasci@ndep.nv.gov or (775) 687-9420.

**Board for Financing Water Projects
Drinking Water State Revolving Fund
October 2023**

Drinking Water Program Funding Updates as of September 29, 2023

Cash in fund		\$96,675,177
Less debt service reserves	(6,015,788)	
Add undrawn grant balance	70,610,843.81	
Available for projects		\$161,270,233
Committed funds not yet disbursed	20,423,209	
Add commitments for Board consideration	9,119,250	
Add commitments for project cost increases	0	
Total committed funds after Board Approval	29,542,459	
Add projects in discussion with OFA	30,000,000	
Total committed and potential project loans	59,542,459	
Lowest cash flow balance in three (3) years	\$108,336,625	

Drinking Water Cash Flow Projections¹

	Jul 01, 2023		
	Year 1	Year 2	Year 3
Cash balance forward	\$104,515,005	\$166,869,217	\$195,673,100
Receipts from grants awarded	53,483,300	21,696,300	24,045,700
Transfer to the CWSRF program ²	0	0	0
Receipts from bonds issued	6,000,986	0	5,000,000
Receipts from treasurer's interest ³	3,019,376	3,616,271	4,268,010
Receipts from loan principal	13,870,879	14,983,271	13,366,203
Receipts from loan interest	3,675,508	3,400,880	3,050,031
Payments for debt service on bonds	(4,276,900)	(3,592,488)	(2,423,300)
Payments for loan recipients ³	(13,365,442)	(9,737,438)	(11,542,498)
Change in debt service reserves	(53,495)	(1,562,913)	0
Cash balance forward	\$166,869,217	\$195,673,100	\$231,437,246

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

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

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

Drinking Water Grant Conditions

Current funds to obligate for principal forgiveness loans from the Base Program		\$17,456,022
Pending Grants		\$0
Less projects for board consideration	9,119,250	
Remaining funds to obligate for principal forgiveness loans	8,336,772	
Projects in discussion with NDEP	4,084,250	
Total Principal Forgiveness Funds for future commitments (estimated)		\$4,252,522
Current emerging contaminants funds to obligate for principal forgiveness loans		\$8,758,000
Pending Grants		-\$2,890,140
Less projects for board consideration	0	
Remaining funds to obligate for principal forgiveness loans	5,867,860	
Projects in discussion with NDEP	0	
Total Principal Forgiveness Funds for future commitments (estimated)		\$5,867,860
Current Lead Service Line funds to obligate		\$28,650,000
Pending Grants		\$0
Less projects for board consideration	0	
Remaining funds to obligate	28,650,000	
Projects in discussion with NDEP	0	
Total Principal Forgiveness Funds for future commitments (estimated)		\$28,650,000
NOTE: Funding is awarded as 49% principal Forgiveness /51% Loan at 0% interest		

Program Updates

Drinking Water Priority List—Effective June 2023

A technical error was discovered on the current Drinking Water Priority List—Effective June 2023. McGill Ruth Consolidated Sewer and Water General Improvement District was left off the list in error. The system is currently under a funding contract for a PER / ER for a new source of water. Projects must remain on the priority list while they are being funded per federal requirements. The system was added back to the list as project number 135.

Nevada Administrative Code (NAC) 445A.6757 allows NDEP to make technical error corrections without obtaining the approval of the Board or hold a public participation workshop.

The new list is titled, “Drinking Water Priority List—Effective June 2023, final revised September 2023.”

Drinking Water Project funding increases

No project commitments have increased since the last meeting.

**Board for Financing Water Projects
Capital Improvements Grant Program
October 2023**

Capital Improvements Grant Program Funding Update as of September 29, 2023

Current Cash¹:	\$ 8,235,880.70¹
Reserved for Administration:	\$ 21,748.14
Committed bond funds not yet disbursed:	\$ 7,930,802.08
Projects for Consideration:	\$ 0.00
Un-committed funds:	\$ 521,321.49²

Committed funds not yet disbursed:			
GP2103	Las Vegas Valley Water District (Big Bend)	Treatment plant improvements; storage rehabilitation; distribution; electrical controls	\$ 1,078,995.19
GP2104	Alamo Sewer and Water GID	Arsenic Treatment	\$ 496,678.11
GP2105	Las Vegas Valley Water District (Blue Diamond)	Pipe replacement, storage, and backup well.	\$ 3,950,727.83
GP2201	Las Vegas Valley Water District (Big Bend)	Phase II Construction	\$ 568,000.00
GP2202	Golconda	Spring Rehabilitation	\$ 765,585.54
GP2203	Topaz Ranch Estates	New Redundant Source	\$ 1,070,815.41
Total			\$ 7,930,802.08

Projects for consideration	
Total	\$0

Bond Proceeds for Administration		
Authorized	G09-0721 Resolution July 29, 2021	\$10,000
	FY23 Actual Expenditures	(\$3,049.46)
	FY24 Budget Projections	(\$2,599.00)
Remaining authority from 2021B		\$4,351.54

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%.

Current Bond authority:

NRS 349.986(1): The State Board of Finance shall issue general obligation bonds of the State of Nevada to support the purposes of the program established by <u>NRS 349.981</u> . The aggregate principal amount of such bonds outstanding at any one time may not exceed \$125,000,000.	\$125,000,000
Outstanding general obligation bonds as of September 29, 2023	(\$19,531,000)
Available to request issuance	\$105,469,000

As of: 9/29/2023

Bond Series	2019B	2020B	2021B
Legislative Authority	AB541 (80 th Session) \$3,000,000	AB541 (80 th Session) \$3,000,000	AB492 (81st Session) \$8,000,000
Date of Issuance	December 10, 2019	November 10, 2020	December 07, 2021
Initial Proceeds	\$ 1,526,618.00	\$ 1,556,536.30	\$ 8,082,775.25
Treasurer's Interest[1]	\$ 31,257.11	\$ 42,355.51	\$ 166,725.24
Total Proceeds	\$ 1,557,875.11	\$ 1,598,891.81	\$ 8,249,500.49
6 months	\$ (20,132.60) 1.3%	\$ (55,695.10) 3.48%	\$ (81,028.81) 0.98%
12 months	\$ (262,838.19) 16.9%	\$ (55,695.10) 3.48%	\$ (81,028.81) 0.98%
18 months	\$ (311,949.59) 20.0%	\$ (55,695.10) 3.48%	\$ (83,639.27) 1.01%
24 months	\$ (523,027.87) 33.6%	\$ (55,695.10) 3.48%	\$ (83,699.34) 1.01%
30 months	\$ (663,271.12) 42.6%	\$ (709,044.91) 44.35%	\$ (107,788.44) 1.31%
36 months	\$ (954,927.48) 61.3%	\$ (1,598,891.81) 100.00%	0.00%
48 months	\$ (1,557,875.11) 100.00%	\$ - 0.00%	0.00%
Unspent Proceeds	\$ -	\$ - 0.00%	\$ 8,165,861.22 98.99%

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

Board for Financing Water Projects

October 2023

McGill Ruth Consolidated Sewer & Water General Improvement District

Amount and Term	Recommendation
<p><u>\$19,250.00</u> Principal Forgiveness from DWSRF</p>	<p>The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approve additional loan commitment to McGill Ruth Consolidated Sewer and Water General Improvement District – Town of Ruth Water System for the purposes of completing a preliminary engineering report (PER) and environmental report (ER) to address water infrastructure needs, to identify a viable secondary source, and to address existing pump station repair or rehabilitation needs.</p>

Original commitments

Project The Town of Ruth public water system (PWS) is part of McGill Ruth Consolidated Sewer & Water General Improvement District. Presently, the Town of Ruth buys water from Ely and is connected to the Ely PWS using a seven-mile-long water main and a booster pump station that draws water from dewatering wells in Murry Canyon. When these wells were discontinued or pumped dry, the suction pressure for the booster station was noted to be marginal. The current practice of buying water from the Ely PWS is deemed fiscally unsustainable for the Town of Ruth. Also, achieving redundant production capacity is mandatory to comply with Nevada Administrative Code (NAC) 445A.6686. Additional concerns over the future capability of Ely’s system to meet the Town of Ruth’s drinking water needs prompted McGill Ruth Consolidated Sewer and Water General Improvement District to prepare a PER to consider alternative water sources. Upon exhausting various alternatives identified in this PER, water sampling data recently collected in the Copper Flats area located north of the Town of Ruth (**Appendix A**) compels the McGill Ruth Consolidated Sewer and Water General Improvement District to pursue this alternative by drilling an exploratory well. Tentative locations for the new well are on lands managed by the Bureau of Land Management. As such, an environmental report (ER) may be prepared.

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

Resolution and conditions

Resolution D07B-2020 for the Town of Ruth Project Loan Commitment was adopted on July 29, 2020. This board resolution approved a not-to-exceed amount of \$80,750 in principal forgiveness funds from the Drinking Water State Revolving Fund.

Need for additional funds

The test well site did not have adequate production and therefore the test site was abandoned. The facility identified a potential new well location on private property. The additional funding will be used to drive two 300-foot test wells in the Copper Flat area and test the water quality of the well water. Easements and agreements with the private property owner will also be drafted if the well production and water are adequate.

Timeline

Original	Updated
July 2020-January 2021	July 2020- June 2024

Explanation of timeline changes

The PER development started in 2020; the engineering team identified the need to develop a test well before completing the PER or environmental analysis. Approvals from the BLM took over a year and they had difficulties scheduling a well driller to complete the work. Once the test well was drilled, they found no water in the shallow aquifer. Water from a different private well has since been tested and the quality of the water was satisfactory. This private property will be the location of the two new test wells.

