

Commonwealth of Virginia
Drinking Water State Revolving Fund Program
Intended Use Plan for FY 2009

In accordance with the federal Safe Drinking Water Act Amendments (SDWA) of 1996 (P.L.104-182), which established a Drinking Water State Revolving Fund (DWSRF) Program to eligible states through a capitalization grant, the Virginia Department of Health (VDH) Office of Drinking Water (ODW) is making application for federal funding in the amount of \$8,673,000 in FY 2009 DWSRF grant funds. .

The VDH has primary enforcement responsibility, or primacy, for the Commonwealth's drinking water programs, and as such, is the designated agency to apply for and administer the capitalization grant for the DWSRF Program and related state funds. The FY 2009 grant application consists of the Intended Use Plan (IUP), the Project Priority List (Attachment 1), the Comprehensive Project List (Attachment 2), and the Set-Aside Workplan (Attachment 3). The *Virginia Drinking Water State Revolving Fund Program - Program Design Manual*, dated January 12, 2009, is part of the IUP and outlines the Program's overall goal, the set-aside and construction aspects of the Program, entities eligible for funding, interest rates and terms, and criteria used to establish a Project Priority List. The IUP undergoes public comment via mailings, internet, and a public meeting that will be held in Richmond in August, 2009 (see attached list). The IUP cover letter is also placed in the General Notices section of the Virginia Register.

The attached Funding Summary (Page 2) details the cumulative funding available for FY09 and the projected distribution between capitalization and set-aside funds. The DWSRF Allocation Summary (Page 3) details all major funding allocations since the program's inception in FY97. The detail of set-aside funds reserved and allocated is captured, along with this year's allocation of Set-Aside funds, in Attachment 3.

Virginia's 20% state match for the capitalization grant is deposited into a dedicated state loan fund, the *Virginia Water Supply Revolving Fund* (§62.1-233 et seq.), established under the *Code of Virginia*. Also specified in the *Code of Virginia*, and in conjunction a VDH Memorandum of Understanding, are roles and responsibilities for the Virginia Resources Authority (VRA) pertaining to individual construction loans and processes.

In order to meet the established goal of providing 15% of the amounts credited to the state loan fund as loan assistance to waterworks that regularly serve fewer than 10,000 persons, VDH will bypass higher ranked projects if necessary to meet this goal.

Virginia Department of Health
Office of Drinking Water
Summary
Drinking Water State Revolving Fund Program
Intended Use Plan - Funding Summary with Prior Set-Aside Reserve
FY 2009

I. SOURCES

Federal	FY 2009	Allocation =	\$8,673,000	based on a national appropriation of \$829.029 million
State's General Fund	20% match required =	\$1,734,600		
SUBTOTAL 1			\$10,407,600	
Other state funds =		\$0		
Total state funds this year	\$1,734,600		\$10,407,600	
SUBTOTAL 2			\$10,407,600	
Other sources =				
interest earned (0945)		\$4,972	from the 6-30-2008 Commonwealth Accounting & Report System	
interest earned (VWSRF)		\$802,223	from VRA August 2008(interest earnings through 6/30/08)	
repaid principal to 6-30-2008		\$3,421,512	from VRA August 2008 P & I repayments report	
repaid interest to 6-30-2008		\$620,807	from VRA August 2008 P & I repayments report	
		\$4,849,514		
SUBTOTAL 3			\$15,257,114	
TRANSFER from DEQ's CWSRF		\$0		
Grand Total Funds Available =			\$15,257,114	

II. USE for Set-asides

Category	Maximum % and Name	Percent chosen	Amount
1	4% Administration and Technical Assistance	4.00% *	554,530
2	2% Small System Technical Assistance	2.00% *	216,599
3	10% State Program Management	10.00% *	1,544,414
4	15% Local Assistance and other State Programs	12.00%	1,040,760
Sub-total		28.00%	\$3,356,303

\$3,356,303.00

III. USE for Loan funds

Federal Allocation =	\$8,673,000		
minus set asides	<u>\$3,356,303</u>		
Federal loan funds	\$5,316,697	61.30% of federal grant	
plus 20% match required =	<u>\$1,734,600</u>		
SUBTOTAL			\$7,051,297
plus Other state funds =	\$0		
SUBTOTAL			\$7,051,297
plus other sources =	\$4,849,514		
SUBTOTAL			\$11,900,811
plus Transfer from DEQ's CWSRF	\$0		
TOTAL Amount available	\$11,900,811		
Amount available after subtracting Set-asides =			\$11,900,811
Amount loaned to Demonstration Project for Southwest Virginia Endowment =			\$0
Balance available for individual project loan and subsidies =			\$11,900,811
Subsidies --up to 30% of grant may be used =		30.00%	\$2,601,900
			<u>\$9,298,911</u>
Loans =			\$11,900,811
Total =			\$11,900,811

*NOTE: The requested amounts of set-asides for 2%, 4%, and 10% include additional dollar amounts to recapture reserve funds totalling \$927,863. The additional amounts requested by applicable set-aside are: 2% = \$43,139; 4% = \$207,610; 10% = \$677,114. For specific funding requests and intended use, reference Schedule 1.

