

POLICY: ALTERNATIVE FUNDING

Authority: The Board for Financing Water Projects is authorized by Nevada Revised Statutes (NRS) 349.982 to establish requirements for participation in the Capital Improvement Grants Program.

Purpose: The state grant program was created with the intent to be a source of project funding sought after all other funding mechanisms (applicant savings, loans, and other grants) have been exhausted. The U.S. Department of Agriculture – Rural Development (USDA-RD), Community Development Block Grant Program (CDBG), and NDEP’s Drinking Water State Revolving Fund (DWSRF) and Clean Water State Revolving Fund (CWSRF) are funding agencies in Nevada that work together to help future water and wastewater loan and grant applicants determine the best approach to funding their projects. This process involves potential applicants filling out a pre-application form and sending it to the Nevada Water and Wastewater Review Committee (NWWRC) for consideration of the project proposal. NWWRC responds to the pre-application with comments and further guidance.

Policy:

1. It is the intent of the Board for Financing Water Projects to be the last funding source from which a water utility receives funding.
2. Regardless of any other grants a water utility may have received, the water utility must attempt to obtain a loan from other funding sources to the maximum extent possible that will not cause an increase in water rates to exceed those prescribed in the board’s policy on sufficient water rates. Unless there are exceptional circumstances, prospective applicants must submit a pre-application to the NWWRC.
3. If a water utility is unable to finance or fund any portion of the capital improvement, a grant applicant, in accordance with NAC 349.475.2(h), must provide evidence of its inability in the Letter of Intent to the Board for Financing Water Projects. The evidence must include a reasoned statement as to why the water utility is unable to fund or finance the project AND other documentation indicating its inability to fund or finance the project, including, but not limited to:
 - a. Letters from lending institutions indicating denial and reasons for the denial
 - b. Letter from the NWWRC with proposed alternative funding in lieu of or in conjunction with state grant
 - c. Letters from financial advisers, accountants or fiscal agents justifying the water utility’s inability to fund or finance the capital improvement.

4. This policy on alternative funding does not apply to a grant for an engineering study.