



Drinking Water State Revolving Fund

FINAL

**Intended Use Plan
State Fiscal Year 2023**

Submitted to the
U.S. Environmental Protection Agency
Region IX

Contents

LIST OF ACRONYMS.....	3
1) EXECUTIVE SUMMARY.....	4
2) INTRODUCTION; AVAILABLE FEDERAL FUNDS.....	5
3) DWSRF GOALS.....	7
4) PROJECT ELIGIBILITY, CRITERIA, AND SELECTION	8
5) SET-ASIDE ACTIVITIES	12
6) PROGRAM FINANCIAL MANAGEMENT	18
ATTACHMENT A: DWSRF PROJECT PRIORITY LIST RANKING CRITERIA.....	22
ATTACHMENT B: DWSRF PRINCIPAL FORGIVENESS LOANS	24
ATTACHMENT C: DWSRF 2023 FUNDABLE LIST.....	31
ATTACHMENT D: DRINKING WATER PRIORITY LIST—EFFECTIVE JUNE 2022.....	32
ATTACHMENT E: DWSRF GRANT AND LOAN CONDITIONS	38
ATTACHMENT F: DWSRF BANKED AUTHORITY	44

List of Acronyms

ACFR – Annual Comprehensive Financial Report
AMP – Asset Management Plan
ARRA - American Recovery and Reinvestment Act of 2009
BABA – Build America, Buy America Act of 2021
BIL - Bipartisan Infrastructure Law
BFWP - Board for Financing Water Projects
BSDW - Bureau of Safe Drinking Water
CWSRF - Clean Water State Revolving Fund
DWSRF - Drinking Water State Revolving Fund
EPA - Environmental Protection Agency
ER – Environmental Review
ETT - Enforcement Targeting Tool
FFY - Federal Fiscal Year
HUD - United States Department of Housing and Urban Development
IUP - Intended Use Plan
MHI - Median Household Income
NAC - Nevada Administrative Code
NDEP - Nevada Division of Environmental Protection
NIFS - Nevada Infrastructure Financial System
NIMS - National Information Management System
NRS - Nevada Revised Statute
OFA - Office of Financial Assistance
PBR - Projects and Benefits Reporting
PER – Preliminary Engineering Report
PWS - Public Water System
PWSS - Public Water System Supervision
SDWA - Safe Drinking Water Act of 1996, as amended
SDWIS - Safe Drinking Water Information System
SFY - State Fiscal Year
TMF - Technical, Managerial, and Financial (Capacity)
WIIN - Water Infrastructure Improvements for the Nation Act

1) Executive Summary

The Drinking Water Intended Use Plan (IUP) communicates to drinking water systems, the public, the U.S. Environmental Protection Agency (EPA), and other State departments on how money in the Drinking Water State Revolving Fund (DWSRF) will be managed. The IUP further provides specific details on key aspects of the program, including our State’s short- and long-term goals, the priority setting process used to rank projects, list of projects eligible to receive funding from DWSRF, and programmatic requirements to receive funding.

Nevada has qualified projects to apply for federal grants from the EPA. Those amounts are as follows:

Federal Grant Awards available to Nevada			
	Available	Current IUP Plan	Future IUP Plan
2020 Base Appropriation Re-allotment	\$116,000	\$116,000	\$0
2021 Base Appropriation Re-allotment	\$116,000	\$116,000	\$0
2023 Base Appropriation	\$5,120,000	\$5,120,000	\$0
Subtotal Base funding	\$5,352,000	\$5,352,000	\$0
2023 BIL Supplemental	\$21,830,000	\$21,830,000	\$0
2023 BIL Emerging Contaminants (EC)	\$7,921,000	\$7,921,000	\$0
2023 BIL Lead Service Lines (LSL)	\$28,650,000	\$28,650,000	\$0
Subtotal BIL Funding	\$58,401,000	\$58,401,000	\$0
Total Federal Funding	\$63,753,000	\$63,753,000	\$0

The first requirement for a system to obtain funding is to be added to the Nevada Project Priority List. **Attachment A** outlines the DWSRF project priority list ranking criteria. See **Attachment D** for the Priority List effective June 2022. An updated Priority List effective June 2023 is underway. This priority list will be forwarded to EPA once finalized. A project pre-application can be submitted at any time through the Nevada Infrastructure Financial System (NIFS)¹.

Nevada will spend the required grant amounts according to the grant terms and conditions outlined in **Attachment E**. Nevada’s expected projects receiving funding are outlined on **Attachment C**. Eligibility and amounts for principal forgiveness loans that satisfy the subsidy requirement in the grants are outlined in **Attachment B**.

¹ <https://ndepifs.nv.gov>

2) Introduction; available federal funds

The 1996 Amendments to the Federal Safe Drinking Water Act (SDWA) authorized the creation of the DWSRF. Nevada’s program is administered by the Office of Financial Assistance (OFA), under the direction of the Nevada Division of Environmental Protection (NDEP), Department of Conservation and Natural Resources (DCNR). NDEP is the designated agency to apply for the capitalization grant for the DWSRF Program and related state funds².

Additionally, Congress and the President passed and signed into law the Infrastructure Investments and Jobs Act (IIJA), also known as the Bi-partisan Infrastructure Law (BIL) that is expected to provide Nevada additional resources over the next five years.

Nevada has projects on its IUP that support applications to EPA for federal funding. Nevada intends to request the following from the appropriations act:

The Intended Use Plan must describe:

- Use of a state’s capitalization grant
- State match funds
- Principal and interest from loan repayments
- Other interest earnings of the DWSRF
- Bond proceeds
- Funds designated for administration.
- Funds transferred from or to the Clean Water State Revolving Fund (CWSRF)
- Any other monies deposited into the DWSRF

Base Appropriation requirements in dollars

	2020 Base	2021 Base	2023 Base	Total
Total Amount Provided as Subsidy	\$56,840	\$56,840	\$2,508,800	\$2,622,480
Mandate to Disadvantaged Communities	\$40,600	\$40,600	\$1,792,000	\$1,873,200
Mandate to qualified entities	\$16,240	\$16,240	\$716,800	\$749,280
Total Amount for Set-asides	\$116,000	\$116,000	\$540,640	\$772,640
2% Small systems technical assistance	\$2,320	\$2,320	\$0	\$4,640
2% Small systems re-allotment	\$113,680	\$113,680	(\$227,360)	\$0
4% Administration	\$0	\$0	\$0	\$0
10% State program management	\$0	\$0	\$0	\$0
15% Local assistance	\$0	\$0	\$768,000	\$768,000
Amount provided as Loans	\$0	\$0	\$2,070,560	\$2,070,560
Total Amount of grant	\$116,000	\$116,000	\$5,120,000	\$5,352,000
Federal Match requirement	\$23,200	\$23,200	\$1,024,000	\$1,070,400

NOTE: \$227,360 will reduce the amount towards loans in the 2023 base grant. Cumulative grant requirements for subsidy will be satisfied by the end of SFY 2023.

² Nevada Revised Statutes (NRS) 445A.200 to 445A.295
Nevada Administrative Code (NAC) 445A.6751 to 445A.67644

Base Appropriation requirements in percent

	2020 Base	2021 Base	2023 Base	Total
Total Amount Provided as Subsidy	49.00%	49.00%	49.00%	49.00%
Mandate to Disadvantaged Communities	35.00%	35.00%	35.00%	35.00%
Mandate to qualified entities	14.00%	14.00%	14.00%	14.00%
Total Amount for Set-asides	100.00%	100.00%	10.56%	14.44%
2% Small systems technical assistance	2.000%	2.000%	0.000%	0.09%
4% Administration	98.000%	98.000%	-4.44%	0.00%
10% State program management	0.000%	0.000%	0.000%	0.00%
15% Local assistance	0.000%	0.000%	15.000%	14.35%
Amount provided as Loans	0.00%	0.00%	40.44%	38.69%
Federal Match Requirement	20.00%	20.00%	20.00%	20.00%

The 2020 Base appropriation re-allotment is from federal capitalization grants not applied for by other states. The amount has been re-allocated by EPA. Nevada will request EPA hold the full grant to support technical assistance work that is outlined further in this IUP. To satisfy the subsidy requirements of the 2020 appropriations act, Nevada will spend an equivalent amount towards subsidy projects.

The 2021 Base appropriation re-allotment is what is anticipated to be re-allocated from other states not applying for capitalization grants. This amount is an estimate only. The actual grant application will be prepared once final allotments are issued by EPA.

Nevada intends to request the following from the year 2 BIL allotments:

BIL funding requirements in dollars

	Supplemental	EC	LSL	Total
Total Amount Provided as Subsidy	\$10,696,700	\$6,574,430	\$14,038,500	\$31,309,630
Mandate to Disadvantaged Communities	\$10,696,700	\$1,980,250	\$14,038,500	\$26,715,450
Mandate to qualified entities	\$0	\$4,594,180	\$0	\$4,594,180
Total Amount for Set-asides	\$6,767,300	\$1,346,570	\$3,438,000	\$11,551,870
2% Small systems technical assistance	\$436,600	\$158,420	\$573,000	\$1,168,020
4% Administration	\$873,200	\$0	\$0	\$873,200
10% State program management	\$2,183,000	\$0	\$0	\$2,183,000
15% Local assistance	\$3,274,500	\$1,188,150	\$2,865,000	\$7,327,650
Amount provided as Loans	\$4,366,000	\$0	\$11,173,500	\$15,539,500
Total Amount of grant	\$21,830,000	\$7,921,000	\$28,650,000	\$58,401,000
Federal Match requirement	\$2,183,000	\$0	\$0	\$2,183,000

BIL funding requirements in percent				
	Supplemental	EC	LSL	Total
Total Amount Provided as Subsidy	49.00%	83.00%	49.00%	53.61%
Mandate to Disadvantaged Communities	49.00%	25.00%	49.00%	45.74%
Mandate to qualified entities	0.00%	58.00%	0.00%	7.87%
Total Amount for Set-asides	31.00%	17.00%	12.00%	19.78%
2% Small systems technical assistance	2.000%	2.000%	2.000%	2.00%
4% Administration	4.000%	0.000%	0.000%	1.50%
10% State program management	10.000%	0.000%	0.000%	3.74%
15% Local assistance	15.000%	15.000%	10.000%	12.55%
Amount provided as Loans	20.00%	0.00%	39.00%	26.61%
Federal Match Requirement	10.00%	0.00%	0.00%	3.74%

3) DWSRF Goals

Nevada's Short-Term Goals

- Provide financial assistance to recipients outlined on Nevada's Fundable List (Attachment C).
- Ensure compliance with all pertinent federal, state, and local laws and regulations.
- Coordinate and partner with other federal and state funding authorities to ensure systems receive as many resources as possible to fund projects.
- Market the DWSRF program to educate potential borrowers on funding opportunities with the program.
- Provide technical assistance to build operating, managerial, and financial capacity in drinking water systems.
- Evaluate the risk to Nevada's Drinking Water to per- and polyfluoroalkyl substances (PFAS) contamination using the 2022 Nevada PFAS Action Plan.
- Help systems address emerging contaminants in their communities.
- Help systems prepare a lead and copper inventory.
- Ensure the program's operating budget adequately supports resources and administrative activities, while anticipating future needs.