Virginia Department of Health, Office of Drinking Water
DWSRF Allocation Summary

	Total Federal Funds Available by Fiscal Year	Federal Construction Loan Funds Allocated	Set-Asides Allocated for the Year	State Match Allocated for the Year	Award Amount
FY97	24,142,768	22,965,072	1,177,696	5,888,480	30,031,248
FY98	19,194,932	11,116,240	8,078,692	2,779,060	21,973,992
FY99	14,563,600	13,385,819	1,177,781	2,912,720	17,476,320
FY00	15,135,800	13,843,960	1,291,840	3,027,160	18,162,960
FY01	15,198,400	13,453,271	1,745,129	3,531,060	18,729,460
FY02	11,127,600	9,753,958	1,373,642	4,500,000	15,627,600
FY03	11,060,700	9,178,787	1,881,913	4,500,000	15,560,700
FY04	11,473,900	9,649,860	1,824,040	2,294,780	13,768,680
FY05	11,449,600	9,402,656	2,046,944	2,289,920	13,739,520
FY06	8,761,500	7,090,890	1,670,610	1,752,300	10,513,800
FY07	9,841,124	6,661,460	3,179,664	1,968,225	11,809,349
FY08	8,679,899	6,596,723	2,083,176	1,735,980	10,415,879
FY09	8,673,000	5,316,697	3,356,303	1,734,600	10,407,600
ARRA	20,761,000	20,138,170	622,830	0	20,761,000
TOTAL	190,063,823	158,553,563	31,510,260	38,914,285	228,978,108

Virginia Department of Health
Office of Drinking Water
Summary of Set-Aside Reserved and Awarded

4% Set-Aside	Total Federal Allocation	Max Allowable	Amt Awarded	Amt Reserved in IUP	Amt Recaptured	Amt Remaining
FY97	29,442,400	1,177,696	1,177,696	0	0	0
FY98	13,895,300	555,812	555,812	0	0	0
FY99	14,563,600	582,544	582,544	0	0	0
FY00	15,135,800	605,432	605,432	0	0	0
FY01	15,198,400	607,936	575,776	32,160	0	32,160
FY02	11,127,600	445,104	314,236	130,868	0	130,868
FY03	11,060,700	442,428	442,428	0	0	0
FY04	11,473,900	458,956	458,956	0	0	0
FY05	11,449,600	457,984	457,984	0	0	0
FY06	8,761,500	350,460	350,460	0	0	0
FY07	9,841,124	393,645	556,673	0	163,028	(163,028)
FY08	8,679,899	347,196	347,196	0	0	0
FY09	8,673,000	346,920	346,920	0	207,610	(207,610)
ARRA	20,761,000	830,440	622,830	207,610	0	207,610
TOTAL	190,063,823	7,602,553	7,394,943	370,638	370,638	0

2% Set-Aside	Total Federal Allocation	Max Allowable	Amt Awarded	Amt Reserved in IUP	Amt Recaptured	Amt Remaining
FY97	29,442,400	588,848	588,848	0	0	0
FY98	13,895,300	277,906	277,906	0	0	0
FY99	14,563,600	291,272	291,272	0	0	0
FY00	15,135,800	302,716	302,716	0	0	0
FY01	15,198,400	303,968	166,028	137,940	0	137,940
FY02	11,127,600	222,552	96,368	126,184	0	126,184
FY03	11,060,700	221,214	85,540	135,674	0	135,674
FY04	11,473,900	229,478	0	229,478	0	229,478
FY05	11,449,600	228,992	0	228,992	0	228,992
FY06	8,761,500	175,230	44,000	131,230	0	131,230
FY07	9,841,124	196,822	196,822	0	0	0
FY08	8,679,899	173,598	173,598	0	0	0
FY09	8,673,000	173,460	173,460	0	43,139	(43,139)
ARRA	20,761,000	415,220	0	415,220	0	415,220
TOTAL	190,063,823	3,801,276	2,396,558	1,404,718	43,139	1,361,579

10% Set-Aside	Total Federal Allocation	Max Allowable	Amt Awarded	Amt Reserved in IUP	Amt Recaptured	Amt Remaining
FY97	29,442,400	2,944,240	294,424	2,649,816	0	2,649,816
FY98	13,895,300	1,389,530	277,906	1,111,624	0	1,111,624
FY99	14,563,600	1,456,360	105,149	1,351,211	0	1,351,211
FY00	15,135,800	1,513,580	239,902	1,273,678	0	1,273,678
FY01	15,198,400	1,519,840	261,075	1,258,765	0	1,258,765
FY02	11,127,600	1,112,760	611,036	501,724	0	501,724
FY03	11,060,700	1,106,070	1,001,945	104,125	0	104,125
FY04	11,473,900	1,147,390	1,021,084	126,306	0	126,306
FY05	11,449,600	1,144,960	1,144,960	0	0	0
FY06	8,761,500	876,150	876,150	0	0	0
FY07	9,841,124	984,112	1,934,112	0	950,000	(950,000)
FY08	8,679,899	867,990	867,990	0	0	0
FY09	8,673,000	867,300	867,300	0	677,114	(677,114)
ARRA	20,761,000	2,076,100	0	2,076,100	0	2,076,100
TOTAL	190,063,823	19,006,382	9,503,033	10,453,349	1,627,114	8,826,235

VIRGINIA'S CURRENT YEAR PROGRAM OVERVIEW

The Virginia DWSRF Program activity incorporates the federal, state match, program revenue and repayments, and miscellaneous additional funds to implement the statewide programs to insure adequate and safe drinking water to citizens. The construction loan and grant funds, in conjunction with the set-aside funds, provide funding sources for infrastructure projects, planning projects, sample testing, capacity development initiatives, state administrative costs, training, technical assistance, wellhead and source water protection, and other activities designed to enhance the state's water programs.

The construction funds will be provided to waterworks that serve less than 10,000 persons, with 30% of the grant allotted to disadvantaged waterworks. Actual usage of the 30% is subject to individual determinations on loan terms for each applicant meeting the definition of disadvantaged. The attached Project Priority List (Attachment 1) details the construction projects to be funded, in priority order, with a funding breakdown and other relevant project information. The Comprehensive Project List (Attachment 2) details all eligible projects submitted during this state application process, and provide additional projects to be funded, should funding become available.

