

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

July 27, 2021

2:00 PM

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:

<https://call.lifesizecloud.com/4155018>

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Meeting extension: 4155018#

For information: Contact: Jason Cooper (775) 687-9531, Kyle Casci (775) 687-9420 or ndep-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 – April 28, 2021 Meeting (For Possible Action)

5 Election of Board Chair and Vice Chair (For Possible Action)

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

Presented by Jason B. Cooper

7 Funding update for the Capital Improvements Grant Program (Discussion)

Presented by Jason B. Cooper

8 Approval of the Nevada Drinking Water Priority List—Effective July 2021 (For Possible Action)

Presented by Sharada Maligireddy and Jason Cooper

9 Resolution For Administrative Funding (For Possible Action)

Presented by Jason B. Cooper

Projects for Consideration

10 Silver Knolls Mutual Water Company (For Possible Action)

Presented by Sharada Maligireddy and Elise Akers

Other items

11 Board Comments (Discussion)

12 Public Comments (Discussion)

13 Next Board Meeting (Discussion)

14 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 – Drinking Water SRF Program
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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, 2030 E. Flamingo Rd. Ste 230, Las Vegas
- State Legislative Building, 401 S. Carson Street, Carson City

Supporting materials for all agenda items can be viewed at:

Department of Conservation and Natural Resources, 901 South Stewart Street, Suite 4001, Carson City
Contact: Kyle Casci – kcasci@ndep.nv.gov or (775) 687-9420

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify, in writing, the Nevada Board for Financing Water Projects, in care of Jason Cooper, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249, or by calling (775) 687-9531 prior to the date of the meeting.

Meeting Minutes
BOARD FOR FINANCING WATER PROJECTS
April 28, 2021
9:00 am.

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

Members present:

Bruce Scott, Chair
Andrew Belanger, Vice Chair
Christine Vuletich
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
Jennifer Carr

Public present:

Kathy Flannagan, Las Vegas Valley Water
District
Matt Chorpening, Las Vegas Valley Water
District
Mao Fang, Las Vegas Valley Water District
Michael Dishari, Las Vegas Valley Water
District
Joe Phillips, Sunrise Engineering
Bill Sampson, Roark Estates
Terry Johnson, Roark Estates
Bill Reid, Roark Estates
Nicole Goehring, Division of Water Resources
Brian Gach, Forsgren Associates

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 January 20, 2021 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 April 5, 2021, there was \$68,309,072.00 in the bank, with \$36,903,062.00 committed funds not yet disbursed. Mr. Cooper indicated staff was presenting commitment to the board in the amount of \$91,700.00. Over the next three years, the lowest cash balance would be \$58,617,652.00.

Mr. Cooper displayed projections for the next three years. DWSRF currently has \$612,060 available in principal forgiveness funding, with \$91,700 presented to the board today, leaving \$520,360 remaining. Mr. Cooper anticipates that with the approval of the 2021 grant, an additional \$3,268,140 in principal forgiveness funds would be available.

Vice Chair Belanger commented the America Water Works Association has been working to double the funds to the State Revolving Fund as part of the current infrastructure bill.

Chair Scott stated the amount of money being loaned out and paid back each year is increasing the cash balance forward. These funds should be used to improve water quality and water systems within Nevada, especially smaller water systems.

6) Funding update for the Capital Improvements Grant Program

Mr. Cooper stated as of April 8, 2021, there was \$2,756,833.98 in the bank, with \$15,319.57 reserved for administration, and \$2,308,356.60 for projects not yet disbursed. He said staff will be presenting a project to the Board in the amount of \$452,230, which will commit all available program funds.

Chair Scott asked if bonding authority was granted under a legislative act or issued through a request to the Treasurer's Office. Mr. Cooper responded legislative action is needed to be able to issue the bonds for the biennium. The Treasurer's Office needs direction from the legislature and approval from the Board of Finance to be able to issue bonds.

Vice Chair Belanger asked how the Infrastructure Bank Bill would interact with the funds available in the Capital Improvements Grants Program. Mr. Cooper answered the federal funds under the stimulus package available to the Nevada Infrastructure Bank will be directed through the Department of Treasury. He clarified that there have been no projects lined up through the State Treasurer's Office yet, so it was still too early to tell how the process will work.

7) Adoption of consent items: increased funding to Board-approved loans

Roark Estates – [See staff report, Exhibit 7](#)

Chair Scott stated that the proposed project for increased funding was straightforward as explained in the staff report.

Vice Chair Belanger motioned to approve consent item. The motion was seconded by Board Member Workman. The motion carried unanimously.

Project list for consideration

8) Las Vegas Valley Water District-Blue Diamond

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

Ms. Sharada Maligireddy and Ms. Elise Akers recommended the Board approve a \$452,230 grant commitment to Las Vegas Valley Water District for their Blue Diamond water system rehabilitation project. The money would replace pipes, expand water storage, and construct and equip a backup well. The estimated project cost was \$10,058,000.00, \$452,230 of which would come from the Capital Improvements Grant. The remaining \$13,934 would be funded by a combination of \$7,543,500 from the Army Corps of Engineers and \$2,062,270 from the water system.

Mr. Cooper commented this project is shovel-ready and that staff plan to come back to the Board in the fall for additional funding – pending approval from the legislature and Treasurer's Office to fund the program.

Board Member Workman questioned if the additional funding could be rolled in now or if it had to be approved later. Mr. Cooper answered it was better to approve the additional funding after funds had been approved and made available to the grant program.

Board Member Christine Vuletich asked about the timeline for the project. Mao Fang, with Las Vegas Valley Water District, responded that replacing the pipeline would take place first, and that the design of that project was 90 percent complete. Mr. Fang said the entire project is intended to be completed in five years.

Chair Scott commended Las Vegas Valley Water District for assisting Blue Diamond with funding to be able to improve their water system. He asked for clarification on the Board's policy for future replacement of infrastructure by a borrower. Mr. Cooper answered that when a borrower comes forward requesting funding, they must follow all Board policies – which include funding a capital reserve account and preparing and providing a copy of their fiscal sustainability plan – before their project is presented to the Board. He added that for this contract, there was an additional contingent requirement of the grant application with the Army Corps of Engineers that must be finalized prior to the NDEP contract being finalized.

Matt Chorpening, with Las Vegas Valley Water District, stated the Blue Diamond residents have been made aware that rate changes are going to take place to fund this project. He added that part of the rate process going forward will be funding the reserve account requirement.

Board Member Carl Ruschmeyer motioned to approve Resolution G08-0421 Las Vegas Valley Water District, Blue Diamond Water System Upgrade Project Grant Commitment. The motion was seconded by Board Member Workman. The motion carried unanimously, with Vice Chair Belanger abstaining from the vote.

Capital Improvement Grant policies

9) Deputy Attorney General Board Policy Update

Deputy Attorney General Katie Armstrong presented information on how irrigation projects and septic-to-sewer conversion projects relate to the grant scale. Assembly Bill 237 (1999) added \$10 million for the sole purpose of funding conservation projects for irrigation districts. This would eliminate competition with smaller water companies for funding. Nevada Revised Statute 349.981 states grant recipient determination is at the Board's discretion and approval. Nevada Revised Statute 349.982 authorizes the Board to create regulations to administer the grant program. Regarding septic-to-sewer conversion projects, Senate Bill 200 (2003) authorizes grants to pay costs associated with connections to community sewage disposal systems. The Board is not tied to using the pro rata share of the scale for either irrigation projects or septic-to-sewer conversion projects by statute.

Board Member Ruschmeyer commented that there are several communities across the State that are candidates for septic-to-sewer conversion funding if they chose to proceed with the project.

Vice Chair Belanger said that septic-to-sewer conversion is a big focus in southern Nevada currently, but it is a statewide issue that needs to be addressed in the future. He asked if there are implications in the clean water program to septic systems and water quality that can authorize funding. Mr. Cooper responded that there has been discussion with EPA on how septic-to-sewer conversion projects can be funded in both the drinking water and clean water programs. However, there is limited principal forgiveness funds available, so an entity would need to take out a loan for the project.

Jennifer Carr, with NDEP, commented that Assembly Bill 146 (2021) adds legislative intent to protect Nevada's water quality of ground water and drinking water. The bill directs State regulations to be written for the source water protection program related to public water systems, which include septic systems.

Chair Scott requested that if an application comes forward related to water conservation or septic-to-sewer conversion, the staff report will include the legislative intent of initial concepts regarding funding of those projects.

Other items

10) DWSRF Water System Survey update

Mr. Cooper presented information on the Drinking Water System Survey, which was sent out recently. There were 866 surveys sent out and only 68 responses received. The project cost needs of those who responded indicated that:

- 46 were under \$1,000,000
- 15 were between \$1,000,000 and \$10,000,000
- 7 were more than \$10,000,000

Mr. Cooper said that some program successes indicated on the response were:

- Principal forgiveness eligibilities
- Loan terms and repayment
- Interest rates
- Staff support
- Draw processing

He added that some program challenges included:

- Historic Preservation (SHPO) consultations,
- Davis Bacon wage requirements
- American Iron and Steel requirements
- Application process
- Understanding federal and State requirements

Mr. Cooper stated staff is preparing guidance documents and a new computer system to address and provide better understanding of those challenges.

Board Member Workman inquired if there has been discussion with the SHPO personnel to find ways to better streamline the process with borrowers. Mr. Cooper responded that SHPO is currently down in office personnel, but Ms. Maligireddy has worked with them to improve streamlining processes, and that strides have been made.

