



NEVADA DIVISION OF
**ENVIRONMENTAL
PROTECTION**



Nevada Department of
**CONSERVATION &
NATURAL RESOURCES**



Board for Financing Water Projects

March 22, 2023

9:00 AM

Location:

The Richard H. Bryan Building
Tahoe Hearing Room
901 South Stewart Street, 2nd Floor
Carson City, NV 89701

To Access Virtually

Microsoft TEAMS

Meeting ID: 282 418 679 694; Passcode: oj9B4A
Call in from Mobile/Phone (audio only): 1-775-321-6111
Meeting extension: 998812477#



Jennifer Carr
Administrator

Vacant
*Deputy
Administrator*

Jeffrey Kinder
*Deputy
Administrator*

Rick Perdomo
*Deputy
Administrator*

James R. Lawrence
Acting Director



Nevada Department of
**CONSERVATION &
NATURAL RESOURCES**

Agenda 2:

Introductions



Agenda 3:

Public Comment



Nevada Department of
**CONSERVATION &
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Agenda 4:

*Approval of January 24, 2023
Board meeting minutes*



Nevada Department of
**CONSERVATION &
NATURAL RESOURCES**



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DWSRF funding update

as of March 6, 2023

Cash in fund		\$93,033,042
Less debt service reserves	(5,962,293)	
Add undrawn grant balance	3,724,798.11	
Available for projects		\$90,795,547
Committed funds not yet disbursed	17,390,450	
Add commitments for Board consideration	5,200,000	
Add commitments for project cost increases	97,000	
Total committed funds after Board Approval	22,687,450	
Add projects in discussion with OFA	7,320,000	
Total committed and potential project loans	30,007,450	
Lowest cash flow balance in three (3) years	\$78,845,398	





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DWSRF funding update as of March 6, 2023

Current funds to obligate for principal forgiveness loans		\$0
Pending 2022 DWSRF BIL Supplemental Grant		\$10,198,370
Less projects for board consideration	5,200,000	
Remaining funds to obligate for principal forgiveness loans	4,998,370	
Projects in discussion with NDEP	4,998,370	
Total Principal Forgiveness Funds for future commitments (estimated)		\$0





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DWSRF updates *as of March 6, 2023*

- ❖ **Jennifer Carr appointed NDEP Administrator**
- ❖ **DWSRF Project Funding Increases**
 - ❖ Golconda GID +\$97,000 total \$604,000
- ❖ **DWSRF Fund Priority List**
 - ❖ Pre-applications accepted until May 5, 2023
- ❖ **DWSRF Regulations adopted**
- ❖ **Assembly Bill 20 (BDR 40-227)**





Capital Improvements Grant funding update

as of March 6, 2023

Agenda Item 6

Current Cash¹ :	\$ 9,002,568.71
Reserved for Administration:	\$23,263.80
Committed bond funds not yet disbursed:	\$8,850,488.63
Projects for Consideration:	\$0.00
Un-committed funds:	\$122,675.28 ²

Bond Proceeds for Administration

Authorized by G09-0721 Resolution dated July 29, 2021:	\$10,000
FY23 Budget request:	(\$3,859)
Remaining authority from 2021B Bond	\$6,141

¹ From all sources including bond proceeds, administration fees, and treasurer's interest

² Includes estimated bond interest earnings for the next 12 months





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Capital Improvements Grant Arbitrage Management