Nevada's Long-Term Goals

- Continue to assist Nevada's communities with fulfilling the requirements of the federal SDWA and State regulations through below-market-rate financing for drinking water projects.
- Obtain optimum turnover of the DWSRF fund while maintaining the necessary reserve for debt service that safeguards the program's AAA rating from Standard and Poor's.
- Issue debt obligations as needed so program funds either match federal grants or provide additional resources for projects.
- Enhance long-term sustainability for Nevada's disadvantaged systems by helping develop asset management plans, evaluating service goals, calculating sufficient rates to sustain systems, and funding capital reserve accounts.
- Coordinate with USEPA and Region 9 EPA to engage Nevada staff in an Area Wide Optimization Program (AWOP) to address long-term surface water, disinfection byproducts and groundwater treatment compliance.
- Address emerging contaminants, especially PFAS, in communities through direct funding of projects that will capture, treat, and mitigate emerging contaminants.

4) Project Eligibility, Criteria, and Selection

Supply	Primary or redundant sources that meet water quality standards and drought mitigation.
Storage	Primary or redundant storage tanks, including internal re-coatings.
Treatment	Safe Drinking Water standards and Nevada secondary standards, including emerging contaminants
Distribution	Transmission, distribution, service lines, meters, isolation valves, and SCADA controls.
Security	Physical Security (fences, cameras, lighting) and Cyber Security to prevent hackers controlling your system.
Planning	Preliminary Engineering Reports; Environmental Reviews; Cultural Resources
Refinancing	For qualified debt issued by the borrower after March 7, 1985.

Special BIL Funding Emerging Contaminants

The primary purpose must be to address emerging contaminants in drinking water.

Given the clear Congressional intent that these funds focus on projects addressing perfluoroalkyl and polyfluoroalkyl substances (hereinafter PFAS), EPA expects Nevada to actively solicit and prioritize PFAS-focused projects. Nevada, however, has the flexibility to fund projects for any contaminant in any of EPA's Contaminant Candidate Lists and other contaminants identified by EPA. Some of the eligible project types from the Contaminant Candidate List include, but are not limited to:

- Cyanobacteria (blue-green algae)
- Pesticides
- Pharmaceuticals
- Biological toxins
- Disinfection byproducts
- Legionella
- Micro-plastics

Eligible costs include:

- New treatment
- Upgrade or rehabilitate treatment
- Development of a new source of supply
- Consolidation with another system
- Planning and design
- Pilot testing
- non-routine sampling
- Creation of a new community water system to remove an unsafe privately-owned source

Special BIL Funding Lead Service Lines

The primary purpose must be to address Lead or galvanized service lines.

A lead service line is defined as a line which connects the water main to the building inlet. A lead service line may be owned by the water system, owned by the property owner, or both. For the purposes of this subpart, a galvanized service line is considered a lead service line if it ever was or is currently downstream of any lead service line or service line of unknown material. EPA has expanded the eligible uses beyond the definition above to also include the replacement of lead goosenecks, pigtails, and connectors as eligible expenses, whether standalone or connected to a lead service line.

Eligible costs include:

- **MUST** remove both public and private side of the service line.
- Lead or galvanized goosenecks, pigtails, and connectors
- Curb stops, curb stop boxes, and other service line appurtenances.
- Consolidation with another system.
- Site restoration, including landscaping, sidewalks, driveways, etc. if the removal was necessary to replace the lead service line.
- Temporary pitcher filters or point-of-use (POU) devices.
- non-routine sampling.
- Development or updating of lead service line inventories.

NDEP considers the health and safety of the citizens and visitors of Nevada its priority. OFA conservatively estimates the needs of the water systems within the State over a two-year fiscal period. The needs of our systems, however, vary widely. Some of our systems are concerned with aging infrastructure, while others are working on attaining or maintaining water quality standards. NDEP accounts for these challenges by having direct dialogue with operators, engineers, technical advisors, and contractors that deal with these systems directly. Nevada is a small enough state by system count that OFA can work with each to understand which projects will be most ready to proceed.

Partnership in Funding

In an effort to ensure as many projects are completed as possible, and all available federal funds are utilized in Nevada, OFA partners with various agencies to bridge funding gaps and make projects more affordable. OFA proudly partners with the following agencies on a regular basis to coordinate funding and planning (this list is not limited but is provided as an example):

- United States Department of Agriculture—Rural Development.
- United States Department of the Interior—Bureau of Reclamation
- United States Department of Health and Human Services—Indian Health Services
- Nevada Governor’s Office of Economic Development—Community Development Block Grant Program.
- Nevada Department of Emergency Management-Federal Emergency Management Agency grants
- Nevada State Infrastructure Bank

Priority list

The first requirement for a system to obtain funding from the DWSRF is to be added to the Nevada Project Priority List. **Attachment A** outlines the DWSRF project priority list ranking criteria. See **Attachment D** for the Priority List effective June 2022. An updated Priority List effective June 2023 is underway. This priority list will be forwarded to EPA once finalized. A project pre-application can be submitted at any time through the Nevada Infrastructure Financial System (NIFS)³.

Systems are not obligated to take out a loan from the DWSRF by being placed on the priority list. However, the DWSRF is not able to provide funding for any system or project not listed on the finalized priority list.

Nevada will open the priority list, at least annually, to require those listed to renew their pre-applications and add any new projects. Additional openings of the priority list are subject to project need and staff resources.

The priority list is required to be ranked to ensure funding goes to the highest priority project first. However, Nevada can bypass projects on the list that are deemed not ready-to-proceed.⁴

³ <https://ndepifs.nv.gov>

⁴ NAC 445A.67567 through NAC 445A.67573

Capacity assessment

The SDWA requires that a public water system (PWS) applying for a DWSRF loan must show it has the technical, managerial, and financial (TMF) capacity to ensure compliance and system sustainability⁵. If a system does not have adequate capacity, assistance may only be provided if it will ensure the system can acquire adequate capacity. The goal of this requirement is to ensure that DWSRF assistance is not used to create or support non-viable systems. NDEP's TMF capacity survey is filled out as part of the DWSRF loan application process – if a system has not gone through a capacity survey in the past five years. OFA can use the TMF capacity survey and will also consider the results of sanitary surveys and the Enforcement Targeting Tool (ETT) score when assessing capacity.

Technical capacity

NRS 445A.847 defines technical capability. DWSRF loan applicants must show that drinking water sources are adequate; that the system's source, treatment, distribution, and storage infrastructure are adequate; and personnel have the technical knowledge to efficiently operate and maintain the system. As part of reviewing a loan applicant's TMF capacity survey, OFA reviews the system's records to assure that the system is being properly operated and maintained. The water system must not have outstanding water compliance problems, unless the DWSRF project is intended to correct those problems, or the system is addressing those problems concurrently with the DWSRF project. The engineering reports, plans, and specifications for the proposed DWSRF-funded project, and the system's technical capacity from the TMF capacity survey, will all be evaluated during the loan application process. The water system must have a qualified water operator in accordance with the State's operator certification program.

Managerial capacity

NRS 445A.827 outlines the definition of managerial capacity. The water system must have personnel with expertise to manage the entire water system's operations. OFA reviews the applicant's managerial capacity from the TMF capacity survey and supporting documentation to assure that management is: involved in the day-to-day supervision of the water system, responsive to all regulations, available to respond to emergencies, available to respond to OFA requirements for funding, and capable of identifying and addressing all necessary capital improvements to assure financial viability

Financial capacity

NRS 445A.817 outlines the definition of financial capacity. The applicant must show that the system has sufficient revenues to cover the necessary costs of maintenance, operations, debt service, and reserve requirements, as well as demonstrate credit worthiness and adequate fiscal controls. OFA reviews the applicant's financial capacity from the TMF capacity survey, the project budget, annual financial reports, credit rating agencies, and other financial information to ensure the applicant has adequate financial capacity. Financial ratios are used to analyze the borrower's solvency and liquidity include: the current ratio, working capital, operating ratio (before non-cash expenses), debt coverage ratio (before non-cash expenses), and debt-to-asset ratio.

⁵ NAC 445A.67563(7) and NAC 445A.67563(8)

OFA assesses whether each water system has a long-term plan to undertake feasible and appropriate changes in operations to develop adequate capacity. In making these assessments, OFA will consult with NDEP's Bureau of Safe Drinking Water (BSDW) and local health departments. OFA will review water resource management strategies, comprehensive studies, the State's response to the Drinking Water Needs survey, and other available engineering reports to help improve the overall capacity of systems requesting assistance. OFA will encourage consolidation efforts when two or more systems can benefit, and encourage other options, such as contract management or partnerships with other communities in their area. The priority ranking criteria provides additional points to encourage this objective.

Public participation

NDEP will conduct a public hearing on the draft priority list to encourage public participation and provide a time for public comment. NDEP will provide notice of the time and place set for the workshop no less than 15 days before the workshop, unless a longer period is required. NDEP may provide notice by mailing the notice to each person on its mailing list, posting on its public notice website, posting on the State's Public Notice website, sending an email through its maintained electronic mailing server, or any other means. The notice will include all the required elements of a public notice, as outlined in the regulations.

NDEP sent out solicitations in February 2022 for the Drinking Water Priority List. A publicly noticed workshop was held on June 23, 2022, at 1:00pm. The Drinking Water Priority List—Effective July 2022 was then approved by the Board for Financing Water Projects on June 29, 2022 per NRS 445A.265(3)(b).

To ensure that the public has an opportunity to review our proposed plans for the DWSRF, the 2023 draft IUP was posted on NDEP's website⁶ for 30 days before it was finalized. Additional notice of the Draft IUP was emailed to subscribers to NDEP's maintained email subscription service.

5) Set-Aside Activities

The SDWA allows each state to set aside a portion of its federal capitalization grant to support various drinking water projects. This includes administration costs, technical assistance, state program management, and special activities. The funding request is based on the State's biannual budget.

