

Steve Sisolak
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*
Christine Vuletich
Mike Workman
Carl Ruschmeyer

Non-Voting Member:
Andrea Seifert

AGENDA

STATE BOARD FOR FINANCING WATER PROJECTS

October 5, 2022

9:00 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: 250 154 648 609
Pass Code: wG6jZX

Call in by Phone (audio only)
United States: +1 (775) 321-6111
Meeting extension: 903761604#

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 29, 2022 Meeting (For Possible Action)

5 Funding and updates for the Drinking Water State Revolving Fund (DWSRF) (Discussion)

Presented by Jason Cooper

6 Funding and updates for the Capital Improvement Grants Program (Discussion)

Presented by Jason Cooper

7 Adoption of Consent Items - Funding for Preliminary Engineering Reports and Environmental Reviews (For Possible Action)

Two resolutions for consideration

Summary by Jason Cooper

7A Hawthorne Utilities (For Possible Action) \$85,000

7B Hawthorne Utilities (Mina and Luning) (For Possible Action) \$85,000

Projects for Consideration

8	Logan Creek Estates General Improvement District (For Possible Action) Proposed project for the DWSRF program Two resolutions for consideration <i>Summary by Elizabeth Kingsland & Jason Cooper</i>
9	Board Comments (Discussion)
10	Public Comments (Discussion)
11	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 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.	

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
Carson City, Nevada 89701-5249
Phone: (775) 697-9420
Fax: (775) 687-5856
Email: kcasci@ndep.nv.gov

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
June 2022**

Drinking Water Program Funding Updates as of September 16, 2022

Cash in fund	\$83,061,505.95
Less debt service reserves	(6,005,262)
Add undrawn grant balance	2,615,020.83
Available for projects	\$79,671,264.78
Committed funds not yet disbursed	23,931,329.92
Add commitments for Board consideration	1,370,000
Total committed funds after Board approval	\$25,301,329.92
Add projects in discussion with NDEP-OFA	22,275,000
Total committed and potential project loans	47,576,329.92
Lowest cash flow balance in three (3) years	\$71,601,008

Drinking Water Cash Flow Projections¹

	Year 1	Year 2	Year 3
Cash balance forward	\$79,947,863	\$85,838,305	\$85,335,060
Receipts from grants awarded (base)	4,309,730	8,798,880	8,798,880
Receipts from Infrastructure Grant awarded (BIL funding)	16,234,140	16,650,400	17,955,000
Transfer to the CWSRF program ²	0	(30,000,000)	0
Receipts from bonds issued	6,000,000	5,000,000	5,000,000
Receipts from treasurer's interest ³	\$802,028	865,566	994,652
Receipts from loan principal	13,595,253	13,745,873	14,262,005
Receipts from loan interest	3,712,597	3,514,473	3,169,637
Payments for debt service on bonds	(3,209,150)	(3,045,025)	(2,960,238)
Payments for loan recipients ⁴	(35,380,431)	(17,241,750)	(8,997,948)
Change in debt service reserves	(173,725)	1,208,338	(1,562,913)
Cash balance forward	\$85,838,305	\$85,335,060	\$121,994,135

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

² Transfer to CWSRF is dependent upon budget approval and EPA consent. This is still subject to change.

³ Estimated at 1.0% A.P.R. on undisbursed cash in the fund. Subject to change.

⁴ Includes loans not yet approved by the Board for Financing Water Projects

Drinking Water Grant Conditions for Principal Forgiveness

Current funds to obligate for principal forgiveness loans⁵	\$6,011,553
Less projects for board consideration	\$188,000
Less projects in discussion for funding	\$5,823,553
Available funds to obligate for principal forgiveness loans after board meeting	\$0
Available from the 2022 BIL Supplemental Grant (Application in October with funding in Spring 2023)	\$10,198,370

Program Updates

Pending Grant Application (Base program only)

Federal Capitalization Grant Awards available to Nevada			
	Available	Current Plan	Future Plan
2020 Base Appropriation Re-allotment	\$160,000	\$160,000	\$0
2022 Base Appropriation	\$8,123,000	\$8,123,000	\$0
2022 BIL Supplemental	\$20,813,000	\$0	\$20,813,000
2022 BIL Emerging Contaminants	\$8,740,000	\$0	\$8,740,000
2022 BIL Lead Service Lines	\$32,777,000	\$0	\$32,777,000

Federal Capitalization Grant Awards			
	2022	2020*	Total
Total Amount Provided as Subsidy	\$3,980,270	\$0	\$3,980,270
Mandate to Disadvantaged Communities	\$2,843,050	\$0	\$2,843,050
Mandate to qualified entities	1,137,220.00	\$0	\$1,137,220
Total Amount for Set-asides	\$3,813,270	\$160,000	\$3,973,270
2% Small systems technical assistance	\$228,780	\$136,000	\$364,780
4% Administration	\$818,520	\$0	\$818,520
10% State program management	\$1,547,520	\$0	\$1,547,520
15% Local assistance	\$1,218,450	\$24,000	\$1,242,450
Amount provided as Loans	\$329,460	\$0	\$329,460
Total Award	\$8,123,000	\$160,000	\$8,283,000
Federal Match requirement	\$1,624,600	\$32,000	\$1,656,600

*Re-allocation of other state capitalization grants

⁵ Includes the 2022 Base Grant but does not include the 2022 BIL supplemental grant.

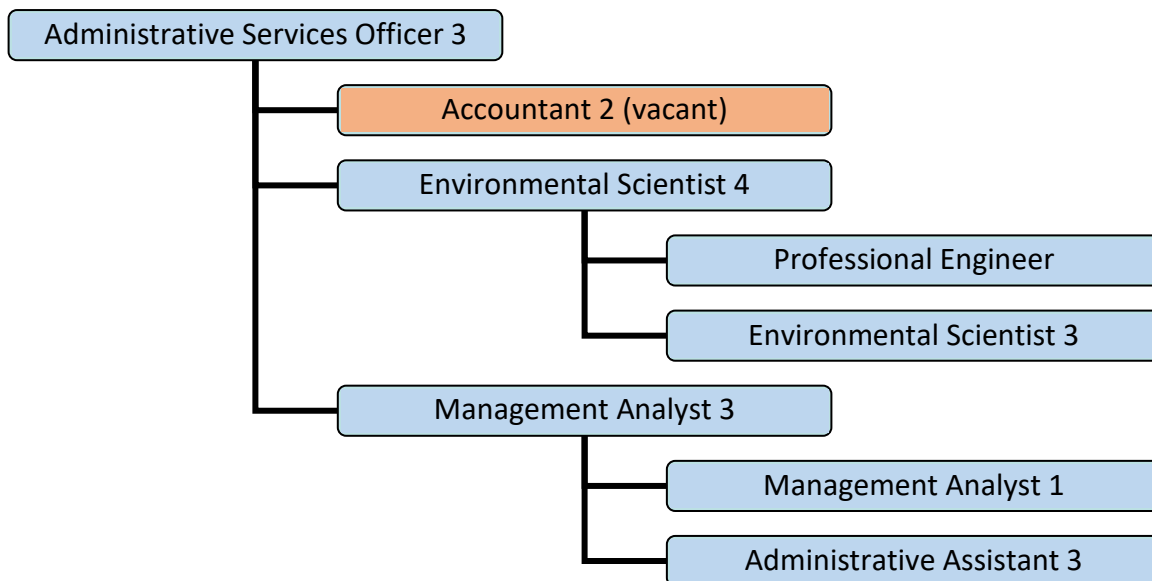


Drinking Water State Revolving Fund Priority List

Trout Canyon Land & Water Users Association – DW moved from 168 and 169 to 52 and 53 due to a change in community classification⁶

NDEP-OFA Staffing

NDEP-OFA has successfully filled all three new positions authorized by the Interim Finance Committee in April 2022. The office currently has only one vacancy.



