



NEVADA DIVISION OF
**ENVIRONMENTAL
PROTECTION**

STATE OF NEVADA
Department of Conservation & Natural Resources

Steve Sisolak, *Governor*
Bradley Crowell, *Director*
Greg Lovato, *Administrator*

March 23, 2020

Jean L. Barrett, PH.D
Nevada Governor's Office of Economic Development
Rural Community Development/CDBG Program
808 W. Nye Lane
Carson City, Nevada 89703

RE: Update to the CDBG Advisory Committee

Dear Ms. Barrett:

The Nevada Division of Environmental Protection (NDEP), Office of Financial Assistance (OFA) wishes to provide the Community Development Block Grants (CDBG) Advisory Committee the following information and update relating to the programs we manage.

OFA manages the Clean Water State Revolving Fund, the Drinking Water State Revolving Fund and the Capital Improvements Grant Program (formally AB198). In addition to directly funding projects, OFA continuously works with our other funding partners including the United States Department of Agriculture and the GCDBG program to help partner fund a project, should it be in the borrowers best interest to do so.

Clean Water State Revolving Fund (CWSRF)

This program has been around for 32 years and was created by the Clean Water Act of 1972, as amended. Since it's inception, Nevada has provided \$544 million in federal and state assistance to 83 projects. The CWSRF has assisted 34 borrowers in all 17 counties. Funding can be provided to publicly owned wastewater or storm water systems in the form of a loan, including a principal forgiveness loan for eligible entities, with interest rates that are *currently averaging* 1.6% at 20 year terms. In some cases, borrowers may be eligible for a term of 30 years, if the program has determined that funding for 30 year terms is available.

The CWSRF is currently funding some very large wastewater projects across the state that has reduced the amount of current available funds. If systems are interested in receiving funding from the CWSRF, they are encouraged to contact our office as soon as possible to see if we can assist them.

Applicants are required to be listed on a priority list that is publicly noticed and ranked based upon certain prerequisites. Once a borrower is ready to proceed, the applicant completes a formal loan application and an environmental review. OFA evaluates the borrowers creditworthiness and makes a determination on the environmental impacts. Borrowers are required to issue a bond that the State Treasurer's Office purchases as security to the loan. There is no public board that must approve a clean water loan and all negotiations of the contract occur between NDEP and the borrower.

Our website is updated with our governing documents, forms, and guidance materials. For further information, please visit <https://ndep.nv.gov/water/financing-infrastructure/state-revolving-fund-loans/clean-water-wastewater>.

Drinking Water State Revolving Fund (DWSRF)

This program has been around for 22 years and was created by the Safe Drinking Water Act of 1996, as amended. Since its inception, Nevada has provided \$355 million in federal and state assistance to 115 projects. The DWSRF has assisted 64 borrowers in all 17 counties. Funding can be provided to both publicly owned and private nonprofit entities in the form of a loan, including a principal forgiveness loan for eligible entities, with interest rates that are *currently averaging 1.6%* at 20 year terms.

The DWSRF currently has the ability to fund large drinking water projects. Borrowers are encouraged to contact us for funding.

Applicants are required to be listed on a priority list that is publicly noticed and ranked based upon state regulations. Once a borrower is ready to proceed, the applicant completes a formal loan application and an environmental review. OFA evaluates the borrower's creditworthiness and makes a determination on the environmental impacts. Public borrowers are required to issue a bond that the State Treasurer's Office purchases as security to the loan. Private borrowers must place a letter of credit, certificate of deposit, or other form of collateral for security to the loan. The Board for Financing Water Projects must approve the commitment of funds from the program prior to the loan being executed. All negotiations of the contract occur between NDEP and the borrower.

Our website is updated with our governing documents, forms, and guidance materials. For further information, please visit <https://ndep.nv.gov/water/financing-infrastructure/state-revolving-fund-loans/drinking-water>.

Capital Improvements Grant Program (formally known as the AB 198 program)

This program has been around since 1991 when the Nevada Legislature passed Assembly Bill 198 to ensure Nevada's water systems were offered financial assistance to address their infrastructure needs. The program is entirely funded by state issued general obligation bonds and loan application fees. Since its inception, Nevada has provided \$98 million in state assistance to 90 projects. The program has assisted 43 grantees in all 17 counties. Funding can be provided to both publicly owned and private nonprofit community water systems, irrigation districts, and to projects that convert private septic systems to municipal sewer systems. Eligible grantees may receive 25% to 85% of their project costs in the form of a state grant.

The program currently has limited funds available so applicants are encouraged to contact us for funding.

Applicants are required to be listed on the drinking water priority list that is publicly noticed and ranked based upon state regulations. Once a borrower is ready to proceed, the applicant completes a formal grant application. OFA evaluates the grantees requirements for funding. The Board for Financing Water Projects has complete jurisdiction over eligible borrowers and program conditions. The Board must approve the applicant and commitment of funds from the program prior to the grant being executed. All negotiations of the contract occur between NDEP and the borrower.

Our website is updated with our governing documents, forms, and guidance materials. For further information, please visit <https://ndep.nv.gov/water/financing-infrastructure/grants>.

Thank you for the opportunity to provide an update on the programs the office manages. If there are any questions please call me at (775)687-9531.

Sincerely,

Jason B. Cooper

Jason B. Cooper, CGFM
Administrative Services Officer III
Office of Financial Assistance
Nevada Division of Environmental Protection