⁶ <https://ndep.nv.gov/posts>

Small system technical assistance

- This set-aside assists small systems serving less than 10,000 people via State personnel or agreements with third party assistance providers. Assistance includes, but is not limited to:
 - Compliance issues and sanitary survey deficiencies
 - Cross connection controls
 - Emergency assistance
 - Water and energy conservation
 - Hydraulic modeling
 - Operation and maintenance manuals
 - Digital mapping of system assets
 - Budgeting, rate setting, board training, general office, and business training
 - Non-routine sampling for emerging contaminants
 - Lead and copper inventory assistance

Small Systems Technical Assistance Set-Aside (2% of grant)				
	Requested Amount	Maximum Amount (2%)	Change in Banked Balance	Banked Balance at end of SFY 2023
2020 Base Appropriation Re-allotment	\$116,000	\$2,320	(\$113,680)	
2021 Base Appropriation Re-allotment	\$116,000	\$2,320	(\$113,680)	
2023 Base Appropriation	\$0	\$102,400	\$102,400	
Subtotal Base funding	\$232,000	\$107,040	(\$124,960)	\$878,848
2023 BIL Supplemental	\$436,600	\$436,600	\$0	\$0
2023 BIL Emerging Contaminants (EC)	\$158,420	\$158,420	\$0	\$0
2023 BIL Lead Service Lines (LSL)	\$573,000	\$573,000	\$0	\$0
Subtotal BIL Funding	\$1,168,020	\$1,168,020	\$0	\$0

The changes in banked balances for Small Systems Technical Assistance will not have a negative impact on our future ability to meet the needs of Nevada Small Systems nor on our ability to qualify for future grant funding. See **Attachment F** for banked authority amounts.

Administration

- This set-aside assists OFA administer the program and associated expenses allocated to the drinking water grants. Funds support site inspections, grant reporting, project compliance monitoring, project applications and draw processing.
 - Salaries and benefits
 - Travel and Training
 - Contracts and Subgrants
 - Equipment
 - Operations, rentals, and lease expenses

The changes to the SDWA from the Water Infrastructure Improvements for the Nation Act of 2016 (WIIN Act) allows states to take up to 4% of the cumulative federal capitalization grant, 1/5 of the current valuation of the fund, or \$400,000 per year to support administration of the program. Nevada has historically requested less than what is authorized to allow more funding for projects.

Administration Set-Aside (4% of grant)				
	Requested Amount	Maximum Amount (4%)	Change in Banked Balance	Banked Balance at end of SFY 2023
2020 Base Appropriation Re-allotment	\$0	\$4,640	\$4,640	
2021 Base Appropriation Re-allotment	\$0	\$4,640	\$4,640	
2023 Base Appropriation	\$0	\$204,800	\$204,800	
Subtotal Base funding	\$0	\$214,080	\$214,080	\$2,613,966
2023 BIL Supplemental	\$873,200	\$873,200	\$0	\$0
2023 BIL Emerging Contaminants (EC)	\$0	\$316,840	\$316,840	\$667,160
2023 BIL Lead Service Lines (LSL)	\$0	\$1,146,000	\$1,146,000	\$1,146,000
Subtotal BIL Funding	\$873,200	\$2,336,040	\$1,462,840	\$1,813,160

The changes in banked balances for Administration will not have a negative impact on our future ability to meet the needs of Nevada water systems nor on our ability to qualify for future grant funding. See **Attachment F** for banked authority amounts.

State program management

- This set-aside supports:
 - Public Water System Supervision:
 - The Bureau of Safe Drinking Water (BSDW) maintains the Safe Drinking Water Information System (SDWIS). SDWIS manages PWS data in Nevada and will integrate with other bureau workflow management tools and State databases.
 - BSDW continues to manage State and EPA compliance and enforcement priorities using Enforcement Targeting Tool information, the Strategic Performance Measure, pursuing enforcement when necessary, and tracking ongoing compliance with administrative orders.
 - BSDW maintains engineering design review activities.
 - Capacity Development Program
 - Develops and monitors the Capacity Development Strategy
 - BSDW staff support capacity development through routine communication, coordinating technical assistance, and providing support to public water systems.
 - OFA staff support capacity development through subgrant agreements, and the coordination, monitoring, and reporting of third-party vendors.
 - Operator Certification
 - NDEP conducts a water system operator certification program. To comply with SDWA requirements – and to provide the resources needed to certify operators of all community and non-transient non-community systems (including systems without treatment).
 - NDEP’s operator certification program meets the criteria presented by EPA in stakeholder meetings and guidance.

The change in banked balances for State Program Management will not have a negative impact on our future ability to meet the needs of Nevada water systems nor on our ability to qualify for future grant funding. See **Attachment F** for banked authority amounts.

State Program Management Set-Aside (10% of grant)				
	Requested Amount	Maximum Amount (10%)	Change in Banked Balance	Banked Balance at end of SFY 2023
2020 Base Appropriation Re-allotment	\$0	\$11,600	\$11,600	
2021 Base Appropriation Re-allotment	\$0	\$11,600	\$11,600	
2023 Base Appropriation	\$0	\$512,000	\$512,000	
Subtotal Base funding	\$0	\$535,200	\$535,200	\$6,856,980
2023 BIL Supplemental	\$2,183,000	\$2,183,000	\$0	\$0
2023 BIL Emerging Contaminants (EC)	\$0	\$792,100	\$792,100	\$1,667,900
2023 BIL Lead Service Lines (LSL)	\$0	\$2,865,000	\$2,865,000	\$2,865,000
Subtotal BIL Funding	\$2,183,000	\$5,840,100	\$3,657,100	\$4,532,900

Local assistance and other state programs

This set-aside supports three main programs. Federal regulations state that no more than 10% of the federal capitalization grant can be allotted to any one of these activities.

- Source Water Protection

Source water protection is a cost-effective strategy that focuses on preventing contamination of drinking water supplies. Funding under this set-aside is used to:

- Revise and implement source water protection programs
- Develop and perform technical assistance outreach
- Deal with threats like pathogens, inorganics, nutrients, and emerging contaminants like per- and polyfluoroalkyl substances (PFAS)
- Provide direct loans to consolidate septic systems to protect water supplies

- Wellhead Protection

Support for the Source Water Protection Program provides outreach and assistance to communities. The program helps develop strategies to protect local water resources by:

- Preventing contamination of groundwater and surface water
- Identifying and reducing the risk posed by potential water pollution sources
- Coordinating water protection activities throughout the State
- Updating Source Water Assessments
- Purchase land or land easements to protect against contamination
- Decommissioning abandoned wells

- Capacity Development

Assistance to any size system via State personnel or agreements with third party assistance providers. Assistance may include, but is not limited to:

- Compliance issues and sanitary survey deficiencies
- Emergency assistance
- Asset Management Plans
- Operator certification training
- Board and management training
- DWSRF outreach and project support
- Budgeting and rate setting
- Non-routine sampling for emerging contaminants
- Lead and copper inventory assistance
- Direct programmatic assistance for compliance with Davis-Bacon, AIS, BABA, or procurement requirements.
- Provide grants for planning and environmental review activities.
- Provide grants for consolidation to meet capacity needs.

- Area-Wide Optimization Program

The Area-Wide Optimization Program (AWOP) provides tools and approaches for drinking water systems to meet water quality optimization goals and provide an increased – and sustainable – level of public health protection to their consumers. AWOP is a voluntary program for which Nevada plans to initiate staff training in 2023. AWOP will provide additional tools allowing the State to provide compliance assistance through optimization, particularly for small- and medium-sized systems. The program teaches problem-solving skills designed to improve operations at drinking water systems without costly capital improvements. Nevada has an increasing number of water systems treating their drinking water, in particular for arsenic and surface water, and AWOP will provide an opportunity to partner with water systems to enhance efforts to maintain long-term compliance.

Local Assistance Set-Aside (15% of grant)				
	Requested Amount	Maximum Amount (15%)	Change in Banked Balance	Banked Balance at end of SFY 2023
2020 Base Appropriation Re-allotment	\$0	\$17,400		
2021 Base Appropriation Re-allotment	\$0	\$17,400		
2023 Base Appropriation	\$768,000	\$768,000		
Subtotal Base funding	\$768,000	\$802,800		
2023 BIL Supplemental	\$3,274,500	\$3,274,500		
2023 BIL Emerging Contaminants (EC)	\$1,188,150	\$1,188,150		
2023 BIL Lead Service Lines (LSL)	\$2,865,000	\$4,297,500		
Subtotal BIL Funding	\$7,327,650	\$8,760,150		

Nevada has requested EPA utilize \$130,000 from the 2022 DWSRF Capitalization Grant 15% set-aside towards AWOP training. Nevada is requesting EPA utilize up to \$70,000 from the 2023 DWSRF Capitalization Grant 15% set-aside to complete the necessary AWOP training for the state.

In SFY 2023, NDEP will work to further integrate its statewide source water protection strategy with other federal, State, and local programs. This will improve protection and management of water resources. NDEP continues to encourage public support and responsibility for local water supplies by supporting citizen advisory committees. These committees help implement NDEP’s existing source water protection program.

6) Program Financial Management

Grant match requirements

The SDWA requires states to provide a 20% match to the base program capitalization grant. The BIL requires states to provide a 10% match to the supplemental grant. Nevada issues general obligation bonds – additionally secured by pledged revenues – to meet this match requirement. In SFY 2023, Nevada issued \$5,000,000, which satisfied the match requirement for the base and BIL grants through SFY 2023.

DW SRF Current Match Coverage	Base Grant	BIL Supplemental	Total Grants
Total Grants Received by July 1, 2022	267,872,500.00	0.00	267,872,500.00
Less ARRA Grant	(19,500,000.00)	0.00	(19,500,000.00)
Total thru July 1, 2022	248,372,500.00	0.00	248,372,500.00
DWSRF Pending grant applications	0.00	20,857,000.00	20,857,000.00
2023 DWSRF Grants requiring match	5,352,000.00	21,830,000.00	
Total Grants requiring match	253,724,500.00	42,687,000.00	296,411,500.00
Total Match-to-date	52,999,691.15	8,634,700.00	61,634,391.15
Total Match Needed	50,744,900.00	4,268,700.00	55,013,600.00
Overmatch / (undermatch)	2,254,791.15	4,366,000.00	6,620,791.15

Loan Origination and Service Fees

NDEP charges a loan origination fee and a service fee. This fee went into effect on December 29, 2022, with the adoption of the regulation amendments by the State Environmental Commission⁷.

- For borrowers issuing a bond and receiving a long-term loan:
 - The loan origination fee is 0.50% of the loan amount and collected within 30 days of loan closing.
 - The service fee is 0.50% of the loan amount, divided by the term of the loan, and collected annually no later than January 1 of each year.
- For borrowers not issuing a bond and receiving a long-term loan:
 - The loan origination fee is 0.50% of the loan amount and collected within 30 days of loan closing.
 - The service fee is 0.75% of the loan amount, divided by the term of the loan, and collected annually no later than January 1 of each year.
- For borrowers receiving a principal forgiveness or short-term loan, \$1,000.
- For borrowers that are disadvantaged, no origination fee or service fee is collected.