NDEP to recommend Drinking Water Regulation updates (R109-22P)

Public workshop held September 27, 2022

- Update definitions to conform with other parts of NAC and other housekeeping changes
- Updates to federal program changes
 - 30-year terms (40 for disadvantaged systems) and shorter Categorical Exclusion public review times (30 days to 15 days)
- Definition of a disadvantaged community
 - Expanding to include poverty rates, unemployment and workforce statistics, government support, and loan affordability.
 - Final scale would be developed by NDEP, reviewed in a public workshop, and approved by the Board for Financing Water Projects

⁶ NAC 445A.67567(4) The Division may at any time after receiving approval from the Board for Financing Water Projects revise the ranking of a water project on a priority list if the Division receives information concerning a water project that was not available at the time the list was developed.

- Address emergency situations for drinking water systems
- Administrative fee for loans
 - Small business impact is minimal due to the number of private borrowers the program anticipates awarding contracts to.

**Board for Financing Water Projects
Capital Improvements Grant Program
October 2022**

Capital Improvements Grant Program Funding Update as of June 14, 2022

Current Cash:	\$ 9,777,124.60
Reserved for Administration	\$ 29,582.25
Committed funds not yet disbursed	\$ 9,702,103.95
Projects for Consideration:	\$ 0.
Un-committed funds:	\$ 0¹

Committed funds not yet disbursed:			
GP2101	Lovelock Meadows Water District	Storage Tank 2 rehabilitation	\$ 0.00
GP2102	Churchill County	New well for redundant source requirements	\$ 71,797.95
GP2103	Las Vegas Valley Water District (Big Bend)	Treatment plant improvements; storage rehabilitation; distribution; electrical controls	\$ 1,733,980.00
GP2104	Alamo Sewer and Water GID	Arsenic Treatment	\$ 689,526.00
GP2105	Las Vegas Valley Water District (Blue Diamond)	Pipe replacement, storage, and backup well.	\$ 4,200,280.00
GP2201	Las Vegas Valley Water District (Big Bend)	Phase II Construction	\$ 568,000.00
GP2202	Golconda	Spring Rehabilitation	\$ 793,000.00
GP2203	Topaz Ranch Estates	New Redundant Source	\$ 1,645,520.00
Total			\$ 9,702,103.95

Projects for consideration	
Total	\$0

¹ Includes estimated bond interest earnings for the next 12 months

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 June 14, 2022	(\$31,768,753)
Available to request issuance	\$93,731,247

AB 492	2021 Legislative Session, Section 13	\$8,000,000
	Less 2021B Series issued December 7, 2021	\$8,000,000
	Remaining Authority from 2021 session	\$0

**7. RECOMMENDED MOTION FOR THE CONSENT AGENDA
ITEM FOR NEW FUNDING FOR PRELIMINARY
ENGINEERING REPORTS AND ENVIRONMENTAL
REVIEWS**

I move to adopt consent items 7a and 7b to fund, in the amounts specified, a preliminary engineering report and environmental review. The loans shall contain the conditions as outlined in the resolutions and staff reports. Since the projects are eligible for additional subsidy, as specified in Nevada's Intended Use Plan, 100 percent of the principal will be forgiven.

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

Board for Financing Water Projects

October 2022

Hawthorne Utilities

Amount and Term	Recommendation
<u>\$ 85,000</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 Hawthorne Utilities for a Preliminary Engineering Report (PER) and Environmental Report (ER) for the I-Street Well and associated transmission and distribution system evaluation from the Safe Drinking Water Revolving Fund (DWSRF).

Management and Structure

County	Mineral
Location	Hawthorne Utilities is located along U.S. Highway 95, 72 miles south of Fallon next to Walker Lake.
Loan Recipient and Structure	Hawthorne Utilities is part of the county government.
Project system	The project is for Hawthorne Utilities public water system (PWS NV0000073)
Population	3,300
Service Connections	1,665: 1,569 Residential

System Project for Funding

Priority List	Project #30
Need	Portions of the distribution system are reported to require replacement to improve water pressure, minimize water losses, and prevent potential contamination from breaks or leaks. Primary replacement areas identified include portions of the distribution system not included in the 2012 rehabilitation project (Streets K-O) and approximately 2,000 linear feet of water mains and services located in the Lake View community. The I-Street well is to be evaluated for replacement as the well

casing has deteriorated and must be replaced before the casing causes the well to fail.

Chosen Project An alternatives analysis will be completed with the PER and chosen project identified with this effort.

Project Alternatives The PER will study the I-Street well, transmission system, distribution system, and develop alternatives.

Maps Please see maps and exhibits at the end of the technical portion of the report.

Timeline

Draft PER/ER to Hawthorne Utilities for Review:	May 1, 2023
Revised Draft PER/ER to OFA for Review:	June 30, 2023
OFA Review Comments Received:	July 31, 2023
Final Report:	August 14, 2023

Sources of Project Funding

	DWSRF	Other Funding	Local	Total
Planning	\$85,000.00	\$0.00	\$15,000.00	\$100,000
Design, inspection, and Construction Management	\$0.00	\$0.00	\$0.00	\$0
Land Acquisition	\$0.00	\$0.00	\$0.00	\$0
Equipment & Materials	\$0.00	\$0.00	\$0.00	\$0
Construction / Improvements	\$0.00	\$0.00	\$0.00	\$0
Administration	\$0.00	\$0.00	\$0.00	\$0
Financing	\$0.00	\$0.00	\$0.00	\$0
Construction Contingency	\$0.00	\$0.00	\$0.00	\$0
Totals	\$85,000	\$0	\$15,000	\$100,000

System Previous Commitments and Studies

Hawthorne Water Tank Project

This project (currently under construction) was initiated in 2021 and included the construction of 2 - 1.5-million-gallon tanks and the abandonment of the existing storage facilities (a large and small reservoir and the Babbitt tank)

Hawthorne Regional Water plan

This 2017 study addressed methods for making the most efficient use of the available water resources of the region, including the water systems: Hawthorne Utilities, Army Depot GID, and the Walker Lake GID.

New Hawthorne Well drilling and development

A new well was drilled and developed in this system as a part of the 2009 ARRA program.

Environmental Review

To be developed with PER.

