



# Washoe County Department of Water Resources River Oaks Subdivision February 17, 2010

The Department of Water Resources (DWR) would prefer to plan and implement a project that addresses both the water system infrastructure issues and the wastewater collection systems infrastructure issues at the same time.

The benefits of minimizing disruption to River Oaks Subdivision residents and in cost savings of a combined project is great enough that it is highly preferable to defer the wastewater collection system replacement project until the water system project can be done at the same time.

## **Project Cost Estimate**

The combined project costs would total approximately \$7.4 million. If we were to proceed and finance via a Special Assessment District, for example; the monthly cost for each parcel would be approximately \$182 per month for 40 years. However, DWR continues to seek sources of funding to help offset these costs.

## **Possible Project Funding**

DWR continues to seek sources of funding for infrastructure replacement. Possible sources include the Rural Nevada 595 Program and the Rural Development Program. DWR has included the River Oaks Project in its federal appropriations request for the Rural Nevada 595 Program. The Rural Nevada 595 program, if available, would cover 75% of the cost of construction in the public right of way.

## **USDA Rural Development Program Funding Update**

In the summer of 2009, the Nevada Rural Water Association completed an income survey of the River Oaks subdivision residents. The results indicated that the resident's median household income is \$50,000 per year. In order to qualify for USDA grant funding, the median household income cannot exceed \$47,000 per year. Since the median household income threshold was not met, grants are not an option. Therefore, low-interest loans will be utilized to fund the project. DWR has confirmed that the River Oaks subdivision will continue to be considered rural for the next five years. DWR will continue to seek other grant funding.

The wastewater collection system Preliminary Engineering Report and Environmental Report have been submitted to the USDA for review and comments. The water system Preliminary Engineering Report will be submitted next month. DWR will continue to process the water system USDA application as a placeholder in the event DWR acquires VMUC.

## **Verdi Meadows Utility Company Acquisition**

DWR has been in negotiations with Verdi Meadows Utility Company (VMUC) and the Farmers and Merchants Bank to acquire VMUC. The Preliminary Title Report indicates numerous unsatisfied judgments recorded against VMUC. DWR cannot acquire VMUC until these judgments have been satisfied or removed.