As of July 1, 2022, Nevada has collected \$0 in loan origination fees and service fees.

Use of all funds available

All publicly issued loans will be funded with resources in a specific order, utilizing the first-in, first-out method for bonds and grants:

1. Bond proceeds (match and leverage, if available)
2. Capitalization grant funds
3. Re-loan principal
4. Re-loan interest
5. Investment interest (Treasurer's Interest)

⁷ <https://www.leg.state.nv.us/Register/2022Register/R109-22AP.pdf>

All privately issued loans will be funded with capitalization grant funds or re-loan funds only. Projects addressing emerging contaminants or lead service lines will first come from federal funds authorized for these projects.

Program transfers

The Programs may transfer an amount equal to 33% of a fiscal year's DWSRF program grant to the CWSRF program or an equivalent amount from the CWSRF program to the DWSRF program⁸. NDEP reserves the right to transfer funds as needed to support the programs.

Transfers (based on the DWSRF Grants)					
	Base Appropriations	BIL Supplemental	BIL EC	Lead Service	TOTAL
Cumulative DWSRF Grants through SFY 2022	\$275,995,500.00	\$0.00	\$8,758,000.00	\$0.00	\$284,753,500.00
DWSRF Grants SFY 2022 Pending	\$232,000.00	\$20,857,000.00	\$0.00	\$0.00	\$21,089,000.00
DWSRF Grants SFY 2023	\$5,120,000.00	\$21,830,000.00	\$7,921,000.00	\$28,650,000.00	\$63,521,000.00
33% allowed for transfer	\$92,844,675.00	\$7,203,900.00	\$5,504,070.00	\$9,454,500.00	\$115,007,145.00
Transferred prior to SFY 2022	\$0.00	\$0.00	\$2,890,140.00	\$0.00	\$2,890,140.00
Requested in SFY 2023	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Remaining Authority to transfer	\$92,844,675.00	\$7,203,900.00	\$2,613,930.00	\$9,454,500.00	\$112,117,005.00
Total transfers at the end of SFY 2023	\$0.00	\$0.00	\$2,890,140.00	\$0.00	\$2,890,140.00

⁸ 40 C.F.R. Sec. 35.3530(C)

Sources and Uses of all DWSRF funds since inception

The following table illustrates the DWSRF program funds since inception.

Estimated FY2023 and Cumulative Sources and Uses			
	Cumulative through SFY2022	SFY 2023	Cumulative Total
SOURCES			
Federal Grants (Base Program)	248,372,500	5,352,000	253,724,500
Federal Grants (BIL Funding)	0	88,016,000	88,016,000
Federal Grants (ARRA)	19,500,000	0	19,500,000
State Match Bonds	55,630,631	6,003,760	61,634,391
State Leverage Bonds	0	0	0
Principal Repayments	130,628,995	14,250,300	144,879,295
Interest Repayments	55,827,435	3,848,238	59,675,673
Investments Earnings	8,405,757	380,639	8,786,396
Funds Transferred from (To) DWSRF	0	(2,890,140)	(2,890,140)
TOTAL SOURCES	518,365,318	114,960,797	633,326,115
USES			
Final Loan Agreements (Base Program)	356,637,175	14,719,884	371,357,059
Final Loan Agreements (BIL Funding)	0	0	0
Final Loan Agreements (ARRA)	19,039,051	0	19,039,051
Match Bond Debt Service	49,970,184	3,252,119	53,222,303
Leverage Bond Debt Service	0	0	0
Set-Asides (Base Funding)	52,395,698	3,813,270	56,208,968
Set-Asides (BIL Funding)	0	7,954,530	7,954,530
Set-Asides (ARRA Funding)	460,949	0	460,949
Funds available for future loan commitments	33,899,968	85,220,994	119,120,962
Debt Service Reserves	5,962,293	0	5,962,293
TOTAL USES	518,365,318	114,960,797	633,326,115

Attachment A: DWSRF Project Priority List Ranking Criteria

Nevada uses a ranking system to prioritize the order in which eligible projects will be financed⁹. At least annually – following a statewide solicitation for projects – NDEP develops a statewide priority list of water projects. The priority list is a part of this IUP. Placement on the priority list does not guarantee that a project will be funded. However, only projects included on the priority list will be considered for possible funding. Any list, before it is adopted, must undergo the public review and comment process outlined in the regulations and must be approved by the Board for Financing Water Projects.

NDEP may revise the ranking of a project on an existing list at any time if new information affecting the ranking of the project becomes available. NDEP may revise a priority list to correct minor typographical or technical errors. NDEP does not need approval from BFWP or to hold a public participation workshop to make these corrections¹⁰.

NDEP may bypass a water project on the priority list if it determines that the water project is not ready to proceed or the applicant for the project withdraws the project or fails to file a letter of intent. NDEP will notify systems bypassed on the list and provide an opportunity to object to the determination¹¹.

If the scores for two or more projects are tied, ranking will be based on population, with the higher population given the higher ranking. Systems or projects that meet the definition of disadvantaged will receive an additional 25 points to arrive at the final score for the project.

Projects are ranked into the following four classes (listed in order of priority):

1. Acute health risks
2. Chronic health risks
3. Infrastructure rehabilitation
4. Refinancing existing debt that qualifies under the DWSRF

In each of the categories, projects are ranked by type of PWS, in the following order:

1. Community public water systems
2. Non-profit, non-transient, non-community water systems
3. Non-profit, transient, non-community water system

The priority list allows the intended use plan to outline additional projects within each class.¹² The following types of projects shall be added to each ranking class to the ranking criteria:

Class I Acute: Systems that have not received a written notice of violation for an acute contaminant exceedance but are actively addressing the increasing levels within their project to prevent a violation. 1 point.

⁹ NAC 445A.67569

¹⁰ NAC 445A.6757

¹¹ NAC 445A.67573

¹² NAC 445A. 67569

Class II Chronic: Systems that have not received a written notice of violation for a chronic contaminant exceedance but are actively addressing the increasing levels within their project to prevent a violation. 1 point.

Class III Rehabilitation: Projects that address the removal of lead transmission, distribution, or services lines. 1 Point.

Class III Rehabilitation: Systems that are actively addressing climate change by introducing innovative technologies and systems that will reduce energy or water consumption, increase resiliency to natural or manmade disasters, reduce their dependency on fossil fuels, prevent erosion, increase reuse technology, or otherwise increase their reliability to sustain water distribution amid a changing climate. 1 point.

Requests for financial assistance for emergency situations may be made to NDEP at any time. In any emergency situation, an applicant may submit a loan application without waiting for a revision to the priority list. All other applicants on an approved priority list will be notified of an emergency request and be given an opportunity for any comments or objections. The Board for Financing Water Projects will add the project to the priority list at the same time it approves the loan commitment. The project must meet the definition of an emergency project¹³, the project must be ready to proceed faster than the normal process for funding, and the system must demonstrate a current response to the emergency.

¹³ NAC 445A.67527

Attachment B: DWSRF Principal Forgiveness Loans

Base Appropriation requirements in dollars				
	2020 Base	2021 Base	2023 Base	Total
Total Amount Provided as Subsidy	\$56,840	\$56,840	\$2,508,800	\$2,622,480
Mandate to Disadvantaged Communities	\$40,600	\$40,600	\$1,792,000	\$1,873,200
Mandate to qualified entities	\$16,240	\$16,240	\$716,800	\$749,280
BIL funding requirements in dollars				
	Supplemental	EC	LSL	Total
Total Amount Provided as Subsidy	\$10,696,700	\$6,574,430	\$14,038,500	\$31,309,630
Mandate to Disadvantaged Communities	\$10,696,700	\$1,980,250	\$14,038,500	\$26,715,450
Mandate to qualified entities	\$0	\$4,594,180	\$0	\$4,594,180

System or project qualifications and limits

Base appropriation mandate to disadvantaged communities

- **Qualifications**
Systems or projects must qualify as disadvantaged.

Base appropriation mandate to qualified entities

- **Qualifications**
Traditional loan recipients who are willing to be an equivalency project for federal reporting purposes may receive up to 1.5% of the loan as principal forgiveness. Funds will be available to the first qualified borrower(s) to submit a loan application and sign a contract. The program is available until funds are committed. Funds are available on a first come, first qualified basis. There are no limits to the number of borrowers or size of repayable loan that qualifies.
- **Project Limits**
Up to \$749,280 to a single project. No exceptions apply to this funding.

BIL supplemental mandate to disadvantaged communities

- Qualifications
Systems or projects must qualify as disadvantaged.

BIL emerging contaminants funding

- Qualifications
Systems or projects must be addressing an emerging contaminant issue. A portion of this funding must go to a system that also qualifies as disadvantaged.

BIL lead service line funding

- Qualifications
Systems or projects must be removing lead or galvanized service lines on both the public and private sections. A system must also qualify as disadvantaged.

Nevada seeks to support as many communities as possible with the limited resources available. Therefore, the amount a single project may receive as principal forgiveness funding is limited.

Funds are committed on a first-come, first-served basis, depending on project priority list rank and readiness-to-proceed within a grant cycle. Projects already partially funded or projects meeting the definition of disadvantaged will be prioritized over other projects when determining if available funds exist.

Construction Projects

Limit of \$2,500,000 per project

Exceptions to the limit:

1. NDEP has available funds from the grants, and;
 - The system would take on unreasonable bonding costs for the additional loan amount (greater than 5% of the loan), or;
 - The system is addressing a public health emergency, or;
 - The system has demonstrated that a loan for the remaining cost of the project would raise reasonable rates by more than 10%.

Planning documents

Limit of \$100,000 per project. A 15% match will be required for each disbursement request.

Disadvantaged qualifications

NAC 445A.675245 defines a disadvantaged community as an area in which, as compared to other communities in this State, residents disproportionately experience economic, environmental or health issues, including, without limitation, high rates of poverty or unemployment¹⁴.

NAC 445A.67575(8) further requires an intended use plan to be prepared by NDEP, which describes how all money deposited into the Account for the Revolving Fund and the Account for Set-Aside Programs will be used, including a description of any program for a disadvantaged community and the funds utilized for this type of assistance.

NDEP will utilize a point system to determine if a system or project qualifies as disadvantaged. The following will be used in the point system. A **minimum of 50 points** must be obtained to be defined as disadvantaged.