Chair Scott asked for a brief outline of what systems do not qualify for the Drinking Water State Revolving Fund program. Mr. Cooper answered the water systems that can be funded by the drinking water program are community water systems, both publicly owned and privately owned, non-community water systems that are publicly owned, and non-profit systems.

11) Board comments

Board Member Vuletich thanked staff and board members for providing information on the Board's responsibilities and historic legislation.

12) Public comment

There were no public comments.

13) Next board meeting

Mr. Cooper and the board members agreed to schedule the next board meeting July 27, 2021 at 2:00 pm.

14) Adjourn the Board for Financing Water Projects meeting

The board meeting adjourned at 10:40 am.

2) ATTACHMENTS

**Board for Financing Water Projects
Drinking Water State Revolving Fund
July 2021**

Drinking Water Program Funding Updates as of June 30, 2021

Cash in fund		\$68,740,512
Less debt service reserves	(6,003,475)	
Add undrawn grant balance	1,208,008.15	
Available for projects		\$63,945,045
Committed funds not yet disbursed	35,137,277	
Add commitments for Board consideration	520,360	
Add projects in discussion with OFA	37,113,000	
Total committed funds after Board Approval	72,770,637	
Lowest cash flow balance in three (3) years	\$20,246,495	

Drinking Water Cash Flow Projections¹

	Year 1	Year 2	Year 3
Cash balance forward	\$63,945,045	\$66,065,982	\$20,246,495
Receipts from grants awarded	10,236,220	10,236,220	0
Transfer to the CWSRF program ²	0	(30,000,000)	0
Receipts from bonds issued	5,001,000	0	0
Receipts from treasurer's interest ³	684,343	530,827	244,117
Receipts from loan principal	13,046,247	14,003,506	13,521,123
Receipts from loan interest	3,850,217	3,670,926	3,316,814
Payments for debt service on bonds	(3,044,538)	(2,958,938)	(2,872,600)
Payments for loan recipients ⁴	(27,824,490)	(41,472,141)	(4,956,118)
Change in debt service reserves	171,938	170,113	1,208,338
Cash balance forward	\$66,065,982	\$20,246,495	\$30,708,169

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

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

³ Estimated at 1% 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 loans		\$520,360
Less projects for board consideration	520,360	
Current funds to obligate for principal forgiveness loans		0
Pending Grants (estimated allotment)	2,717,620	
Total Principal Forgiveness Funds by October 2021 (estimated)		\$2,717,620

Program Updates

- All borrowers have made their July 1, 2021 debt service payments timely.
- As of July 1, 2021, the program has 29 separate borrowers:
 - 21 Public entities with \$161,038,345.56 outstanding
 - 8 Private entities with \$1,663,426.15 outstanding

**Board for Financing Water Projects
Capital Improvement Grants Program
July 2021**

Capital Improvement Grants Program Funding Update as of June 30, 2021

Current Cash Balance:	2,755,979.65
Reserved for Administration (service fees):	15,248.07
Committed funds not yet disbursed:	2,755,030.00
Pending Disbursements	-
Bond issuance authority (AB492 / 2021)	8,000,000.00
Projects for Consideration:	-
Reserved for Administration (bond proceeds):	<u>(2,334.00)</u>
Un-committed bond proceeds:	<u><u>7,983,367.58</u></u>
Estimated bond interest earnings not yet received (1% A.P.R. estimate)	138,842.10
Estimated balance after commitments	<u><u>8,122,209.68</u></u>

Committed funds not yet disbursed:			
GP2101	Lovellock Meadows Water District	Storage Tank 2 rehabilitation	\$487,500.00
GP2102	Churchill County	New well for redundant source requirements	\$622,274.00
	Alamo Sewer and Water GID	Arsenic Treatment	\$693,026.00
	Las Vegas Valley Water District (Big Bend)	Treatment plant improvements; storage rehabilitation; distribution; electrical controls	\$500,000.00
	Las Vegas Valley Water District (Blue Diamond)	Pipe replacement, storage, and backup well.	\$452,230.00
Total			\$2,755,030.00

Projects for consideration	
	\$0
Total	\$0

Letter of Intent submitted / in discussion for funding			
Las Vegas Valley Water District (Clark County Regional)	Septic to sewer conversion Regional (Clark County)		\$2,250,000
Golconda GID	Source rehabilitation		\$793,000
Topaz Ranch Estates GID	Redundant source		\$1,574,500
Las Vegas Valley Water District (Big Bend)	Riverbank Filtration Well		\$568,000
Las Vegas Valley Water District (Big Bend)	System rehabilitation		\$2,688,566
Las Vegas Valley Water District (Blue Diamond)	Pipe replacement, storage, and backup well.		\$2,375,000
Pershing County Water Conservation District	Rodgers Flume Replacement		\$2,160,000

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 NRS 349.981 . 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 April 1, 2021	(\$30,894,137)
Available for issuance	\$94,105,863

AB 492	2021 Legislative Session, Section 13	\$8,000,000
	Requested Fall 2021. Board of Finance meeting scheduled October 12, 2021	\$8,000,000
	Remaining Authority from 2021 session	\$0

Nevada Drinking Water State Revolving Fund Priority List—Effective July 2021

Board for Financing Water Projects

July 2021

Recommendation

It is recommended that the Board for Financing Water Projects approve the Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2021.

General

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 requirements and to further the public health objectives of the SDWA. The SDWA authorizes the US 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, Nevada has adopted Nevada Administrative Code (NAC) 445A.6751 to 445A.67644, inclusive, which describes the program requirements. Federal regulations for implementation of the DWSRF are found in 40 CFR Part 35. Other program directives include the conditions of the grant award, the Operating Agreement with the EPA, and EPA guidance and policies.

One of the requirements of the NRS pertaining to the DWSRF is that NDEP shall not “Establish the priorities for determining which public water systems will receive money...without obtaining the prior approval of the board for financing water projects” (NRS 445A.265(3)(b)).

Ranking Process

Nevada uses a ranking system to prioritize the order in which eligible projects may be financed¹. In general, priority is given to projects that facilitate compliance with national primary drinking water regulations applicable to the public water system under Section 1412 of the SDWA. The priority ranking system is described in detail in NAC 445A.67569. Projects are ranked into the following four classes and listed in order of priority:

Class I: Significant (acute) health risks

Class II: Violation of primary and/or secondary drinking water standards (chronic health risks)

Class III: Infrastructure rehabilitation/replacement

Class IV: Refinance of existing debt

¹ Nevada Administrative Code (NAC) 445A.67566 to 445A.67574, inclusive

As specified in NAC 445A.67569, points assigned to address different problems within a class are additive. The initial ranking number is multiplied by the ratio of the state median household income to the public water system median household income. Within each of the above classes, the projects are ranked by type of public water system in the following order:

- a) Community public water systems;
- b) Nonprofit, non-transient water systems; and
- c) Nonprofit, non-transient water systems.

If two or more water projects within the same class and type have the same number of total points, the water project associated with the service area with the highest population is ranked higher.

Nevada regulations allow NDEP to consider any other factor as provided in the Intended Use Plan established for the year in which the priority list is developed. Eligible projects on the priority list may be bypassed if the applicant withdraws a project, requests that action be deferred, fails to meet submittal deadlines, or is not ready to proceed as determined by NDEP. Projects that are bypassed are provided notice by NDEP and have an opportunity for objection.

DWSRF Priority List Changes

In April 2021, NDEP sent a solicitation letter to all eligible water systems for proposed new water projects. The following projects are being added to the previous list:

Priority Class	Rank	Applicant	Project Description
I	2	Truckee Meadows Water Authority (Spanish Springs) ⁴	Groundwater Nitrate Bioremediation
I	3	Lyon County Utilities Department ⁴	Groundwater Nitrate Mitigation
II	8	Las Vegas Valley Water District (Clark County Regional) ⁴	Septic to Sewer Conversion Regional (Clark County)
II	13	Lyon County Utilities Department ⁴	Septic Sewer Conversion (Dayton and Mound House area)
II	16	Shoshone Water Estates Water Company Inc ⁴	Arsenic compliance - New well
II	17	Hillcrest Manor Water Users Association ⁴	Storage tank repairs/replacement
III	23	Truckee Meadows Water Authority (American Flat) ⁴	Advanced Purified water Demonstration Project at American Flat. Treatment to recover DW supply sources, create new DW source, storage facility, and transmission facilities
III	32	Lyon County Utilities Department ⁴	Drinking water infrastructure rehabilitation - water system model updates, backup power supply, security & communication system needs

Priority Class		Rank	Applicant	Project Description
III		40	Truckee Meadows Water Authority (Longley) ⁴	Longley Plant upgrades for treatment to get the wells HV well 3 and 4 back online.
III		43	Silver Springs Mutual Water Company ⁴	Re-habilitation and repair of Lake Well (1979) to address the reduced production and worn out well casing observed; rehabilitation necessary for source redundancy also.
III		48	Storey County ⁴	Surface water production and treatment (2.2 MGD)
III		58	Truckee Meadows Water Authority (systemwide) ⁴	TMWA Systemwide improvements for TTHM mitigation
III		64	Truckee Meadows Water Authority (Saddlehorn, Upper Toll Rd, STMGID) ⁴	Storage, Transmission, and distribution main upgrades
III		71	Truckee Meadows Water Authority (North Virginia -Stead Pump Station & South Truckee Meadows) ⁴	Transmission, Supply Redundancy, SCADA
III		74	Storey County - water system ⁴	distribution, transmission, and appurtenances replacement
III		78	Truckee Meadows Water Authority (South-West Reno Pump Zone Phase1) ⁴	Transmission Distribution (South-West Reno Pump Zone Consolidation Phase1)
III		79	Lyon County Utilities Department ⁴	PER to address LCR in ageing distribution and storage system
III		82	Truckee Meadows Water Authority (STMGID Tank#4) ⁴	STMGID Tank #4 Booster Pump Station/Transmission line
III		83	Ely, City of ⁴	Upgrade Lower East Ely Water Mains
III		98	Storey County - Siphon Replacement (Virginia City) ⁴	Upgrade the siphon and transmission main
III		108	Truckee Meadows Water Authority (Emergency Operations Building) ⁴	Emergency Operations/NAC compliance

The following projects are being removed from the previous list because they were funded or no longer wish to be on the priority list.