The set-aside funds will be used to maintain and advance waterworks support initiatives that contribute to the sustainability of safe drinking water. The set-asides funds are made available to assist waterworks owners in preparing for future waterworks challenges. Although the waterworks and their consumers will be the direct benefactors of these funding efforts, the initiatives may originate with any number of concerned parties and may be used in cooperative efforts with other entities to maximize the outcome.

In addition to requesting twenty-eight percent (28%) of the thirty-one percent (31%) available for current year set-asides, VDH will be requesting an additional \$927,863 in prior year set-asides held in reserve to fund critical vacancies, provide additional training and development for staff, procure new office equipment for field offices, to expand on the Enterprise Content Management (ECM) program initiated, obtain critically needed database upgrades, and cover general program support costs. These costs related to the reserve funding request are outlined in the attached Schedule 1 and are included in each of the applicable set-aside budget schedules.

VDH is requesting twenty-eight percent (28%), or \$2,428,440, of the thirty-one percent (31%) available for current year set-asides, and ODW will allocate all eligible pre-award costs to the grant, retroactively upon award.

LONG AND SHORT TERM GOALS

The Virginia Department of Health is committed to promoting and protecting the health of Virginians. That mission is supported by a number of critical functions including activities implemented by the Office of Drinking Water (ODW). ODW supports the mission through regulatory, technical, and financial programs designed to enhance the quality of water provided to the citizens of the Commonwealth. The Virginia Drinking Water State Revolving Fund (DWSRF) program provides VDH with the means to achieve these goals.

VDH has a goal to utilize the DWSRF resources to provide a long-term, sustainable program focused on providing technical, financial, and managerial resources to waterworks owners. VDH will accomplish this through an integrated assistance program to provide technical and financial resources targeted to waterworks that exhibit a specific need for assistance. VDH has established the following priorities for the DWSRF program:

A. Long Term

- Insure the integrity and longevity of the DWSRF program and related funding to benefit the greatest number of Virginians over the greatest number of years.
- Protect the public health and welfare by planning and directing activities that assure adequate water quantity and quality are provided to users of waterworks.
- Assist waterworks owners in complying with federal and state mandated drinking water regulations through programmatic, technical, and construction assistance.
- Assist waterworks owners to develop strategies for maintaining adequate capacity (managerial, technical, and financial capability and well-trained operators) to provide safe drinking water for the long term.
- Assist waterworks owners in the protection of their source waters by developing or assisting to develop source water protection programs.
- Assist waterworks owners in correcting problems related to drinking water quality through both programmatic and construction assistance.
- Market the technical and financial assistance available to waterworks owners and consumers.
- Provide assistance and education to waterworks owners to develop long-term strategies for sustainable infrastructure.

B. Short Term

- Allocate DWSRF Program money as soon as possible so Virginians may benefit.
- Assist waterworks owners by creating innovative technical assistance programs.
- Promote consolidation and regionalization of water supplies and waterworks through both programmatic and construction assistance.
- Provide a source of low cost financing for drinking water needs.
- Require that all new Community and Nontransient Noncommunity water systems beginning operation after October 1, 1999, demonstrate the technical, financial, and managerial capacity required to operate a waterworks.

- Insure that operator certification regulations meeting EPA national requirements are applied and that coordination is achieved to provide training courses, especially for the lower classifications of licensed operators needed at the smaller waterworks.

DEMONSTRATION PROJECT FOR STATE OF VIRGINIA

The SDWA authorizes Virginia to establish a special demonstration project to loan funds to a regional endowment to "...finance new drinking water facilities..." in an area of Southwest Virginia encompassing Planning Districts 1 and 2. This endowment was established to assist in meeting the special needs of Southwest Virginia. In prior years, VDH elected to provide a total of \$10 million from its capitalization grants as loans to the endowment. That goal has been reached and no additional funding is provided. The relationship between this special endowment program and the Virginia DWSRF Program is that of the loan and the common goal of correcting health needs.

TRANSFER OF FUNDS

Subject to the maximums allowed under the SDWA, set-aside funds may be transferred between another set-aside or between the State Loan Fund, but no grant payments (per the DWSRF Program Rule) for the State Loan Fund may be transferred to a set-aside. No transfers are expected.

No Department of Environmental Quality (DEQ) CWSRF repayment revenue is planned for transfer into the DWSRF Program under Section 302 of the Safe Drinking Water Act Amendments of 1996. Such transfer funds can only be used as loan funds not grants. VDH has not requested funds from DEQ as VDH's drinking water projects that are ready to proceed can be fully funded without a transfer.

FINANCIAL HEALTH

The DWSRF Program will be managed to maximize both the tangible and intangible benefits available to waterworks owners and Virginians. The financial health of the program is reflected in both the active non-construction activities and in loans. Both areas are integrated and affect the other's success, i.e. activities promoting or enhancing delivery of a safe potable drinking water reduce the demand on the loan area by insuring the long-term well being of the waterworks. A State Loan Fund will be maintained in perpetuity for providing financial assistance as authorized and limited by the SDWA. A State Loan Fund will be maintained in accordance with the SDWA and will be credited with all payments, repayments of principal and interest on loans, interest on loan accounts and any other source of income accruing to a State Loan Fund. By coordinating the two areas of non-construction and project loans, the overall long-term financial health of the program will be maintained for the maximum benefit of Virginians. This coordination will be done by the strategic coupling of programmatic considerations with the results of a planning model that examines the aggregate effects of altering financial parameters of the program. Procedures will be revised or implemented, as needed, based on the results of the annual assessment.

In the Disadvantaged Program as described in VDH's *Program Design Manual*, loan subsidies in the form of principal forgiveness will decrease the loan funds available; however, principal forgiveness coupled with a comprehensive business plan (capacity development) will reduce the demand on the loan fund by insuring the long term well-being of the waterworks. These

initiatives allow waterworks to undertake projects they could not otherwise construct and, therefore, protect the public health. This strategy is one of the strong themes encouraged by Congress.