Income Data	<u>Possible Points</u>
Median Household Income (MHI) of project service area	
<i>MHI shall be taken to mean the latest American Community Survey information used for the current year project priority list that relates to the census tract of the project area; or a valid income survey performed within the last five calendar years.</i>	
Based upon the Current Priority List data	
*Below 80% of the State MHI	50
*Between 80% and 99% of State MHI	30
*Between 100% and 119% of State MHI	0
*Above 120% of State MHI	-10
Percent of families and people whose income in the past 12 months is below the state poverty level	
*Project service area is at or below the state percent	20
*Project service area is below the state percent	0
Population Trend	<u>Possible Points</u>
Based upon last three years of American Community Survey best available data	
*Decreasing and/or system serves less than 1000 residents	5
*Increasing	0

¹⁴ <https://www.leg.state.nv.us/Register/2022Register/R109-22AP>

Workforce Indicators	Possible Points
Percent of residential population of the service area not in the workforce	
Based upon American Community Survey used for MHI data	
*Lower than or equal to state	0
*Between 100% and 110% of state	10
*Between 111% and 120% of state	15
*Above 120% of State	20
Unemployment Rate	
Based upon American Community Survey used for MHI data	
*Lower than or equal to the state	0
*Between 100% and 110% of state	5
*Greater than 110% of state	10
Affordability	Possible Points
How will additional loan dollars impact water system residential rates	
<i>*Rates must already be sufficient to cover current operations, maintenance, debt service and required reserves for the system.</i>	
<i>*Average user rate is based on the rate a residential customer would pay for the average usage of water consumed.</i>	
The system has not specifically allocated funds for the rehabilitation and replacement of aging and deteriorating infrastructure	-5
System has not reviewed rates in five years	-5
Residential average user rates increased by more than 10% in the last 5 years, or will increase by more than 10% to fully fund this project	10
Residential average user rates increased by more than 20% in the last 5 years, or will increase by more than 20% to fully fund this project	20
Residential average user rates increased by more than 30% in the last 5 years, or will increase by more than 30% to fully fund this project	30
Residential base rate to Median Household Income:	
*Residential base rate is above 2.0% of the communities MHI	20
*Residential base rate is between 1.5% and 1.99% of the communities MHI	10
*Residential base rate is below 1.5% of the communities MHI	0

Other Factors	Possible Points
Project is preparing a PER with an ER to plan for a project	10
Project is physically or managerially consolidating a system for capacity	10
Qualifies as an Acute or Chronic project on the current Priority List	10
Project is addressing an emerging contaminant or Lead Service Line	10
System at risk for emergencies or is facing a current emergency	10
Population demographics 10% of the population (see below)	10
Population demographics 15% of the population (see below)	20
Population demographics 25% of the population (see below)	30
2nd homes/vacation homes are greater than 30% of the service area	-10
<p>Maximum Points are 235 Points needed to Qualify for Principal Forgiveness is 50</p> <p><u>Population Demographics</u> Percent of the population experiencing one or more of the following will receive additional points</p> <ul style="list-style-type: none"> *Temporary Assistance for Needy Families (TANF) *Medicaid benefits *Supplemental Nutrition Benefits *Low-income housing assistance *Utility assistance *Disabilities *Population not proficient in the English language *Population that is non-white/minority *No health insurance *Location is more than 50 miles from the nearest accessible Social Services (Medicaid, SNAP etc.) 	

Special terms and conditions for principal forgiveness loans

- Planning documents
 - Systems will be required to commit to a timeline in the funding agreement.
 - The preliminary engineering report must be formatted in accordance with Rural Utilities Services Bulletin 1780-2 to prepare for a specific course of action the community must address. They cannot simply address all system needs or provide for a master plan of the system. The funding may also include pilot studies if the specific course of action the community must address is water quality.
 - The environmental review must include sufficient information and evidence to support NDEP's determination for environmental impacts.

- Construction projects

Applicants seeking funding from the DWSRF for construction projects must demonstrate the system’s willingness to sustain itself. OFA considers TMF capability to be a necessary part of a system’s requirements for funding¹⁵. OFA will add, as a condition of the loan contract for principal forgiveness loans, that borrowers:

- Evaluate user rates approved by the governing board at least once every three years to ensure they are sufficient to cover costs of:
 - Operating the current and funded system,
 - Maintaining the current and funded system,
 - Debt service of the current and funded system, and
 - Reserve requirements of any funding authority.
- Maintain an Asset Management Plan (AMP) that:
 - Evaluates the level of service required for the system,
 - Contains an inventory of all assets that are part of the system,
 - Contains an evaluation of the condition and performance of inventoried assets or asset groupings,
 - Lists the useful life of the assets,
 - Contains a plan for maintaining, repairing, and as necessary, replacing the assets,
 - Contains a plan for funding maintenance, repair, and replacement, and
 - Evaluates and implements water and energy conservation efforts.

Loan applicants must certify as part of the funding agreement that the recipient has, or will develop, a plan prior to the final draw on the loan. Existing applicant plans must have been reviewed and/or updated by the governing board no longer than five years prior to the date of the loan application. Assistance in developing a AMP can be provided to applicants free of charge.

- Set aside funds into a reserve account for capital replacement authorized by NAC 445A.67623¹⁶
 - OFA calculates this yearly investment based upon the system’s short-lived assets (15 years or less), amortized on a straight-line basis.
 - Short-lived assets may include pumps, meters, and data collection equipment like telemetry, alarms, and Supervisory Control and Data Acquisition units. For this purpose, short-lived assets conform to capital assets generally accepted as those with a life expectancy of 15 years or less.
 - Utilities may only use these reserve funds for capital improvements. Importantly, these improvements are not restricted to the system’s short-lived assets. There are several expenses that qualify as capital expenditures:
 - Bringing a new facility into service,

¹⁵ pursuant to NAC 445A.67617(4)

¹⁶ <https://www.leg.state.nv.us/Register/2022Register/R109-22AP>

- Planning or designing a new facility that will enhance the existing system, and
 - Extending the life or enhancing the value of an asset with better quality materials or system upgrades.
- Utilities cannot use these reserve funds for inventory items, for maintenance, or for operation expenses. For example, utilities cannot use these reserve funds for minor incidentals, like: repair clamps, small tools, service contracts, inventory parts and fittings, spare lengths of pipe for repairs; or maintenance supplies, like: paint, grease, and other similar day-to-day supplies.
- Utilities cannot use the funds in the reserve account for the purpose of expanding their system. For example, they may not use these reserves to finance the installation of new services or the extension of main lines to serve new areas or customers.
- Utilities must clearly identify their annual contribution to this fund — along with the fund balance — in their financial statements.
- NDEP may consider other cash the system has available for capital improvements to meet this requirement.

Attachment C: DWSRF 2023 Fundable List

PL Class ^A	PL Rank ^A	D ^D	E ^C	L ^F	Community Name/Project Sponsor	Population	Project Description	Total Assistance	Principal Forgiveness	Estimated Binding Commitment Date	Population less than 10,000
I	1		E		Humboldt County	1,300	Nitrate mitigation in Gold Country	2,350,000	1,850,000	6/30/2023	2,350,000
II	4	D	E		Esmeralda Co-Goldfield	345	PER for Arsenic Treatment Improvement	63,750	63,750	6/30/2023	63,750
II	16		E		TRI GID	20,000	PER for Arsenic Treatment Improvement	97,750	97,750	6/30/2023	0
III	17	D	E		Beatty Water & Sanitation District - DW	908	Water System Rehab	1,050,000	1,050,000	6/30/2023	1,050,000
III	18	D	E		Walker Lake GID - DW	450	PER and ER	100,000	100,000	6/30/2023	100,000
III	20	D	E		Mina Luning Water System	200	PER and ER	100,000	100,000	6/30/2023	100,000
III	28	D	E		Baker Water & Sewer GID - DW	72	Infrastructure Upgrades	2,500,000	2,500,000	6/30/2023	2,500,000
III	30	D	E		Hawthorne Utilities	2,616	PER and ER	100,000	100,000	6/30/2023	100,000
III	31	D	E		Baker Water & Sewer GID - DW	72	Lehman Creek Water Project	2,500,000	2,500,000	6/30/2023	2,500,000
III	33	D	E		Golconda GID	114	Spring Rehabilitation	507,000	507,000	6/30/2023	507,000
III	34		E		North Las Vegas, City of	380,239	Well Replacement Robinson	4,028,800	0	6/30/2023	4,028,800
III	35		E		North Las Vegas, City of	500	Well Replacement Kapex	3,774,800	0	6/30/2023	3,774,800
III	42		E		North Las Vegas, City of	500	System distribution Kapex	14,893,421	0	6/30/2023	14,893,421
III	43	D	E		Kingsbury GID	300	Consolidation of Ponderosa MHP	2,120,000	2,120,000	6/30/2023	2,120,000
III	47		E		Blue Diamond Water Co-op	14	PER and ER	30,000	30,000	6/30/2023	30,000
III	52		E		Trout Canyon Land & Water Users Association	35	PER and ER	55,000	55,000	6/30/2023	55,000
III	58	D	E		Indian Springs Water Co	832	Water System Improvements	3,840,750	2,500,000	6/30/2023	3,840,750
III	59	D	E		Silver Springs Mutual Water Co	3,070	Lake Well Rehabilitation	1,400,000	1,400,000	6/30/2023	1,400,000
III	64		E		Las Vegas Valley Water District	154,000	3 Municipal Production Wells	10,600,000	-	6/30/2023	
III	87		E		Logan Creek Estates GID	60	New Storage and Source	1,200,000	18,000	6/30/2023	1,200,000
III	84, 85, 86		E		Kingsbury GID	300	Watermain Replacement	9,550,159	-	6/30/2023	9,550,159
III	88	D	E		Silver Springs Mutual Water Co	3,070	West Tank OSHA Upgrade	1,100,000	1,100,000	6/30/2023	1,100,000
III	93, 94, 95	D	E		Tonopah, Town of	150	Galvanized Line Replacement	3,500,000	3,500,000	6/30/2023	3,500,000
	Pending	D	E	L	Elko, City of	1,500	Lead Service Line Replacement	28,650,000	14,038,500	6/30/2024	28,650,000
								\$94,111,430	\$33,630,000		\$ 83,413,680

Attachment D: Drinking Water Priority List—Effective June 2022

Class I Acute Health Risk

Priority Number	N ¹	D ²	C ³	Entity	Parent Entity	Project Description	Estimated Loan Amount	Funded ⁴
1			C	Humboldt County - DW		Nitrate mitigation in Gold Country	1,850,000.00	Yes
2	N		C	Truckee Meadows Water Authority - DW		Spanish Springs Nitrate Treatment	1,300,000.00	
3			C	Humboldt County - DW		Grass Valley Nitrate Septic Conversion	27,395,592.00	
Total Class I Projects							30,545,592.00	