Prior Rank	Applicant	Project
7 (Class II)	Truckee Meadows Water Authority	Consolidation of Old 40 West PWS

The Priority List Effective July 2021 also contains changes to the median household income (MHI) of some communities. The 2019 5-Year American Community Census Survey changed disadvantaged designation for the following communities:

	MHI basis for July 2020 Priority List MHI from 2014-2018 American Community Survey	MHI basis for July 2021 Priority List MHI from 2015-2019 American Community Survey
Nevada	\$57,598	\$60,365
80% of State MHI	\$46,078	\$48,292

Considered Disadvantaged for Drinking Water Priority List

System	County				
Beatty Water & Sanitation District	Nye	\$ 32,743	2014-2018 Community Survey (Beatty CDP)	\$ 30,662	2015-2019 Community Survey (Beatty CDP)
Elko Co (Mountain City)	Elko	\$ 38,939	2014-2018 Community Survey (Mountain City CCD)	\$ 37,298	2015-2019 Community Survey (Mountain City CCD)
Elko Co (Tuscarora)	Elko	\$ 30,096	2014-2018 Community Survey (Elko Co Census Tract 9517)	\$ 36,653	2015-2019 Community Survey (Elko Co Census Tract 9517)
Esmeralda Co (Goldfield)	Esmeralda	\$ 25,000	2015 Income Survey	\$ 33,542	2015-2019 Community Survey, (Zipcode 89013)
Esmeralda Co (Silver Peak)	Esmeralda	\$ 40,000	census track 9501 - census.data.gov	\$ 37,375	2015-2019 Community Survey (Esmeralda Co Census Tract 9501)
Golconda GID	Humboldt	\$ 45,938	2014-2018 Community Survey (Golconda CDP)	\$ 34,333	2015-2019 Community Survey (Golconda CDP)
Hawthorne Utilities	Mineral	\$ 48,618	2014-2018 Community Survey (Hawthorne CDP)	\$ 36,993	2015-2019 Community Survey (Hawthorne CDP)
Kingston Town Water Utility	Lander	\$ 46,136	Used Previous 5-yr MHI; No CCD or CDP date & CT = County = 89500	\$ 42,380	Used Previous 5-yr MHI; No CCD or CDP date & CT = County = 89500
Las Vegas Valley Water Dist (Big Bend Water Dist)	Clark	\$ 33,851	2014-2018 Community Survey (Laughlin CDP)	\$ 35,971	2015-2019 Community Survey (Laughlin CDP)
Las Vegas Valley Water District (Jean)	Clark	\$ 29,438	2014-2018 Community Survey, (Clark Co Census Tract 57.03)	\$ 29,435	2015-2019 Community Survey, (Clark Co Census Tract 57.03)
Lovelock Meadows Water District	Pershing	\$ 41,696	2014-2018 Community Survey	\$ 41,896	2015-2019 Community Survey (Lovelock city)

Considered Disadvantaged for Drinking Water Priority List

System	County				
Roark Estates Homeowners Association	Clark	\$ 37,543	2019 Income Survey	\$ 37,543	2019 Income Survey
Silver Springs Mutual Water Company	Lyon	\$ 37,939	2014-2018 Community Survey (Silver Springs CDP)	\$ 42,922	2015-2019 Community Survey (Silver Springs CDP)
Tonopah Public Utilities	Nye	\$ 37,390	2014-2018 Community Survey (Tonopah CDP)	\$ 36,429	2015-2019 Community Survey (Tonopah CDP)
Truckee Meadows Water Authority (Longley)	Washoe			\$ 45,332	2015-2019 Community Survey (Zip Code 89502, NV)
Walker Lake GID	Mineral	\$ 35,223	2014-2018 Community Survey (Mineral Co Census Tract 9708)	\$ 33,393	2015-2019 Community Survey (Mineral Co Census Tract 9708)
Weed Heights Development, LLC	Lyon	\$ 36,047	2014-2018 Community Survey	\$ 31,795	2015-2019 Community Survey
Yerington, City of	Lyon	\$ 36,047	2014-2018 Community Survey	\$ 31,795	2015-2019 Community Survey

Removed from Disadvantaged Status

Gerlach	Washoe	\$ 38,611	2013-2017 Community Survey (High Desert CCD)*	\$ 78,917	2015-2019 Community Survey (High Desert CCD)*
Topaz Ranch Estates GID	Douglas	\$ 43,438	2014-2018 Community Survey (Topaz Ranch Estates CDP)	\$ 48,875	2015-2019 Community Survey (Topaz Ranch Estates CDP)

CCD = Census County Division: A section of a county

CDP= Census Designated Place: A population concentration for Census statistics

DWSRF Priority List Statistics

As of June 21, 2021, subject to change frequently

Project Status	Percent of Projects	Count of Projects	Estimated Project Costs
In Discussion for Funding / Active Applicants	21.74%	25	155,302,463
Project has been funded / Open Project	20.00%	23	153,513,670
System not ready to Proceed / Need More Information	58.26%	67	229,804,974
Grand Total of Projects	100.00%	115	\$538,621,107.00

Project Class	Disadvantaged Systems	Systems serving less than 10,000 people	Systems serving more than 10,000 people
Class I--Acute Health Risks	0	2	2
Class II--Chronic Health Risks	1	11	4
Class III--Rehabilitation	24	76	19
Class IV--Refinance	0	1	0
Totals	25	90	25
Percent of Total Projects (44)	21.7%	78.3%	21.7%
Estimated Project Costs	\$66,909,318.00	\$282,351,565.00	\$256,269,542.00
Percent of Total Projects (44)	12.4%	52.4%	47.6%

Projects by need type

Projects	Count
Nitrates	6
Arsenic and other chronic health risks	10
Lead and Copper	2
Nevada Administrative Code compliance	3
New system for untreated water source planning	1
source	16
Treatment	27
storage	13
pipe	32
Controls	50
Backflow	4
Security	1
Backup Power	1
Consolidation	1
meters	6
	11

As of July 19, 2021:

Project Class	Disadvantaged	Systems serving 10,000 or less number of people	Systems serving more than 10,000 people
Class I Acute Health Risk	0	2	2
Class II Chronic Health Risks	1	11	4
Class III Rehabilitation	24	76	19
Count of Projects	25	89	25
Percent of Total Projects	21.7%	77.4%	21.7%
Percent of Project Costs	12.2%	51.1%	48.9%

Public Participation

Federal and state regulations require that the priority list go through a public review process. A proposed, revised list and notice of the workshop was posted 15 days prior to the workshop on the State of Nevada website, posted on the NDEP website, and sent to individuals who have subscribed to the Listserv as required by NRS 241.020(3). All substantive comments, suggestions, or recommendations were addressed, and a public workshop was held in Carson City on July 7, 2021. The proposed list was revised further to address comments received.

RECOMMENDED MOTION

I move to approve the resolution designated the “Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2021” to establish the priorities for determining which public water systems will receive money or other assistance from the Account for the Revolving fund as required in Nevada Revised Statute 445A.265(3).

RESOLUTION July-2021

Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2021

- WHEREAS:** The Nevada Division of Environmental Protection (NDEP) is authorized pursuant to *Nevada Revised Statutes* (NRS) 445A.200 to 445A.295, inclusive, to establish procedures for the administration of the Drinking Water State Revolving Fund (DWSRF); and
- WHEREAS:** The DWSRF Program Guidelines promulgated by the United States Environmental Protection Agency require that the State establish a priority list of public water system projects eligible for funding from the DWSRF and seek public review and comment on the priority list; and
- WHEREAS:** NRS 445A.265 (3) requires that NDEP shall not establish the priorities for determining which public water systems will receive money from the Account for the Revolving Fund without obtaining the prior approval of the Board for Financing Water Projects (Board); and
- WHEREAS:** NDEP may at any time after receiving approval from the Board revise the ranking of a water project in accordance with Nevada Administrative Code 445A.67567; and
- WHEREAS:** NDEP provided notice and held a workshop for public comments on its proposed priority system on July 7, 2021, in -person and via virtual platform pursuant to the Governor’s directive regarding ongoing Covid-19 challenges; and
- WHEREAS:** All substantive comments, suggestions, or recommendations were addressed;

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

Section 1: This resolution shall be known as the “Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2021” (Resolution)

Section 2: Based on its review of the information and recommendation submitted to the Board concerning the Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2020, the Board hereby makes the following findings of fact in support of its determination to approve the revised priority list:

- (a) NDEP has provided public notice of the Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2021.
- (b) NDEP held a workshop for public review and comment of the Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2021; and

Section 3: In connection with its findings of fact set forth in Section 2 of this Resolution, the Board has determined, and does hereby declare, that it approves the Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2021 of public water system projects eligible for funding by the DWSRF.

Section 4: The Nevada Drinking Water State Revolving Fund (DWSRF) Priority List—Effective July 2021 included as Attachment A to this resolution and by reference incorporated herein is a true and correct copy filed with the Board by NDEP.