A unique feature of the Virginia DWSRF Program is the federal statutory language allowing a pilot demonstration project in Southwest Virginia. The Commonwealth has made loan(s) to a regional endowment, and such loan(s) will be repaid with terms and conditions in the same manner as all other project loans. These loan funds will be invested; investment proceeds can be for uses other than normally specified by Congress to assist communities in Southwest Virginia in correcting water problems.

USE OF FUNDS

PROJECTS:

The Project Priority List (Attachment 1) contains those construction projects VDH targets to receive dollars from this year's funding. The Comprehensive Project List (Attachment 2) shows the ranking of all projects submitted during the state application process.

SET-ASIDES:

The set-asides are four categories of non-project funds that will be used for specified purposes up to a maximum amount allowable by federal statute and available through the current year grant award. Schedule 3 lists the suggested uses of set-aside funds proposed during the solicitation or public input phase of IUP development. Attachment 3 outlines the detailed workplan and budgeted spending for this IUP set-aside funding, and Schedule 1 provides a detailed allocation of reserved set-aside funds applied in conjunction with this year's grant award. An overview of major funding initiatives for the set-aside funds is given below.

- A. Administration and Technical Assistance: \$346,920 is the entire 4% available and allowed for the current year. In addition, Virginia is requesting the remaining 1% of Administration and Technical Assistance set-aside from the American Recovery and Reinvestment Act award held in reserve, which equals \$207,610. The total amount of 4% Set-aside is \$554,530.
 - 1. Administration – These funds will support the administrative functions of the Program, including one (1) Project Engineer position supported in prior years by this funding source, the newly-filled program Construction Assistance Policy and Planning (CAPP) Director position, the Financial and Construction Assistance Program (FCAP) Project Officer, and the Grants Accountant. The two (2) latter positions had previously been charged to another funding source. Additionally, staff hours for time applied to the DWSRF Administration will be charged to this grant based on actual hours reported. The estimated annual cost of these positions and applicable hours is \$332,857. Other administrative costs pertain to the review of applications and selected projects, application workshops, environmental reviews, analysis of applicants' ability to repay loans, and VDH travel to EPA/CIFA meeting.

From this grant, VDH has budgeted \$200,000 to the Virginia Resources Authority (VRA) for credit analysis summaries for each project, project loan closings, funding disbursements, accounting tasks, compliance review of closed loans, annual audit of

the construction loan fund, and participation with VDH in EPA's annual onsite program review.

Funds are also provided for legal assistance in contract renewals/commitments and audit services in the amounts of \$3,000 each.

2. Technical Assistance – No activity.

- B. Small System Technical Assistance: \$173,460 is the entire 2% available and allowed. Virginia is also requesting addition Small System Technical Assistance reserve funding in the amount of \$43,139, for a total funding amount of \$216,599.
1. Funding is provided to support four (4) part-time inspector positions to cover transient non-community waterworks. Funding is provided in the amount of \$45,599.
 2. Training - Provide specialty seminars and training events for waterworks owners/operators on various topics. Virginia Tech was awarded a contract in the amount of \$157,500 is requested from this year's funding for that purpose. Funds were provided in earlier grants; new money is added this year. An additional \$13,500 is provided for scholarships to training courses for disadvantaged operators/owners.
- C. State Program Management: \$867,300 is the entire 10% available and allowed for the current year. Virginia is also requesting an additional \$677,114 in prior-year reserved 10% Set-aside funding, for a total funding of \$1,544,414.
1. Public Water System Supervision
 - Continue the consolidation of regulatory oversight of the transient noncommunity waterworks within the Office of Drinking Water by supporting seven (7) full-time positions.
 - Improve the process to implement new federal rules and enforcement actions. Funds will pay for one (1) newly-filled, full-time paralegal position to assist in developing and processing the adoption of any necessary regulations, and strengthening enforcement actions.
 - Continue funding for the newly-established Personnel Analyst to address ODW hiring, retention, continuity planning, and supervisory development.
 - Additionally, staff hours for time applied to the DWSRF Administration will be charged to this grant based on actual hours reported.
 - Continue funds to support a courier system to deliver required samples to Division of Consolidated Laboratory Services (DCLS).
 - Continue funding for technical training, web casts, travel, conferences, on-line training, and meetings for staff.

- Continue vehicle maintenance for field work.
- Purchase new copy machines, filing cabinets, printers, and fax machines.
- Continue lease payments for field offices.
- Provide funding for ODW's (long-awaited) Enterprise Content Management (ECM) initiative to automate submission and retention of data and records.
- Improve VDH's ability to assist waterworks to implement new federal rules. Funds will be used to continue paying for one (1) Geologist position and one (1) part-time program support technician to coordinate the efforts needed by the state to facilitate source water activities including specialized projects in Karst areas, contracts to waterworks to do specialized studies, or independent studies initiated by VDH.

2. Source Water

- All activities related to source water is currently being funded under the 15% set-aside.

3. Capacity Development

- No activity under the 10% capacity development; funded under 15% set-aside.

4. Operator Programs

- Contract with Virginia Tech to conduct Waterworks Operators Short Courses and Class VI Operators Short Courses.
- Continue activity from prior grant to provide support for the distance learning website at Mountain Empire Community College. New funds will be added to continue this activity.

D. Local Assistance and other State Programs: \$1,040,760 which is 12.0% instead of the entire 15% available and allowed, with no more than 10% in a category.

1. Loan and Protection Measures – No new money is added this year.

2. Capacity Development

- Funding for one (1) full-time and one (1) part-time position to develop and oversee all capacity development programs, data collection, and reporting. Expenditures also include travel related to program development and data collection.
- Technical Assistance - continue funds for capacity development/project planning technical assistance grants. New money is added this year.

owners the information needed to upgrade aged waterlines. Funds were provided in earlier grant; new money is added this year (2005 IUP activity).