Community Engagement

The Mineral County Board of Commissioners adopted a resolution on September 7, 2022 to 1) identify this PER/ER as a current need of the system, to pursue funding from the State Revolving Fund to fund PER/ER and to identify individuals authorized to sign loan contracts on behalf of the County. The Mineral County Board of Commissioners is a three-board member commission that meets the 1st and 3rd Wednesday of every month; these meetings are subject to open meeting laws.

Hawthorne Utilities Information

System Location Mineral County

System Infrastructure According to most recent PER, Hawthorne Utility PWS has a total of 7 wells and 4 storage structures, and approximately 192,100 feet of water distribution lines. Three of the wells are equipped with Chlorinators. Storage facilities include a 2.75 million-gallon (MG) capacity underground concrete reservoir, a 1.0 MG capacity steel tank (Babbitt Tank), and two smaller (250-thousand-gallon capacity) tanks – one underground concrete reservoir and one steel tank (Whiskey Flat Tank) Hawthorne Utility PWS distribution system consists of pipes made of asbestos cement, steel,

galvanized iron, ductile iron, cast iron, and polyvinyl chloride, ranging from 2 to 14 inches in diameter. Much of the infrastructure is 50 years or older.

Compliance Emergency repairs were required in April of 2021. For the emergency repairs to move forward, a maintenance plan was required to address the I-Street well casing deterioration prior to 2026. NAC 445A.6672 requires the rehabilitation, replacement, or development of production facilities to replace contaminated sources (I-Street well), and the replacement of distribution pipes to prevent contamination caused by leaks.

User Water Rates	Residential base rate per user per month: \$30.93 0 – 5,000 gallons Commodity Rate Tier 1: 5,000—10,000 gallons: \$1.32 per 1,000 gallons Commodity Rate Tier 2: 10,000—20,000 gallons: \$1.53 per 1,000 gallons Average Water Rate/Use for system: \$42.12 13,000 gallons The water rates established are sufficient to cover operating, maintenance, debt service and reserves of the current system.
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Water Conservation Plan Hawthorne Utilities Water Conservation Plan was last updated in 2019.
Water conservation will be accomplished by installing meters to help identify leaks in the system and by the replacement of aged pipes which will reduce the number of leaks in the system.

Technical Capacity The water system conducted a technical, managerial, and financial capacity survey on July 14, 2020. The evaluation did not note any areas of potential improvement. The PWS has a certified operator to fulfill the daily operation and maintenance requirements.

Managerial Capacity The water system is owned and governed by a three-member Board of County Commissioners and employs a full-time Director, an operations manager, and staff to oversee operations and fiscal matters of the system. The PWS can conduct its affairs in a manner enabling the system to achieve and maintain compliance with federal and state requirements and regulations.

Financial Capacity Based upon the financial information provided, Hawthorne Utilities can meet its short- and long-term financial needs.

Financial Information as of June 30, 2021*:

Unrestricted Cash	\$850,935
Days cash on hand:	729
Outstanding debt:	\$3,108,547
Operating Income before depreciation:	\$489,154
Current ratio	5.01
Debt Coverage	3.48

*Financial information is independently audited by Arrighi, Blake & Associates, LLC.

**Fiscal
Sustainability
Plan**

Hawthorne Utilities recently completed a fiscal sustainability plan.

**Capital
Replacement
Reserve Account**

Hawthorne Utilities is currently maintaining a capital replacement reserve account. The current balance is \$148,665. This loan will contain a condition that the system maintain a capital replacement reserve account for the life of the loan.

**DWSRF Principal
Forgiveness
Eligibility Criteria**

Project is for a PER and ER.

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:

- 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 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

RECOMMENDED MOTION FOR THE DWSRF LOAN

I move to approve the resolution titled “D7A-1022 Hawthorne Utilities Project Loan Commitment,” which is intended to finance certain projects in an amount not to exceed \$85,000. Since the project is eligible for additional subsidy as specified in Nevada’s Intended Use Plan, 100 percent of the principal will be forgiven.

RESOLUTION D7A-1022

Hawthorne Utilities Project Loan Commitment

- WHEREAS:** The Board for Financing Water Projects (Board) of the State of Nevada is authorized by Nevada Revised Statutes (NRS) chapter 445A.265 to approve the Nevada Division of Environmental Protection (NDEP) prioritized lists of water projects and to commit loans from the revolving fund account to help community water systems and non-transient water systems pay for capital improvements and debt refinancing, both of which are required and made necessary under NRS 445A.800 to 445A.955, inclusive, by the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*), and by corresponding regulations; and
- WHEREAS:** NDEP has the responsibility of administering the Drinking Water State Revolving Fund program; and
- WHEREAS:** On June 29, 2022, the Board, under NRS 445A.265(3), approved the Priority List Effective June 2022, which ranks water projects that are eligible for loans from the Drinking Water State Revolving Fund account; and
- WHEREAS:** Hawthorne Utilities (Recipient) owns and operates a public community water system in Nevada; and
- WHEREAS:** The Recipient submitted a pre-application to NDEP for funding a project to complete a Preliminary Engineering Report and Environmental Review; and
- WHEREAS:** The Project is included as project #30 on the Priority List Effective June 2022 of water projects; and
- WHEREAS:** The Recipient's Project is ready to proceed; and
- WHEREAS:** In connection with seeking a loan, the Recipient has submitted a written application to NDEP consistent with NAC 445A.67613; and
- WHEREAS:** NDEP has reviewed the application — including supporting materials — and has determined that the Recipient has the technical, managerial, and financial capability to manage a loan for the Project; and
- WHEREAS:** NDEP has taken all necessary and proper actions as required by regulations on loan applications adopted by the State Environmental Commission (NAC 445A.6751 to 445A.67644, inclusive); and
- WHEREAS:** The Board must give prior approval before NDEP may expend any money from the revolving fund account for the purposes set forth in NRS 445A.275;

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

Section 1: This resolution shall be known as the “D7A-1022 Hawthorne Utilities Project Loan Commitment”

Section 2: The terms and conditions of the loan for the Project shall be negotiated between the Recipient and NDEP. These terms will include 100% principal forgiveness.

Section 3: Based on NDEP’s review of the application and recommendation to the Board concerning the Project, and subject to the provisions of Section 2 and 4 of this resolution, the Board approves a commitment of funds in the amount not to exceed \$85,000 from the revolving fund account consistent with NRS 445A.265(3).

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

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

PASSED, ADOPTED, AND SIGNED October 5, 2022

Signed:_____

Chair
Board for Financing Water Projects

Attest:_____

Advisor
Board for Financing Water Projects

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

Board for Financing Water Projects

October 2022

Hawthorne Utilities (Mina Luning Water System)

Amount and Term	Recommendation
<u>\$ 85,000</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 Hawthorne Utilities for the creation of a Mina Luning Water Preliminary Engineering Report (PER) and Environmental Report (ER).