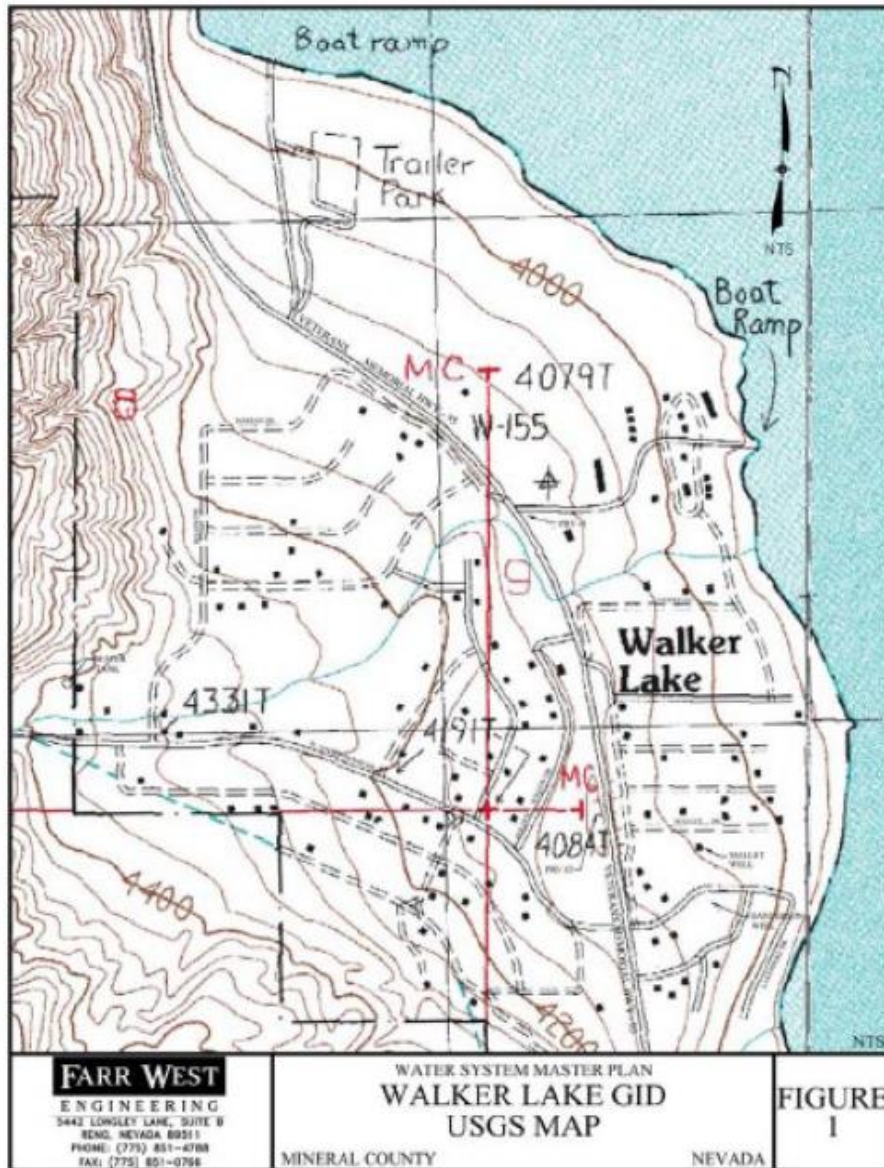
Pending 2023 Legislative Session Request		
	Agency Request to Governor's Office	\$40,000,000
	Governor's Request to the Legislature	\$0.00
	State Treasurer's Office Affordability	\$0.00

Bond proceed status					
Series	Date Issued	Months outstanding	Percent drawn	Current Balance	Last Draw
2019B	12/10/2019	39	100.0%	\$ -	2/21/2023
2020B	11/10/2020	28	45.1%	\$ 879,111.86	3/1/2023
2021B	12/07/2021	15	5.2%	\$8,104,052.05	2/9/2023
	Totals			\$8,983,163.91	



