

Nevada Drinking Water State Revolving Fund

Eligibility Guide

The Nevada Drinking Water State Revolving Fund (DWSRF) provides low-cost funding to help public water systems improve drinking water infrastructure and protect public health. This guide summarizes which systems can receive funding, what types of projects are eligible, and what requirements borrowers must meet.

Eligible and ineligible water systems

Systems eligible for DWSRF funding

- Community water systems
- Publicly owned systems
- Privately owned systems
- Nonprofit systems (federally tax-exempt)

Systems **not** eligible for funding

- Non-community water systems that are private and for-profit
- Federal government-owned systems
- Systems lacking adequate technical, managerial, or financial capacity
- Systems with significant noncompliance with National Primary Drinking Water Standards

Exception: Systems may still receive funding if the project will bring them into full compliance **and** provide the technical, managerial, and financial capacity needed going forward.

Eligible project categories (at a glance)

[Category one: Treatment](#)

[Category two: Transmission and distribution](#)

[Category three: Source](#)

[Category four: Storage](#)

[Category five: Consolidation](#)

[Category six: Creation of new systems](#)

Category details

Category one: Treatment

Projects that improve how water is treated to ensure safety and compliance. These may include:

- Construction of new treatment facilities
- Upgrades or replacement of treatment components (mixers, sedimentation systems, filtration, chemical feed, disinfection)
- Potable reuse projects and reuse projects that reduce the need for new potable supplies
- Desalination facilities
- Residuals handling and filter backwash recycling
- Raw water storage located at the treatment facility and used as part of the treatment process

Category two: Transmission and distribution

Projects that help water move safely and reliably through the system. Eligible examples include:

- Installation, replacement, or rehabilitation of transmission and distribution mains
- Valves, hydrants, flow meters, and pump stations
- Water main extensions to serve existing residents without safe potable water
- Lead service line replacements (regardless of property ownership)
- “Purple pipe” systems for reclaimed water when used to reduce demand on potable supplies

Category three: Source

Projects that develop or protect water sources, such as:

- New water sources to replace contaminated supplies
- Raw water intakes, wells, and infrastructure that conveys raw water to treatment or directly into distribution
- Emergency alternative supplies, including interconnections and new wells
- Aquifer storage and recovery systems
- Riverbank filtration wells
- Properly plugging abandoned wells

Category four: Storage

Projects that help systems store water safely and maintain pressure, including:

- New storage facilities
- Replacement or rehabilitation of existing storage structures
- Facilities that prevent microbiological contamination, equalize demand, and maintain system pressure
- Storage for recycled “purple pipe” water

Category five: Consolidation

Projects that connect or combine water systems to:

- Resolve Safe Drinking Water Act noncompliance
- Improve long-term technical, managerial, or financial capacity
- Reduce per-household costs

Category six: Creation of new systems

Funding may support creating a new community water system when:

- Residents face public health risks from contaminated wells or surface water
- Existing systems cannot meet technical, managerial, or financial requirements
- A new regional system will address long-term challenges

Projects must be limited to the specific area impacted by contamination.

Projects that are **not** eligible for the DWSRF Funding

- Construction or rehabilitation of dams
- Construction or rehabilitation of reservoirs not used for finished water or treatment processes
- Purchase of water rights (unless for consolidation to improve capacity)
- Projects primarily for future growth
- Projects primarily for fire protection
- Routine water quality monitoring lab fees
- Operations and maintenance expenses
- Refinancing debt of a private water system

DWSRF program requirements for all borrowers

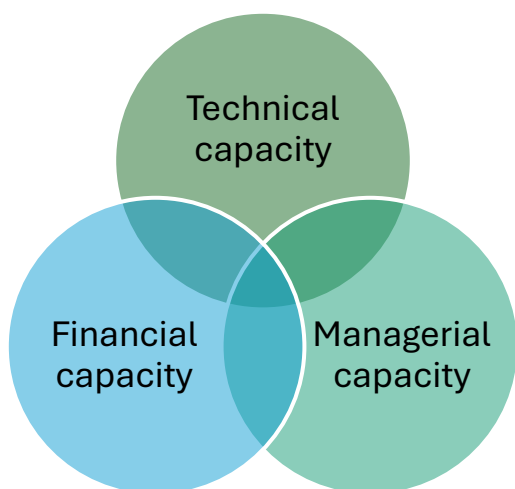
Requirements may change over time. Eligible borrowers must:

- ✓ Be listed on the State Revolving Fund Priority List
- ✓ Complete a Preliminary Engineering Report, facility plan, or equivalent
- ✓ Comply with all federal cross-cutters
- ✓ Complete required historic preservation consultation
- ✓ Meet public participation requirements
- ✓ Obtain all necessary permits and easements
- ✓ Comply with Davis-Bacon wage requirements
- ✓ Comply with American Iron and Steel requirements
- ✓ Provide GAAP-consistent financial statements
- ✓ Set user rates that fully fund operations, maintenance, debt service, and required reserves

Capacity requirements

Borrowers must demonstrate:

Image 1. Capacity triad



- **Technical capacity:** Safe and reliable water sources, appropriate infrastructure, and qualified operators.
- **Managerial capacity:** Accountability, effective system management, and strong working relationships with regulators and the community.
- **Financial Capacity:** Adequate user rates, strong creditworthiness, and sound fiscal controls.

DWSRF Principal Forgiveness Loans

Principal forgiveness may be available depending on funding limits and eligibility.

Qualifying projects may include:

- Projects meeting Nevada's definition of affordability
- Consolidation projects
- Projects for public educational institutions
- Preliminary Engineering Reports with Environmental Review

Additional considerations include:

- ✓ Class A projects on the Priority List
- ✓ Systems serving fewer than 10,000 people
- ✓ Other affordability factors

Borrowers receiving principal forgiveness must also:

1. Develop a Fiscal Sustainability Plan
2. Establish a Capital Replacement Reserve Account