Management and Structure

County	Mineral County
System Location	Mina is located along US Highway 95 in west-central Nevada, 34 miles south of Hawthorne. Luning is located 8.8 miles north of Mina along US Highway 95.
Loan Recipient and Structure	Hawthorne Utilities is the recipient which oversees the Mina Luning Water system, a community drinking water system (NV0000074)
System Population	200
System Service Connections	125

System Project for Funding

Priority List	Project #20
Need	The PER is required to consider alternatives and identify a preferred project to elevate source water reliability and rehabilitate needs to address aging infrastructure that may have exceeded its useful life. Tank cleaning and inspection reports, completed in January 2012 report that the interior coating for the three Mina Tanks and the Luning Tank has failed completely and required replacement at that time. Corrosion on the tank floor was also noted in these reports. Based on these reports,

it is recommended that the oldest Mina Tank be replaced and the remaining three tanks in the system are rehabilitated as part of this project. Currently there aren't any viable water sources for production in Luning as the existing Luning well (inactive) has high concentrations of arsenic. Luning relies on water transmission from Mina.

Chosen Project An alternatives analysis will be completed with the PER and chosen project identified with this effort.

Project Alternatives The PER will evaluate the storage tanks to determine if rehabilitation or replacement is necessary, consider existing wells and evaluate rehabilitation versus new well development, and explore treatment improvements to address arsenic concentrations.

Maps Please see maps and exhibits at the end of the technical portion of the report.

Timeline PER/ER Initiation October 2022
PER/ER final report: September 2023

Sources of Project Funding		DWSRF	Capital Improvement Grant	Local	Total
	Planning	\$85,000.00	\$0.00	\$15,000.00	\$100,000
	Design, inspection, and Construction Management	\$0.00	\$0.00	\$0.00	\$0
	Land Acquisition	\$0.00	\$0.00	\$0.00	\$0
	Equipment & Materials	\$0.00	\$0.00	\$0.00	\$0
	Construction / Improvements	\$0.00	\$0.00	\$0.00	\$0
	Administration	\$0.00	\$0.00	\$0.00	\$0
	Financing	\$0.00	\$0.00	\$0.00	\$0
	Construction Contingency	\$0.00	\$0.00	\$0.00	\$0
	Totals	\$85,000	\$0	\$15,000	\$100,000

Environmental Review

Environmental review will be completed with the PER.

Community Engagement

Further community engagement will be initiated when more information (from PER) is available.

System Information

System Infrastructure The Mina/Luning water system consists of two wells in Mina and one in Luning for water supply. However, the Luning well is currently inactive due to high arsenic concentrations. Water storage is accomplished by two tanks in Mina and one in Luning. There is a transmission line from Mina to Luning which is currently supplying the drinking water for the Luning community.

Compliance Below are system compliance items that could pose acute or chronic health issues:

- Luning well exceeds arsenic MCL and has been inactivated as a result.

Below are compliance issues that do not currently pose a public health hazard.

- Source redundancy in case of well/source failure
- Back-up generators to continue delivering drinking water during power outages
- Installation or replacement of aging transmission/distribution pipes to prevent contamination or water loss through leaks.
- Installation of upgraded meters to more quickly identify leaks and satisfy water conservation plans.
- Installation of computer control for the water systems to increase efficiency, decrease staff labor, and enable faster response to water system issues.
- Installation or upgrading of security related equipment, facilities, or devices to protect the public water system and the residents it serves.

User Water Rates (Both Mina and Luning)	<ul style="list-style-type: none">• Residential base rate per user per month: \$37.67 (0-3,000 gallons of water)• Commodity Rate: \$1.82/1,000 gallons over the base gallons up to 10,000 gallons. Rate changes to \$2.15/1,000 gallons up to 20,000 gallons used.• Average Water Rate/Use for system: \$41.31 (5,000 gallons) <p>The water rates established sufficiently cover operation, maintenance, debt service and reserves of the system.</p>
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Mina Luning Information

Water Conservation Plan The Water Conservation Plan for the Mina/Luning Water System was created in 2016 and updated in 2019. This update plan provides guidance and structure for conservation on many fronts including education, regulation, and financial.

The educational aspect of this plan includes making purchased educational materials available to the public. These materials, including conservation pamphlets from the American Water Works Association (AWWA), present many conservation strategies in the home as well as encouraging the development of low water landscaping or xeriscaping.

Water meters, updated to smart meters as older meters “age-out”, provide data for water auditing and allow for an “inclining block” rate structure which encourages conservation and identifies leaks in the water distribution system. The inclined block rate structure encourages conservation by increasing the rate via a tiered structure approach.

A drought ordinance has been adopted by Mineral County Board of Commissioners which provides guidelines of actions to be taken if a drought condition is declared. These regulations will allow Mineral County to take action toward conservation in the event of a declared drought.

Technical Capacity Technical Capacity to be addressed further during PER and interactions with the owners and operators during the development of the PER. The system currently has a certified operator (Grade D-3, and T-2) per safe drinking water regulations.

Managerial Capacity The water system is owned and governed by a three-member Board of County Commissioners, an operations manager, and staff to oversee operations and fiscal matters of the system. The PWS can conduct its affairs in a manner enabling the system to achieve and maintain compliance with federal and state requirements and regulations.

Financial Capacity Financial Information as of June 30, 2021*

	<u>Mina</u>	<u>Luning</u>
Unrestricted Cash	\$49,479	\$60,714
Days cash on hand:	221	985
Outstanding debt:	\$0	\$0
Operating Income before depreciation:	\$35,218	\$16,512
Current ratio	6.65	5.08
Debt Coverage	N/A	N/A

*Financial information is audited through the County Financial Statement.

Mina and Luning have demonstrated financial capacity for NDEP to recommend funding support.

Fiscal Sustainability Plan A fiscal sustainability plan will not be required in the loan agreement since this is for a PER and ER only.

Capital Replacement Reserve Account This proposed funding agreement will not contain a requirement to maintain this reserve account since it is for a PER and ER only.

DWSRF Principal Forgiveness Eligibility Criteria The 2022 Intended Use Plan outlines criteria for systems to be eligible for principal forgiveness funding. Preparation of a PER with an ER is a qualified project for up to \$100,000 of principal forgiveness funding with a required 15% match from other sources.

Maps and Exhibits



Proximity of Luning to Mina, approximately 8.8 miles distance between the two towns.



Mina Tanks



Luning Tanks

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:

- 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 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

RECOMMENDED MOTION FOR THE DWSRF LOAN

I move to approve the resolution titled “D7B-1022 Hawthorne Utilities (Mina Luning Water System) Project Loan Commitment,” which is intended to finance certain projects in an amount not to exceed \$85,000. Since the project is eligible for additional subsidy as specified in Nevada’s Intended Use Plan, 100 percent of the principal will be forgiven.

