

<p>BOARD FOR FINANCING WATER PROJECTS</p> <p>POLICY</p>	<p>REVISION DATE</p> <p>9/20/07</p>	<p>PAGE</p> <p>Page 1 of 5</p>
<p>SUBJECT: SCALE TO DETERMINE GRANT AMOUNT</p>		

STATEMENT OF POLICY:

It is the policy of the Board for Financing Water Projects to establish meaningful factors that can be applied objectively to determine the scale of project funding to be awarded for drinking water projects, in accordance with NRS 349.981 and NRS 349.983.

PURPOSE:

To establish a scale to determine the grant amount the Board for Financing Water Projects can award to each grantee.

REFERENCE:

NRS 349.983 2. states “In making its determination of which purveyors of water are to receive grants pursuant to paragraph (a) of subsection 1 of NRS 349.981, the board shall give preference to those purveyors of water whose public water systems regularly serve fewer than 6,000 persons.” The board has the discretion to choose which applicants will receive a grant based upon population served by the water system.

MATCHING MONEY FROM OTHER SOURCES

**SCALE TO DETERMINE GRANT AMOUNT
AS A PERCENTAGE OF THE TOTAL ELIGIBLE COSTS
(NRS 349.983 3.)**

According to NRS 349.983 3. “Each recipient of a grant shall provide an amount of money for the same purpose. The board shall develop a scale to be used to determine that amount, but the recipient must not be required to provide an amount less than 15 percent or more than 75 percent of the amount of the grant. The scale must be based upon the average household income of the customers of the recipient, and provide adjustments for the demonstrated economic hardship of those customers, the existence of an imminent risk to public health and any other factor that the board determines to be relevant.”

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BOARD POLICY:

Based upon NRS 349.983 (3), the board must provide grants of money between 57.1% and 87.0% of the total eligible costs.

Grant Amount = 57.1% of Total Eligible Costs

Assume Total Eligible Costs = \$100,000
Grant amount = \$100,000 x .571 = \$57,100
Recipient's amount = \$100,000 - \$57,100 = \$42,900

Recipient's amount/grant of money = (\$42,900/\$57,100) x 100 = 75%
This is the maximum amount the recipient is required to provide.

Grant Amount = 87.0% of Total Eligible Costs

Assume total Eligible Costs = \$100,000
Grant amount = \$100,000 x .87 = \$87,000
Recipient's amount = \$100,000 - \$87,000 = \$13,000

Recipient's amount/grant of money = (\$13,000/\$87,000) x 100 = 15%
This is the minimum amount the recipient is required to provide.

Each recipient of a grant shall provide an amount of money for the same purpose which shall be the difference between the grant amount and the eligible project costs.

MINIMUM GRANT AMOUNT WILL BE 57.1% OF THE ELIGIBLE PROJECT COSTS. EACH POINT ADDS TO THE GRANT AMOUNT ACCORDING TO THE FOLLOWING CRITERIA:

<u>I. PROJECT NEED</u>	<u>POINTS</u>
A. Acute health concern per current Drinking Water State Revolving Fund Loan (SRF) priority list.	15
B. Chronic health concern per current SRF priority list.	10
C. System condition per current SRF priority list.	5

Project Points

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II. COMMUNITY NEED FOR STATE ASSISTANCE

POINTS

A. State Median Household Income (MHI)/Public Water Supply Median Household Income per current SRF priority list, recent income survey or year 2000 census:

1.75 or more (very low income)	75
1.60 – 1.74	50
1.45 – 1.59	30
1.30 – 1.44	20
1.15 – 1.29	10
1.00 – 1.14	0

Project Points

B. Monthly Residential Water Rate on Date of Application:

1. Below the Board's policy for monthly water rates	0
2. At or above the Board's policy for monthly water rates	20

Project Points

C. Property Tax Rate:

At State Ceiling of \$3.64 per \$100 of assessed value	5
\$3.28 - \$3.63	4
\$2.95 - \$3.27	3
\$2.65 - \$2.94	2
\$2.64 or less	0

Project Points

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D. Persons Regularly Served per Safe Drinking Water Information System maintained by the Bureau of Safe Drinking Water:

Fewer than 500	25
500 -999	15
1000 - 1999	8
2000 - 3999	4
4000 - 5999	2
6000 and above	0

Project Points

III. OTHER FACTOR(S) THAT THE BOARD DETERMINES TO BE RELEVANT, INCLUDING: POINTS

A. This project will reduce water leakage and other water losses by at least 25%	5
B. Approved & up-to-date Water Conservation Plan per (NRS 540.131, .141, and .151)	2
C. Water Conservation Effectiveness (based upon residential equivalents NAC 445A.66325)	2
D. Metered community charging financially responsible metered rates	10
E. Asset management plan in place	1
F. O&M, Cross-connection control and Emergency Response plans in place and being implemented	3
G. Wellhead protection program in place	1
H. Project management in place	2
I. Daily inspections by qualified inspector planned	2
J. Applicant has obtained alternate funding up to the maximum financial extent possible	15

Project Points

IV. DEDUCTIONS

A. Second home/vacation home account for >30% of connections	-30
B. Applicant is at or above State MHI and has not adequately funded a capital replacement fund.	-30
C. Applicant did not perform adequately on prior grant	-25

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project as demonstrated by preventable project delays and cost over-runs.

- D. Applicant failed to submit required financial and progress reports for prior grant project. -10
- E. Opportunity for local or regional cooperation not utilized. -30

Points Deducted _____

Total Project Points =====

MAXIMUM POINTS ARE 150
MAXIMUM GRANT AMOUNT IS 87% OF ELIGIBLE PROJECT COSTS

Number of points _____ /5 = _____ + 57.1 = Grant Percent _____ %

Grant Amount = ___ % x eligible project costs of \$ _____ = a grant of \$ _____

Eligible Project Costs of \$ _____ less the grant amount of \$ _____ =

the amount of matching money required from other sources, \$ _____