

POLICY: FUNDING LEVEL FOR IRRIGATION PROJECTS

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: To establish a policy for determining the amount of grant funds the Board for Financing Water Projects can award for irrigation projects and a reasonable level of required matching funds. NRS 349.981 1(b) provides that water conservation improvements related to irrigation systems are eligible to receive grant funds awarded by the Board for Financing Water Projects. Eligibility for these water conservation projects was included in AB 237, adopted by the 1999 Nevada Legislature. This bill also increased the bonding authority for the grants program from \$40 million to \$50 million. NRS 349.381 2 gives the board sole discretion of who is to receive a grant.

Policy:

1. It is the policy of the board to give preference to grant applications for projects necessary to comply with safe drinking water regulations over those applications for other purposes including water conservation projects related to irrigation systems. In addition, board staff are directed to give similar preference when budgeting projected biennial bond fund needs in the event staff are asked by the Department of Administration or State Treasurer to reduce Capital Improvement Grants Program projected bond fund needs due to other competing needs for state capital.
2. The board may fund up to 85% of eligible project costs for irrigation projects deemed eligible for grant funding pursuant to NRS 349.981 1(b) when the applicant has shown they are unable to fund the project or obtain alternate funding from other sources. The following scale is used to determine the grant scale and amount of local match.

How funding levels are determined

Funding is based on a point system. Projects can earn up to **100 total points**, which are used to calculate the percentage of project costs the board may fund.

I. Water conservation benefits

Maximum: 25 points

A project may receive points for the following:

- Improving canal efficiency through piping or canal lining (up to 5 points)
- Recovering or recycling wastewater or tailwater (up to 5 points)
- Installing water measurement or metering systems (up to 5 points)
- Improving irrigation system operations (up to 5 points)
- Contributing saved water to downstream users (up to 5 points)
- Evaluating impacts on groundwater recharge (up to 5 points)

II. Finance and planning

Maximum: 20 points

Applicants may earn points for:

- Implementing a facility maintenance plan (5 points)
- Maintaining a long-term capital improvement plan (5 points)
- Having user fees that support a reasonable reserve fund (up to 10 points)

III. System capacity and economic benefit

Maximum: 20 points

Number of users served:

- More than 200 users (5 points)
- 70–200 users (3 points)
- 10–70 users (1 point)

Irrigated acreage:

- More than 20,000 acres (5 points)
- 5,000–20,000 acres (3 points)
- Less than 5,000 acres (1 point)

Storage capacity controlled by the applicant:

- More than 50,000 acre-feet (5 points)
- 10,000–50,000 acre-feet (3 points)
- Less than 10,000 acre-feet (1 point)

Economic benefits:

- Creates a new water resource (5 points)
- Restores irrigation storage or diversion systems (3 points)

- Maintains existing systems (1 point)

IV. Other system benefits

Maximum: 25 points

Possible points include:

- Improves flood control for downstream population centers (10 points)
- Provides recreational opportunities (5 points)
- Supports tourism (5 points)
- Supports public fisheries (5 points)

V. Board assessment

Maximum: 5 points

The board may award up to five additional points based on its assessment of the project's overall value and need.

VI. Point deductions

Maximum deductions: 30 points

Points may be deducted if:

- The applicant demonstrated preventable delays or cost overruns on past projects (up to -20)
- The applicant failed to submit required reports on past grants (up to -10)

How the grant percentage is calculated

After all points are added and deductions applied:

- Final points ÷ 1.67 = Base grant percentage
- Base percentage + 25 = Final grant percentage
- The grant cannot exceed 85% of eligible project costs
- The remaining project cost must be covered by non-board funding