RESOLUTION D7B-1022

Hawthorne Utilities (Mina Luning Water System) Project Loan Commitment

- WHEREAS:** The Board for Financing Water Projects (Board) of the State of Nevada is authorized by Nevada Revised Statutes (NRS) chapter 445A.265 to approve the Nevada Division of Environmental Protection (NDEP) prioritized lists of water projects and to commit loans from the revolving fund account to help community water systems and non-transient water systems pay for capital improvements and debt refinancing, both of which are required and made necessary under NRS 445A.800 to 445A.955, inclusive, by the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*), and by corresponding regulations; and
- WHEREAS:** NDEP has the responsibility of administering the Drinking Water State Revolving Fund program; and
- WHEREAS:** On June 29, 2022, the Board, under NRS 445A.265(3), approved the Priority List Effective June 2022, which ranks water projects that are eligible for loans from the Drinking Water State Revolving Fund account; and
- WHEREAS:** Hawthorne Utilities (Mina Luning Water System) (Recipient) owns and operates a public community water system in Nevada; and
- WHEREAS:** The Recipient submitted a pre-application to NDEP for funding a project to complete a Preliminary Engineering Report & Environmental Review; and
- WHEREAS:** The Project is included as project #20 on the Priority List Effective June 2022 of water projects; and
- WHEREAS:** The Recipient's Project is ready to proceed; and
- WHEREAS:** In connection with seeking a loan, the Recipient has submitted a written application to NDEP consistent with NAC 445A.67613; and
- WHEREAS:** NDEP has reviewed the application — including supporting materials — and has determined that the Recipient has the technical, managerial, and financial capability to manage a loan for the Project; and
- WHEREAS:** NDEP has taken all necessary and proper actions as required by regulations on loan applications adopted by the State Environmental Commission (NAC 445A.6751 to 445A.67644, inclusive); and
- WHEREAS:** The Board must give prior approval before NDEP may expend any money from the revolving fund account for the purposes set forth in NRS 445A.275;

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

Section 1: This resolution shall be known as the “D7B-1022 Hawthorne Utilities (Mina Luning Water System) Project Loan Commitment”

Section 2: The terms and conditions of the loan for the Project shall be negotiated between the Recipient and NDEP. These terms will include 100% principal forgiveness.

Section 3: Based on NDEP’s review of the application and recommendation to the Board concerning the Project, and subject to the provisions of Section 2 and 4 of this resolution, the Board approves a commitment of funds in the amount not to exceed \$85,000 from the revolving fund account consistent with NRS 445A.265(3).

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

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

PASSED, ADOPTED, AND SIGNED October 5, 2022

Signed:_____

Chair
Board for Financing Water Projects

Attest:_____

Advisor
Board for Financing Water Projects

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

Board for Financing Water Projects

October 2022

Logan Creek Estates General Improvement District

Amount and Term	Recommendation
<u>\$ 1,182,000</u> Traditional Loan from DWSRF <u>\$18,000</u> Principal Forgiveness Loan from DWSRF	The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approve two loan commitments to Logan Creek Estates General Improvement District (LCE) for the addition of a water tank and an additional well.

Management and Structure

County Douglas County

System Location LCE is located along US Highway 50 along the shores of Lake Tahoe, 8.8 miles north of Stateline, Nevada near Glenbrook.

Loan Recipient and Structure LCE is a nonprofit public water system (NV0002050).

Population 60

Service Connections 21

System Project for Funding

Priority List Projects #85 and #147

Need The LCE water system has many aging and out of compliance components that require replacement, redundancy, and improvement. The LCE system does not have adequate storage to provide water services to LCE residents and also lacks

redundant water storage and adequate fire flow volume. The existing 132,000 water tank, constructed in 1969, has experienced issues this past year with minor water leakage requiring repair and is nearing the age where frequent maintenance inspection and repairs will be required. The tank is currently in need of general repairs and recoating as well as improvements to meet current statutes. The addition of a new water storage tank will provide the required water supply to residents, the redundant source, and the ability to utilize one tank to store and deliver water while the other is repaired or lined. Failure of the existing tank would leave the LCE residents without drinking water supply.

The LCE water system utilizes a single well for water source and does not have a backup well for redundant source. The current single well has experienced issues the last few years with water drawdown and the inability of the well to refresh in a timely manner, thereby causing air to enter the distribution system and disrupt the flow of water to residents. The well also requires upgrades and reconfiguration to become compliant with the current standards as the well head is below grade.

Chosen Project A new 132,000-gallon water tank is proposed to increase volume to meet the system's needs and to build storage redundancy into the system. This redundancy will provide the opportunity to take the existing water tank off-line for inspection, relining, and to complete other work items needed to bring it up to current standards. The new tank will also enable mixing to decrease the age of the water in the tank. A new well is to be constructed and developed to provide redundancy and mitigate the draw-down issues that currently exist with the current well. Water meters are proposed to be installed with a separate project that will rehabilitate or replace the distribution system.

Project Alternatives Alternatives were considered for each component of the project separately. In addition to the alternatives to address the water supply and storage needs of the community, the LCE is also in talks with the Glenbrook GID about a potential consolidation of water systems. The water source and storage projects will be needed regardless of the outcome regarding consolidation.

To address the water storage needs of the project three alternatives were considered.

- 1.) The "no action" alternative was the least costly in the short term but has the potential to be the most expensive if an emergency project was to be undertaken in the event of failure of this existing storage tank. Additionally, the residents could be without water during the repair or replacement of the failed tank.
- 2.) The second alternative considered is the construction of a new 132,000-gallon storage tank and the repair and relining of the existing tank. This alternative provides required volume and builds storage redundancy into the water system. Redundancy allows the tanks to be taken off-line periodically for re-lining and repairs as well as mixing between tanks to decrease water age.
- 3.) The third alternative would utilize a temporary water tank while the existing tank was demolished and removed. A 260,000-gallon tank would be constructed at the same location as the existing tank. This alternative would reduce the footprint of the water storage facilities while meeting volume demands. As the existing tank would be demolished, there would not be any

costs associated with repair or relining of the existing tank. This alternative is the most expensive and does not meet “redundancy” requirements.

The project need created by the production and reliability concerns with the existing well was evaluated considering four alternatives.

- 1.) The “no action” alternative was the least costly in the short term but has the potential to be the most expensive if an emergency project was to be undertaken in the event of failure of this well. Additionally, the residents could be without water during the repair or replacement of the failed well.
- 2.) The second alternative considered was to rehabilitate an existing well that had been previously abandoned. Both wells had been filled with concrete slurry and would require the removal of this slurry prior to evaluation of the existing screens, well cap, and the like. Development and production of these wells is uncertain and there are a variety of risks that make this alternative less desirable than others.
- 3.) The third alternative considered to address the water supply issue is to construct and develop a well at the existing well site. This alternative reduces the source risk as the production log data from the existing well provides insight into expected production of a new well at this site. A new well at the existing site also would allow a backup generator and a proposed well house with electrical and chemical feed equipment to service both wells.
- 4.) The fourth alternative considered was to construct and develop a well at a new location within the Logan Creek Estates property. Several locations were considered during this evaluation. While some locations appeared to be feasible, the infrastructure needed for the chemical treatment of water from the well, power redundancy, and transmission to the storage facilities made this alternative more costly.

Maps Maps are attached to this report.