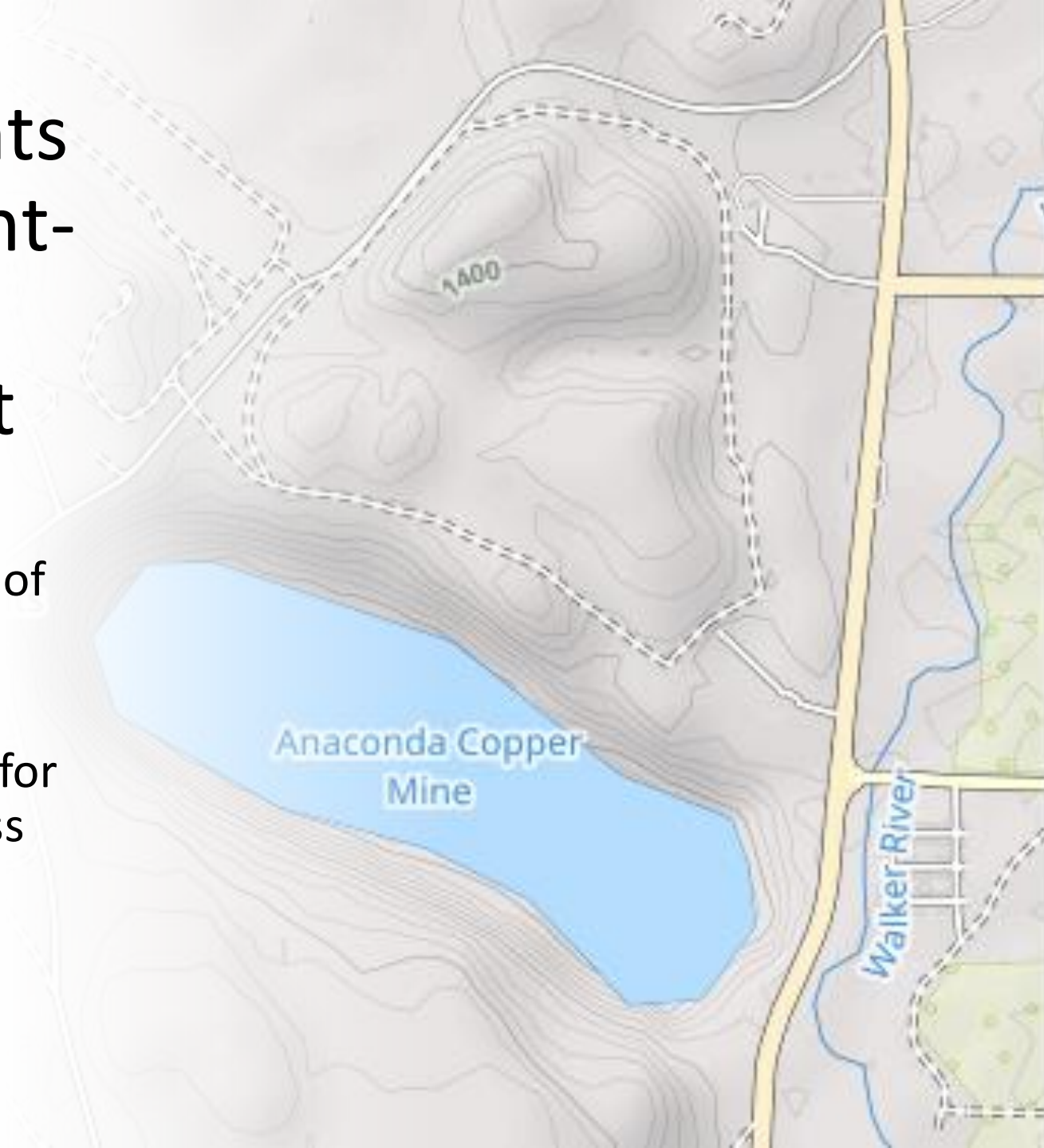
Walker Lake General Improvement District

- Preliminary Engineering Report and Environmental Review



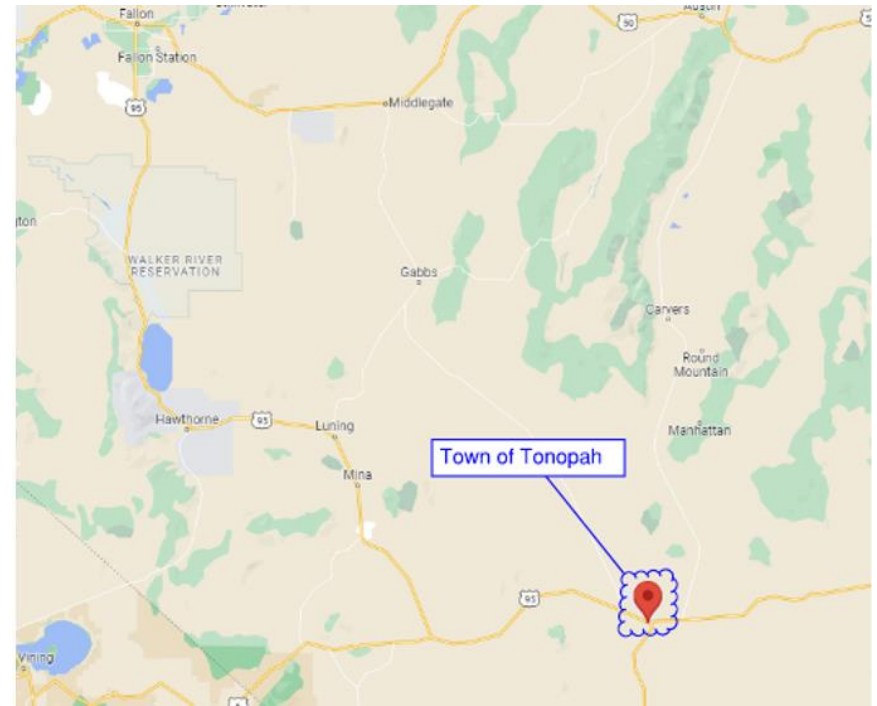
Weed Heights Development- Budget Amendment

- Exterior coating of four tanks
- OSHA upgrades for safety and access



Tonopah Public Utilities – Galvanized Distribution and Service Line Replacement

- Tonopah is a small community in Nye County with an approximate population of 2,192. This older mining community has a water distribution system that is well beyond its service life and requires replacement.*





Tonopah Infrastructure

- The Tonopah Public Utilities water system currently utilizes six active wells; water from these wells is stored in nine storage tanks varying from 100,000-gallon capacity to 1,080,000-gallon capacity.