Sources of Project Funding

	Original	Updated	Total
Planning	\$95,000	\$28,000	\$123,000
Design, inspection, & Construction Management			
Construction / Improvements			
Administration			
Financing			
Construction Contingency			
Totals	\$95,000	\$28,000	\$123,000
SRF	\$80,750	\$19,250	\$100,000
Local Sources	\$14,250	\$8,750	\$23,000

Explanation for changes in budget

Additional test wells are needed as the original test well did not provide sufficient production.

**Opportunity
for other
funding**

Additional principal forgiveness funds in the DWSRF are available. The only funding sources for this project are the DWSRF and local funding sources. The McGill Ruth Sewer and Water General Improvement District Board approved an additional \$8,750 in funding to complete the additional work for a new test well.

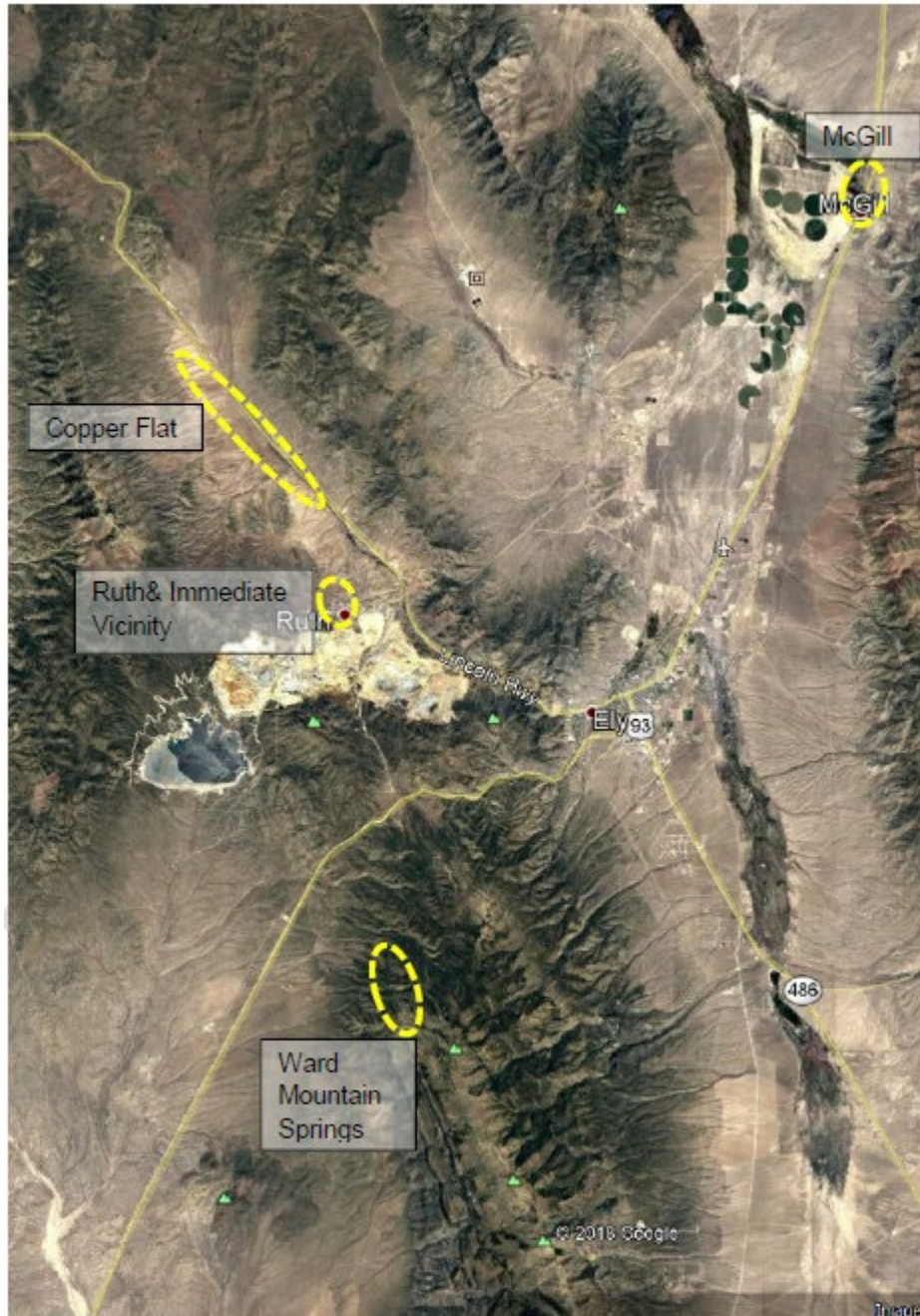


Figure 1. Generalized Project Location Map Showing Target Areas Identified by the District.

DWSRF Loan Conditions

The principal forgiveness loan will contain the following conditions:

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

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

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

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

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

Board for Financing Water Projects

October 2023

Kingsbury General Improvement District

Amount and Term	Recommendation
<u>\$2,500,000</u> Principal Forgiveness from DWSRF	The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approve a loan commitment to the Kingsbury General Improvement District (GID) for the consolidation of the Ponderosa Mobile Park Owners Association with the Kingsbury General Improvement District and the rehabilitation and upgrading of existing system infrastructure.

Management and Structure

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

Project system NV0000004

System Project for Funding

Priority List Priority #24 on the Drinking Water SRF Priority List Effective June 2023 and revised September 2023.

Need The Ponderosa Mobile Home Park Owners Association currently serves approximately 80 parcels from one master meter, which is provided water by the Kingsbury General Improvement District. The system infrastructure within the park is owned by the Ponderosa Mobile Home Park Owners Association. The system infrastructure is aging beyond its effective life cycle and is poorly configured, lacking adequate control valves or fire hydrant spacing. The system has frequent failures, which result in loss of pressure and nearly complete emptying of the system with each repair. Recent tests revealed inadequate fire flows and the area is considered a critically vulnerable area for wildfire. The community demographics are mostly elderly or serving as work force housing for the nearby casino core.

Chosen Project The project is to consolidate the small private system of the Ponderosa Mobile Home Park Owners Association with the Kingsbury General Improvement District. This project would include the replacement of existing private water infrastructure that has exceeded its useful life, contains sections installed under structures, and does not meet fire flow, with a new water system that meets and exceeds current standards.

Included in this project is to install individual meters for each of the 80 Ponderosa Mobile Home Park Owners Association parcels. In addition to consolidating the two systems, the new water main would provide looping within the Kingsbury General Improvement District system enhancing resiliency, water quality, and fire flow for both the mobile home park and a section of Kingsbury General Improvement District system.

Project Alternatives The “No Action” alternative would continue to leave the Ponderosa Mobile Home Park Owners Association vulnerable to failures associated with the aging and poorly configured infrastructure.

Maps Maps are attached to this report.

Timeline

Design: October 2023
 Construction Bid: February 2024
 Construction Start: May 2024
 Initiation of Operations: November 2024

Sources of Project Funding	DWSRF	Capital Improvement Grant	Local	Total
	Design, inspection, and Construction Management	\$315,815	\$0	\$0
Construction / Improvements	\$1,973,850	\$0	\$0	\$1,973,850
Construction Contingency	\$210,335	\$0	\$0	\$210,335
Totals	\$2,500,000	\$0	\$0	\$2,500,000

System Previous Commitments and Studies

Project ID: DW1812; Executed May 2018; Loan Amount \$100,000

Preliminary Engineering Report to address inadequate operating pressure, inadequate fire flows, and aging infrastructure.

Project ID: GP1601; Executed July 2016, Capital Improvement Grant Amount \$537,542.19

Long Term 2 Enhance Surface Water Treatment Rule (LT2E) surface water treatment plant relocation.

Project ID: DW1501; Executed January 2015; Loan Amount \$6,000,000

LT2E surface water treatment plant relocation.

Project ID: DW1203; Executed March 2012; Loan Amount \$11,000,000

LT2E surface water treatment improvements.

Project ID: Kingsbury GID3; Executed June 2010; Loan Amount \$2,960,746.06

Install 386 water meters.

Project ID: Kingsbury GID2; Executed November 2007; Loan Amount \$3,000,000

Replace waterlines and transmissions lines and construct a new storage tank and Pressure Reducing Valve (PRV) station.

Project ID: Kingsbury GID1; Executed March 2003; Loan Amount \$4,000,000

Replace leaking waterlines throughout the District.

Environmental Review

If funding for the Ponderosa Mobile Home Park Owners Association consolidation and improvements project is approved, NDEP will issue a Categorical Exclusion for a 15-day public comment period. In accordance with NAC 445A.67583(2) the project is eligible for a Categorical Exclusion as it is (a) the rehabilitation of an existing facility and (d) minor upgrading or expansion of the existing capacity of: (1) the distribution system of a public water system. The project includes the consolidation of the Ponderosa Mobile Home Park Owners Association system into the Kingsbury General Improvement District system, the replacement of existing Ponderosa Mobile Home Park Owners Association private water infrastructure, and the installation of individual meters for each residential parcel. Ground disturbance activities will occur in previously disturbed areas; impacts to environmental resources are not anticipated.

Community Engagement

This project was presented in a publicly held board meeting on November 15, 2022, and was supported by the Kingsbury General Improvement District Board of Trustees Meeting with a resolution which was approved on September 19, 2023. Public notice for this project will be posted for public comment for 15 days at the State Clearinghouse website.