Timeline

Begin Design: 1/01/2023
Construction Bid: 3/01/2023
Construction Start: 5/01/2023
Initiation of Operations: 11/01/2023

Sources of Project Funding		DWSRF	Other Funding	Local	Total
	Planning	\$0.00	\$0.00	\$40,000.00	\$40,000
	Design, inspection, and Construction Management	\$55,000.00	\$0.00	\$85,000.00	\$140,000
	Land Acquisition	\$0.00	\$0.00	\$0.00	\$0
	Equipment & Materials	\$0.00	\$0.00	\$0.00	\$0
	Construction / Improvements	\$1,145,000.00	\$0.00	\$55,000.00	\$1,200,000
	Administration	\$0.00	\$0.00	\$85,000.00	\$85,000
	Financing	\$0.00	\$0.00	\$0.00	\$0
	Construction Contingency	\$0.00	\$0.00	\$0.00	\$0
	Totals	\$1,200,000	\$0	\$265,000	\$1,465,000

System Previous Commitments and Studies

Logan Creek Estates GID Water System Assessment November 5, 2021

This assessment evaluated all components of the existing LCE water system. This evaluation identified system components or functions that were out of compliance, due for replacement because of age and condition of infrastructure, and the system's ability to provide for the Logan Creek Estates community. This report also considered alternatives and recommended system component replacements and improvements.

Environmental Review

The NDEP is required by the US Environmental Protection Agency (EPA) to independently assess the expected environmental impacts of proposed projects potentially eligible for loan funds under the Drinking Water State Revolving Fund.

A preliminary environmental review for this proposed project was conducted by the borrower and Lumos and Associates, who prepared a Preliminary Engineering Report (PER) for this project. The LCE planning area, located in the Lake Tahoe Basin in Douglas County, encompasses approximately 32 acres. This planning area consists solely of private residences. Below are the findings of this environmental review; however, additional consultation with appropriate crosscutting agencies will be complete prior to signing a final commitment of financial assistance.

This project is located in the Lake Tahoe basin and is on steep forested terrain. There is a riparian wetland in the planning area consisting of Logan House creek. However, these wetlands are not within the area of disturbance of the proposed improvements. A waste stream will be produced by excavated materials from the well drilling. These materials will be self-contained per TRPA and NDE requirements. Best management practices will be utilized during construction to minimize impacts to air quality, the creation of noise, water quality, and local flora and fauna.

Community Engagement

Numerous meetings were held with LCE residents throughout the development of the PER. These meetings helped LCE residents to gain a better understanding of the water system, identify resident preferences, and to discuss deficiencies and project alternatives. In addition to these meetings a workshop was held on September 15, 2021, to discuss the PER findings, deficiencies, alternative improvements and implementation strategies and to address funding opportunities.

System Information

System Infrastructure	<p>The LCE water system was constructed in 1969 and captured water from Logan Creek. There were smaller older water tanks in use before the system construction in 1969 which were abandoned with the construction of a 132,000-gallon water tank. Water tank levels and flow is currently monitored by a Supervisory Control and Data Acquisition system. Much of the original water distribution system was constructed with 6" Ductile Iron Pipe. The system was expanded with older age class PVC. Both of these pipes are at the end of their useful life.</p> <p>In the 1990's three wells were drilled and developed, allowing the system to move away from the existing surface water source. Of the three wells constructed, two were abandoned and filled and only one remains productive. The LCE water system does not currently utilize water meters.</p>
Compliance	<p>Sanitary Survey was completed on Logan Creek Estates (NV0002050) on 11/04/2020.</p> <p>Per NAC 534.360: Wellhead must be minimum of 18" above grade. Wellhead for Well #3 is below grade which can lead to contamination.</p> <p>NAC 445A.66925 requires "pump to waste" valve for flushing, which pump #3 does not have.</p> <p>NAC 445A.6705 requires facilities to maintain "minimum essential service" including connection to two independent power sources, this condition is not currently met.</p> <p>NAC 445A.6686 requires systems that rely solely on wells to have a redundant water supply, which LCEGID does not.</p>

User Water Rates	<ul style="list-style-type: none"> • Residential base rate per user per month: \$182.50 flat fee (system not yet equipped with water meters, flat fee intended to persist, even after water meters have been installed). • Commodity Rate: N/A • Average Water Rate/Use for system: Unknown until water meters are installed with later phase of this project. <p>The water rates established sufficiently cover operation, maintenance, debt service, and reserves of the system. An increase will be necessary, and is planned, to offset required system improvements. A condition of this loan will be added that the board has adopted user rates that will be sufficient to include the debt service of the loan before the loan will be executed. Staff will monitor future loan commitments addressing the distribution lines to include meters with that project.</p>
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Information

Water Conservation Plan LCE adopted a Water Conservation Plan on July 13, 2022. This plan, created by Lumos and Associates, developed water conservation goals, and strategies to meet these goals. Below is a short list of strategies:

Public education of LCE residents will occur by distributing conservation materials at board meetings and providing these materials to new residents. The installation of water meters will help the residents gain an understanding of their water usage and provide a baseline to begin from, as well as a metric to measure conservation success.

Along with the public education, residents are encouraged to conserve water through voluntary regulations aimed at reducing watering and waste in landscaping irrigation systems. A voluntary watering schedule for LCE has been developed and distributed to residents to conserve water and reduce demands on the water system.

Replacement of the ductile iron pipe distribution system is proposed with a later phase of this project, as well as the installation of the afore mentioned water meters. The pipe system and meters will help identify leaks, breaks, and other losses in the system.

A drought contingency plan has been developed with varying stages of implementation based on the severity of the drought.

Technical Capacity The system maintains a contracted certified operator (D3 license) to meet safe drinking water requirements. The project is addressing technical deficiencies within the system to improve capacity. LCE has demonstrated current and developing technical capacity for NDEP to recommend funding support.

Managerial Capacity LCE is managed by a public board made up of five members who meet quarterly, or as needed. The board is keenly aware of the system's deficiencies and the need to address sustainability and water conservation efforts. NDEP is currently offering no-cost technical assistance to the community to address needs to remain compliant with safe drinking water standards and State Revolving Fund (SRF) funding eligibilities.

Financial Capacity Financial Information as of June 30, 2022

Unrestricted Cash:	\$416,173
Days cash on hand:	2,076
Outstanding Debt:	\$0
Operating Income before Depreciation:	(\$17,045)
Current Ratio:	None-no liabilities
Debt Coverage:	None-no debt

*Financial information is not independently audited.