Tonopah Infrastructure

- Chlorine is added to the drinking water with the use of a chlorinator at the Rye Patch Pump Station.
- Some of the existing distribution lines date back to the early 1900's, when the Town of Tonopah was known as the Town of Butler. These lines vary in size and are in poor condition; water loss through leaks is significant.



Tonopah Proposed Project



- The proposed project replaces just over 6000-feet of galvanized water distribution pipes ranging from 2" to 6" diameter in the three work zones shown above.
- About 70 galvanized service lines will be replaced with this project, and hydrants will be installed to allow proper flushing.



Tonopah Public Utilities Environmental Review

- All construction work is located on previously disturbed land. Impacts to environmental resources are not anticipated. If funding for the Tonopah Utilities distribution line replacement project is approved, NDEP will issue a Categorical Exclusion for the project for a 15-day public comment period. In accordance with NAC 445A.67583(2)(b) the project is eligible for a Categorical Exclusion as it is (b) The replacement of equipment or structures.

Project Cost Estimates and Funding Sources

	DWSRF	Capital Improvements Grant	Local	Total
Planning Costs	\$115,000.00	\$0.00	\$0.00	\$115,000.00
Design and Engineering	\$474,940.00	\$0.00	\$0.00	\$474,940.00
Construction/Improvements	\$2,374,700.00	\$0.00	\$0.00	\$2,374,700.00
Construction Contingency	\$535,360.00	\$0.00	\$0.00	\$535,360.00
Totals	\$3,500,000.00	\$0.00	\$0.00	\$3,500,000.00

Estimated Project Schedule

Design: May – June 2023

Construction Bid/Award July 2023

Construction Start: September 2023

Construction Completion: January 2024

Silver Springs Mutual Water Company -West Tank Rehabilitation and Upgrade

- Silver Springs is a small community in Lyon County, about 35 miles east of Carson City, with an approximate population of 3,070.



Silver Springs Mutual Water Company- Infrastructure

- The Silver Springs Mutual Water Company water system currently utilizes two active wells; a third well was in use until failure in July of 2021.
- Water from these wells is stored in three - 1,000,000-gallon storage tanks.
- Arsenic treatment is located at the Lake Street Well along with a backup generator.
- An additional generator is located at the Spruce Street Booster Pump.



SSMWC-Proposed Project



- The West Tank, with a 1,000,000-gallon capacity, requires recoating as its current condition has the potential to impact water quality
- This project proposes to recoat the West Tank and complete safety upgrades to the access ladder, cage, and top landing as required by current OSHA standards.



SSMWC- Environmental Review

- If funding for the West Tank OSHA upgrade and rehabilitation project is approved, NDEP will issue a Categorical Exclusion for the project for a 15-day public comment period. In accordance with NAC 445A.67583(2)(a) the project is eligible for a Categorical Exclusion as it is (a) The rehabilitation of an existing facility. Ground disturbance activities will occur in previously disturbed areas; impacts to any environmental resources is not anticipated.

Project Cost Estimates and Funding Sources

	DWSRF	Capital Improvements Grant	Local	Total
Planning	\$0.00	\$0.00	\$0.00	\$0.00
Design and Engineering	\$76,100.00	\$0.00	\$0.00	\$76,100.00
Equipment & Materials	\$0.00	\$0.00	\$0.00	\$0.00
Construction/Improvements	\$698,000.00	\$0.00	\$0.00	\$698,000.00
Construction Contingency	\$325,900.00	\$0.00	\$0.00	\$325,900.00
Totals	\$1,100,000.00	\$0.00	\$0.00	\$1,100,000.00

Estimated Project Schedule

Design:	May - August 2023
Construction Bid/Award	September - November 2023
Construction Start:	February 2024
Construction Completion:	June 2024



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Capital Improvements Grant Arbitrage Management

Pending 2023 Legislative Session Request		
	Agency Request to Governor's Office	\$40,000,000
	Governor's Request to the Legislature	\$0.00
	State Treasurer's Office Affordability	\$0.00

Bond proceed status					
Series	Date Issued	Months outstanding	Percent drawn	Current Balance	Last Draw
2019B	12/10/2019	39	100.0%	\$ -	2/21/2023
2020B	11/10/2020	28	45.1%	\$ 879,111.86	3/1/2023
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	Totals			\$8,983,163.91	



Capital Improvements Grant Arbitrage Management

AUTHORITY:

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

PURPOSE:

The purpose of this policy is to ensure the program is properly managing tax-exempt bond proceeds that support grants to eligible recipients. Tax-exempt bonds issued to fund the program must be committed and spent timely to avoid Internal Revenue Service review and possible rebate. Recipients of the program must be able to spend their awarded funds within the timeline required.