System Information

System Location	Douglas County
System Population	300 in the Ponderosa Mobile Home Park Owners Association; 3,839 in the Kingsbury General Improvement District as a whole, presently.
System Service Connections	80 to be established in the Ponderosa Mobile Home Park Owners Association; 2,450 in the Kingsbury General Improvement District as a whole, presently.
System Infrastructure	The Kingsbury General Improvement District has an active intake system for raw surface water from Lake Tahoe as a water source, plus one inactive well. The water system includes chlorination and a pipe system for water distribution, plus one 110,000-gallon storage tank, one 200,000-gallon storage tank, two 450,000-

Compliance

gallon storage tanks, one 800,000-gallon storage tank, and three 1.2-million-gallon storage tanks.

The most recent Sanitary Survey was conducted on August 24, 2022, with no significant deficiencies noted. Two routine violations were noted in March 2023 which pertained to chlorine and the revised total coliform rule; however, these have both been identified as resolved as of May 2023.

User Water Rates	<ul style="list-style-type: none"> • Residential base rate per user per month: \$89.87 • Commodity Rate: \$3.05/1,000 gallons up to 12,000 gallons \$3.55 up to 25,000 gallons • Average Water Rate/Use for system: \$187.00 (6,473 gallons) <p>The water rates established sufficiently cover operation, maintenance, debt service, and reserves of the system.</p>
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Kingsbury General Improvement District Information

Water Conservation Plan Kingsbury General Improvement District has a Water Conservation Plan dated June 25, 2008. Technical Assistance will be requested to assist Kingsbury General Improvement District in developing an updated Water Conservation Plan.

Technical Capacity The Kingsbury General Improvement District System requires operator certification levels D3 and T3. The operators for this water system (OP01908, OP01560, OP00252, OP01559) hold the full D-3 and T-3 certifications. Based on this data, Kingsbury General Improvement District water system has the technical capacity for NDEP to recommend funding support.

Managerial Capacity Kingsbury General Improvement District has a five-member governing board that meets monthly and is subject to Open Meeting Laws. The last time this project was discussed at a public meeting was August 15, 2023. Kingsbury GID has demonstrated managerial capacity for NDEP to recommend funding support.

Financial Capacity Financial Information as of June 30, 2022:
Unrestricted Cash: \$9,899,540
Days cash on hand: 2,177
Outstanding Debt: \$14,465,452
Operating Income before Depreciation: \$2,828,431
Current Ratio: 3.92
Debt Coverage: 2.05

*Financial information is independently audited by Eide Bailly.

Kingsbury has demonstrated financial capacity for NDEP to recommend funding support.

Asset Management Plan An asset management plan will be required as part of the conditions for funding. Proof of preparation must be submitted to NDEP before the final draw is issued.

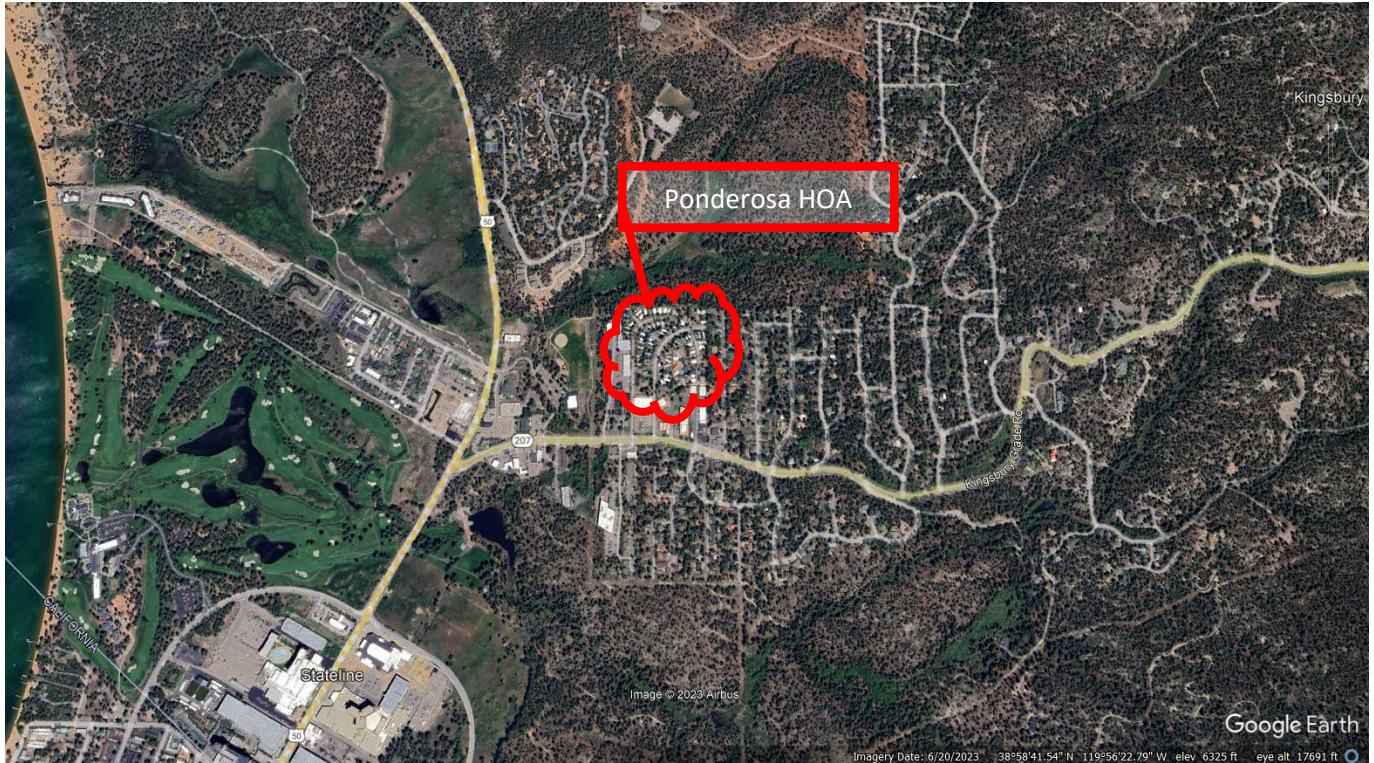
**Capital
Replacement
Reserve Account**

A Capital Replacement Reserve Account will be required as part of the condition for funding. Proof of establishment must be submitted to NDEP before the final draw is issued.

**DWSRF Principal
Forgiveness
Eligibility Criteria**

This project qualifies as disadvantaged per the 2023 Intended Use Plan.

Maps and Exhibits



DWSRF Authority and Purpose

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

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

DWSRF Loan Conditions

The principal forgiveness loan will contain the following conditions:

- Review user rates at least every three (3) years for the life of the loan.
- 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.

RECOMMENDED MOTION FOR THE DWSRF LOAN

I move to approve the resolution titled “D08-1023 Kingsbury General Improvement District Project Loan Commitment,” which is intended to finance certain projects in an amount not to exceed \$2,500,000.

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

Board for Financing Water Projects

October 2023

Baker Water & Sewer General Improvement District

Amount and Term	Recommendation
<u>\$ 2,500,000</u> Principal Forgiveness from DWSRF	The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approve a loan commitment to Baker Water & Sewer General Improvement District (GID) for the development of a public drinking water system for the Lehman Creek Residential Area.

Management and Structure

Loan Recipient and Structure Baker Water & Sewer General Improvement District is a non-profit public water system.

Project system NV0000863

System Project for Funding

Priority List Priority #26 on the Drinking Water SRF Priority List Effective June 2023 and revised September 2023.

Need The Lehman Creek Residential Area (LCRA) does not have any public water utility infrastructure. A handful of existing homes rely on private individual wells to provide potable water. However, many of the wells are unable to provide sufficient water to meet daily demands. It is understood that some users are therefore sourcing water directly from Lehman Creek in the absence of sufficient water infrastructure. There is a significant health risk to individuals consuming raw surface water without filtering or disinfecting. Additionally, this use of surface water has the potential to create environmental impacts to the stream habitat. The community needs a public drinking water system which will serve each residence with a reliable and safe source of drinking water.

Chosen Project The proposed project consists of the development of a public drinking water system consisting of two wells, transmission pipelines, a storage tank, distribution pipelines, and associated appurtenances required to provide potable water service to the LCRA. As identified in the borrower's EA dated February 1, 2023 and Preliminary

Engineering Report (PER) dated August 3, 2023, the proposed project is identified as Alternative 1 which includes 11,000 feet of 8-inch water distribution piping, 10,840 feet of 4-inch well transmission piping, two new 260-foot-deep wells, and two well house buildings, a water storage tank, electrical and control system improvements, and water service components including service lines and meter vaults. Relative to the northeast corner of the Lehman Subdivision boundary, well no. 1 will be located approximately 1,650 feet east and well no. 2 will be located approximately 6,600 feet east. Water would be stored in a new 150,000-gallon storage tank located north of the subdivision.

Loughlin Water Associates, LLC has already been engaged by the Baker Water & Sewer General Improvement District to: 1) assess alternative groundwater source locations, 2) prepare preliminary well design and testing for two alternative groundwater sources, 3) assist in contract negotiations with a Nevada licensed driller, 4) provide well site and construction management services, 5) prepare a well construction and testing report, 6) update the existing draft environmental assessment (EA) report with Aqua Engineering and other subconsultants as needed, and 7) prepare the water system PER with Aqua Engineering. As portions of the proposed improvements will traverse land managed by the US Bureau of Land Management (BLM), an application for an easement will be submitted to the BLM for approval, once designs and a detailed work plan are completed for the proposed elements that would be placed on BLM land.

Project Alternatives Three alternatives were considered to address the need for the development of a public drinking water system. The “No Action” alternative would continue to leave the LCRA vulnerable without drinking water infrastructure. Alternatives 2 and 3 proposed variations in the locations of the two proposed wells, but these alternatives were less cost effective compared to Alternative 1.

