

Meeting Minutes
BOARD FOR FINANCING WATER PROJECTS
January 20, 2021
10:00 am.

To be held virtually using Lifesize:
<https://call.lifesizecloud.com/4155018>

Members present:

Bruce Scott, Chair
 Andrew Belanger, Vice Chair
 Lori Williams
 Carl Ruschmeyer
 Mike Workman
 Andrea Seifert, ex-officio member

Legal counsel present:

Katie Armstrong, Senior Deputy Attorney General

NDEP staff present:

Jason Cooper
 Sharada Maligireddy
 Kyle Casci
 Valerie King
 Elise Akers
 Jim Balderson
 Alisa Auch
 Reggie Lang
 Ross Cooper
 Margie Evans
 Hannah Bishop-Moser

Public present:

Bridget Harris, RCAC
 Marty Ugalde, Day Engineering
 Paul Winkelman, Shaw Engineering
 Adam Roney, Public Utilities Commission
 Matt Bowman, Truckee Meadows Water Authority
 Eric Lentz, Heggen & Lentz Engineering
 Caroline Chieffo, Douglas County
 Steffi Gavin, Farr West Engineering
 Trevor Laird, Alamo Sewer & Water General Improvement District
 Greg Nielsen, Gerlach General Improvement District
 Kathy Flannagan, Las Vegas Valley Water District
 Matt Chorpening, Las Vegas Valley Water District
 Greg Kodweis, Las Vegas Valley Water District
 Kristin Tokheim, Lumos & Associates
 Dean Day, Day Engineering
 Amy Garcia, McGill Ruth Sewer & Water
 Kurt Carson, McGill Ruth Sewer & Water
 Joni Drahos, McGill Ruth Sewer & Water
 Ron Roman, Douglas County
 Rick Robillard, Douglas County
 Phillip Ritger, Douglas County

Public present (continued):

Heather MacDonnell, Douglas County

Susan Dudley, Esmeralda County

Mike Anderson, Esmeralda County

Mark Foree, Gold Country Water Company

Sally Sue Broili, Mount Rose Bowl POWC

Kathy Williams, Cottonwood Mobile Home
Park

Amina Anderson, Beatty Sewer & Water
Sanitation District

Jeannie Sullivan-Ybarra, Beatty Sewer &
Water Sanitation District

Nav Bajwa, Old 40 West Motel

Nicole Goehring, Division of Water Resources

Christine Vuletich, Washoe County

Joel Bellin, HDR engineering

1) Board for Financing Water Projects regular meeting

1) Call to order

Chair Bruce Scott opened the meeting and invited introductions from board members and those present in person and on the phone.

2) Introduction/establish quorum

Chair Scott established a quorum as all board members were present.

3) Public comment

There were no public comments.

4) Approval of minutes from the July 29, 2020 regular meeting

Board Member Mike Workman motioned to approve the minutes. The motion was seconded by Vice Chair Andrew Belanger. The motion carried unanimously.

5) Funding update for the Drinking Water State Revolving Fund (DWSRF)

Jason Cooper, with the Nevada Division of Environmental Protection (NDEP), gave an update on the Drinking Water State Revolving Fund (DWSRF). As of January 4, 2021, there was \$67,760,147.52 in the bank, with \$20,730,214.37 committed funds not yet disbursed. Mr. Cooper indicated staff was presenting commitments to the board in the amount of \$20,019,493.00. Over the next three years, the lowest cash balance would be \$58,376,415.00.

Mr. Cooper displayed projections for the next three years. DWSRF currently has \$3,883,261.78 available in principal forgiveness funding, with \$3,295,493.00 presented to the board. Mr. Cooper said that left \$587,768.78 on the table to commit to other projects. He anticipated that with the approval of the 2021 grant, an additional \$2,552,800 in principal forgiveness funds would be available.

Chair Scott commented it was nice to see that amount of money available to fund projects, and that he would like to see that money out the door and committed to projects.

6) Funding update for the Capital Improvements Grant Program

Mr. Cooper stated funding for the Capital Improvements Grant Program is provided entirely by State-issued tax-exempt bonds. As of January 4, 2021, there was \$2,799,384.39 in the bank, with \$15,496.11 reserved for administration, and \$1,267,395.15 committed to projects not yet disbursed. The projects presented to the board were for a total of \$1,193,026.00, which would leave \$343,092.61 left to commit from current funds. The Capital Improvement Grant Program has received the \$3 million authorized by the State Legislature during the last session.