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

PASSED, ADOPTED, AND SIGNED July 27, 2021

Signed: _____

Chair
Board for Financing Water Projects

Attest: _____

Advisor
Board for Financing Water Projects

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**Nevada Drinking Water State Revolving Fund
Priority List
Effective July 2021**

Priority	Water System	PWS ID#	Pop. Served	Number of Svc. Conn.	Total Points	State MHU/ PWS MHI	Revised Points	D ¹	Ownership	Project Description	Estimate	Funded
Class I--Acute Health Risks												
Community Public Water Systems												
1	Gold Country Estates	NV0003079	950	415	4	0.93	3.73		Private	Nitrate compliance	\$1,200,000	
2	Truckee Meadows Water Authority (Spanish Springs) ⁴	NV0000190	18,750	7,500	5	0.62	3.12		Public	Groundwater Nitrate Bio-remediation	\$1,300,000	
3	Lyon County Utilities Department ⁴	NV0000032	16,585	7,284	3	0.89	2.68		Public	Groundwater Nitrate Mitigation	\$110,000	
4	Humboldt Co (Grass Valley)	NV0001098	4,000	1,600	2	1.01	2.01		Public	PER/ER - Creation of new water system	\$100,000	
Total Class I											\$2,710,000	

Class II--Chronic Health Risks												
Community Water Systems												
5	Beatty Water & Sanitation District	NV0000009	1,010	446	12	1.97	23.62	D	Public	PER/ER, Wells 2 & 3 arsenic & fluoride treatment	\$1,970,000	Y ²
6	Carson City	NV0000015	56,000	16,447	13	1.08	14.08		Public	Completion of Regional Water Project - extension from Washington & Phillips to Quill Treatment Plant	\$7,544,452	Y ³
7	Humboldt Co (McDermitt)	NV0000162	200	100	13	1.04	13.53		Public	Arsenic treatment	\$700,000	Y
8	Las Vegas Valley Water District (Clark County Regional) ⁴	NV0000090	2,200,000	441,123	13	1.02	13.22		Public	Septic to Sewer Conversion Regional (Clark County)	\$9,000,000	
9	Alamo Sewer & Water GID	NV0000005	900	318	12	1.07	12.89		Public	Arsenic treatment	\$1,692,600	Y ²
10	Truckee Meadows Water Authority	NV0000190	325,000	91,000	13	0.98	12.72		Public	Groundwater treatment (As, Fe, Mn) (Phase 1) and Transmission Line (Phase 2)	\$51,201,000	
11	Mt Rose Bowl Property Owners' Water Co	NV0000732	40	15	12	0.96	11.50		Private	LCR compliance, new storage tank	\$800,000	Y & Y ³
12	Silver Knolls Mutual Water Co	NV0004021	120	63	11	0.91	10.02		Private	Arsenic compliance	\$516,000	Y
13	Lyon County Utilities Department ⁴	NV0000032	16,585	7,284	11	0.89	9.84		Public	Septic Sewer Conversion (Dayton and Mound House area)	\$120,000	
14	Crystal Trailer Park	NV0000193	110	40	12	0.75	8.99		Private	Consolidation with TMWA - Groundwater Arsenic concern	\$400,000	
15	Douglas Co (Fairgrounds/Sunrise Estates)	NV0002540	150	46	13	0.68	8.84		Public	Arsenic compliance	\$2,619,000	
16	Shoshone Water Estates Water Company Inc ⁴	NV0005028	240	76	11	0.71	7.81		Private	Arsenic compliance - New well	\$200,000	
17	Hillcrest Manor Water Users Association ⁴	NV0000145	450	121	4	0.81	3.26		Private	Storage tank repairs/replacement	\$125,000	

Class II--Chronic Health Risks												
Non-Community Water Systems												
18	TRI General Improvement District	NV0000913	10,000	200	13	1.00	13.00		Public	Transmission line Expansion - Arsenic compliance-mitigation	\$1,150,000	
19	Baker Water & Sewer GID	NV0000863	30	20	11	0.85	9.37		Public	To establish new water system - alternative to un-treated surface water source currently in use - Lehman Creek	\$570,000	
Total Class II											\$78,608,052	

Class III--Rehabilitation												
Community Public Water Systems												
20	Beatty Water & Sanitation District	NV0000009	1,010	446	44	1.97	86.62	D	Public	Pipeline replacement, Storage upgrade/install, controls & other system projects	\$2,582,830	Y
21	Las Vegas Valley Water Dist (Big Bend Water Dist)	NV0004092	9,300	2,200	50	1.68	83.91	D	Public	SW treatment plant improvements, storage tank rehabilitation, transmission & distribution line replacement, electrical & control systems improvements	\$5,290,000	
22	Golconda GID	NV0005029	114	102	44	1.76	77.36	D	Public	Spring rehabilitation, transmission line replacement, new chlorination system, & other system improvements	\$810,000	
23	Truckee Meadows Water Authority (American Flat) ⁴	NV0000190	30,000	12,000	56	0.98	54.77		Public	Advanced Purified water Demonstration Project at American Flat. Treatment to recover DW supply sources, create new DW source, storage facility, and transmission facilities	\$48,000,000	
24	Storey Co (Virginia City Highlands)	NV0000240	1,400	500	59	0.91	53.72		Public	PER/ER (VC Highlands - new source, storage, transmission & distribution system)	\$125,000	
25	Lander Co Sewer & Water Dist 2 (Austin)	NV0000006	350	230	59	0.91	53.48		Public	Source, treatment, storage, transmission & distribution rehabilitation/replacement	\$1,007,000	Y ³
26	Lovelock Meadows Water District	NV0000161	5,278	1,409	36	1.44	51.87	D	Public	New well, transmission line, storage, & other system improvements	\$5,000,000	Y
27	Topaz Ranch Estates GID	NV0000239	1,501	730	39	1.24	48.17		Public	Rehabilitation/replacement: well, storage tank, transmission & distribution lines	\$13,773,956	Y ³
28	Walker Lake GID	NV0000268	400	160	26	1.81	47.00	D	Public	Distribution rehabilitation; source water treatment	\$6,400,000	
29	Douglas Co (Lake Tahoe Systems)	NV0000258 & NV0000259	2,800	1,085	65	0.72	46.69		Public	Replacement/upgrade: storage tank, booster stations, water lines, SCADA, redundant treatment capacity, & meters	\$38,800,000	
30	Hawthorne Utilities	NV0000073	3,020	1,894	26	1.63	42.43	D	Public	Rehabilitation/replacement: Transmission, distribution mains, source, & storage	\$13,000,000	Y ²
31	Las Vegas Valley Water District	NV0000090	1,306,410	354,123	38	1.06	40.21		Public	System rehab: source, storage, distribution & backflow	\$13,209,090	Y
32	Lyon County Utilities Department ⁴	NV0000032	16,585	7,284	43	0.89	38.47		public	Drinking water infrastructure rehabilitation - water system model updates, backup power supply, security & communication system needs	\$485,000	
33	North Las Vegas, City of	NV0000175	334,800	87,000	38	1.01	38.34		Public	Replacement of 4 wells including disinfection & buildings	\$11,860,000	Y
34	Lyon County Utilities (Dayton)	NV0000838	13,000	6,400	42	0.89	37.58		Public	New well, storage, & upgrade transmission & distribution lines	\$9,000,000	
35	Elko Co (Mountain City)	NV0000170	134	40	23	1.62	37.22	D	Public	Spring rehabilitation & transmission line replacement	\$993,384	

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**Nevada Drinking Water State Revolving Fund
Priority List
Effective July 2021**