Maps Maps are attached to this report.

Timeline

Design:	01/01/2024 - 04/01/2024
Construction Bid:	04/01/2024
Construction:	05/01/2024 - 12/16/2024
Initiation of Operations:	01/30/2025

Sources of Project Funding	DWSRF	ARPA	Local	Total
Design, inspection, and Construction Management	\$192,840	\$128,560.00	\$0	\$321,400
Construction / Improvements	\$1,928,402	\$1,285,601	\$0	\$3,214,003
Construction Contingency	\$378,758	\$248,496	\$0	\$627,254.00
Totals	\$2,500,000	\$1,662,657		\$4,162,657

System Previous Commitments and Studies

DW2318: Replacement of aging saddle taps.

Contract executed in August 2023. Total DWSRF program funds are identified as a maximum of \$332,200.

DW1602: Construct a new 265,000-gallon steel tank.

Contract executed in 2015 and amended in 2016. Total DWSRF program funds were \$685,522.57.

DW2210: Develop a PER.

Contract executed March of 2022; this PER is titled "Preliminary Engineering Report Lehman Creek Residential Area Water System prepared for Baker Water & Sewer General Improvement District". This PER is dated September 2022 and was created by Aqua Engineering. Total DWSRF program funds were \$100,000.

Environmental Review

If funding for the LCRA drinking water system project is approved, NDEP will issue a Finding of No Significant Impact (FONSI) for the project for a 30-day public comment period. The project is not eligible for a Categorical Exclusion. NAC 445A.67583(3) states that the following types of water projects are ineligible for a Categorical Exclusion (a) a water project that creates a new source of water supply and (b) a water project that results in more than a minor increase in the capacity of: (1) the distribution system of a public water system; or (2) a public water system to develop and treat water.

Based on a review of the PER and EA reports prepared in 2022 by Aqua Engineering in partnership with Loughlin Water Associates LLC, no impacts to land use, farmlands, floodplains, historic properties, biological resources, or socioeconomic/environmental justice concerns are anticipated. Minor, short-term impacts relating to air quality, noise, and transportation are anticipated during the construction phases. The project area is primarily confined to disturbed areas, such as existing roadways. However, two new wells and a storage tank will be constructed outside of the subdivision and approximately 8,250 feet of undisturbed corridor will be used for pipeline construction. According to a previous Environmental Report for the LCRA project, no threatened, endangered, or candidate species have been recorded at the project site. Prior to construction, the project corridor will be surveyed by a qualified biologist. If any sensitive species are encountered, the project alignment will be adjusted to avoid impacting these species as

feasible. No impacts to wetlands are anticipated from groundwater pumping associated with the completed project, and significant adverse effects to wetlands are not anticipated by the construction phases of the project. Construction mitigation will include use of silt fences when construction is adjacent to waterways and prohibition of fueling and maintenance operations closer than 150 feet, where possible, from a waterway. Construction through a wetland may require a permit from the US Army Corps of Engineers (ACOE) under Section 404 of the Clean Water Act. Impacts to cultural resources are not anticipated; however, any excavation that uncovers an historical or archaeological artifact shall be immediately reported and construction shall be halted, pending consultation with the State Historical Preservation Office (SHPO). Construction Best Management Practices will be developed and implemented.

NDEP assessed the potential environmental effects of the proposed project and determined that it is unlikely to have a significant adverse effect, either individually or cumulatively, on the quality of the human environment.

Community Engagement

The Baker Water & Sewer General Improvement District has a five-member board that meets monthly; meetings are subject to Open Meeting Laws. The Baker Water & Sewer General Improvement District met on July 27, 2023, to approve the application to the Drinking Water SRF Program to request funding for the LCRA infrastructure project. Public Notice for the project will be posted for public comment for 30 days at the State Clearinghouse website and on NDEP’s website.

System Information

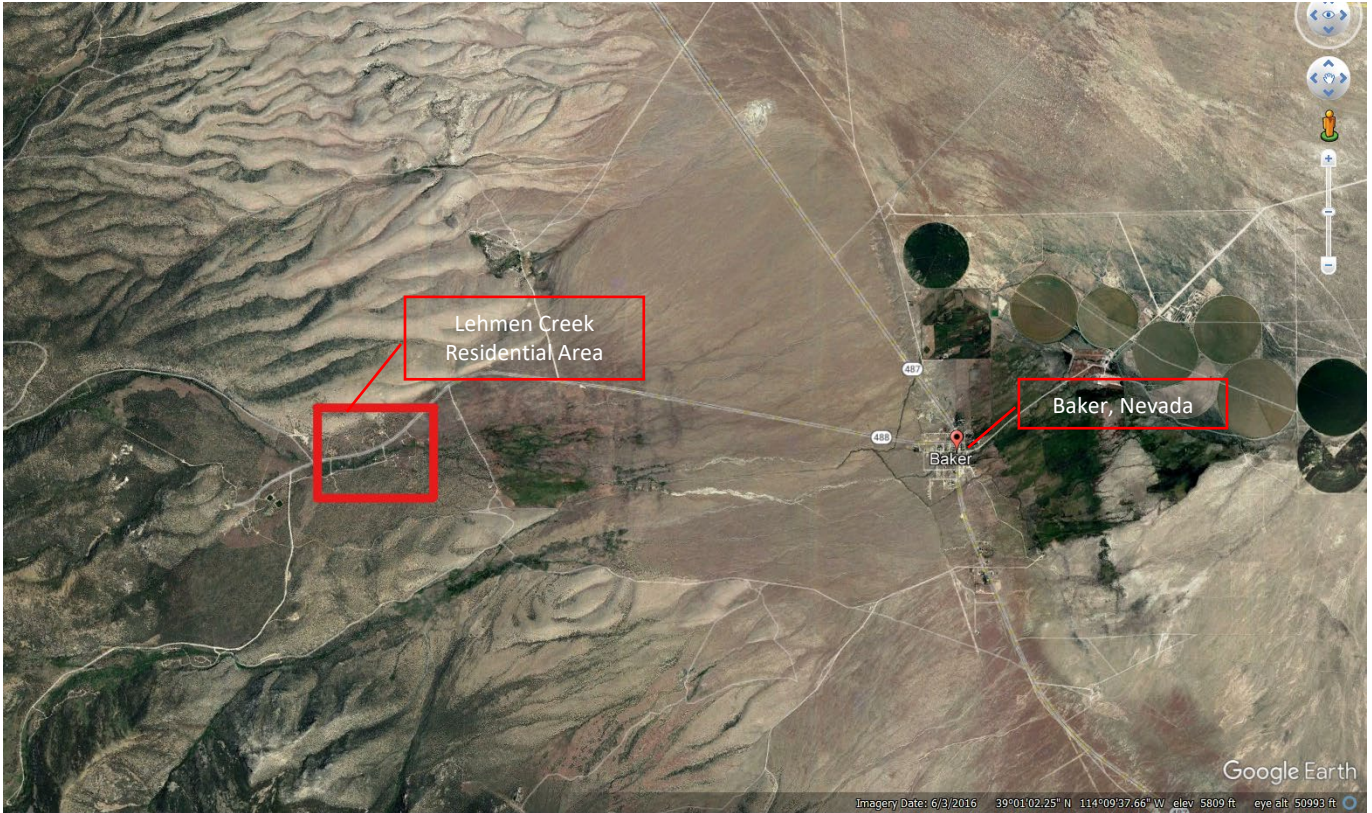
- System Location** White Pine County
- System Population** 18 parcels are currently developed.
- System Service Connections** 36 connections possible
- System Infrastructure** This project proposes to create a new system for the LCRA which would include 11,000 feet of 8-inch water distribution piping, 10,840 feet of 4-inch well transmission piping, two new 260-foot-deep wells, and two well house buildings, a water storage tank, electrical and control system improvements, and water service components including service lines and meter vaults.
- Compliance** This project proposes to create a new system for the LCRA. As such, no compliance inspections have been conducted.

User Water Rates	A water user rate study is being prepared by Rural Community Assistance Corporation. Water user rates must be adopted by the governing board before NDEP provides funding for construction related activities. The water user rate must be sufficient to cover the operation, maintenance, debt service, and reserves of the new system.
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Baker Water & Sewer General Improvement District Information

Water Conservation Plan	A Water Conservation Plan for the Baker Water & Sewer General Improvement District was revised in January 2022. An updated Water Conservation Plan will be required before January 2027.
Technical Capacity	<p>The Town of Baker's drinking water system requires operator certification levels of D-1 and T-0. The operator of this system (number OP00287) holds a full D-1 and T-1 certification. Baker Water & Sewer General Improvement District has indicated they will utilize the same operators for the LCRA water system operations and maintenance.</p> <p>Based on this data, the Baker Water & Sewer General Improvement District has the technical capacity for NDEP to recommend funding support.</p>
Managerial Capacity	The Baker Water & Sewer General Improvement District has a five-member board and plans to manage the new system. The GID has demonstrated managerial capacity for NDEP to recommend funding support for this project.
Financial Capacity	Baker Water & Sewer General Improvement District has demonstrated financial capacity for NDEP to recommend funding support for this project.
Asset Management Plan	An Asset Management Plan will be part of the loan conditions for principal forgiveness funding.
Capital Replacement Reserve Account	A Capital Replacement Reserve Account will be required as part of the condition for funding. Proof of establishment must be submitted to NDEP before the final draw is issued.
DWSRF Principal Forgiveness Eligibility Criteria	The project qualifies as disadvantaged per the 2023 Intended Use Plan and is therefore eligible for principal forgiveness funding.