Chair Scott asked if all the bond funds allowed had been issued. Mr. Cooper responded the authority had been received, but the funds had not all been committed yet.

Chair Scott asked if the full bonding limit had been reached. Mr. Cooper answered that there was still bonding capacity available in the future.

7) Adoption of consent items: Increased funding to board-approved loans

- a. Beatty Sewer & Water Sanitation District – [See staff report, Exhibit 7A](#)
- b. Truckee Meadows Water Authority – [See staff report, Exhibit 7b](#)
- c. Mount Rose Bowl Property Owners' Water Company – [See staff report, Exhibit 7C](#)

Mr. Cooper presented to the board a consent item option to assist in streamlining the agenda process. The three projects on the agenda were all requesting additional funds for a previously approved loan. The projects were available for discussion individually or approval with a single motion and resolution.

Chair Scott stated that the three projects were straightforward and explained well in the staff reports.

Board Member Carl Ruschmeyer and Board Member Workman agreed that accepting the items grouped together for consent was acceptable.

Board Member Ruschmeyer motioned to approve consent items 7a, 7b, and 7c, increasing the loan amount – as specified – for each of the previously-approved loans. The motion was seconded by Board Member Workman. The motion carried unanimously.

8) Adoption of consent items: Funding for preliminary Engineering Reports and Environmental Reviews

- a. Gold Country Water Company – [See staff report, Exhibit 8A](#)
- b. Cottonwood Mobile Home Park – [See staff report, Exhibit 8b](#)

Mr. Cooper said the consent item was structured similarly to the previous agenda item. These two projects requested funding for a Preliminary Engineering Report (PER) and Environmental Report (ER).

Vice Chair Belanger motioned to approve consent items 8a and 8b, funding – in the amounts specified – a PER and ER. The motion was seconded by Board Member Ruschmeyer. The motion carried unanimously.

Project list for consideration

Sharada Maligireddy and Elise Akers, with NDEP, introduced the following projects (9-14):

9) Alamo Sewer & Water GID – [See staff report, Exhibit 9](#)

Ms. Maligireddy and Ms. Akers recommended the board approve a \$1,000,000 loan and \$693,026 grant commitment to Alamo Sewer & Water GID. The money would fund an arsenic treatment project. The estimated project cost was \$1,706,960, \$1,000,000 of which would come as a principal forgiveness loan from the State Revolving Fund (SRF) program. Another \$693,026 would come from the Capital Improvements Grant. The remaining \$13,934 would be funded by the water system.

Board Member Ruschmeyer asked what might contribute to the rising arsenic levels and if zone testing was addressed during the analysis. Trevor Laird, with Alamo Sewer and Water, answered that zone testing was conducted previously on another well, but not on the well for the project.

Board Member Lori Williams motioned to approve Resolution D09-0121 Alamo Sewer and Water Project Loan Commitment. The motion was seconded by Vice Chair Belanger. The motion carried unanimously.

Board Member Ruschmeyer motioned to approve Resolution G09-0121 Alamo Sewer and Water Project Grant Commitment. The motion was seconded by Board Member Workman. The motion carried unanimously.

10) Las Vegas Valley Water District – Big Bend – [See staff report, Exhibit 10](#)

Vice Chair Belanger recused himself from discussion and voting on the project prior to it being presented.

Ms. Maligireddy and Ms. Akers recommended the board approve a \$1,000,000 loan and \$500,000 grant commitment for Las Vegas Valley Water District. The money would fund a system-wide rehabilitation project and upgrades to the Big Bend Water System. The estimated project cost was \$1,500,000, \$1,000,000 of which would come as a principal forgiveness loan from the State Revolving Fund (SRF) program. Another \$500,000 would come from the Capital Improvements Grant.

Board Member Williams motioned to approve Resolution D10-0121 Las Vegas Valley Water District Project Loan Commitment. The motion was seconded by Board Member Workman. The motion carried unanimously, with Vice Chair Belanger abstaining from the vote.

Board Member Workman motioned to approve Resolution G10-0121 Las Vegas Valley Water District Project Grant Commitment. The motion was seconded by Board Member Workman. The motion carried unanimously, with Vice Chair Belanger abstaining from the vote.

11) Douglas County – Cave Rock – [See staff report, Exhibit 11](#)

Ms. Maligireddy and Ms. Akers recommended the board approve a \$16,500,000 loan for Douglas County. The money would be used to construct storage, water treatment, and lake intake pump facilities. This would help Douglas County achieve and maintain water conservation in the Cave Rock and Skyland areas. The estimated project cost was \$18,000,000, \$250,000 of which would come as a principal forgiveness loan. \$16,250,000 would come as a traditional loan from the SRF program. The remaining \$1,500,000 would be funded by the system.