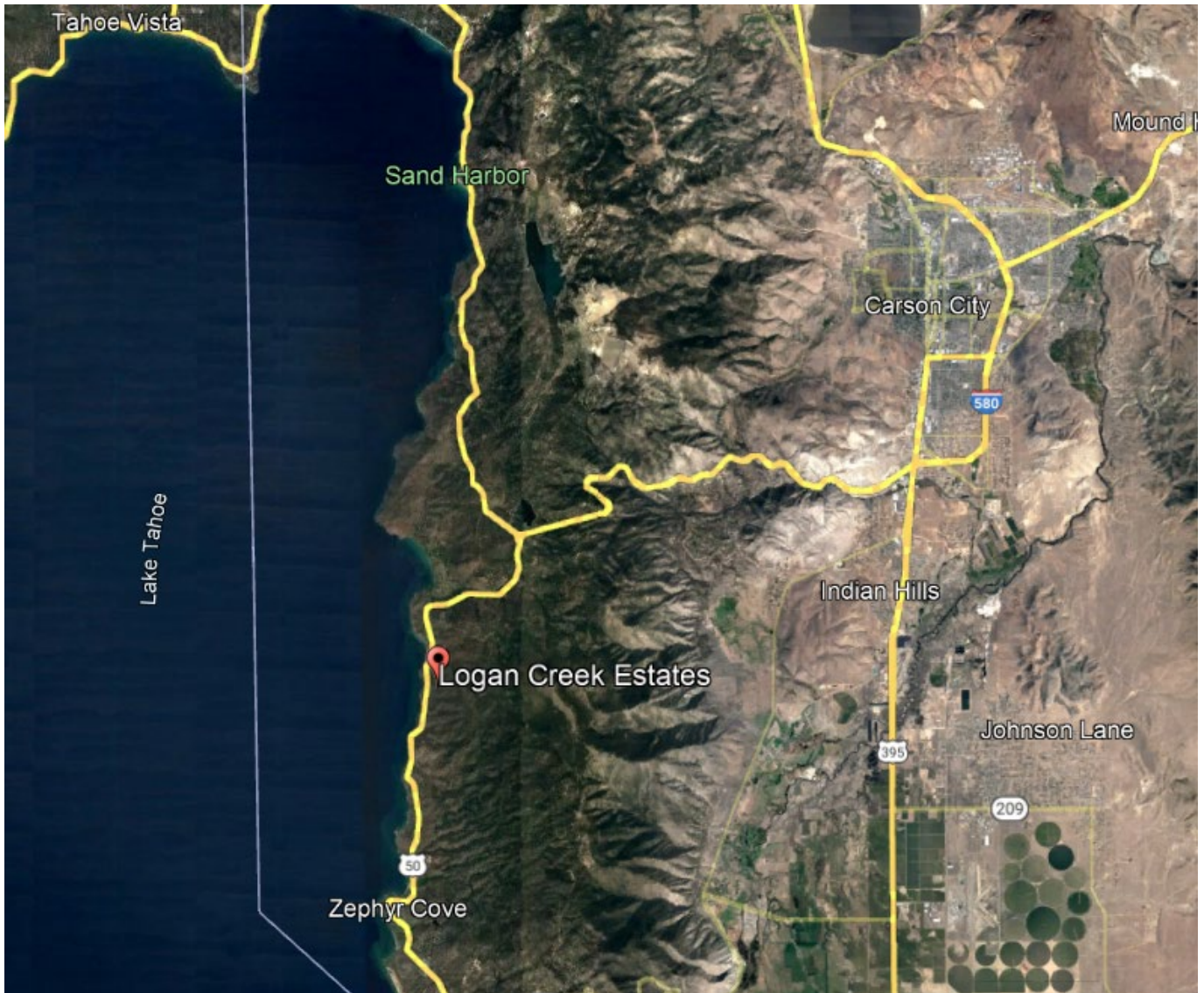
System has been using current income to cover the development of a PER, address water rights, and perform deferred maintenance in the last couple of years. The current rate structure will support the system but will need to be addressed to support the loan. A condition will be added to this approval that sufficient rates are adopted by the LCE governing board before a loan agreement is executed.

Asset Management Plan Entity is receiving a portion of this project as principal forgiveness funding. Therefore, a loan condition will be added that an asset management plan be developed and maintained.

Capital Replacement Reserve Account LCE will be receiving a portion of this project as principal forgiveness funding. Therefore, a loan condition will be added that a capital replacement reserve account be established.

DWSRF Principal Forgiveness Eligibility Criteria Nevada's 2022 Intended Use Plan is offering a portion of principal forgiveness funding to any sized system taking out a traditional loan up to 1.5% of the principal amount requested as principal forgiveness. The requirements to maintain an asset management plan, sufficient user rates, and a capital replacement reserve account were included with this funding.

Maps and Exhibits



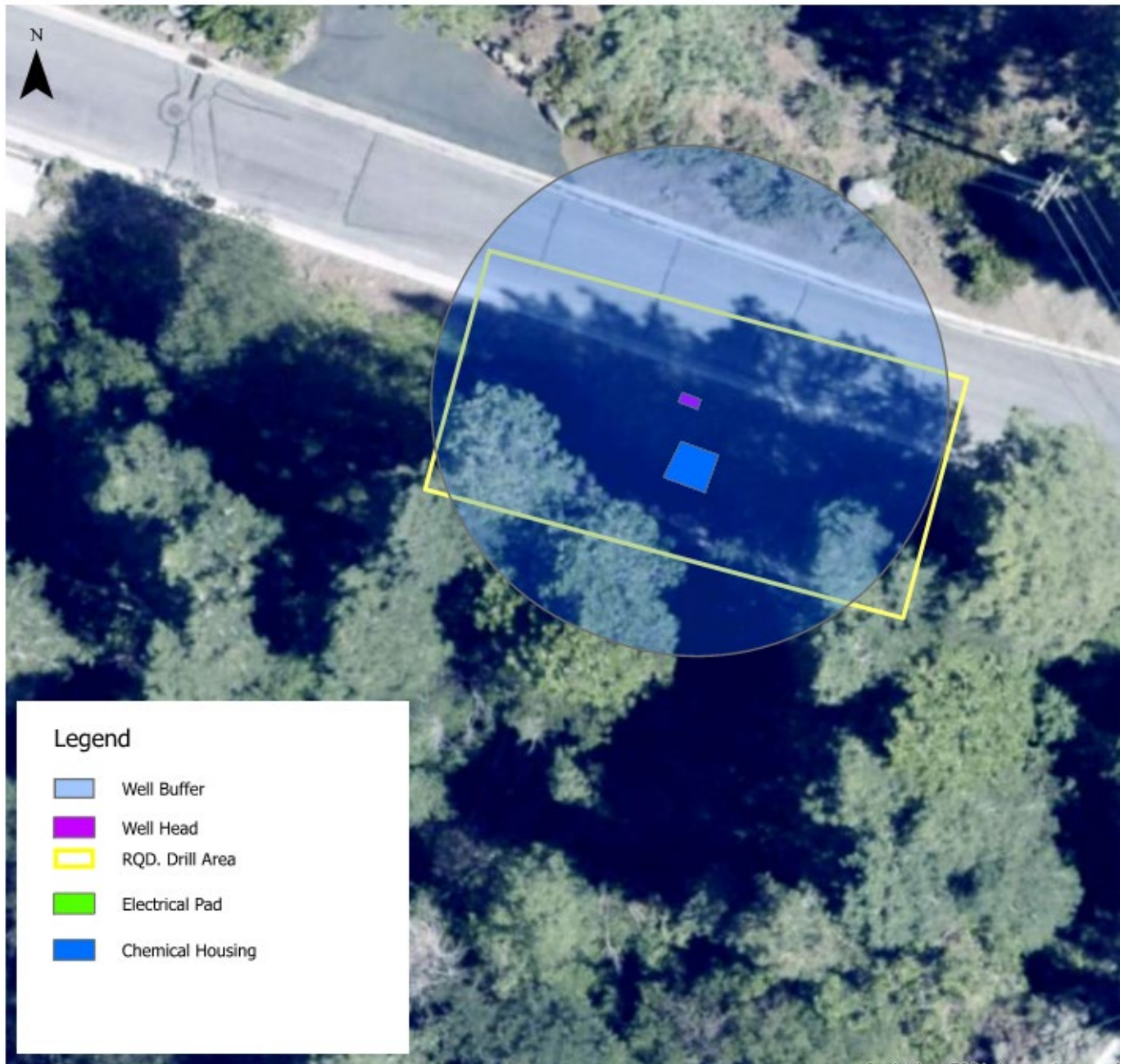
Logan Creeks Estates Community Location



Logan Creek Estates Boundaries



Existing Water Storage Tank (132,000 gallons, built 1969)



Selected project alternative, installation of new well near existing well.