Priority	Water System	PWS ID#	Pop. Served	Number of Svc. Conn.	Total Points	State MHI/ PWS MHI	Revised Points	D ¹	Ownership	Project Description	Estimate	Funded
36	Blue Diamond Water Cooperative, Inc.	NV0000092	85	23	58	0.63	36.53		Private	PER/ER; Rehab/replace source, storage, transmission & other system improvements; possible consolidation?	\$1,741,500	
37	Churchill Co (Sand Creek Redundant Well)	NV0000406	750	320	33	1.04	34.45		Public	PER/ER; Churchill Co back-up well, storage, distribution looping, & other system improvements	\$1,300,000	Y ²
38	Carlin, City of	NV0000014	2,500	900	43	0.76	32.89		Public	PER/ER, Source, storage, transmission & distribution rehabilitation/replacement, & meters	\$10,000,000	Y ²
39	Yerington, City of	NV0000255	1,750	1,088	17	1.90	32.28	D	Public	Replacement of transmission & distribution mains & appurtenances	\$18,904,418	Y ³
40	Truckee Meadows Water Authority (Longley) ⁴	NV0000190	59,700	23,870	23	1.33	30.63	D	Public	Longley Plant upgrades for treatment to get the wells HV well 3 and 4 back online.	\$1,500,000	
41	Las Vegas Valley Water Dist (Big Bend Water Dist)	NV0004092	9,300	2,200	18	1.68	30.21	D	Public	Riverbank filtration pretreatment	\$1,308,317	Y
42	Orovada General Improvement District (Humboldt County)	NV0003032	200	50	29	1.04	30.18		Public	Storage, Transmission/distribution main, and meters;	\$1,970,000	
43	Silver Springs Mutual Water Company ⁴	NV0000223	3,070	1,198	21	1.41	29.53		Private	Re-habilitation and repair of Lake Well (1979) to address the reduced production and worn out well casing observed;rehabilitation necessary for source redundancy also.	\$800,000	
44	Southern Nevada Water Authority	NV0000289	2,200,000	441,123	29	1.02	29.50		Public	Clark County regional water system modifications	\$50,600,000	
45	Alamo Sewer & Water GID	NV0000005	900	318	27	1.07	29.00		Public	New storage tank & source (Alamo)	\$3,670,000	
46	Lyon County Utilities (Silver City)	NV0000240	244	116	26	1.11	28.78		Public	Storage tank, transmission & distribution line replacements	\$2,000,000	
47	Fernley, City of	NV0000062	19,500	7,000	30	0.96	28.78		Public	Surface water conveyance & treatment	\$8,000,000	
48	Storey County ⁴	NV0000240	1,110	803	38	0.74	28.09		Public	Surface water production and treatment (2.2 MGD)	\$6,775,000	
49	Truckee Meadows Water Authority	NV0000190	325,000	91,000	28	0.98	27.39		Public	Consolidation of Verdi Mutual Water System with TMWA	\$710,000	
50	Kingsbury GID (Ponderosa HOA)	NV0000004	3,839	2,450	28	0.97	27.13		Public	Consolidation of Ponderosa HOA with KGID	\$570,355	
51	Gold County Water Company	NV0003079	360	122	28	0.93	26.12		Private	Acquisition/Consolidation of Star City HoA Water System	\$675,000	
52	Roark Estates Homeowners Association	NV0000319	62	27	16	1.61	25.73	D	Private	Replace backup storage tank	\$225,000	Y
53	Kingston Town Water Utility	NV0000265	200	155	18	1.42	25.64	D	Public	PER/ER, New source (Kingston)	\$2,014,000	
54	Silver Springs Mutual Water Co	NV0000222	3,070	1,164	18	1.41	25.31	D	Private	Rehabilitate/replace Idaho Well	\$800,000	
55	Moapa Valley Water District	NV0000160	9,000	3,200	28	0.90	25.30		Public	PER/ER, New Arrow Canyon Well #3 & Tank projects (Warm Springs 500k Tank, Narrows, and Logndale tank rehab etc)	\$15,715,045	
56	Douglas Co (Uppaway)	NV0000817	85	35	34	0.72	24.42		Public	PER/ER; Distribution system upgrades; Consolidation of Uppaway with Glenbrook; & Other system needs for consolidation	\$2,200,000	
57	Tonopah Public Utilities	NV0000237	2,600	1,500	13	1.66	21.54	D	Public	Airport storage tank replacement & booster pump re-conditioning	\$395,500	
58	Truckee Meadows Water Authority (systemwide) ⁴	NV0000190	440,000	1,330,000	23	0.93	21.43		Public	TMWA Systemwide improvements for TTHM mitigation	\$2,500,000	
59	Esmeralda Co (Silver Peak)	NV0000363	111	75	13	1.62	21.00	D	Public	Storage tank rehabilitation	\$257,300	
60	Weed Heights Development, LLC	NV0000242	560	301	11	1.90	20.88	D	Private	PER/Storage Tanks repair or replacement	\$507,800	
61	Las Vegas Valley Water District (Kyle Canyon)	NV0000142	1,040	353	23	0.87	19.92		Public	New source; Rainbow Well discharge line relocation	\$1,230,000	
62	Esmeralda Co (Goldfield)	NV0000072	375	276	11	1.80	19.80	D	Public	Transmission line replacement	\$3,475,674	Y & Y ³
63	Silver Springs Mutual Water Co	NV0000223	3,070	1,164	13	1.41	18.28	D	Private	Rehabilitate/recoat north water storage reservoir	\$228,404	Y & Y ³
64	Truckee Meadows Water Authority (Saddlehorn, Upper Toll Rd, STMGID) ⁴	NV0000190	15,100	1,000	27	0.65	17.50		Public	Storage, Transmission, and distribution main upgrades	\$3,600,000	
65	Virgin Valley Water District	NV0000167	18,000	8,071	18	0.96	17.23		Public	New source(s)	\$4,050,000	
66	Elko Co (Montello)	NV0000169	180	75	17	0.96	16.35		Public	PER/ER; New source (Montello)	\$500,000	
67	Ely, City of	NV0000038	5,500	2,200	16	1.01	16.08		Public	Distribution main replacements & storage upgrades	\$23,568,000	
68	Storey Co (Virginia City)	NV0000240	2,517	694	21	0.74	15.53		Public	Tank & transmission main rehabilitation/replacement	\$7,000,000	Y ³
69	McGill - Ruth General Improvement District	NV0000164	700	320	17	0.91	15.49		Public	New water source for Ruth (New Well)	\$1,624,000	Y ³
70	Silver Springs Mutual Water Company	NV0000223	3,070	1,194	11	1.41	15.47	D	Private	Transmission line - Highway 50 Crossing - upgrade & replacement	\$380,000	
71	Truckee Meadows Water Authority (North Virginia -Stead Pump Station & South Truckee Meadows) ⁴	NV0000190	188,400	75,400	15	1.03	15.40		Public	Transmission, Supply Redundancy, SCADA	\$1,500,000	
72	Round Hill General Improvement District	NV0000260	1,821	480	23	0.65	14.98		Public	PER/ER; Redundant treatment system contact chamber & other system improvements	\$600,000	
73	Tonopah, Town of (Tonopah Public Utilities)	NV0000237	2,211	1,332	9	1.66	14.91	D	Public	Correction of Main Street Water Utility Conflicts - to achieve NAC Compliance and meet NDOT Standards	\$157,766	
74	Storey County - water system ¹	NV0000240	1,110	803	20	0.74	14.79		Public	distribution, transmission, and appurtenances replacement	\$3,345,000	
75	Moapa Valley Water District	NV0000160	9,000	3,200	16	0.90	14.46		Public	PER/ER, distribution upgrades, and appurtenances replacement	\$679,500	
76	Las Vegas Valley Water District (Jean)	NV0000089	160	13	11	1.27	13.97	D	Public	Storage tank rehabilitation	\$145,000	
77	Elko Co (Tuscarora)	NV0000189	40	21	8	1.65	13.18	D	Public	Distribution system looping (Tuscarora)	\$229,704	
78	Truckee Meadows Water Authority (South-West Reno Pump Zone Phase1) ⁴	NV0000190	6,250	2,500	17	0.76	12.96		Public	Transmission Distribution (South-West Reno Pump Zone Consolidation Phase1)	\$6,660,000	
79	Lyon County Utilities Department ⁴	NV0000032	16,585	7,284	14	0.89	12.53		Public	PER to address LCR in ageing distribution and storage system	\$50,000	
80	Steamboat Springs Water Works, Inc.	NV0000282	989	290	13	0.96	12.47		Private	Tank & appurtenances rehabilitation/replacement	\$500,000	
81	Lyon County Utilities	Various	17,000	8,000	11	1.06	11.67		Public	PER/ER for Lyon Co Utilities expansion to Silver Springs (transmission)	\$150,000	
82	Truckee Meadows Water Authority (STMGID Tank#4) ⁴	NV0000190	6,800	2,700	11	1.03	11.29		Public	STMGID Tank #4 Booster Pump Station/Transission line	\$2,550,000	
83	Ely, City of ⁴	NV0000038	1,080	270	11	1.01	11.06		Public	Upgrade Lower East Ely Water Mains	\$8,123,760	
84	Gerlach General Improvement District	NV0000071	120	156	11	1.00	11.00		Public	Rehabilitate transmission line appurtenances between spring sources & town	\$143,000	
85	McGill - Ruth General Improvement District	NV0000164	700	320	12	0.91	10.93		Public	New/Rehabilitate storage tank for Ruth	\$975,000	
86	Esmeralda Co (Goldfield)	NV0000072	375	282	6	1.80	10.80	D	Public	Metering system upgrade to radio read	\$198,802	

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**Nevada Drinking Water State Revolving Fund
Priority List
Effective July 2021**