- Short course entitled “Establishing a Successful and Sustainable Waterworks: Revenues, Rates, and Funding Short Course” will assist waterworks owners in identifying their funding, staffing and other needs as well as how to approach budgeting, rate making and business plan development.
 - Short course entitled “Hands-on Training at a Full Scale Water Plant” -. a new hands-on training will be offer in Salem at a full-scale water plant. The goal of the short course is to develop a twelve hour program dedicated to hands-on activities related to the maintenance and operations of a full-scale plant. The participants will actually backwash filters, perform filter drop and rise tests, feed chemicals, disassemble and reassemble equipment such as pumps and meters, measure the concentration of contaminants in the wastewater, etc. New funding will be added this year in the amount of \$25,000 to fund this short course.
 - Outreach training on point-of-use (POU) and point-of-entry (POE) devices – special training will be offer to ODW field office staff on how to assess public health threats of unapproved POU/POE devices discovered during a sanitary survey. Also, ODW will provide additional outreach to hospitals, medical facilities, institutional and commercial water users on POU/POE devices with specific emphasis on technologies marketed for disinfection. Brochures will be provided to waterworks which will include information on selection, maintenance, and monitoring of devices to minimize potential health risks. New funding will be added this year in the amount of \$25,565.
 - Purchase computer presentation equipment, outreach materials, and testing equipment. The projected cost is \$62,000.
 - Funding for software and database upgrades.
3. Source Water – No new money is added this year.
4. Wellhead Protection
- Funds are proposed for use in supplementing existing state efforts to further protect source water. Collaboration has been established between Virginia Department of Environmental Quality (DEQ) and ODW to further initiatives begun in 2005. While DEQ assumes the lead in funding and coordination with waterworks, ODW provides funding and project approval input.

Over the past year, increased funding coordination and collaboration has occurred between DEQ and ODW in an effort to optimize the state’s program and resources. Funds were provided in earlier grants and new money is added this year.

- Contractual – a new contract with Olver Inc. has been issued to continue the Source Water Protection Program services that were being provided under a previous contract. New funding will be added this year.

5. Receivership Program

- The Virginia legislature has granted the State Health Commissioner statutory authority to petition the circuit court to place a waterworks into receivership. The pilot program, however, has not been implemented.

Receivership is a limited tool in VDH's enforcement arsenal. Although there are continuing procurement issues that VDH must still address for ease of administration, VDH has the authority and capability to petition a court to place a waterworks into receivership, if necessary. Several years ago VDH solicited its field offices for possible receivership cases and determined that none fit the criteria. It is extremely difficult to project potential funding needs for possible receivership cases in the future. VDH cannot anticipate when a waterworks may be referred from a field office that will fit the criteria for receivership, nor the size of such waterworks--both factors having a direct correlation to the amount of money needed to hire a receiver to operate and maintain the waterworks for approximately one year while the waterworks is in receivership.

Virginia Department of Health, Office of Drinking Water
 FY2009 DWSRF Set-Aside Suggested Use Schedule
 Schedule 3

The Virginia Department of Health received these suggestions during the solicitation / public input phase of developing the Intended Use Plan, and considered them in the development of the set-aside portion of the Intended Use Plan.

Name	Suggested Amount	Activity Description	Funded Yes/No	Amount
Southeast Rural Community Assistance Project	\$10,000	To provide technical assistance needed to rural, low-income water systems to achieve individual water system goals, primarily developing the capacity to operate and manage water and wastewater facilities.	No	
Jim Spencer	\$50,000	Funds be made available for leak detection either in stand alone projects or part of planning projects and also for emergency projects.	Yes	\$50,000.00
Mountain Empire Community College	\$54,000	Funds to continue development of its on-line Associate in Applied Sciences Water Degree Program. Funding request includes costs for an Information Technology Specialist to enter material on the web; and computer software, peripherals and expendable materials.	Yes	\$4,600.00
Virginia Water Resources Research Center	\$25,000	To investigate the potential for using alternative energy sources for water and wastewater treatment and study the potential and feasibility of implementing such systems in Virginia.	No	

DWSRF Projects - FY 2009
Project Priority List
ATTACHMENT 1

Owner type Codes
P-O PUBLIC OWNED
I-O INVESTOR OWNED
NPNC NONPROFIT

Designation Codes:
H - Health
O - Other
I - Incomplete
N -Not Eligible
E - Endowment