Maps and Exhibits



DWSRF Authority and Purpose

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

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

DWSRF Loan Conditions

The principal forgiveness loan will contain the following conditions:

- Sufficient user rates must be adopted by the governing board before NDEP reimburses expenses related to construction or material purchases. Sufficient user rates must cover operations, maintenance, debt service, and reserves of the planned system. The governing board must review user rates at least every three (3) years for the life of the loan.
- Develop an asset management plan that is reviewed by the governing board at least every five (5) years.
- Establish and maintain a capital replacement reserve account that is funded at least annually and re-evaluated every five (5) years.

RECOMMENDED MOTION FOR THE DWSRF LOAN

I move to approve the resolution titled “D09-1023 Baker Water & Sewer General Improvement District Project Loan Commitment,” which is intended to finance certain projects in an amount not to exceed \$2,500,000. Since the project is eligible for additional subsidy as specified in Nevada’s Intended Use Plan, 100 percent of the principal will be forgiven.

Commitment from the Drinking Water State Revolving Fund

Board for Financing Water Projects

October 2023

Gardnerville Ranchos General Improvement District

Amount and Term	Recommendation
<u>\$2,084,800.00</u> Principal Forgiveness from DWSRF	The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approve a loan commitment to the Gardnerville Ranchos General Improvement District for booster pump station upgrades.

Management and Structure

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

Project system NV0000066

System Project for Funding

Priority List Priority #51 on the Drinking Water SRF Priority List Effective June 2023 and revised September 2023.

Need Per a system deficiencies analysis completed for the 2017 Gardnerville Ranchos General Improvement District (GRGID) Water Master Plan, a capacity equivalent to 6 hours of peak demands is recommended to supplement pumping capacities of the wells during peak demands. Increasing pumping capacity will provide reliability and redundancy in the system when the nearby water tank needs to be temporarily taken out of service for recoating. It was identified that for the 20-year maximum daily demand, the Long Valley Booster Pump Station can be used for alternative or redundant pumping capacity with the addition of a new generator, which will be included as part of this project. This project will ultimately ensure water system compliance and facilitate maintenance of other system components, supply, and storage.

Chosen Project This project includes replacing the existing Long Valley Booster Pump Station with new, larger capacity pumps, and the addition of a backup power generator. This is

intended to maximize pumping capabilities and improve system reliability in the event of a power outage. The station will be brought aboveground and the belowground pit will be outfitted with a pressure / flow control valve to allow for proper operation of the distribution system when the High Side tank is offline. This project will improve operational access, longevity, site security, and facilitate maintenance needs for other components of the water system including system supply and storage when the tanks need to go offline for maintenance. A sanitary survey will need to be completed to bring the pump station into compliance.

Project Alternatives

Alternative 1 included the addition of backup power supply to the existing Long Valley Backup Power for improved reliability and continued pumping to the High Side during a power outage. A new generator would be too large to fit within the existing right-of-way and therefore land acquisition or an easement would be required. Although this was the lowest cost alternative, the booster pumping capacity is not maximized as with other alternatives, pumping deficiencies were not fully eliminated, and the project would require confined space entry for vault access.

Alternative 2: included the replacement of existing booster pumps with new larger capacity pumps and the addition of backup power. The advantages noted included maximizing the pumping capacity, improved system reliability, and elimination of deficiencies. The only disadvantage noted was that the project would require confined space entry for vault access.

Alternative 3 included the replacement of the existing below-grade vault with a new building, replacement of the existing booster pumps with new larger capacity pumps, and the addition of backup power. This alternative was noted to maximize pumping capacity, improve system reliability, and eliminate the requirement for confined access entry. This alternative does not increase capacity greater than Alternative 2, requires more land acquisition compared to Alternatives 1 and 2 and is the highest cost alternative.

Based on the advantages and disadvantages of each alternative identified and the costs analysis, Alternative 2 was selected as the preferred alternative.

Maps Maps are attached to this report.

Timeline

Design: Completed 10/2022

Construction Bid: 10/4/2023*

Construction: 02/07/2024-05/31/2025

Initiation of Operations: 06/01/2025

*Notice to Proceed will not be issued until after loan closing.

Sources of Project Funding	DWSRF	Capital Improvement Grant	Local	Total
	Planning	\$0	\$0	\$12,500
Design, inspection, and Construction Management	\$0	\$0	\$52,200	\$52,200
Construction / Improvements	\$1,963,539	\$0	\$0	\$1,963,539
Administration	\$0	\$0	\$12,000	\$12,000
Construction Contingency	\$121,261	\$0	\$35,822	\$157,083
Totals	\$2,084,800	\$0	\$112,522.00	\$2,197,322

System Previous Commitments and Studies

Project I.D. GRanchos1; Executed 08/17/2000; Loan Amount \$3,256,735.00

The project included the replacement of a 20-year-old transmission and distribution line.

Project I.D. GRanchos2; Executed 8/19/2003; Loan Amount \$1,261,840

Additional funding was needed to complete the project scope from GRanchos1 due to unforeseen changes to the project. These changes were tied to water line relocation, paving, and some inaccuracies in the as-built drawings.

Environmental Review

If funding for the Gardnerville Ranchos General Improvement District booster pump station upgrades project is approved, NDEP will issue a Categorical Exclusion for a 15-day public comment period. In accordance with NAC 445A.67583(2) the project is eligible for a Categorical Exclusion as it is (d) Minor upgrading or expansion of the existing capacity of: (1) The distribution system of a public water system. The project includes replacing the existing Long Valley Booster Pump Station with new, larger capacity pumps and the addition of a backup power generator. The station will be brought aboveground and the belowground pit will be outfitted with a pressure / flow control valve to allow for proper operation of the distribution system when the High Side tank is offline. Ground disturbance activities will occur in previously disturbed areas; impacts to environmental resources are not anticipated.

Community Engagement

The Board consists of five Board members, meets monthly, and is subject to Open Meeting Laws. The Gardnerville Ranchos General Improvement District Board of Directors held a public meeting on February 3, 2021, where funds were authorized for an engineering contract to design the Long Valley Booster Station. At a September 6, 2023, Board meeting, the Gardnerville Ranchos General Improvement District adopted a resolution to apply for funding from the DWSRF program for the purpose of construction of the Long Valley Booster Station Replacement.

System Information

System Location Douglas County

System Population 11,300

System Service Connections 4,500

System Infrastructure Gardnerville Ranchos General Improvement District water system has nine wells equipped with chlorinators. Four of the wells are currently inactive. The system also includes a distribution system and two storage tanks sized at 3,000,000 gallons and 1,500,000 gallons.

Compliance In their last Sanitary Survey dated January 6, 2021, a significant deficiency was noted with their Booster Station pumping and below-grade construction; Gardnerville Ranchos General Improvement District is addressing these deficiencies with this project. Additional deficiencies were noted for the 3MG Storage Tank, screening for Well 4A, and the lack of several facility plans. A monitoring violation for 2039-DI (2-Ethylhexyl) Phthalate was noted in 2019 but also was resolved in 2019.

User Water Rates	Water user rates were last changed on January 1, 2006: <ul style="list-style-type: none">• Residential base rate per user per month: \$21.50 (0-10,000 gallons of water)• Commodity Rate: \$0.90/1,000 gallons over the base gallons• Average Water Rate/Use for system: \$28.70 (17,640 gallons) The water rates established sufficiently cover current operation, maintenance, debt service and reserves of the system. A rate study is planned as part of this project.
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Gardnerville Ranchos General Improvement District Information

Water Conservation Plan Gardnerville Ranchos General Improvement District has a Water Conservation Plan dated June 20, 2015. Technical Assistance will be requested to assist Gardnerville Ranchos General Improvement District in developing an updated Water Conservation Plan.

Technical Capacity The Gardnerville Ranchos General Improvement District Water system requires operator certification levels D-3 and T-0. The operators for this water system (numbers OP02562, OP02571, and OP01788) hold the full D-3 and T-0 certifications. Based on this data, the Gardnerville Ranchos General Improvement District water system has the technical capacity for NDEP to recommend funding support.

Managerial Capacity Gardnerville Ranchos General Improvement District is governed by a five-member board that meets monthly. The last time this project was addressed at a public meeting was August 2, 2023. Gardnerville Ranchos General Improvement District has demonstrated managerial capacity for NDEP to recommend funding support.

Financial Capacity Financial Information as of June 30, 2022:
Unrestricted Cash: \$6,731,116
Days cash on hand: 2,969
Outstanding Debt: \$5,590,329
Operating Income before Depreciation: \$877,893
Current Ratio: 2.57
Debt Coverage: 3.82

*Financial information is independently audited by Silva, Sceirine, & Associates, LLC

Gardnerville Ranchos General Improvement District has demonstrated financial capacity for NDEP to recommend funding support.

Asset Management Plan An asset management plan will be required as part of the conditions for funding. Proof of preparation must be submitted to NDEP before the final draw is issued.

Capital Replacement Reserve Account A Capital Replacement Reserve Account will be required as part of the condition for funding. Proof of establishment must be submitted to NDEP before the final draw is issued.

DWSRF Principal Forgiveness Eligibility Criteria This project qualifies as disadvantaged per the 2023 Intended Use Plan.

Maps and Exhibits



DWSRF Authority and Purpose

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

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

DWSRF Loan Conditions

The principal forgiveness loan will contain the following conditions:

- Review user rates at least every three (3) years for the life of the loan.
- 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.

RECOMMENDED MOTION FOR THE DWSRF LOAN

I move to approve the resolution titled “D10-1023 Gardnerville Ranchos General Improvement District Project Loan Commitment,” which is intended to finance certain projects in an amount not to exceed \$2,084,800.