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 traditional loan will contain the following conditions:

- The governing board will adopt a user rate system that will cover the debt service requirements of the existing and constructed system, along with the new debt service, prior to loan execution.

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 LOANS

I move to approve the resolutions titled “D08A-1022” and “D08B-1022” for the Logan Creek Estates GID with the terms and conditions of each loan to be added to the resolutions as outlined in the staff report. The total amount of both loans shall not exceed \$1,200,000, with \$18,000 being in the form of a principal forgiveness loan.

RESOLUTION D08A-1022

Logan Creek Estates GID Project Loan Commitment

- WHEREAS:** The Board for Financing Water Projects (Board) of the State of Nevada is authorized by Nevada Revised Statutes (NRS) chapter 445A.265 to approve the Nevada Division of Environmental Protection (NDEP) prioritized lists of water projects and to commit loans from the revolving fund account to help community water systems and non-transient water systems pay for capital improvements and debt refinancing, both of which are required and made necessary under NRS 445A.800 to 445A.955, inclusive, by the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*), and by corresponding regulations; and
- WHEREAS:** NDEP has the responsibility of administering the Drinking Water State Revolving Fund program; and
- WHEREAS:** On June 29, 2022, the Board, under NRS 445A.265(3), approved the Priority List Effective June 2022, which ranks water projects that are eligible for loans from the Drinking Water State Revolving Fund account; and
- WHEREAS:** Logan Creek Estates GID (Recipient) owns and operates a public community water system in Nevada; and
- WHEREAS:** The Recipient submitted a pre-application to NDEP for funding a project for the addition of a water tank and an additional well; and
- WHEREAS:** The Project is included as project #85 and #147 on the Priority List Effective June 2022 of water projects; and
- WHEREAS:** The Recipient's Project is ready to proceed; and
- WHEREAS:** In connection with seeking a loan, the Recipient has submitted a written application to NDEP consistent with NAC 445A.67613; and
- WHEREAS:** NDEP has reviewed the application — including supporting materials — and has determined that the Recipient has the technical, managerial, and financial capability to manage a loan for the Project; and
- WHEREAS:** NDEP has taken all necessary and proper actions as required by regulations on loan applications adopted by the State Environmental Commission (NAC 445A.6751 to 445A.67644, inclusive); and
- WHEREAS:** The Board must give prior approval before NDEP may expend any money from the revolving fund account for the purposes set forth in NRS 445A.275;

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

Section 1: This resolution shall be known as the “D08A-1022 Logan Creek Estates GID Project Loan Commitment”

Section 2: The terms and conditions of the loan for the Project shall be negotiated between the Recipient and NDEP except for the board condition that the Recipient governing board adopt a user rate system that will cover the debt service requirements of the existing and constructed system, along with the new debt service, prior to loan execution.

Section 3: Based on NDEP’s review of the application and recommendation to the Board concerning the Project, and subject to the provisions of Section 2 and 4 of this resolution, the Board approves a commitment of funds in the amount not to exceed \$1,182,000 from the revolving fund account consistent with NRS 445A.265(3).

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

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

PASSED, ADOPTED, AND SIGNED October 5, 2022

Signed: _____

Chair
Board for Financing Water Projects

Attest: _____

Advisor
Board for Financing Water Projects

RESOLUTION D08B-1022

Logan Creek Estates GID Project Loan Commitment

- WHEREAS:** The Board for Financing Water Projects (Board) of the State of Nevada is authorized by Nevada Revised Statutes (NRS) chapter 445A.265 to approve the Nevada Division of Environmental Protection (NDEP) prioritized lists of water projects and to commit loans from the revolving fund account to help community water systems and non-transient water systems pay for capital improvements and debt refinancing, both of which are required and made necessary under NRS 445A.800 to 445A.955, inclusive, by the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*), and by corresponding regulations; and
- WHEREAS:** NDEP has the responsibility of administering the Drinking Water State Revolving Fund program; and
- WHEREAS:** On June 29, 2022, the Board, under NRS 445A.265(3), approved the Priority List Effective June 2022, which ranks water projects that are eligible for loans from the Drinking Water State Revolving Fund account; and
- WHEREAS:** Logan Creek Estates GID (Recipient) owns and operates a public community water system in Nevada; and
- WHEREAS:** The Recipient submitted a pre-application to NDEP for funding a project for the addition of a water tank and an additional well; and
- WHEREAS:** The Project is included as project #85 and #147 on the Priority List Effective June 2022 of water projects; and
- WHEREAS:** The Recipient's Project is ready to proceed; and
- WHEREAS:** In connection with seeking a loan, the Recipient has submitted a written application to NDEP consistent with NAC 445A.67613; and
- WHEREAS:** NDEP has reviewed the application — including supporting materials — and has determined that the Recipient has the technical, managerial, and financial capability to manage a loan for the Project; and
- WHEREAS:** NDEP has taken all necessary and proper actions as required by regulations on loan applications adopted by the State Environmental Commission (NAC 445A.6751 to 445A.67644, inclusive); and
- WHEREAS:** The Board must give prior approval before NDEP may expend any money from the revolving fund account for the purposes set forth in NRS 445A.275;

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

Section 1: This resolution shall be known as the “D08B-1022 Logan Creek Estates GID Project Loan Commitment”

Section 2: The terms and conditions of the loan for the Project shall be negotiated between the Recipient and NDEP except for the board condition that the Recipient: 1) Review user rates at least every three (3) years for the life of the loan; 2) maintain an asset management plan and review the plan every five (5) years; and 3) Maintain a capital replacement reserve account that is funded at least annually and re-evaluated every five (5) years. These terms will include 100% principal forgiveness.

Section 3: Based on NDEP’s review of the application and recommendation to the Board concerning the Project, and subject to the provisions of Section 2 and 4 of this resolution, the Board approves a commitment of funds in the amount not to exceed \$18,000 from the revolving fund account consistent with NRS 445A.265(3).

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

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

PASSED, ADOPTED, AND SIGNED October 5, 2022

Signed: _____

Chair
Board for Financing Water Projects

Attest: _____

Advisor
Board for Financing Water Projects