Priority	PWSID	CnyCty/ District	Owner Type Code	OwnerName/ Contact	Project Name	Project Description	Project Problem	Project Benefit	Populati on	Conns	Point Total	Designatio n Code	PrgrmUse Type	Prgrm Type Code	Project Total Cost	Requested Amount	Cummulative	Grant Remaining
\$ 11,900,811.00																		
1	2015725	Augusta 6	P-O	Augusta County Service Authority Ken Fantoni/Debbie White	Berry Farm Membrane Filtration Project	The project is divided into two parts: Part 1-a well development that includes a well pump which will be rated 500 gpm at 60 feet total dynamic head with a 15 hp motor; a Filtrate/Clear Well Tank, a 30,000 gallon 22-foot diameter at 10 foot normal sidewal	Gradual decline in water quality and more frequent positive samples for total and fecal coliform. The spring is declared by VDH to be under direct influence of surface water.	The project will provide adequate water to the residents of the Verona Water System which uses the Berry Farm Spring.	1618	613	26	H	VWSRF	WSL	\$1,816,500	\$1,801,300	\$1,801,300	\$10,099,511
2	1167900	Russell 2	P-O	Russell County Public Service Authority Jerry Holbrook	Back Valley to Big A Mountain Interconnection	The proposed project consists of the installation of approximately 28,660 LF of 6-inch water line; 9,560 LF of 2-inch service lines; 18 gate valves of varying sizes; eight (8) fire hydrants; 34 service meters; one (1) 100,000 gallon storage tank; one mast	Poor water quality from private water supplies and shortages during periods of drought. One third of representative samples collected from private wells in the potential service area were positive for fecal coliform and total coliform.	The project will provide a safe and dependable water supply.	98	46	23	H	VWSRF	WSL	\$1,134,090	\$1,084,090	\$2,885,390	\$9,015,421
3	1169200	Scott 1	P-O	Scott County Public Service Authority Dan Danko, Executive Director	SCPSA Blackwater Water Project	The proposed project will include the installation of 48,000 LF of 6" water line, 5,800 LF of 4" water line, 3,000 LF of 2" water line, 1,400 LF of 3/4" water line, one 22,000 gallon water storage tank, one water booster station, all water service line ap	Inadequate quality, quantity, and contaminated water sources. Representative water samples collected from private wells in the potential service area were positive for E. coli and total coliform.	The project will provide safe and reliable water service.	143	70	21	H	VWSRF	WSL	\$1,802,567	\$1,787,567	\$4,672,957	\$7,227,854
4	1169650	Scott 1	P-O	Scott County Public Service Authority Dan Danko, Executive Director	Upper Possum Creek Water Project	The proposed project includes the installation of 27,467 LF of 6" water service line, 2,400 LF of 4" water service line, 300 LF of 2" water service line, 2,300 LF of 3/4" water service line, 40 3/4" or 5/8" water meter settings; construction of one 100,00	Inadequate quality and quantity from individual springs and/or wells. One quarter of the samples collected in the potential service area were positive for E coli and half were positive for total coliform.	The project will provide safe and reliable water service.	86	40	21	H	VWSRF	WSL	\$1,285,665	\$1,285,665	\$5,958,622	\$5,942,189
5	1169200	Lee 1	P-O	Lee County Public Service Authority James Parsons	Lee County PSA Blackwater Water Project	The project consists of the installation of 40,000 LF of 8-inch water line, 25,000 LF of 6-inch water line, 1,100 LF of 4-inch water line, 600 LF of 2-inch water, 9,900 LF of 3/4-inch service line; construction of one 50,000 gallon water storage tank, one	Unreliable and/or unsafe drinking water sources from private wells, springs and/or cisterns. Samples collected from private wells in the potential service area were positive for both E. coli and total coliform.	The project will provide safer and more reliable drinking water to an estimated 90 residential customers.	200	90	21	H	VWSRF	WSL	\$2,069,774	\$1,069,774	\$7,028,396	\$4,872,415
6	1169200	Scott 1	P-O	Scott County Public Service Authority Dan Danko, Executive Director	Bishopdown Area Water Project	The proposed project will include the installation of 33,800 LF of 8" water line, 16,325 LF of 6" water line, 17,700 LF of 4" water line, 5,240 LF of 3/4" water service line, two pump stations, 21 fire hydrants; and public water service made available to	Inadequate quality of quantity of individual water sources. Representative water samples collected from the potential service area were positive for both E. coli and total coliform.	The project will provide safe and reliable water service.	325	145	17	H	VWSRF	WSL	\$2,639,735	\$1,693,735	\$8,722,131	\$3,178,680
7	1191853	Washington 3	P-O	Washington County Service Authority Robbie Cornett, Interim General Manager	Rich Valley Road/Litchfield Road	The project would construct approximately 28,500 ft of 6-inch water line along Rich Valley and Litchfield Roads, an additional 1,000 ft of 4 inch line along Sparrow and Bethany Roads, and associated appurtenances; and the potential to serve 44 homes. The	Unsafe and inadequate quantities of water from private water supplies. Over one quarter of the representative private well samples collected were positive for fecal coliform.	The project would provide a safe and dependable supply of drinking water.	113	44	13	H	VWSRF	WSL	\$1,444,534	\$1,378,534	\$10,100,665	\$1,800,146
8	1167250	Russell 2	P-O	Russell County Public Service Authority Jerry Holbrook	Green Valley West Water Line Extension	The proposed project consists of the installation of approximately 19,530 LF of 8-inch water line; 8,400 LF of 6-inch water line; 6,670 LF of 2-inch service lines; 34 gate valves of varying sizes; 13 fire hydrants; 132 service meters; one 150,000 gallon s	Poor water quality from private water supplies and shortages during periods of drought. Samples collected from private wells in the potential service area were positive for E. coli and total coliform.	The project will provide a safe and dependable water supply.	353	126	12	H	VWSRF	WSL	\$1,447,577	\$1,397,577	\$11,498,242	\$402,569