Class II Chronic Health Risks

Priority Number	N ¹	D ²	C ³	Entity	Parent Entity	Project Description	Estimated Loan Amount	Funded ⁴
4	N	D	C	Esmeralda County-Goldfield - DW	Esmeralda County - DW	Arsenic Treatment Improvement	475,393.04	
5			C	Alamo Sewer & Water GID - DW		Industrial Well Treatment for Arsenic	1,000,000.00	Yes
6	N		C	Gardnerville Ranchos GID - DW		Well 5 Arsenic Treatment	6,181,130.00	
7			C	Mount Rose Bowl POWC - DW		Storage Tank Upgrade & water treatment	1,000,000.00	Yes
8			C	Truckee Meadows Water Authority - DW		Longley Plant HV3 and HV4 Improvement	1,500,000.00	
9			C	Silver Knolls Mutual Water Company - DW		Arsenic Treatment	400,000.00	Yes
10			C	Douglas County - DW		S. Airport Well Arsenic Mitigation	8,691,750.00	
11			C	Crystal Trailer Park - DW		Consolidation with TMWA	218,000.00	Yes
12			C	Shoshone Estates Water Co Inc - DW		Well Modification & Arsenic treatment	310,000.00	Yes
13			C	Churchill County -DW		Arsenic and Manganese Treatment	11,574,360.00	
14			C	Hillcrest Manor Water Users Association - DW		Tank Rehabilitation	125,000.00	Yes
15			C	Truckee Meadows Water Authority - DW		Well Head TTHM Mitigation	2,500,000.00	
16			NTNC	TRI- GID - DW		Arsenic Treatment and Blending	977,500.00	
Total Class II Projects							34,953,133.04	

Class III Rehabilitation

Priority Number	N ¹	D ²	C ³	Entity	Parent Entity	Project Description	Estimated Loan Amount	Funded ⁴
17		D	C	Beatty Water & Sanitation District - DW		Water System Rehab	2,629,000.00	
18		D	C	Walker Lake GID - DW		Preliminary Engineering Report & Environmental Review	85,000.00	
19		D	C	Walker Lake GID - DW		System Improvements	16,269,000.00	
20	N	D	C	Mina Luning Water System	Hawthorne Utilities - DW	Mina-Luning Water PER & ER	85,000.00	
21	N	D	C	Las Vegas Valley Water District - Big Bend - DW	Las Vegas Valley Water District - DW	Additional Storage	24,375,000.00	
22			C	Truckee Meadows Water Authority - DW		APW Program at American Flat	117,000,000.00	
23		D	C	Hawthorne Utilities - DW		Hawthorne Tanks - Phase 2	3,371,000.00	
24	N		C	Gardnerville Ranchos GID - DW		Regional Interconnection	2,685,650.00	
25	N	D	C	Las Vegas Valley Water District - DW		Jean Chemical Feed Upgrade	428,000.00	
26	N		C	Carson City - DW		Quill Water Treatment Plan Upgrade	10,890,424.00	
27		D	C	Hawthorne Utilities - DW		Water System Improvements	23,885,000.00	

Class III Rehabilitation

Priority Number	N ¹	D ²	C ³	Entity	Parent Entity	Project Description	Estimated Loan Amount	Funded ⁴
28		D	C	Baker Water & Sewer GID - DW		Infrastructure Upgrades	2,677,534.00	
29	N	D	C	Mina Luning Water System	Hawthorne Utilities - DW	Mina-Luning Water Improvements	6,762,500.00	
30		D	C	Hawthorne Utilities - DW		Preliminary Engineering Report & Environmental Review	85,000.00	Yes
31		D	C	Baker Water & Sewer GID - DW		LCRA Water Project PER	3,304,207.00	
32		D	C	Las Vegas Valley Water District - Big Bend - DW	Las Vegas Valley Water District - DW	Rehabilitation Project Phase 1	5,290,000.00	Yes
33		D	C	Golconda GID - DW		Spring Rehabilitation and Improvements	810,000.00	Yes
34	N		C	North Las Vegas, City of - DW		Well Replacement: Robinson	4,028,800.00	
35	N		C	North Las Vegas, City of - DW		Well Replacement: Kapex	3,774,800.00	Yes
36		D	C	Hawthorne Utilities - DW		Storage Tank replacement- Phase 1	1,103,000.00	Yes
37	N	D	C	Walker River Paiute Tribe - DW		WRPT Water Tank and Meters	3,075,343.14	
38	N	D	C	Big Five MHP - DW		Storage tank replacement & system improvements	34,300.00	
39	N		C	Shoshone Estates Water Co Inc - DW		New well & system upgrades	4,240,000.00	
40	N	D	C	Rancho Vista Unit IV Water Association - DW		New Storage Tank & Upgrades	1,965,000.00	
41	N	D	C	Esmeralda County - Silver Peak - DW	Esmeralda County - DW	Silver Peak Relocate PRV/Scada	423,312.50	
42	N		C	North Las Vegas, City of - DW		Apex GW Distribution System	14,893,421.00	
43			C	Kingsbury GID - DW		Consolidation of Ponderosa HOA	2,120,000.00	
44			C	Storey County - DW		Virginia City Highlands PER & ER	100,000.00	
45		D	C	Las Vegas Valley Water District - Big Bend - DW	Las Vegas Valley Water District - DW	WTP Meters, Vaults & HVAC	882,500.00	
46	N		C	Southern Nevada Water Authority - DW		Basic Water System upgrade & improvements	246,218,900.00	
47			C	Blue Diamond Water Cooperative - DW		Preliminary Engineering Report & Environmental Review	30,009.00	
48	N		C	Amargosa Estates Water Co. LLC - DW		Booster Pump/Storage/Upgrades	1,891,000.00	
49	N	D	C	Esmeralda County - DW		GDF Repair/Recoat Storage Tank	442,040.00	
50	N	D	C	Spirit Mountain Utility - DW		Booster Pump & System Upgrades	5,890,000.00	
51	N	D	C	Kings Row Trailer Park - DW		Booster Pump/Meters/Upgrades	5,590,000.00	
52			C	Trout Canyon Land & Water Users Association - DW		Preliminary Engineering Report & Environmental Review	55,000.00	
53			C	Trout Canyon Land & Water Users Association - DW		System Upgrade	4,500,000.00	
54			C	Churchill County -DW		Sand Creek Well improvement Phase 2	646,872.00	
55	N		C	Gardnerville Ranchos GID - DW		Booster Pump Station Upgrades	1,587,000.00	
56	N		C	Elko, City of - DW		2nd Street Main Replacement	3,868,350.00	
57		D	C	Orovada GID - DW		Water System Improvements	1,980,000.00	
58	N	D	C	Indian Springs Water Company - DW		Water System Improvements	3,840,750.00	
59		D	C	Silver Springs Mutual Water Company - DW		Lake Well Rehabilitation	1,185,000.00	Yes
60			C	Elko County - Montello - DW	Elko County - DW	PER/ER New Source	1,120,475.00	
61			C	Gerlach GID - DW		Gerlach Garden Springs Rehab	627,500.00	

Class III Rehabilitation

Priority Number	N ¹	D ²	C ³	Entity	Parent Entity	Project Description	Estimated Loan Amount	Funded ⁴
62		D	C	Las Vegas Valley Water District - Big Bend - DW	Las Vegas Valley Water District - DW	Riverbank Filtration Ph 2	1,308,317.00	Yes
63	N		C	Mt. Charleston Water Company - DW		Backup Well and Upgrades	1,365,000.00	
64	N		C	Las Vegas Valley Water District - DW		3 Municipal Production Wells	10,600,000.00	
65	N		C	Storey County - DW		Water Treatment upgrade	8,232,200.00	
66	N		C	Bermuda Palms - DW		Storage Tanks Replacement & Distribution Upgrades	1,910,000.00	
67	N		C	Silver Knolls Mutual Water Company - DW		Meter Replacement	225,473.00	
68		D	C	Topaz Ranch Estates GID - DW		Pipe replacement	6,396,939.00	
69	N		C	Eureka County - DW		Kobeh Valley Transmission Main	100,000.00	
70	N		C	Churchill County -DW		Sand Creek Greensand Media	78,959.52	
71		D	C	Esmeralda County - DW		SP Storage Tank Rehabilitation	257,300.00	
72			C	Blue Diamond Water Cooperative - DW		Pipeline and suspension replacement	60,000.00	
73		D	C	Kingston Town Water Utilities - DW		Alternate Water Source	1,650,000.00	
74		D	C	Silver Springs Mutual Water Company - DW		PER Lake Well Rehabilitation	100,000.00	Yes
75		D	C	Weed Heights Development - DW		Storage Rehabilitation	1,052,600.00	Yes
76			C	Carlin, City of - DW		Water System Improvements	28,508,596.00	
77			C	Truckee Meadows Water Authority - DW		South-West Reno Pump Zone	6,660,000.00	
78	N		C	Valmy Station Mobile Home Park - DW		System Rehabilitation	1,432,452.00	
79			C	Truckee Meadows Water Authority - DW		NAC Deficiencies - Saddlehorn	3,600,000.00	
80	N		C	Henderson, City of - DW		Raw water interconnect	6,700,000.00	
81			C	Alamo Sewer & Water GID - DW		Water PER test wells	300,000.00	
82			C	Steamboat Springs Water Works - DW		Water Tank replacement	1,371,342.00	
83	N		C	Ely, City of - DW		Distribution & Storage Upgrade	23,568,000.00	
84	N		C	Kingsbury GID - DW		Maryanne Watermain Replacement	6,219,547.00	
85	N		C	Kingsbury GID - DW		Summit Watermain Replacement	1,531,050.00	
86	N		C	Kingsbury GID - DW		Squaw et all Water Replacement	1,799,562.00	
87	N		C	Logan Creek Estates GID - DW		Phase II New Storage Tank	590,000.00	
88	N	D	C	Silver Springs Mutual Water Company - DW		West Tank OSHA Upgrade/Rehab	1,006,330.00	
89	N	D	C	Reno Sparks Indian Colony - DW		Hungry Valley Water Project	32,200,000.00	
90	N		C	Elko, City of - DW		Well 24 Rehab or Replacement	1,572,100.00	
91			C	Las Vegas Valley Water District - DW		Septic Conversion Program	9,000,000.00	
92			C	Alamo Sewer & Water GID - DW		New water tank	2,340,000.00	
93	N	D	C	Tonopah, Town of - DW		Galvanized line replacement	485,000.00	
94	N	D	C	Tonopah, Town of - DW		Replace Galvanized Ln Central	689,555.00	
95	N	D	C	Tonopah, Town of - DW		Replace Galvanized/AC Rhines	1,674,000.00	
96	N		C	Fernley, City of - DW		Truckee Canal Surface Water	4,000,000.00	