Priority	Water System	PWS ID#	Pop. Served	Number of Svc. Conn.	Total Points	State MHI/ PWS MHI	Revised Points	D ¹	Ownership	Project Description	Estimate	Funded
87	Lyon County Utilities (Stagecoach GID)	NV0000224	1,411	580	10	1.06	10.61		Public	Transmission line - Intertie Stagecoach GID with Lyon County Utilities	\$1,280,000	
88	Virgin Valley Water District	NV0000167	18,000	8,071	11	0.96	10.53		Public	Transmission main - Mesquite Heights to Pulte	\$1,080,000	
89	West Wendover, City of	NV0000246	4,406	1,173	11	0.94	10.33		Public	Johnson Spring transmission system - PCCP replacement project	\$1,907,105	
90	Rosemount Water Company	NV0000767	55	26	12	0.83	9.93		Private	Storage tank rehabilitation	\$150,000	
91	Verdi Meadows Water Company	NV0000197	510	171	13	0.75	9.74		Private	Storage tank rehabilitation	\$262,361	
92	Esmeralda Co (Silver Peak)	NV0000363	111	99	6	1.62	9.69	D	Public	Metering system upgrade to radio read	\$135,419	
93	Douglas Co (West Valley Water System)	NV0002564 & NV0002054	1,090	421	17	0.56	9.57		Public	New source	\$3,000,000	
94	Churchill Co	NV0000406	750	320	9	1.04	9.40		Public	8-inch distribution line extension from Bottom Rd to Alcorn Rd	\$333,325	
95	Gardnerville Ranchos General Improvement District	NV0000066	3,000	1,370	9	1.01	9.13		Public	Distribution line and appurtenances replacement	\$9,350,000	
96	West Wendover, City of	NV0000246	4,990	1,103	9	0.94	8.45		Public	Sycamore Way waterline improvement project	\$736,583	
97	Nye Co (Gabbs)	NV0000063	411	160	8	1.05	8.43		Public	Distribution line & appurtenances replacement (Gabbs)	\$1,658,085	
98	Storey County - Siphon Replacement (Virginia City) ⁴	NV0000240	1,110	803	11	0.74	8.13		Public	Upgrade the siphon and transmission main	\$8,850,000	
99	Moapa Valley Water District	NV0000160	9,000	3,200	9	0.90	8.13		Public	PER/MVWD Main Street water main/distribution line replacement	\$1,200,000	
100	R&M Mobile Home Park	NV0000054	130	42	7	1.04	7.27		Private	Distribution system Rehab & appurtenances replacement	\$89,426	
101	Verdi Meadows Water Company	NV0000196	510	171	9	0.75	6.74		Private	Distribution line & appurtenances replacement	\$1,510,344	
102	Cottonwood Mobile Home Park	NV0000017	250	91	6	1.08	6.50		Private	PER/ER; distribution system & appurtenances replacement; & other system improvements	\$100,000	
103	North Las Vegas, City of	NV0000175	334,800	87,000	6	1.01	6.05		Public	Advanced Metering Infrastructure project	\$27,550,000	Y
104	Ely, City of	NV0000038	5,500	2,190	6	1.01	6.03		Public	Advanced Metering Infrastructure project -under advise per water conservation plan review	\$18,659,700	
105	Steamboat Springs Water Works, Inc.	NV0000282	989	290	6	0.96	5.76		Private	System metering	\$510,000	
106	Glenbrook Water Cooperative	NV0000356	1,000	288	8	0.72	5.75		Private	PER; distribution line replacement/looping	\$38,000	
107	West Wendover, City of	NV0000246	4,990	1,103	6	0.94	5.64		Public	Water meter & meter yoke replacement	\$1,921,617	
108	Truckee Meadows Water Authority (Emergency Operations Building) ⁴	NV0000190	440,000	1,330,000	6	0.93	5.59		Public	Emergency Operations/NAC compliance	\$2,000,000	
109	Las Vegas Valley Water District (Blue Diamond)	NV0000010	550	120	8	0.69	5.52		Public	Distribution line & appurtenances replacement	\$2,239,000	
110	Canyon General Improvement District	NV0005056	1,250	500	6	0.91	5.46		Public	PER/Well Capacity for maintaining NAC compliance	\$735,000	
111	Douglas Co Public Works	Multiple	9,450	3,610	6	0.90	5.42		Public	Telemetry & SCADA improvements	\$1,265,000	
112	Lyon County Utilities (Dayton)	NV0000032	13,000	6,400	6	0.89	5.37		Public	Systemwide meter replacement project	\$1,150,000	
113	Humboldt Co (McDermitt)	NV0000162	200	100	5	1.04	5.20		Public	Meter replacement	\$80,000	

Class III--Rehabilitation

Non-Community Public Water Systems

114	Trout Canyon Land & Water Users Assoc	NV0004060	140	70	59	0.69	40.70		Private	PER/ER; Repair/rehab spring or replace with well; replace transmission & distribution lines; chlorination; additional storage	\$2,996,000	Y ² & Y ³
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Total Class III \$467,926,070

Class IV--Refinance

115	Humboldt Co (Gold County Estates)	NV0003079	950	415	4	0.89	3.56		Public	Consolidation of Gold Country with Humboldt Co; water quality mitigation, SRF loan refinancing	\$800,000	
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Total Class IV \$800,000

TOTAL FOR ALL PROJECTS \$550,044,122

Legend:

- ¹ Eligible for Disadvantaged Community Designation
- ² PER & ER or Design funded only
- ³ Funded by Others
- ⁴ New Project on DWSRF Priority List



**Nevada Capital Improvements Grant Program
Board for Financing Water Projects**

July 2021

Administrative Funding

Amount	Recommendation
\$5,000 Bond Proceeds	The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approve a resolution for the purpose of providing bond proceeds for administering the program.

Background

The Capital Improvements Grant Program maintains a very small cash reserve for administration. Program funding is increasing, but since the Great Recession, the program has not had significant legislatively approved bond proceeds to award substantive grants, but must continue to pay certain administrative expenses, such as those for insurance and file management space, as part of the state’s allocated expenses. The program does not directly fund any staff positions and must rely upon other positions to perform program administration and project reviews. Each applicant is required to pay a \$1,000 application fee authorized by Nevada Administrative Code (NAC) 349.549. This fee is not sufficient to support all the expenses in administering a grant through the program.

NDEP makes every attempt to partner the grantee with another funding source to leverage state and federal resources as much as possible. When a grantee’s project is partnered with the federally funded Drinking Water State Revolving Fund (DWSRF), administration of a combined loan and grant can be supported through the DWSRF. When a project that is eligible from the Capital Improvements Grant Program is not eligible to be partnered with the DWSRF, another funding source must be obtained to offset administrative costs.

The legislatively approved budget for fiscal year (FY) 22 and FY 23 included the NDEP’s ability to transfer plan review fees from the Bureau of Safe Drinking Water to support the Capital Improvements Grant Program’s engineering review of drinking water projects. This funding source is specifically to support the Professional Engineer’s review of the project design and monitoring of construction and compliance with program requirements. The Capital Improvements Grant program has authority to transfer \$2,510 in FY22 and \$2,692 in FY23.

The 2021 Legislature approved the Board of Finance to issue \$8,000,000.00 in bonds in the FY22 and FY23 biennium, to support this program. NDEP has been soliciting potential projects, but some are expected to be incompatible with DWSRF co-funding. In addition, expenses related to financial reviews for projects, processing draw requests, and administrative oversight of the grantees is currently not fully

supported with the application fees collected. NDEP is seeking Board approval for the use of a de minimis amount of bond proceeds, not to exceed \$5,000, for administration of these activities.

Current Balance	15,248.07
Revenues (5-year projection)	
Administration Fee	6,000.00
Plan Review Fees	5,202.00
Bond Proceeds (with Board approval)	5,000.00
Total Revenues	16,202.00
Expenses (5-year projection)	
Salaries	17,409.00
Operations	2,155.00
Total Expenses	19,564.00
Ending Balance	11,886.07

	Estimated FY 22	Estimated FY 23	Estimated FY 24	Estimated FY 25	Estimated FY 26
Revenues (5-year projection)					
Administration Fee	\$6,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Plan Review Fees	2,510.00	2,692.00	0.00	0.00	0.00
Bond Proceeds	5,000.00	0.00	0.00	0.00	0.00
Total Revenues	13,510.00	2,692.00	0.00	0.00	0.00
Expenses (5-year projection)					
Salaries*	4,844.00	5,026.00	5,026.00	2,513.00	
Operations**	431.00	431.00	431.00	431.00	431.00
Total Expenses	5,275.00	5,457.00	5,457.00	2,944.00	431.00

*Salaries include indirect cost allocations associated with salaries and fringe benefits.

** Operations include allocated rent and insurance to the program

Capital Improvement Grants Program Authority and Purpose

Nevada Revised Statutes (NRS) 349.980 to 349.987 describe the Capital Improvements Grant Program and the powers and duties of the Board for Financing Water Projects. NDEP administers the Capital Improvements Grant Program on behalf of the board as per NRS 349.982 and NAC 349.430 to 349.574, inclusive. If the board determines to provide a grant from the Capital Improvements Grant Program, one of the requirements of the Nevada Administrative Code (NAC) is that the board will adopt a resolution that includes a statement of approval of the board that sets forth its findings of fact (NAC 349.535, subsection 1).

RECOMMENDED MOTION FOR THE CAPITAL IMPROVEMENT GRANT

I move to approve the resolution titled "G09-0721 *Funding Administration in the Capital Improvements Grant Program*," which is intended to commit bond proceeds for administration of the program in an amount not to exceed \$5,000.

RESOLUTION G09-0721

Funding Administration of the Capital Improvements Grant Program

Program Administration Commitment

- WHEREAS:** The Board for Financing Water Projects (Board) of the State of Nevada (State) is authorized by Chapter 349.980 to 349.987, *Nevada Revised Statutes* (NRS), to administer a program to provide grants of money to purveyors of water to pay for costs of capital improvements to publicly owned community water systems and publicly owned non-transient water systems;
- WHEREAS:** NRS 349.984 creates a fund (fund) for grants for water conservation and capital improvements to certain systems to which bond proceeds, bond interest and any other applicable revenue is deposited; and
- WHEREAS:** The State Board of Finance is authorized by NRS 349.986 to issue general obligation bonds in the face amount of not more than \$125,000,000.00 to support the purposes of the program, with the net proceeds from the sale of the bonds deposited in to the fund; and
- WHEREAS:** The 2021 Nevada Legislature authorized the State Board of Finance to issue up to \$8,000,000.00 in the state fiscal year 2022-2023 biennium through Assembly Bill 492.
- WHEREAS:** NRS 349.982 allows money in the fund to be used to defray, in whole or in part, the costs of administering the fund and the expenses of the board in administering the program.

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

Section 1: This resolution shall be known as the “G09-0721 Funding Administration of the Capital Improvements Grant Program”

Section 2: In connection with its findings of fact set forth in Section 3 of this Resolution and subject to the provisions of Section 4 of this Resolution, the Board has determined, and does hereby declare, that it approves and shall use bond proceeds for administration in an amount not to exceed \$5,000.

Section 3: Based on its review of the information submitted to the Board concerning the Project, the Board hereby makes the following findings of fact in support of its determination to use bond proceeds for administration:

- (a) It is the Board’s policy to maintain sufficient monies in the administration fund to support program and Board administration costs for five years; and
- (b) The projected expenses for program administration are expected to total \$19,564 over the next five years; and
- (c) Revenue from other sources are not sufficient to fully administer projects awarded with current legislatively approved bond proceeds; and
- (f) Internal Revenue Code (IRC) 141(b) limits the use of private activities on government issued bonds to no more than 5% or \$5 million to retain tax-exempt status.