Board Member Ruschmeyer disclosed he was a former employee of Douglas County, but had no conflicting interests.

Board Member Workman asked if water meters would be installed with the project and if the water conservation plan had been updated. Ms. Maligireddy answered that water meters would be installed along with new piping as part of the project. She added that the water conservation plan was last updated in 2015. Phillip Ritger, with Douglas County, agreed that water meters would be installed.

Vice Chair Belanger motioned to approve Resolution D13A-0121 Douglas County Cave Rock-Skyland Project Loan Commitment and Resolution D13B-0121 Douglas County Cave

Rock-Skyland Project Loan Commitment. The motion was seconded by Board Member Ruschmeyer. The motion carried unanimously.

12) Gerlach GID – [See staff report, Exhibit 12](#)

Ms. Maligireddy and Ms. Akers recommended the board approve a \$128,000 loan for Gerlach GID. The money would rehabilitate transmission line appurtenances between a spring source and the town of Gerlach. The estimated project cost was \$145,000, \$128,000 of which would come as a principal forgiveness loan from the SRF program. The remaining \$17,000 would come from local funding.

Greg Nielsen, with Gerlach GID, commented that the project would assist in reestablishing emergency water flow.

Board Member Ruschmeyer motioned to approve Resolution D12-0121 Gerlach General Improvement District Project Loan Commitment. The motion was seconded by Board Member Williams. The motion carried unanimously.

13) McGill Ruth – [See staff report, Exhibit 13](#)

Ms. Maligireddy and Ms. Akers recommended the board approve a \$433,750 loan for McGill Ruth Consolidated Sewer & Water GID. The money would fund repairs and rehabilitate a 1.5-million-gallon water storage tank in the town of Ruth. The estimated project cost was \$543,750, \$433,750 of which would come as a principal forgiveness loan from the SRF program. The remaining \$110,000 would come from local funding.

Board Member Workman asked how would water storage be managed during construction. Dean Day, with Day Engineering, answered that temporary water storage would be provided during the construction process.

Chair Scott asked if it would provide the Ruth water system independence from the McGill water system. Mr. Day responded that the towns were part of the same GID, but separated by 20 miles.

Chair Scott asked for the time frame for updating the water conservation plan. Kurt Carson, with McGill Ruth GID, answered that the water conservation plan for McGill had been submitted recently and that the water conservation plan for Ruth would be submitted soon.

Chair Scott asked if the Ruth water system had water meters. Mr. Carson responded the Ruth water system contained water meters.

Vice Chair Belanger motioned to approve Resolution D13-0121 McGill Ruth Consolidated Sewer and Water General Improvement District Project Loan Commitment. The motion was seconded by Board Member Workman. The motion carried unanimously.

14) Esmeralda County – [See staff report, Exhibit 14](#)

Ms. Maligireddy and Ms. Akers recommended the board approve a \$366,118 approve a loan to Esmeralda County. The money would fund radio read meters in the towns of Goldfield and Silver Peak. The estimated project cost was \$366,118 which would come as a principal forgiveness loan from the SRF program.

Andrea Seifert, with NDEP's Bureau of Safe Drinking Water, commented that Goldfield had an arsenic maximum containment level violation that the bureau had been working on to

bring the system into compliance. Mike Anderson, with Esmeralda County, commented that the water lines had been repaired, helping resolve the arsenic issue.

Chair Scott asked for clarification on the arsenic violation. Ms. Seifert commented the water system had addressed the issue, but that it would take a few quarters for the system to get back into compliance, as the running averages were still high.

Chair Scott commented the board has previously provided funding to Goldfield to find an adequate water source and provide treatment to meet the arsenic standard.

Board Member Workman motioned to approve Resolution D16-0121 Esmeralda County Goldfield and Silver Peak Water Systems Meters Upgrade Project Loan Commitment. The motion was seconded by Board Member Ruschmeyer. The motion carried unanimously.

15) Capital Improvements Grant Program policies

Review of board policy on scale to determine grant amount – [See staff report, Exhibit 15](#)

Mr. Cooper presented recommended changes to the scale used to determine grant amounts for systems seeking funding. The scale awards more points to a system serving customers facing economic hardship, or to a system posing an imminent risk to public health.