Loan Commitment from the Drinking Water State Revolving Fund

Board for Financing Water Projects

October 2023

Gardnerville Ranchos General Improvement District

Amount and Term	Recommendation
<u>\$415,200</u> Principal Forgiveness from DWSRF	The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approve a loan commitment to the Gardnerville Ranchos General Improvement District for design services for Phase 3 of the Gardnerville Ranchos General Improvement District South District pipeline replacement project.

Management and Structure

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

Project system NV0000066

System Project for Funding

Priority List Priority #73 on the Drinking Water SRF Priority List Effective June 2023 and revised September 2023.

Need This project is needed in order to rehabilitate and replace existing Gardnerville Ranchos General Improvement District (GRGID) water system infrastructure that is at the end of its useful life and presently poses a health and human safety risk associated with recurring pipe failures. The pipe located in the Phase 3 project area is composed of Schedule 40 PVC that is 20 to 40 years old, brittle, and prone to catastrophic failure. The existing pipe is also located outside of the Right of Way in several areas and when breaks do occur, they are often in areas that are difficult to access for timely and efficient repairs. PVC pipe breaks can result in loss of system pressure and the need for the GRGID to issue a boil water notice until the repair is accomplished, and bacteriological testing can be performed.

Chosen Project Phase 3 of Gardnerville Ranchos General Improvement District South District Pipeline Replacement Project includes engineering services to prepare final

improvement plans and specifications in order to replace approximately 34,000 linear feet of the water system. The future project would replace the existing Schedule 40 PVC with modern, NSF-certified C900 pressure class pipe that will be located within the Right of Way and provide a substantial improvement to the operational efficiency and safety of the water system. Due to the brittle nature of Schedule 40 pipes and the age of the system, total replacement of the areas identified will ensure safe drinking water to distribute within Gardnerville Ranchos General Improvement District 's water system.

Project Alternatives

The alternatives identified for this project are as follows:

Alternative 1 is the “no-build” option. If this alternative is selected, the pipe composed of Schedule 40 PVC could experience failures/leaks and the maintenance and repair of the system will continue to be problematic.

Alternative 2 is to replace the Schedule 40 PVC. If this alternative is selected, the weaknesses with this older section of pipe will be addressed, reducing the potential for failures and leaks in the system.

Maps Maps are attached to this report.

Timeline

October 2023 - February 2024

Sources of Project Funding

	DWSRF	Capital Improvement Grant	Local	Total
Design, inspection, and Construction Management	\$415,200	\$0	\$0	\$415,200
Totals	\$415,200	\$0	\$0	\$415,200

System Previous Commitments and Studies

Project I.D. GRanchos1; Executed 08/17/2000; Loan Amount \$3,256,735.00

The project included the replacement of a 20-year-old transmission and distribution line.

Project I.D. GRanchos2; Executed 8/19/2003; Loan Amount \$1,261,840

Additional funding was needed to complete the project scope from GRanchos1 due to unforeseen changes to the project. These changes were tied to water line relocation, paving, and some inaccuracies in the as-built drawings.

Environmental Review

Environmental review will be conducted at a later stage when the project approaches readiness for construction.

Community Engagement

The Board consists of five Board members, meets monthly, and is subject to Open Meeting Laws. The Gardnerville Ranchos General Improvement District Board of Directors held a public meeting on September 6, 2023, for the purpose of applying for funding to Design the Phase 3 Pipeline Replacement Project.

System Information

System Location	Douglas County
System Population	11,300
System Service Connections	4,500
System Infrastructure	The Gardnerville Ranchos General Improvement District water system has nine wells equipped with chlorinators. Four of the wells are currently inactive. The system also includes a distribution system and two storage tanks sized at 3,000,000 gallons and 1,500,000 gallons.
Compliance	In their last Sanitary Survey, a significant deficiency was noted with their Booster Station pumping and below-grade construction. Additional deficiencies were noted for the 3MG Storage Tank, screening for Well 4A, as well as a lack of several facility plans. A monitoring violation for 2039-DI (2-Ethylhexyl) Phthalate was noted in 2019 but also was resolved in 2019.

User Water Rates	Water user rates were last changed on January 1, 2006: <ul style="list-style-type: none">Residential base rate per user per month: \$21.50 (0-10,000 gallons of water)Commodity Rate: \$0.90/1,000 gallons over the base gallonsAverage Water Rate/Use for system: \$28.70 (17,640 gallons) The water rates established sufficiently cover current operation, maintenance, debt service, and reserves of the system. A rate study is planned as part of this project.
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Gardnerville Ranchos General Improvement District Information

Water Conservation Plan Gardnerville Ranchos General Improvement District has a Water Conservation Plan dated June 20, 2015. Technical Assistance will be requested to assist Gardnerville Ranchos GID in developing an updated Water Conservation Plan.

Technical Capacity The Gardnerville Ranchos General Improvement District Water system requires operator certification levels D-3 and T-0. The operators for this water system (numbers OP02562, OP02571, and OP01788) hold the full D-3 and T-0 certifications. Based on this data, the Gardnerville Ranchos General Improvement District water system has the technical capacity for NDEP to recommend funding support.

Managerial Capacity Gardnerville Ranchos General Improvement District is governed by a five-member board that meets monthly. The last time this project was addressed at a public meeting was September 6, 2023. Gardnerville Ranchos General Improvement District has demonstrated managerial capacity for NDEP to recommend funding support.

Financial Capacity Financial Information as of June 30, 2022:

Unrestricted Cash: \$6,731,116
Days cash on hand: 2,969
Outstanding Debt: \$5,590,329
Operating Income before Depreciation: \$877,893
Current Ratio: 2.57
Debt Coverage: 3.82

*Financial information is independently audited by Silva, Sceirine, & Associates, LLC

Gardnerville Ranchos General Improvement District has demonstrated financial capacity for NDEP to recommend funding support.

Asset Management Plan An asset management plan will be required as part of the conditions for funding. Proof of preparation must be submitted to NDEP before the final draw is issued.

Capital Replacement Reserve Account A Capital Replacement Reserve Account will be required as part of the condition for funding. Proof of establishment must be submitted to NDEP before the final draw is issued.

DWSRF Principal Forgiveness Eligibility Criteria This project qualifies as disadvantaged per the 2023 Intended Use Plan.

Maps and Exhibits



DWSRF Authority and Purpose

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

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

DWSRF Loan Conditions

The principal forgiveness loan will contain the following conditions:

- Review user rates at least every three (3) years for the life of the loan.
- 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.

RECOMMENDED MOTION FOR THE DWSRF LOAN

I move to approve the resolution titled “D11-1023 Gardnerville Ranchos General Improvement District Project Loan Commitment,” which is intended to finance certain projects in an amount not to exceed \$415,200.

Loan Commitment from the Drinking Water State Revolving Fund

Board for Financing Water Projects

October 2023

Silver Springs Mutual Water Company

Amount and Term	Recommendation
<u>\$1,500,000</u> Principal Forgiveness from DWSRF	The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approve a loan commitment to the Silver Springs Mutual Water Company (SSMWC) for the construction of a redundant water main.

Management and Structure

Loan Recipient and Structure Silver Springs Mutual Water Company is a nonprofit public water system.

Project system NV0000223

System Project for Funding

Priority List Priority #106 on the Drinking Water SRF Priority List Effective June 2023 and revised September 2023.

Need In the Silver Springs Mutual Water Company's ongoing efforts to create system resiliency and preparedness, a critical infrastructure weakness has been identified. Currently, the water distribution system has only one 12-inch main line which is traversed by Highway 50. It is understood that during the construction project by the Nevada Division of Transportation (NDOT) to widen Highway 50 in 2020, a near miss to the water main crossing occurred. The near miss amplified the need to consider improvements to address system vulnerabilities and increase reliability of service. The current 12-inch crossing is composed of aging asbestos cement pipe. The proposed second crossing would be composed of polyvinyl chloride (PVC).

Most of the system's customers and usage are located south of Highway 50; however, two of the system's three one-million-gallon water tanks are located to the north of Highway 50. If the existing water main were to fail, be taken offline for repair, or otherwise experience a lapse in service, 90% of the Silver Springs Mutual Water Company customers would be isolated from a large portion of the system's water storage infrastructure. Due to the responsibility of the water supplier to ensure a reliable source of water for its customers, it was determined improvements to the

water distribution system need to be made to address the susceptibility of the system to an isolation event.

Chosen Project The proposed project herein is to construct a second main line crossing which is intended to reduce operational risk for the distribution system and decrease the likelihood of an event that could isolate 90% of the Silver Springs Mutual Water Company customers from the two storage tanks located north of Highway 50. The proposed action, identified as Alternative 2 in the borrower’s Draft Environmental Assessment dated August 2022, includes construction of a redundant 12-inch water main across Highway 50. The water main includes approximately 1,550 linear feet of C900 PVC pipe connecting from an existing 12-inch asbestos cement water main on Mountain Drive (north of Highway 50) to an existing 12-inch C900 PVC water main on Elko Street (south of Highway 50). The line at Elko Street is presently a dead end, therefore the connection of the new water main to the line at Elko Street would establish a closed loop in the water distribution system and benefit overall system hydraulics.

The Alternative 2 Highway 50 crossing alignment location is within the limits of the Highway 50 “Lake Lahontan 3R Project,” an NDOT project tentatively planned to start circa late 2023. It is anticipated that an open trench approach would be approved by NDOT as the alternative improvements could be completed prior to a scheduled NDOT roadway overlay or reconstruction. Otherwise, bore installation will be utilized for the construction under the right-of-way (ROW).