Section 4: The commitment of bond proceeds for administration is conditioned upon approval from the Governor’s Finance Office in a budget amendment.

Section 5: The Board hereby authorizes and directs the Nevada Division of Environmental Protection to take all necessary and appropriate actions to effectuate the provisions of this Resolution in accordance with NRS 349.982.

Section 6: This resolution shall be effective on its passage and approval.

PASSED, ADOPTED, AND SIGNED July 27, 2021

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

July 2021

Silver Knolls Mutual Water Company

Amount and Term	Recommendation
<u>\$520,360</u> Principal Forgiveness from DWSRF	The Nevada Division of Environmental Protection (NDEP) recommends that the Board for Financing Water Projects (Board) approves a loan commitment to Silver Knolls Mutual Water Company (SKMWC) to install a central treatment system. The system would remove arsenic and bring SKMWC into compliance with the drinking water standard.

Management and Structure

Loan Recipient and Structure Silver Knolls Mutual Water Company (NV0004021) is a privately owned community public water system (PWS).

System Project for Funding

Priority List #12 Class II-Chronic Health Risk (Drinking Water Priority List—Effective July 2021)

Need SKMWC’s existing proprietary zirconium hydroxide adsorption/filtration system for arsenic treatment has become too expensive to operate, due to the high cost of chemicals and proprietary consumable filters. SKMWC was not able to run their system for more than a few weeks without replacing filter cartridges, making the system unaffordable.

The addendum by Forsgren Associates (December 2020) to the most recent preliminary engineering report (PER) provides an updated cost comparison. This shows SKMWC’s actual realized cost to replace cartridges (Appendix A). The existing system used a technology that had not been proven to work in Nevada, and an onsite pilot test was never performed to determine replacement periods for consumables or to demonstrate that the technology was suitable for SKMWC water chemistry.

Arsenic presence during low-demand conditions was below the regulatory limit of 10 ppb, but without a working treatment system, SKMWC has been out of compliance overall, with arsenic levels as high as 15 ppb. SKMWC has since been providing bottled water to its customers as required. Along with the relatively higher costs to supply bottled water, SKMWC operators spent additional time interacting with their

customers and bottled water distributors. This has placed stress on SKMWC staff. SKMWC struggled for years to resolve the issues and has faced regulatory enforcement proceedings for non-compliance. Funding and completing this project is expected to bring an end to SKMWC's regulatory challenges.

Emotional health, well-being, and trust of the residents of Silver Knolls – SKMWC staff say regulations can address the physical health and wellbeing of the community but regaining trust in the drinking water supply requires more effort. Installing a new treatment system will be a permanent solution that will begin to rebuild trust.

Bottled water dispensing issues – SKMWC wants to stop using bottled water, as it will reduce ongoing costs, as well as the time and effort required to distribute the water.

Financial – This project will save SKMWC money on fines, attorneys, and engineering costs.

Real estate values – Washoe County is currently experiencing a real estate boom. Potential buyers have access to public records showing that SKMWC is out of compliance for arsenic. This impacts the appraised values for this small community, hurting residents' ability to obtain home equity lines of credit or to refinance their homes.

Chosen Project This project includes designing and installing a new adsorptive media arsenic treatment system that will replace an existing (and non-operational) arsenic treatment system in the SKMWC pump house.

The proposed traditional arsenic treatment system uses iron-based adsorptive media – specifically Bayoxide E-33 – which has been used successfully in small water systems throughout Nevada for over a decade. Additionally, an onsite, 8-week pilot test was performed using Bayoxide E-33, and no breakthrough, degradation, or fouling was observed during testing. Water quality results from the pilot test showed that arsenic was reduced to non-detectable levels.

The proposed project will be carried out by first conducting additional analysis and design based on blending the water to reduce the volume to be treated. If the blending strategy is a reliable option for the project lifetime (20 years), then the new treatment system could simply replace the existing one without additional building modifications. Otherwise, the project may include modifications to the building or installations outside and adjacent to the existing structure that houses the current treatment system.

Project Alternatives SKMWC, like many small water systems, has struggled to meet the arsenic rule. SKMWC had previously received funding for the existing arsenic treatment system to return to compliance.

Alternative 1: Continuing the Isolux system currently on-site. This option has proved to be untenable after the system experienced annual media replacement costs that were in excess of \$60,000 versus the initial estimates of \$6,323.85 (item 3, Appendix A).

Other Alternatives: In addition to Alternative 1, the rest of the alternatives

considered, along with a present worth cost analysis, is provided in Appendix B.

Maps Maps are attached to this report.

Timeline

Design: August-October 2021. 30-60 days is expected for Washoe County approval.

Construction Bid: November or December 2021 (depending on county review time and comments).

Construction Start: Between January and March 2022 (depending on county review time and comments).

Initiation of Operations: April/May 2022

Sources of Project Funding	DWSRF	Capital Improvement Grant	Local	*Total
	Planning			\$10,000
Design, inspection, and Construction Management	\$42,500			\$42,500
Land Acquisition				N/A
Equipment & Materials	\$320,562		\$4,263	\$324,825
Construction / Improvements	\$157,298			\$157,298
Administration			\$10,000	\$10,000
Financing				N/A
**Construction Contingency				N/A
Totals	\$520,360	N/A	\$24,263	\$544,623

*Based on revisions to cost estimates dated 7.6.2021; some market volatility of material costs is anticipated that may further impact these estimates

**15% contractor overhead and 20% project contingency included

System Previous Commitments, Studies, and Activities

February 2014

SKMWC was awarded a principal forgiveness loan (totaling \$336,500) to install an ISOLUX™ adsorptive media arsenic treatment system. The existing booster station building was expanded to accommodate the chemical feed system. The electrical system was also updated. ISOLUX™ utilizes a patented cartridge design, where the media is contained in individual cartridges that are replaced when the media is exhausted. There is no backwashing, no handling of bulk media, no contact with spent media, and no hazardous waste disposal.

The arsenic concentration in the untreated groundwater was low enough that the SKMWC would not need to treat 100% of their raw water. With the new pump installed in the Lower Well, and based on water quality sampling data, SKMWC would only need a 75-gpm treatment unit to meet the water quality standards for arsenic.

January 2015

SKMWC was awarded additional principal forgiveness funds from the February 2014 commitment (totaling \$500,000) to install an ISOLUX™ adsorptive media arsenic treatment system. Additional cost increases from the 2013 PER prepared by RCI, Inc. were attributed to:

- A change in design for the chemical storage facility due to NAC 445A.6685(2)
- The bidding climate with the improved economy
- Limited bidding competition
- Site location
- Federal prevailing wage requirements
- Fairly complicated improvements installed on a relatively confined site and building space

January 2015 to Present

- September 28, 2015
 - OFA completed a project completion walkthrough with RCI and SKMWC
- March 2016
 - Communication from RCI and SKMWC indicated the treatment system was operating correctly and meeting the arsenic MCL requirements.
- March 2016 to December 2019
 - SKMWC struggled to operate the system in its current design. Excessive costs of media replacement reportedly made the installed system nearly impossible to maintain and operate. Due to these costs, the treatment system was turned off and bottled water delivery resumed. OFA continued to work with SKMWC on the capital assets paid with principal forgiveness funding. Since the funding for SKMWC was 100% “grant” funds, EPA advised OFA that the assets should be managed the same way the State would manage other assets. OFA worked with State Purchasing to determine a course of action for the assets. Ultimately, State Purchasing determined that the capital assets would cost more to remove and auction than what could be recovered. Instead, the assets would be donated without recovery to the SRF fund.
 - During this period, NDEP had concerns with SKMWC’s technical, managerial, and financial capacity.
- January 2020 to present:
 - SKMWC began working with OFA to once again to establish capacity in their system. SKMWC sought funding to comply with the arsenic standard. SKMWC has been responsive to requests to develop an asset management plan, a capital replacement

reserve fund, sufficient rates, as well as additional technical assistance for a cross-connection control plan, an operating and maintenance plan, and a water conservation plan.

Environmental Review

NDEP has reviewed a 2013 environmental report. After a preliminary review, only minimal updates to this report are anticipated to complete an environmental review and make final determinations.

The project footprint and areas of potential effect (APEs) will be limited to the existing facility premises. The construction project logistics will not have any permanent indirect APEs; as such, Section 106 compliance is feasible.

Community Engagement

SKMWC has board meetings on the second Tuesday of each month that are open to shareholders (members of the HOA). SKMWC says SRF funding has been discussed extensively at these meetings for at least the last five years.

SKMWC management has also engaged the services of an engineering firm that is following-up on prior project outcomes and planning the currently proposed project.

System Information

System Location Washoe County, approximately 15 miles north of Reno (off Red Rock Road).

System Population 120

System Service Connections 63

System Infrastructure Please see Appendix C for pictures of SKMWC infrastructure.

- SKMWC owns two wells – the Lower Well (Well 02) with a 330 gallons per minute (gpm) capacity rating; and the Upper Well (Well 03) with a 170 gpm capacity rating. Currently, only Well 02 is in operation; Upper Well (Well 03) remains offline – necessitating the SKMWC to explore options for source redundancy. SKMWC plans to address this issue as a co-priority with the proposed project, or soon after the arsenic mitigation project would be completed.
- SKMWC has a 211,500-gallon capacity storage tank with associated pumping equipment.
- The distribution system serves the residential lots (total 64) and is unaffected by the proposed project.
- SKMWC’s existing arsenic treatment plant is still offline, as existing filtration equipment is too expensive to replace.