Class III Rehabilitation

Priority Number	N ¹	D ²	C ³	Entity	Parent Entity	Project Description	Estimated Loan Amount	Funded ⁴
97	N		C	South Crestview Homeowners Association - DW		Preliminary Engineering Report & Environmental Review	353,500.00	
98	N		C	Gardnerville Ranchos GID - DW		Phase 2 Pipeline Replacement	6,894,068.00	
99	N		C	Gardnerville Ranchos GID - DW		Phase 3 Pipeline Replacement	8,146,748.00	
100	N	D	C	Big Five MHP - DW		Replace well and water storage slab	14,900.00	
101	N		C	Truckee Meadows Water Authority - DW		Spring Creek Well 10 - Donava	1,210,000.00	
102		D	C	Las Vegas Valley Water District - Searchlight DW	Las Vegas Valley Water District - DW	Distribution system replacement/upgrade	771,000.00	
103		D	C	Silver Springs Mutual Water Company - DW		Transmission Line Crossing	493,069.00	Yes
104	N	D	C	Lovelock Meadows Water District - DW		Oreana Line Replacement	15,192,379.00	
105	N	D	C	Lovelock Meadows Water District - DW		New Well Construction	4,761,700.00	Yes
106	N	D	C	Lovelock Meadows Water District - DW		PER-Well 9 & Transmission Line	80,500.00	
107	N	D	C	Weed Heights Development - DW		Preliminary Engineering Report & Environmental Review	63,750.00	
108		D	C	Esmeralda County-Goldfield - DW	Esmeralda County - DW	Transmission line replacement	1,280,173.00	Yes
109	N		C	West Wendover, City of - DW		3 Mile Reservoir Rehabilitation	256,172.00	
110	N		C	Silver Knolls Mutual Water Company - DW		Tank Relining	469,200.00	
111	N		C	Logan Creek Estates GID - DW		Phase III Water Distribution	1,745,000.00	
112			C	Moapa Valley Water District - DW		Water storage tank	3,363,400.00	
113			C	Moapa Valley Water District - DW		Storage capacity tank	8,996,545.00	
114	N	D	C	Cold Creek Canyon HOA - DW		Recoating Storage Tank	235,000.00	
115	N		C	Henderson, City of - DW		Townsite Phase 5	2,207,794.00	
116	N	D	C	Silver Springs Mutual Water Company - DW		Well Back-up Power Supply	180,550.00	
117			C	Douglas County - Zephyr Water Utility -DW	Douglas County - DW	Cave Rock ZWUD Intertie	3,185,000.00	
118			C	Douglas County - Uppaway - DW	Douglas County - DW	Uppaway System Improvements	5,117,000.00	
119	N		C	Henderson, City of - DW		Advanced Metering Infrastructure	30,000,000.00	
120	N		C	Las Vegas Valley Water District - Kyle Canyon - DW		New well construction	3,324,000.00	
121	N		C	West Wendover, City of - DW		PCCP Pipeline Replacement	3,802,694.00	
122	N		C	West Wendover, City of - DW		Asbestos Line Replacement	984,869.42	
123			C	Rosemount Water Co. - DW		Rosemount Storage Tank Rehabilitation	236,275.00	
124			C	Nye County-Gabbs - DW	Nye County - DW	Gabbs Water System Improvement	4,023,038.00	
125	N		C	Moapa Valley Water District - DW		East Logandale Tank Refurbishment	898,500.00	
126	N	D	C	Tonopah, Town of - DW		Storage tank recoating	949,725.00	
127	N	D	C	Tonopah, Town of - DW		Uncased water crossing replacement	202,154.00	
128		D	C	Esmeralda County - Silver Peak - DW	Esmeralda County - DW	Silver Peak Radio Meter Reads	130,156.76	Yes
129			C	McGill Ruth Consolidated Sewer & Water GID - DW		Tank repair and rehabilitation	496,850.00	Yes
130		D	C	Elko County - Tuscarora Water System - DW	Elko County - DW	Distribution System Looping	210,000.00	

Class III Rehabilitation

Priority Number	N ¹	D ²	C ³	Entity	Parent Entity	Project Description	Estimated Loan Amount	Funded ⁴
131	N		C	Storey County - DW		Water System Improvements	3,925,649.00	
132	N		C	Pershing County - DW		System improvements and upgrades	3,364,275.00	
133	N		C	Pershing County - DW		Imlay Public Water System PER	85,000.00	
134			C	Moapa Valley Water District - DW		Transmission line replacement	3,423,300.00	
135	N		C	West Wendover, City of - DW		3-Mile Water Loop connection	3,888,757.60	
136	N		C	West Wendover, City of - DW		Water line extension	1,490,874.00	
137	N		C	West Wendover, City of - DW		Pueblo Blvd Water Extension	1,299,293.80	
138	N		C	West Wendover, City of - DW		Redundancy distribution	1,127,294.00	
139		D	C	Esmeralda County-Goldfield - DW	Esmeralda County - DW	Goldfield Radio Read Meters	235,961.16	Yes
140	N		C	Elko, City of - DW		Galvanized Pipe Replacement	1,203,350.00	
141			C	Ely, City of - DW		Water Main Upgrades	8,123,760.00	
142	N		C	Round Hill GID - DW		Redundant Treatment system	900,000.00	
143			C	Verdi Meadows Utility Company, Inc. - DW		Tank Rehabilitation	232,361.00	
144	N		C	Storey County - DW		Tank & Distribution Replacement	4,001,814.00	
145	N		C	Henderson, City of - DW		Somerset Water Main Rehabilitation	2,296,000.00	
146	N		C	Truckee Meadows Water Authority - DW		Emergency operations improvement	2,000,000.00	
147	N		C	Silver Knolls Mutual Water Company - DW		Backup Well Installation	1,231,750.00	
148	N		C	Storey County - DW		Siphon Replacement Project	11,066,543.00	
149	N		C	Logan Creek Estates GID - DW		New well construction	525,000.00	
150	N		C	Storey County - DW		Water distribution replacement	1,406,200.00	
151	N		C	Storey County - DW		Flowery St. Waterline Project	1,398,700.00	
152	N		C	West Wendover, City of - DW		Water meter replacement	2,617,580.00	
153			C	Carson City - DW		Lead and Copper Improvements	532,000.00	
154			C	Las Vegas Valley Water District - Kyle Canyon - DW	Las Vegas Valley Water District - DW	Kyle Canyon Discharge Line	496,635.00	
155	N		C	Ely, City of - DW		Water Service Meter Project	18,659,700.00	
156	N		C	North Las Vegas, City of - DW		LCRR Compliance & Inventory	600,700.00	
157			C	Nye County - Manhattan Water - DW	Nye County - DW	Preliminary Engineering Report & Environmental Review	100,000.00	
158	N		C	Nye County - Manhattan Water - DW	Nye County - DW	Radio Read Meters	1,201,250.00	
159			C	Verdi Meadows Utility Company, Inc. - DW		Water line relocation	1,510,344.00	
160			C	Verdi Meadows Utility Company, Inc. - DW		Security & Telemetry Improvements	125,479.00	
161			C	Truckee Meadows Water Authority - DW		New booster pump station	2,550,000.00	
162			C	Moapa Valley Water District - DW		Backup Well Installation	2,396,000.00	
163			C	Truckee Meadows Water Authority - DW		Off River Supply Improvements	1,500,000.00	
164	N		C	Truckee Meadows Water Authority - DW		Spring Creek Well 9	1,970,000.00	

Class III Rehabilitation								
Priority Number	N ¹	D ²	C ³	Entity	Parent Entity	Project Description	Estimated Loan Amount	Funded ⁴
165		D	C	Big Five MHP - DW		RPZ Backflow Prevention	6,300.00	
166			C	Steamboat Springs Water Works - DW		Water Meter installation	662,550.00	
167	N	D	C	Fort Apache Ann NE Water Assoc. - DW		Engineering & Permitting	50,000.00	
168	N		C	Las Vegas Valley Water District - Kyle Canyon - DW	Las Vegas Valley Water District - DW	Kyle Canyon SCADA Upgrade	721,500.00	
169	N	D	C	Escapees Co-Op of Nevada, Inc. - DW		New water storage tank	55,700.00	
Total Class III Projects							904,587,340.90	

Class IV Refinance								
Priority Number	N ¹	D ²	C ³	Entity	Parent Entity	Project Description	Estimated Loan Amount	Funded ⁴
170			C	Humboldt County - DW		Gold Country/Star City Consolidation	600,000.00	
Total Class IV Projects							600,000.00	

Total Projects **970,686,065.94**

C³ Community Water Systems must be ranked above non-community water systems

Funded⁴: System as received partial or full funding from SRF, is not complete, and must stay on the list until project is complete.

Attachment E: DWSRF Grant and Loan Conditions

For the purposes of this section, the following definitions are used:

Equivalency Project	Projects that are selected to comply with the capitalization grants. The funding of these projects must equal an equivalent amount of the grant to satisfy the grant requirements.
Peer Review	A cursory review of the work of the design engineer for a water project, conducted by a person with equal competence and expertise in that discipline who is retained by the applicant specifically to provide suggestions or comments which may enhance the performance of the water project or aid in the operation and maintenance of the water project
Useful Life	The period during which a water project provides a service without becoming obsolete or inoperable
Value Engineering	A specialized technique for controlling costs which uses a systematic and creative approach to identify and focus on any unnecessary cost to reduce the cost of a water project without affecting the reliability or efficiency of the water project

Additional Subsidy	Nevada awards principal forgiveness loans to satisfy the subsidy requirement in the grants. A borrower does not need to issue a bond if the loan is forgiven. Additionally, interest is also forgiven. Eligibility for a principal forgiveness loan is outlined in Attachment B . Nevada’s expected projects receiving principal forgiveness funding are outlined on Attachment C .
American Iron and Steel	All borrowers will comply with the American Iron and Steel Requirement on any project funded in whole, or in part, with DWSRF funds.
Auditing	Nevada’s Annual Comprehensive Financial Report (ACFR), Single Audit Report, and internal controls over financial reporting are independently audited by a contracted accounting firm. The DWSRF program is presented on the ACFR as a major enterprise fund, along with two other funds. OFA will prepare a financial report at the end of the fiscal year and will publish the report when the State audit is completed. The report will highlight the program’s financial activities.