Project Alternatives Four alternatives were considered to address the need for water infrastructure redundancy. Alternative 1, the “No Action” approach, would continue to leave Silver Springs Mutual Water Company vulnerable to potential breaks of the existing Highway 50 water main crossing. Alternative 3 proposes a redundant 12-inch water main which includes approximately 1,225 linear feet of PVC pipe connecting from an existing 12-inch water main on Virginia Street (north of Highway 50) to an existing 6-inch water main on Silver Springs Street (south of Highway 50). Alternative 4 proposes a redundant 12-inch water main which includes 1,250 linear feet of PVC pipe connecting from an existing 12-inch water main on Mountain Drive (north of Highway 50) to an existing 4-inch water main on Truckee Street (south of Highway 50). Alternative 5 proposes adding a new water storage tank on the south side of Highway 50 to ensure a large enough supply of water is available to customers in case the existing water main crossing on Highway 50 needs emergency repair.

Maps Maps are attached to this report.

Timeline

Design:	April 2024
Construction Bid:	May 2024
Construction Start:	June 2024
Initiation of Operations:	October 2024

Sources of Project Funding	DWSRF	Capital Improvement Grant	Local	Total
	Design, inspection, and Construction Management	\$245,000	\$0	\$0
Construction / Improvements	\$940,000	\$0	\$0	\$940,000
Construction Contingency	\$315,000	\$0	\$0	\$315,000
Totals	\$1,500,000	\$0	\$0	\$1,500,000

System Previous Commitments and Studies

Project ID: DW 2313; Executed September 2023; Loan Amount \$1,100,000.00

Project is currently in progress for the recoating and fitting with upgrades to meet current OSHA standards at the West Tank site.

Project ID: DW 2311; Executed April 2023; Loan Amount \$1,400,000.00

Project is currently in progress to install a new well to replace a failed well at the Lake Street Well site.

Project ID: DW 2209; Executed February 2022; Loan Amount \$58,967.18

Preliminary Engineering Report to determine need and viability of the Highway 50 transmission line redundancy project.

Project ID: DW 2208; Executed February 2022; Loan Amount \$85,341.33

Preliminary Engineering Report to determine action for the failed Lake Street Well.

Project ID: DW 1911 Executed July 2019, Loan Amount \$279,270.00

North Tank #1 Rehabilitation and recoating.

Project ID: DW 1802; Executed July 2017; Loan Amount \$591,577.00

Drilling and construction of replacement Deodar Street Well.

Project ID: DW 1604; Executed August 2015; Loan Amount \$178,011.69

Water resource categorization including aquifer testing for new well to replace failing Deodar Street Well.

Project ID: S-SSMWC1 (ARRA); Executed August 2009; Loan Amount \$3,662,307.00

Septic to Sewer conversion project including Biolac mechanical plant to treat effluent for reuse on fields at Silver Springs airport.

Environmental Review

If funding for the Silver Springs Mutual Water Company redundant water main project is approved, NDEP will issue a Categorical Exclusion for a 15-day public comment period. In accordance with NAC

445A.67583(2) the project is eligible for a Categorical Exclusion as it is (e) any other water project for which there is sufficient evidence that a significant effect on the quality of the environment is unlikely. The project includes the installation of approximately 1,550 linear feet of 12-inch water line piping in areas that are largely disturbed due to existing ROWs and other disturbances. The project improvements will be installed within existing ROWs and property owned by Silver Springs Mutual Water Company. Construction Best Management Practices will be implemented. Based on NDEP's review of the borrower's Draft Environmental Assessment, the proposed project would have no significant adverse effects on the environment and no mitigation would be required beyond avoidance, best management practices, and compliance with permit requirements. Significant impacts to environmental resources are not anticipated.

Community Engagement

The Silver Springs Mutual Water Company Board of Directors met on July 16, 2020, to approve the application to the Drinking Water SRF Program to request funding for the redundant water main project. Public Notice for the project will be posted for public comment for 15 days at the State Clearinghouse website and on NDEP's website.

System Information

System Location Lyon County

System Population 3,070

System Service Connections 1,198

System Infrastructure The existing water supply system consists of two production wells that are in-use (Idaho Street and Deodar Street), one that was in use until failure in July 2021 (Lake Street), and two monitoring wells (Atkins and Fort Churchill Street). Water storage consists of three one-million-gallon tanks: the West Storage Tank, Old North Storage Tank, and New North Storage Tank. The Lake Street well is presently being replaced by a new boring, and the original well is being converted to a monitoring well. The drinking water is distributed by 194,470 feet of pipe, which is largely PVC ranging from 2" to 14" in diameter. Consumption is monitored with "touch-read" water meters; however, the system is currently being converted to Automated Meter Reading radio read meters. The arsenic treatment plant located at the Lake Street Well utilizes a Supervisory Control and Data Acquisition system installed in 2010 for remote operation and control of system wells, tanks, and the water treatment facility. Two generators are installed on the system: one at the water treatment plant with the capability of operating both the treatment plant and the Lake Street Well, and a second at the Spruce Street Booster Pump.

Compliance The most recent Sanitary Survey was conducted on December 15, 2020, with no significant deficiencies noted.

User Water Rates	<ul style="list-style-type: none"> • Residential base rate per user per month: \$54.00 (0-15,000 gallons of water) • Commodity Rate: \$2.00 / 1,000 after 15,000
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	<ul style="list-style-type: none"> • Average Water Rate/Use for system: \$54.00 (15,000 gallons) <p>The water rates established sufficiently cover operation, maintenance, debt service and reserves of the system.</p>
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Silver Springs Mutual Water Company Information

Water Conservation Plan Silver Springs Mutual Water Company has a Water Conservation Plan which was updated, reviewed, and approved by the Nevada Division of Water Resources on March 17, 2020.

Technical Capacity Silver Springs Mutual Water Company drinking water system requires operator certification level D2-T2. The operator for this water system (number OP02198) holds full D-3 and T-2 certification.

Based on this data, the Silver Springs Mutual Water Company has the technical capacity for NDEP to recommend funding support.

Managerial Capacity Silver Springs Mutual Water Company is governed by a seven-member board. SSMWC has demonstrated managerial capacity for NDEP to recommend funding support.

Financial Capacity Financial Information as of December 31, 2022*

Unrestricted Cash: \$796,316
Days cash on hand: 348
Outstanding Debt: \$1,884,056
Operating Income before Depreciation: \$279,489
Current Ratio: 2.82
Debt Coverage: 8.20

*Financial information is independently audited by Silva, Sceirine & Associates, LLC

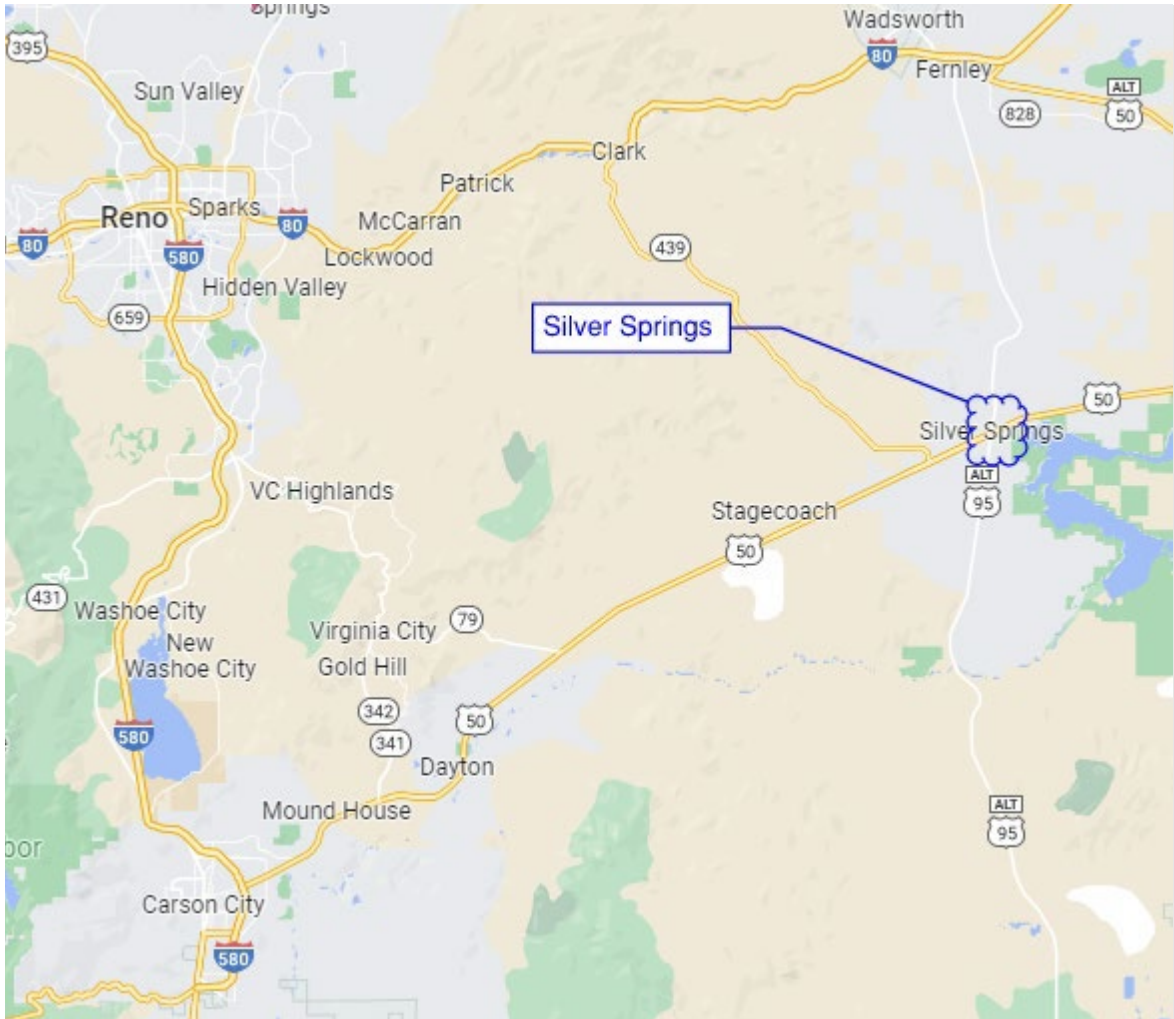
Silver Springs Mutual Water Company has demonstrated financial capacity for NDEP to recommend funding support.