Compliance A sanitary survey was conducted by NDEP’s Bureau of Safe Drinking Water (BSDW) in October 2020. BSDW found that:

Deficiency #1 – Arsenic treatment plant is needed for arsenic compliance. The proposed project will address this deficiency.

Deficiency #2 – Well 3 (Upper Well) is not functioning, which prevents SKMWC from meeting community water system redundant capacity requirements. Efforts to establish a second water source are in progress.

Deficiency #3 – Upper Tank needs recoating soon. Storage tank upgrades are not pursued as part of this proposed project.

Deficiency #4 – Cleanup was needed around the storage tank. This has been resolved.

User Water Rates

- Residential base rate per user, per month: \$110.00 (0-35,000 gallons of water)

Commodity Rate:

Tier 1:	35,001-50,000	\$0.50 per/1000 gallons
Tier 2:	50,001-75,000	\$1.00 per/1000 gallons
Tier 3:	75,001-100,000	\$7.00 per/1000 gallons
Tier4:	100,001+	\$10.00 per/1000 gallons

- Average water rate/use for system: \$110.00 (7,787 gallons)

The water rates established in February 2018 sufficiently cover operation, maintenance, and debt service of the system. A water rate review is planned in 2021.

Current water rates were effective February 2018. Silver Knolls is planning a water rate review in 2021.

Loan Information

Water Conservation Plan

SKMWC does not have a water conservation plan approved by the Nevada Division of Water Resources. SKMWC controls water usage through its rate structure. Payments for water consumption over 35,000 gallons per month use an inverted block scale based on actual usage. Assistance to prepare a water conservation plan – at no charge to the PWS – could be made available through NDEP’s DWSRF set-aside funding support, if requested.

Water conservation plans must be updated every five years and comply with Nevada statutes.

Technical Capacity

In January 2021, SKMWC submitted a technical, managerial, and financial capacity (TMF) survey. No significant technical capacity deficiencies were noted on the survey.

A review of SKMWC’s most recent project will capacity required for SKMWC to undertake a SRF project. The proposed treatment technology is widely used in Nevada, and no critical factors are noted at this time that would

impact the system's ability to operate. SKMWC's PER for arsenic treatment has received a conditional approval from the Washoe Health District on April 27, 2021.

SKMWC has demonstrated technical capacity for NDEP to recommend funding support for the proposed arsenic treatment project.

Managerial Capacity SKMWC has a governing board that has been active in managing its system. They have contracted with a professional engineer to oversee the project. No significant managerial capacity deficiencies are noted on their survey. SKMWC has demonstrated managerial capacity for NDEP to recommend funding support.

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

Financial Information as of Dec. 31, 2019

Unrestricted cash: \$70,714
Days cash on hand: 406
Outstanding debt: \$25,553
Operating income before depreciation: \$58,396
Current ratio: 9.27
Debt coverage: 0.21

Fiscal Sustainability Plan SKMWC has an asset management plan in place.

Capital Replacement Reserve Account SKMWC has established a reserve account for capital replacement. The balance in the account, as of Dec. 31, 2019, was \$106,662.83.

DWSRF Principal Forgiveness Eligibility Criteria SKMWC is addressing a chronic health condition in the project; therefore, it's eligible to receive up to \$1,000,000 in principal forgiveness funding, if funds are available. The system is not considered disadvantaged.

Maps and Exhibits

General Area Map



SKMWC storage tank/storage facility (left) and the lower well (Well 02).

Appendix A

Table 1* – Estimated vs. Actual Annual O&M Costs, Isolux System

Item	O&M Cost Description	Estimated Total O&M Cost	Actual Total O&M Cost	Assumptions
1	Current O & M Budget	\$38,500.00	\$38,500.00 ¹	Total Salary, Service & Supplies Expenses from 2009-2012 (does not include debt service costs)
2	Estimated Power Required by Absorbative [sic] Media System	\$398.40	\$398.40 ¹	Est using hp power rating provided by manufacturer for hours of operation to treat 40% of flow. Assumes 3 HP pump.
3	Annual Media Replacement cost	\$6,323.85	\$66,999.21	Estimated based on pilot test information from manufacturer and assuming 40% of well flow treated annually. Replacement cost per media cylinder is \$235 FOB in New Jersey, there are 9 cylinders in a 75 gpm unit.
4	Chemical Costs	\$3,600.00	\$3,600.00	Assumes 55-gallon drum of CaCl ₂ to increase hardness to reduce fouling. Actual amount needed is unknown unless a pilot test is run on the system. Other chemicals may be necessary depending on the manufacturer.
5	Media Disposal Cost	\$500.00	\$6,000 ²	Disposal at Lockwood, or Shipping to Recovery Site.
Total Annual O&M Cost		\$10,822.25	\$76,997.61	
Present Worth of O&M (20 years @ 2.24%)		\$186,256.33	\$1,235,055.95	

*Adapted from "Table 5.3 – Absorbative [sic] Media System Alternative", Appendix B, RCI PER, 2013.

¹Actual cost greater than estimated cost, but not calculated.

²Actual cost assumed to be 10 times estimated cost.

Item 1 – Current O&M Budget: This item represents the general O&M cost for the Water Company as a whole and, therefore, was assumed to be the same for all alternatives. However, as discussed in Item 3, below, the labor requirements for managing the filter media with the Isolux system would actually be on the order of 10 times that required for the other alternatives. With Silver Knolls using part-time labor for their O&M, this would be a very real cost, and not one that could be absorbed into a regular work schedule. The additional (actual) labor cost was not calculated for the purposes of this Tech Memo.

Item 2 – Estimated Power Required by Absorbative [sic] Media System: The frequent fouling of the Isolux system means that the system was frequently operating at higher than normal pressures, and therefore using more power than was originally estimated. The additional (actual) power cost was not calculated for the purposes of this Tech Memo.

Item 3 – Annual Media Replacement Cost: As the table shows, RCI estimated the annual media replacement costs to be \$6323.85 in the 2013 PER; however, during the four-month period between July and October of 2016 alone, Silver Knolls incurred expenses for media replacement of \$22,333.07. Annualized, the actual media replacement costs would be \$66,999.21, more than ten times the cost estimated in the 2013 PER. This order of magnitude increase in the media replacement cost had a ripple effect in terms of labor (Item 1), power (Item 2), and media

disposal (Item 5). Copies of invoices showing the actual media replacement costs are included in Appendix A.

Item 4 – Chemical Costs: It is not clear if chemical costs were impacted by the problems with the Isolux system.

Item 5 – Media Disposal Cost: Since the actual media replacement costs were found to be more than 10 times the estimated replacement costs, the actual media disposal costs were also assumed to be more than 10 times the estimated disposal costs.

Appendix B

Alternative Cost Analysis – Present Worth Cost comparison:

Table 2 - Present Worth Cost Analysis*

Alternative	Construction Costs (\$)	Non-Construction Costs (\$)	Present Worth of O&M (\$) (20 years @ 2.2%)	Total Cost (\$)
No Action	\$ -	\$ -	\$ -	\$ -
Direct Feed to Silver Knolls Park	\$178,680.26	\$87,610.52	\$(39,186.24)	\$227,104.54
Adsorption Media Alternative (Isolux) - ESTIMATED	\$259,120.17	\$118,025.75	\$186,256.33	\$563,402.25
Adsorption Media Alternative (Isolux) - ACTUAL	\$259,120.17	\$118,025.75	\$1,235,055.95	\$1,612,201.87
Reverse Osmosis Alternative	\$450,643.78	\$135,729.61	\$193,959.92	\$780,333.31
Micro-Filtration Alternative	\$450,643.78	\$135,729.61	\$205,387.17	\$791,760.56
Pipeline Intertie Alternative	\$1,346,298.28	\$233,624.46	\$76,233.22	\$1,656,155.96
Adsorption Media Bayoxide E-33	\$301,642.00	\$141,771.00	\$309,147.84	\$752,560.84

*Adapted from “Table 6-1: Present Worth Cost Analysis”, Linkan Engineering PER, 2018.

Table 3 Updated Costs of Recommended Alternative for 2021

Alternative	Construction Costs (\$)	Non-Construction Costs (\$)	Present Worth of O&M (\$) (20 years @ 2.2%)	Total Cost (\$)
Adsorption Media Bayoxide E-33	\$321,991.57	\$151,335.25	\$309,147.84	\$782,474.66

Since the evaluation by Linkan was performed in 2018, the Nevada Office of Financial Assistance has requested that the capital cost be updated to costs reflected in 2021. Table 3 shows the updated construction and non-construction costs of the recommended alternative. These costs have been increased by 2.2% per year to reflect inflation from 2018 to 2021.

Appendix C

Pictures of the existing infrastructure features



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 a fiscal sustainability 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 “D10-2021 Silver Knolls Mutual Water Company Project Loan Commitment,” which is intended to finance certain projects in an amount not to exceed \$520,360. 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 D10-2021

Silver Knolls Mutual Water Company 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 July 27, 2021, the Board, under NRS 445A.265(3), approved the Priority List Effective July 2021, which ranks water projects that are eligible for loans from the Drinking Water State Revolving Fund account; and
- WHEREAS:** Silver Knolls Mutual Water Company (Recipient) owns and operates a private community water system in Nevada; and
- WHEREAS:** The Recipient submitted a pre-application to NDEP to install an arsenic treatment system (Project); and
- WHEREAS:** The Project is included as project #12 on the Priority List Effective July 2021 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 “D10-2021 Silver Knolls Mutual Water Company 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 \$520,360 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 July 27, 2021

Signed: _____

Chair
Board for Financing Water Projects

Attest: _____

Advisor
Board for Financing Water Projects