<p>Binding Commitments</p>	<p>Nevada will enter into binding commitments equal to at least 120% of each grant payment within one year after receipt (on a cumulative basis), in accordance with the U.S. Code of Federal Regulations 40 CFR 35.3135(c)(2). Nevada defines a binding commitment when the Board for Financing Water Projects approves the resolution for funding the project.</p>
<p>Borrower Financial Review and Assurances (NAC 445A.67613) (NAC 445A.676144) (NAC 445A.676146) (NAC 445A.67629) (NAC 445A.6763)</p>	<p>OFA will evaluate each applicant’s fiscal information prior to executing a loan, as well as each year the loan is outstanding. Borrowers must demonstrate their ability to repay the loan to safeguard the public funds in the loan contract. Borrowers must also demonstrate fiscal sustainability in their system throughout the term of the loan contract.</p> <p>Reviewable fiscal information includes, but is not limited to bank statements, financial reports, financial audits, credit reports, letters of credit, user rates, debt management policies, and capital improvement plans.</p> <p>Current ratios used to analyze the borrower’s solvency and liquidity include (but not limited to): working capital, operating ratio (before non-cash expenses), and debt coverage ratio (before non-cash expenses).</p> <p>Borrowers must design a system user rate that produce the money required for the cost of operation, maintenance, and the replacement of treatment works. Phased-in rate structures will be considered sufficient if they are fully implemented by the time construction of the proposed project is complete.</p> <p>Borrowers will maintain project accounts in accordance with generally accepted governmental accounting standards. This includes maintaining a separate account that records all revenues and expenditures directly and indirectly related to the system receiving funding.</p> <p>Borrowers receiving a principal forgiveness loan must further prepare an asset management plan and commit to funding a capital replacement reserve account as a condition of receiving funding.</p>
<p>Build America, Buy America (BABA)</p>	<p>Borrowers identified as an equivalent project will comply with the Build America / Buy America Requirement on any project funded with DWSRF funds that executes a new or amended loan agreement after May 14, 2022, unless an EPA approved waiver is issued.</p>

<p>Cost and Effectiveness (NAC 445A.67619)</p>	<p>DWSRF applicants must certify that the proposed water project is feasible from an engineering and legal standpoint, is economically justified and is financially feasible.</p>
<p>Construction Commencement (NAC 445A.67624)</p>	<p>OFA will require borrowers to submit bidding schedules, estimated schedules of payment, proof of the receipt of all permits required to construct the water project, documentation that any procedures for purchasing and contracting required by a State agency will be adhered to, agendas for any conferences regarding bidding and construction, project schedules, and any other related activity; and any other documents OFA deems necessary.</p>
<p>Construction Process (NAC 445A.67638) (NAC 445A.67639)</p>	<p>OFA will require borrowers to promptly notify OFA in writing of awarding contracts, changes to contracts, delays in construction, and when construction is anticipated to be completed.</p> <p>The Division may conduct oversight inspections during the construction of a water project to ascertain that the recipient is constructing the project according to the approved plans and specifications and applicable contract requirements.</p>
<p>Construction Completion (NAC 445A.6764 to NAC 445A.67644)</p>	<p>Borrower shall submit to NDEP a draft operations and maintenance manual, one set of draws of the water system as it was built, certification of performance, and any other documents deemed necessary by the division.</p> <p>Borrowers shall coordinate with NDEP a final inspection of the water project to ensure that the facilities of the water project are operating and capable of satisfying the applicable requirements for public health and water quality.</p> <p>Borrowers shall notify the Division of any claims against the owner, the professional engineer, the contractor or any subcontractor arising from or related to the water project; and is responsible for the resolution of those claims.</p> <p>A recipient shall not abandon, substantially discontinue the use of or dispose of a water project during its useful life without the prior written approval of the Division.</p>
<p>Davis-Bacon Wage Act and State Prevailing Wage Requirements. (NAC 445A.67635)</p>	<p>Borrowers shall comply with the provisions of the Davis-Bacon Act, 40 U.S.C. §§ 276a et seq., if they apply, the applicable provisions of chapter 338 of NRS and all other applicable state and federal labor laws.</p>

<p>Disadvantaged Business Enterprise (NAC 445A.67636)</p>	<p>A recipient shall comply with the requirements of federal law concerning the participation of disadvantaged businesses.</p>
<p>Emerging Contaminants</p>	<p>Funding provided to Nevada from the BIL Emerging Contaminants grants will be used in accordance with federal law and EPA guidance. Nevada will continue to prioritize systems addressing Per- and polyfluoroalkyl substances with this funding. Should projects that do not address per- and polyfluoroalkyl substances materialize, Nevada will concentrate these funds on addressing any item on the EPA Contaminant Candidate Lists.</p>
<p>Environmental Review (NAC 445A.6758 to NAC 445A.67612)</p>	<p>Nevada will ensure an environmental review of each project receiving assistance is completed prior to awarding funds from the DWSRF. The environmental review will meet federal requirements and include any other applicable crosscutter requirements.</p>
<p>Federal Crosscutters</p>	<p>Nevada will ensure borrowers identified as an equivalent project comply with other federal crosscutters, where applicable, that are allowed to be followed on an equivalency basis. Nevada will ensure borrowers follow all federal crosscutters, including Title VI of the Civil Rights Act, where the law requires all borrowers must follow federal requirements.</p>
<p>Lead Service Lines</p>	<p>Funding provided to Nevada from the BIL Lead Service Lines grants will be used in accordance with federal law and EPA guidance. Lead or galvanized services lines, pig tails, and goosenecks are eligible. The entire service line, including privately owned portions, will be replaced.</p>
<p>Leveraging the Program</p>	<p>The DWSRF program has not yet issued leveraged bonds. OFA reserves the right to issue a leverage bond should project demand require additional funds.</p>
<p>Loan Interest</p>	<p>Nevada does not issue direct loans to DWSRF public applicants. Rather, the DWSRF applicant will be required to issue a bond, which the State Treasurer will purchase on behalf of the DWSRF program – if the loan is repayable. For private applicants, a direct loan is issued and secured with a combination of collateral and lien instruments at OFA’s discretion. Interest rates are established by the State Board of Finance, Debt Management Policy and are fixed for the life of the loan. Interest will begin to accrue upon a draw against the bond. It will be repayable every six months on July 1 and January 1 while principal remains outstanding. Loan interest will be used by the program to repay outstanding debt issued to match the capitalization</p>

	<p>grant. The interest rate policy is established by the State Board of Finance and published in the State Debt Management Policy¹⁷.</p> <p>OFA considers the market rate to be that of the Bond Buyer 20 Index. Interest rates will range from 54% to 62.5% of the market rate depending on the type of bond the borrower is issuing.</p> <p>When a loan is for either a 30-year or 40-year term, the Bond Buyer 20 will be adjusted using the Municipal Market Data scale up to a 30-year rate. Special terms may be offered under certain circumstances after consultation and concurrence from the State Treasurer’s Office.</p>
<p>Loan Principal</p>	<p>Traditional loans may have a maximum term of 30 years, or the life of the assets funded – whichever is shorter. Traditional loans for disadvantaged communities may have a maximum term of 40 years, or the life of the assets funded – whichever is shorter.</p> <p>Repayment of loan principal will commence no later than three years after the date of the agreement, or immediately after project completion – whichever is earlier. Loan principal will be payable every six months on July 1 and January 1. Principal from loan recipients will be used by the program to issue new loans.</p>
<p>Loan Payoff and Refinancing</p>	<p>NDEP recognizes the need for proper fiscal and infrastructure sustainability in systems. Therefore, NDEP does allow a current DWSRF borrower to pay off or restructure their outstanding DWSRF debt. Due to the impact this will have on the DWSRF fund and staff resources, these requests are processed on a first-come, first-served basis and can be denied by NDEP for good cause shown. Borrowers must meet certain conditions to qualify for approval from NDEP for early payoff or restructuring:</p> <ul style="list-style-type: none"> • The existing DWSRF loan must be fully drawn or de-obligated; • The first principal draw on the loan must be five years old or older; • The early payoff or restructuring cannot violate tax-exempt bond law; • The borrower must demonstrate the need and/or benefit of early payoff and/or restructure to the users of the system; • The State Treasurer’s Office must also agree to the payoff; • Loans can only be restructured one time. If the loan was previously restructured, it cannot be paid early at a later date.

¹⁷ <https://www.nevadatreasurer.gov/Finances/Debt/Home/>

Procurement of Contracts	Borrowers shall comply with applicable Nevada laws for procuring engineering and construction contracts.
Reporting	Nevada will provide data or information on the DWSRF program to federal, state, or public inquiries in a manner as requested.
Small System Funding	Nevada will ensure at least 15% of the projected program funding amount will be for PWSs that regularly serve fewer than 10,000 people, as required by the SDWA (see Attachment C).
Telecommunications	Borrowers must comply with 2 CFR 200.216 from procuring or obtaining telecommunication equipment as described in Public Law 115-232, Section 889, covered telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
Value Engineering (NAC 445A.676142)	Systems shall conduct value engineering if the total estimated cost of constructing the water project is more than \$10,000,000. If the Division determines that a water project is especially complex, the Division shall require the applicant to submit the project for peer review.

Attachment F: DWSRF Banked Authority

DWSRF Banked Balances							
	Base	ARRA	Supplemental	EC	LSL	Total	
Cumulative DWSRF Grants awarded through Federal Grant 2022	\$256,495,500	\$19,500,000	\$20,857,000	\$8,758,000	\$0	\$305,610,500	
Federal Grant 2023	\$5,352,000	\$0	\$21,830,000	\$7,921,000	\$28,650,000	\$63,753,000	
Cumulative DWSRF Grants	\$261,847,500	\$19,500,000	\$42,687,000	\$16,679,000	\$28,650,000	\$369,363,500	
2% Set-Aside	Authorized	\$5,236,950	\$390,000	\$853,740	\$333,580	\$573,000	\$7,387,270
	Requested	\$4,623,142	\$0	\$853,740	\$333,580	\$573,000	\$6,383,462
	Banked	\$613,808	\$390,000	\$0	\$0	\$0	\$1,003,808
	Change in banked balance	(\$124,960)	\$0	\$0	\$0	\$0	(\$124,960)
	Ending Banked balance	\$878,848		\$0	\$0	\$0	\$878,848
4% Set-Aside	Authorized	\$10,473,900	\$780,000	\$1,707,480	\$667,160	\$1,146,000	\$14,774,540
	Requested	\$8,837,244	\$16,770	\$1,707,480	\$0	\$0	\$10,561,494
	Banked	\$1,636,656	\$763,230	\$0	\$667,160	\$1,146,000	\$4,213,046
	Change in banked balance	\$214,080	\$0	\$0	\$0	\$0	\$214,080
	Ending Banked balance	\$2,613,966		\$0	\$667,160	\$1,146,000	\$4,427,126
10% Set-Aside	Authorized	\$26,184,750	\$1,950,000	\$4,268,700	\$1,667,900	\$2,865,000	\$36,936,350
	Requested	\$21,368,791	\$444,179	\$4,268,700	\$0	\$0	\$26,081,670
	Banked	\$4,815,959	\$1,505,821	\$0	\$1,667,900	\$2,865,000	\$10,854,680
	Change in banked balance	\$535,200	\$0	\$0	\$0	\$0	\$535,200
	Ending Banked balance	\$6,856,980		\$0	\$1,667,900	\$2,865,000	\$11,389,880