Asset Management Plan Silver Springs Mutual Water Company prepared a fiscal sustainability plan in May 2019. An evaluation of the desired level of service goals will be included as a requirement for this funding.

Capital Replacement Reserve Account Silver Springs Mutual Water Company has a Capital Replacement Reserve account established. The balance in the account on December 31, 2023, was \$202,167.

DWSRF Principal Forgiveness Eligibility Criteria Silver Springs Mutual Water Company is disadvantaged as defined by Nevada's 2023 Intended Use Plan and therefore is eligible for principal forgiveness funding.

Maps and Exhibits



DWSRF Authority and Purpose

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

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

DWSRF Loan Conditions

The principal forgiveness loan will contain the following conditions:

- Review user rates at least every three (3) years for the life of the loan.
- 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.

RECOMMENDED MOTION FOR THE DWSRF LOAN

I move to approve the resolution titled “D12-1023 Silver Springs Mutual Water Company Project Loan Commitment,” which is intended to finance certain projects in an amount not to exceed \$1,500,000.

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

Board for Financing Water Projects

October 2023

Silver Springs Mutual Water Company

Amount and Term	Recommendation
<u>\$ 100,000</u> Principal Forgiveness from DWSRF	The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approve a loan commitment to the Silver Springs Mutual Water Company (SSMWC) for the acquisition of a backup power supply for the Idaho Street well site.

Management and Structure

Loan Recipient and Structure Silver Springs Mutual Water Company is a nonprofit public water system.

Project system NV0000223

System Project for Funding

Priority List Priority #133 on the Drinking Water SRF Priority List Effective June 2023 and revised September 2023.

Need The lack of a backup power supply has the potential to create a health and safety risk for the residents within the Silver Springs Mutual Water Company service area. Without a backup power supply for the Idaho Street well site, the Silver Springs Mutual Water Company system is at risk of being unusable during potential rolling blackouts that can occur during high wind / high fire danger events. This also creates risk to residents outside of the service area as the Central Lyon Fire District also utilizes water from Silver Springs Mutual Water Company fire hydrants throughout the distribution system to fight fires in the greater Silver Springs area.

Chosen Project A stationary, diesel-fueled standby power generator will be purchased for the Idaho Street well site and will be used as needed in the event of a loss of power. A concrete slab will be poured to serve as the designated location to place and utilize the generator.

Project Alternatives The “No Action” approach would continue to leave Silver Springs Mutual Water Company vulnerable to a loss of service in the event of a power outage. Another alternative considered was the purchase of one portable generator to use between

two well sites; however, a portable generator would not meet program requirements. The Silver Springs Mutual Water Company was able to obtain funding under the American Rescue Plan Act of 2021 (ARPA) for one stationary generator which will be placed at a second well site; therefore, SRF funding for one stationary generator for the Idaho Street well site is the selected project alternative.

Maps Maps are attached to this report.

Timeline

Design: July 2022

Construction Bid: January 2024

Construction Start: August 2024

Initiation of Operations: October 2024

Sources of Project Funding	DWSRF	Capital Improvement Grant	Local	Total
	Equipment & Materials	\$77,236.39	\$0	\$0
Construction / Improvements	\$19,309.10	\$0	\$0	\$19,309.10
Construction Contingency	\$3,454.51	\$0	\$0	\$3,454.51
Totals	\$100,000	\$0	\$0	\$100,000

System Previous Commitments and Studies

Project ID: DW 2313; Executed September 2023; Loan Amount \$1,100,000.00

Project is currently in progress for the recoating and fitting with upgrades to meet current OSHA standards at the West Tank site.

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Project ID: S-SSMWC1 (ARRA); Executed August 2009; Loan Amount \$3,662,307.00

Septic to Sewer conversion project including Biolac mechanical plant to treat effluent for reuse on fields at Silver Springs airport.

Environmental Review

If funding for the Silver Springs Mutual Water Company backup power supply project is approved, NDEP will issue a Categorical Exclusion for a 15-day public comment period. In accordance with NAC 445A.67583(2) the project is eligible for a Categorical Exclusion as it is (d) Minor upgrading or expansion of the existing capacity of: (1) The distribution system of a public water system. The project includes the acquisition of a stationary, diesel-fueled standby power generator and the pouring of a concrete slab to serve as the designated location to place and utilize the generator. Ground disturbance activities will occur in previously disturbed areas; impacts to environmental resources are not anticipated.

Community Engagement

The Silver Springs Mutual Water Company Board of Directors met on May 19, 2022, to approve the application to the Drinking Water SRF Program to request funding for the well backup power supply project. Public Notice for the project will be posted for public comment for 15 days at the State Clearinghouse website and on NDEP’s website.

System Information

System Location Lyon County

System Population 3,070

System Service Connections 1,194

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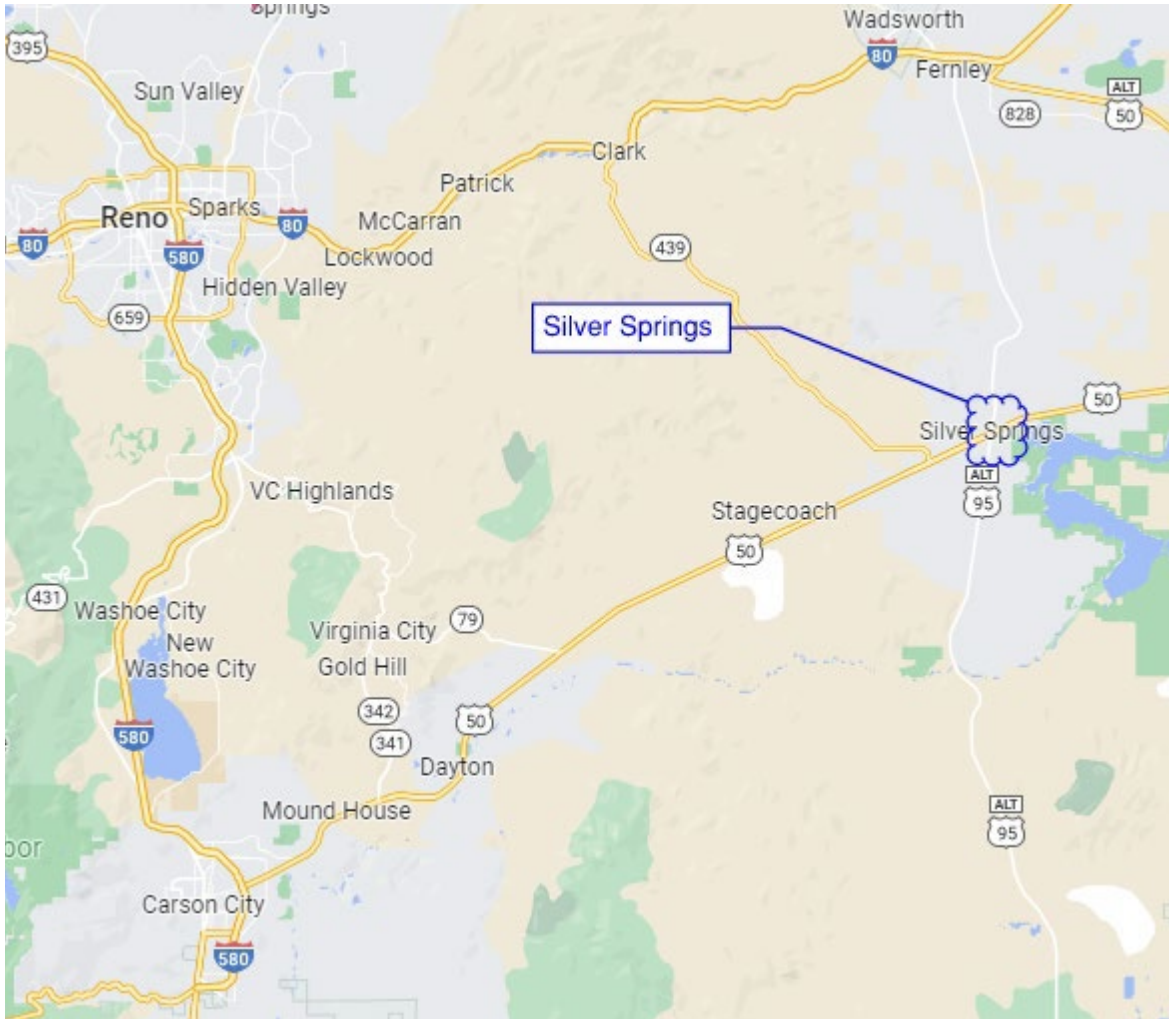
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RECOMMENDED MOTION FOR THE DWSRF LOAN

I move to approve the resolution titled “D13-1023 Silver Springs Mutual Water Company Project Loan Commitment,” which is intended to finance certain projects in an amount not to exceed \$100,000.