Mr. Cooper explained the ratio of the State mean household income to the public water supply mean household income determines how many points a system is awarded by the scale. Points are awarded if the calculated ratio for a system reached specific thresholds (a system with a calculated score of 1.75 or higher received the most points possible). He recommended changing the scale to use the mean (average) household income rather than the median (middle) household income, allowing more systems to qualify for funding.

Vice Chair Belanger asked if the calculations used to determine the ratio could get down to the hundredth decimal place. Mr. Cooper answered yes. Vice Chair Belanger asked if the points awarded would be more accurate if they matched the decimal value of the ratio calculated. He clarified that a system with a calculated ratio below 1.00 would receive 0 points.

Mr. Cooper responded that the presented changes just focused on using the mean calculation rather than the median calculation. He added staff would be open to suggestions to changing how points are awarded.

Board Members Williams and Ruschmeyer stated they agreed with Vice Chair Belanger's suggested change.

Mr. Cooper also suggested removing the property tax rate calculation. Points from this calculation would be reallocated to the sufficient water rate calculation. Mr. Cooper explained a sufficient water rate covers a system's operation and maintenance costs. Systems with a sufficient water rate above the customers' median household income would be awarded more points.

Vice Chair Belanger asked what the reason was for calculating the median household income instead of the mean household income. Mr. Cooper responded that the median was used in most calculations to determine a system's eligibility. He added the percentages used to determine point distribution in this calculation would need to be adjusted if the mean was used instead.

Board Member Ruschmeyer asked for clarification on how the maximum number of points available in this calculation was determined. Mr. Cooper answered that the available points were not changed from the current scale. He added staff would be open to suggestions from the board.

Mr. Cooper continued the presentation, recommending changes to how points are allocated based on the board's priorities for a system. Mr. Cooper stated the redistribution would remove points awarded for project management requirements and instead award them to systems demonstrating preplanning practices and responsible operations.

Board Member Workman asked if adding the word "compliant" with the scale could ensure a system was compliant with its own maintenance manual and cross connection plans. Mr. Cooper responded that "compliant" could be added. He said staff could confirm with the Bureau of Safe Drinking Water (BSDW) if a system's plans were up to date and in compliance.

Mr. Cooper said the last recommended change to the scale was a minor edit to the language regarding applicants who had not adequately funded a capital replacement fund. Chair Scott clarified that the policy only applied to grant program funding and not SRF funding.

Vice Chair Belanger asked how Nevada Revised Statute (NRS) 349.983, which defines the formula used to determine the grant scale, interacts with NRS 349.981. He also asked how that impacts funding for other projects, and if those statutes would need to be revised. Mr. Cooper responded that the scale used to determine grant amount applies to drinking water projects funded in the Capital Improvement Grant Program. He added that the board developed a separate policy with its own grant scale for irrigation projects.

Katie Armstrong, Deputy Attorney General, commented that she would research how other projects follow the NRS and provide her findings to staff and the board.

Mr. Cooper then provided examples to the board how the changes to the scale would impact final funding for communities. Chair Scott responded that most of the changes were comparatively small.

Chair Scott then stated the mean to median issue needed to be addressed due to statutory requirements. Mr. Cooper offered to have staff calculate new project proposals with the revised scale to show the difference between the calculations.

Board Member Workman and Board Member Williams agreed that the board move forward with the changes without the recalculations.

Ms. Seifert said there were concerns having time to review a system's Water Conservation Plan. She also noted not every county has access to a source water protection plan. Chair Scott answered that the points awarded for these plans were small. He asked Mr. Cooper to work with BSDW in the future to determine the efficacy of the scale. Board Member Workman agreed that any issues could be handled internally.

Mr. Cooper summarized that the board's recommended changes included:

- using the mean household income when comparing to the State average
- having points awarded by the sufficient water rate match the decimals calculated
- adding the word "compliant" to the scale when referring to a system's operation and maintenance plans
- changing the language regarding applicants who did not fund a capital replacement fund

Board Member Williams motioned to approve the policy on the scale used to determine grant amounts, with amendments based on the board's recommendations. The motion was seconded by Vice Chair Belanger. The motion carried unanimously.

16) Board comments

Board Member Workman complimented staff on their effort to prepare the reports and the meeting. Chair Scott thanked Board Member Williams for her time serving on the board.

Mr. Cooper and all board member agreed to schedule the next board meeting for April 28, 2021 at 9:00 am.

17) Public comment

There were no public comments.

18) Adjourn the Board for Financing Water Projects meeting

The board meeting adjourned at 12:53 pm.

2) ATTACHMENTS