Capital Improvements Grant Arbitrage Management

BOARD POLICY:

1. If tax-exempt bond proceeds are issued and available to commit to grantees in the Capital Improvements Grant Program, the following requirements will be added to all future funding agreements:
 - A. Funding agreements will be for a maximum of three years, unless extended by the Board.
 - B. Grantees must sign acknowledgment of the arbitrage requirements as part of their funding agreement.
 - C. Grantees must provide an updated draw schedule every six months during the life of the project.

Capital Improvements Grant Arbitrage Management

BOARD POLICY (continued):

- D. Grantees must submit draw requests at least quarterly if invoices have been presented for payment. If no invoices have been presented to the grantee for payment, the grantee must notify the Division.
- E. Grantees are subject to de-obligation of available grant funds if funds are not drawn timely.

Timeline	Amount to be drawn	Amount subject to de-obligation
12 months	30% of the awarded grant	30% of the undisbursed grant award unless the grantee can spend 35% of the awarded grant by 18 months.
24 months	65% of the awarded grant	65% of the undisbursed grant award unless the grantee can spend 70% of the awarded grant by 30 months.
36 months	100% of the awarded grant	100% of the undisbursed grant award

Capital Improvements Grant Arbitrage Management

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BOARD POLICY (continued):

2. It is the policy of the Board to give preference to grant applications for projects ready to proceed that will comply with arbitrage requirements. In addition, Board staff are directed to give similar preference when budgeting projected biennial bond fund needs in the event staff are asked by the Department of Administration or State Treasurer for project funding needs.
3. If taxable bond proceeds are issued and available to commit to grantees in the Capital Improvements Grant Program, these requirements will not apply.

Emergency Listing of a project on DWSRF Priority List

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“Emergency situation” occurs when:

- 1. Water at a public water system is contaminated or is likely to be contaminated to such an extent that it causes an imminent danger to public health and the contamination could not have been prevented by the operator of the system; or*
- 2. There is a reduction of a source of potable drinking water for an extended period; or*
- 3. There is an impact to the delivery of potable drinking water that is caused by an emergency or disaster and, in relation to that emergency or disaster, a state of emergency or declaration of disaster has been proclaimed by the Governor or by resolution of the Legislature pursuant to NRS 414.070.*

[NAC 445A.67527] adopted December 28, 2023



Emergency Listing of a project on DWSRF Priority List

Borrowers are still required to comply with all regular DWSRF funding requirements unless individual waivers and authorizations are granted for each item.

- A. Public procurement for engineers, architects, and contractors
- B. Environmental Review
- C. Historic preservation consultation
- D. Bonding / loan security
- E. American Iron and Steel / Build-America-Buy-America procurement
- F. Davis-Bacon Wage Act
- G. Disadvantaged Business Enterprise

Principal forgiveness funding is only available if the entity qualifies as disadvantaged and federal subsidy funds are available.

Emergency Listing of a project on DWSRF Priority List

Evaluation by Staff

- 1) Can the project move faster than the normal process?
 - a. Will declaring the emergency provide the system funding quicker?

- 2) Is the system treating this as an emergency?
 - a. Is the system notifying its users, contacting NvWARN, or coordinating with resources?
 - b. Is the system demonstrating managerial capacity for public health concerns, legal responsibilities, and asset management?



Agenda Item 13: Public Comments



Nevada Department of
**CONSERVATION &
NATURAL RESOURCES**



Next Board Meeting

Status	Date of Meeting	Loan Applications Due Date
Confirmed	Wednesday, March 22, 2023	Friday, February 3, 2023
Confirmed	Wednesday, June 28, 2023	Friday, May 12, 2023
<i>Proposed</i>	<i>Tuesday, August 15, 2023</i>	<i>Friday, July 7, 2023</i>
<i>Proposed</i>	<i>Wednesday, November 8, 2023</i>	<i>Friday, September 29. 2023</i>