DWSRF Projects - FY 2009
Project Priority List
ATTACHMENT 1

Priority	PWSID	Cny/Cty/ District	Owner Type Code	OwnerName/ Contact	Project Name	Project Description	Project Problem	Project Benefit	Populati on	Conns	Point Total	Designatio n Code	PrgmUse Type	Prgm Type Code	Project Total Cost	Requested Amount	Cummulative	Grant Remaining
see note 1	6033425	Caroline 16	I-O	Ladysmith Water Company William Seltzer, President	Water Treatment Plant Upgrade	The project includes the installation of two (2) new 375 gpm solids contact clarifiers, three (3) new 250 gpm dual media gravity filters, a 200,000 gallon finished water storage tank, pumping equipment (raw, transfer, distribution, and backwash), and chem	Inadequate quantity and quality of drinking water source. The existing water treatment plant needs upgrade.	The project will provide a safer source of water to the users of the system.	3476	993	46	H	VWSRF	WSL	\$2,969,750	\$431,539	\$11,929,781	-\$28,970
see note 2	5025050	Brunswick 13	P-O	Alberta, Town of Melissa Parrish, Mayor	Alberta 2008 Water Improvement Project	The project consists of stripping chloriform from potable water by bubble aeration system, diffuse aeration system shall be installed in the Town's 200,000 gallon elevated tank, altitude valve and concrete vault added to 75,000 gallon elevated tank and SC	The town is a consecutive water system and has a consent order to correct continued TTHM violations	The project will correct the TTHM problem within the distribution system.	508	203	47	H	VWSRF	WSL	\$218,715	see note 2	\$11,929,781	-\$28,970
see note 3	5089852	Henry 12	P-O	Henry County Public Service Authority Tim Pace/ Benny Summerlin	Chestnut Knob-Ridgeway WL Ext-Lee Acres, Wildwood Estates & Holland Farms	The project includes approximately 10,300 LF of 6"-12" water line interconnecting the three well system with the HCPSA's Phipott surface water system.	Problematic well supplies.	The project will consolidate the three system and overall reliability will be increased.	198	82	44	H	VWSRF	WSL	\$4,559,000	see note 3	\$11,929,781	-\$28,970
9	1071850	Giles 4	P-O	Giles County Kevin Belcher, Assistant County Administrator	Ripplemead Water Line Replacement	The project consists of the installation of approximately 15,700 LF of 6-inch water line; 6,500 LF of 3/4-inch service line and 130 residential water meters.	The existing distribution system is aging and undersized, experiencing low water pressure and frequent leaks.	The project will provide a safer source of water to the users of the system.	308	130	20	H	VWSRF	WSL	\$1,284,583	\$1,284,583	\$13,214,364	-\$1,313,553
10	1169405	Scott 1	P-O	Gate City, Town of Mark Jenkins/ Lynne Moore	Regional Water Main Improvements	The project includes the installation of approximately 3,000 LF of 12-inch and 500 LF of 8-inch waterlines along with related system appurtenances.	Leaks and breaks in the waterline resulting in losses of water and interrupted service for extended periods of time.	The project would maximize the continuous water service while minimizing the loss of water.	2159	1133	28	H	VWSRF	WSL	\$377,550	\$377,550	\$13,591,914	-\$1,691,103
see note 3	1195100	Wise 1	P-O	Big Stone Gap, Town of George Polly	Big Stone Gap Water Plant Improvements	The proposed project includes renovation and improvements to the existing 4.0 MGD water treatment plant consisting of: improvements to the raw water intake, replacement and improvement of the chemical application system, enhancement to the existing settli	Existing water treatment plant is over 20 years and in need of renovation. Replacement parts are becoming scare.	The project will provide the town with an updated, renovated water treatment plant to meet the water needs.	8467	3528	23	H	VWSRF	WSL	\$1,059,892	see note 3	\$13,591,914	-\$1,691,103
11	1197700	Wythe 3	P-O	Rural Retreat, Town of Raymond Matney	Water Distribution System Improvements	The project will construct approximately 2,400 LF of 8" waterlines, 4,980 LF of 6" waterlines, and related appurtenances.	Distribution system unreliable with erratic system pressure fluctuations, flow and leakage. System accountability is approximately 65%. Existing galvanized lines are over 40 years old and are undersized in many locations.	The improvements will make the distribution system more efficient and reliable.	2500	928	22	H	VWSRF	WSL	\$2,328,640	\$678,918	\$14,270,832	-\$2,370,021
12	1167050	Russell 2	P-O	Castlewood Water & Sewage Authority Cuba Porter, Chairman	Castlewood Area Phase I Water Line Replacement	The project will replace the existing water line behind the Village Motel in Castlewood. The project includes 3,600 LF of 6" water line, 200 LF of 4" water line, 660 LF of 2" water line, 100 LF of road crossing and 45 service connections.	Unreliable water supply due to leaks in the pipes. The existing water lines are over 50 years old and accountability is estimated to be approximately 50%.	The project will improve the reliability and accountability of the water system.	126	45	21	H	VWSRF	WSL	\$218,324	\$200,000	\$14,470,832	-\$2,570,021
13	2770900	Roanoke City 5	P-O	Western Virginia Water Authority Sarah Baumgardner	Harrison Area Waterline Replacement-Phase 3	The Phase 3 project will replace approximately 12,000 feet of existing 2-inch and 4-inch galvanized steel water mains with new 8-inch water mains to provide adequate flow and pressure.	Inadequate and unreliable water service due to rapidly failing water mains. Existing galvanized steel water lines in the project area are close to 100 years old, experience frequent leaks and low water pressure.	The project will provide the residences with adequate, reliable water service.	1042	372	26	H	VWSRF	WSL	\$1,161,520	\$1,161,520	\$15,632,352	-\$3,731,541

NOTES:

1 = Project Scope and Budget revised to \$431,539

2 = Project to be 100% state funded

3 = Project Declined Offer

DWSRF Projects - FY 2009
Comprehensive Project List
ATTACHMENT 2

Owner type Codes

P-O PUBLIC OWNED
I-O INVESTOR OWNED
NPNC NONPROFIT

Designation Codes:

H - Health
O - Other
I - Incomplete
N -Not Eligible
E - Endowment

PWSID	CnyCty/ District	Owner Type Code	Project Number	OwnerName/Contact	ProjName	Populati on	Conns	Point Total	Designation Code	PrgrmUse Type	Prgrm Type Code	Project Total Cost	Requested Amount	Cummulative
2015725	Augusta 6	P-O	01-09	Augusta County Service Authority Ken Fanfoni/Debbie White	Berry Farm Membrane Filtration Project	1618	613	26	H	VWSRF	WSL	\$1,816,500	\$1,801,300	\$1,801,300
1167900	Russell 2	P-O	02-09	Russell County Public Service Authority Jerry Holbrook	Back Valley to Big A Mountain Interconnection	98	46	23	H	VWSRF	WSL	\$1,134,090	\$1,084,090	\$2,885,390
1169200	Scott 1	P-O	03-09	Scott County Public Service Authority Dan Danko, Executive Director	SCPSA Blackwater Water Project	143	70	21	H	VWSRF	WSL	\$1,802,567	\$1,787,567	\$4,672,957
1169650	Scott 1	P-O	04-09	Scott County Public Service Authority Dan Danko, Executive Director	Upper Possum Creek Water Project	86	40	21	H	VWSRF	WSL	\$1,285,665	\$1,285,665	\$5,958,622
1169200	Lee 1	P-O	05-09	Lee County Public Service Authority James Parsons	Lee County PSA Blackwater Water Project	200	90	21	H	VWSRF	WSL	\$2,069,774	\$1,069,774	\$7,028,396
1169200	Scott 1	P-O	06-09	Scott County Public Service Authority Dan Danko, Executive Director	Bishoptown Area Water Project	325	145	17	H	VWSRF	WSL	\$2,639,735	\$1,693,735	\$8,722,131
1191853	Washington 3	P-O	07-09	Washington County Service Authority Robbie Cornett, Interim General Manager	Rich Valley Road/Litchfield Road	113	44	13	H	VWSRF	WSL	\$1,444,534	\$1,378,534	\$10,100,665
1167250	Russell 2	P-O	08-09	Russell County Public Service Authority Jerry Holbrook	Green Valley West Water Line Extension	353	126	12	H	VWSRF	WSL	\$1,447,577	\$1,397,577	\$11,498,242
6033425	Caroline 16	I-O	09-09	Ladysmith Water Company William Seltzer, President	Water Treatment Plant Upgrade	3476	993	46	H	VWSRF	WSL	\$2,969,750	\$2,969,750	\$14,467,992
5025050	Brunswick 13	P-O	10-09	Alberta, Town of Melissa Parrish, Mayor	Alberta 2008 Water Improvement Project	508	203	47	H	VWSRF	WSL	\$218,715	\$208,300	\$14,676,292
5089852	Henry 12	P-O	11-09	Henry County Public Service Authority Tim Pace/ Benny Summerlin	Chestnut Knob-Ridgeway WL Ext-Lee Acres, Wildwood Estates & Holland Farms	198	82	44	H	VWSRF	WSL	\$4,559,000	\$407,200	\$15,083,492

DWSRF Projects - FY 2009
Comprehensive Project List
ATTACHMENT 2

PWSID	CnyCty/ District	Owner Type Code	Project Number	OwnerName/Contact	ProjName	Populati on	Conns	Point Total	Designation Code	PrgrmUse Type	Prgrm Type Code	Project Total Cost	Requested Amount	Cummulative
1071850	Giles 4	P-O	12-09	Giles County Kevin Belcher, Assistant County Administrator	Ripplemead Water Line Replacement	308	130	20	H	VWSRF	WSL	\$1,284,583	\$1,284,583	\$16,368,075
1169405	Scott 1	P-O	13-09	Gate City, Town of Mark Jenkins/ Lynne Moore	Regional Water Main Improvements	2159	1133	28	H	VWSRF	WSL	\$377,550	\$377,550	\$16,745,625
1195100	Wise 1	P-O	14-09	Big Stone Gap, Town of George Polly	Big Stone Gap Water Plant Improvements	8467	3528	23	H	VWSRF	WSL	\$1,059,892	\$1,059,892	\$17,805,517
1197700	Wythe 3	P-O	15-09	Rural Retreat, Town of Raymond Matney	Water Distribution System Improvements	2500	928	22	H	VWSRF	WSL	\$2,328,640	\$678,918	\$18,484,435
1167050	Russell 2	P-O	16-09	Castlewood Water & Sewage Authority Cuba Porter, Chairman	Castlewood Area Phase I Water Line Replacement	126	45	21	H	VWSRF	WSL	\$218,324	\$200,000	\$18,684,435
2770900	Roanoke City 5	P-O	17-09	Western Virginia Water Authority Sarah Baumgardner	Harrison Area Waterline Replacement-Phase 3	1042	372	26	H	VWSRF	WSL	\$1,161,520	\$1,161,520	\$19,845,955
2770900	Roanoke City 5	P-O	18-09	Western Virginia Water Authority Sarah Baumgardner	Rugby Boulevard Waterline Replacements	118	41	26	H	VWSRF	WSL	\$173,848	\$173,848	\$20,019,803
1077	Grayson 3	P-O	19-09	Virginia-Carolina Regional Water Authority Bryan Edwards	VA/Carolina Regional Water System Design	3931	1810	20	H	VWSRF	WSL	\$3,980,000	\$200,000	\$20,219,803
1191883	Washington 3	P-O	20-09	Washington County Service Authority Robbie Cornett, Interim General Manager	Rich Valley Road/Whites Mill Road	144	56	13	H	VWSRF	WSL	\$1,392,419	\$1,308,419	\$21,528,222
2163025	Rockbridge 6	I-O	21-09	Rockbridge County Public Service Authority Karen S. Austin	RCPSA Rt. 251 Tank Replacement	3673	1748	11	H	VWSRF	WSL	\$1,158,825	\$963,825	\$22,492,047
1105	Lee 1	P-O	22-09	Lee County Public Service Authority James Parsons	Thompson Settlement Water Project	7800	3233	22	O	VWSRF	WSL	\$2,244,062	\$1,000,000	\$24,797,047
2770900	Roanoke City 5	P-O	23-09	Western Virginia Water Authority Sarah Baumgardner	Rorer Avenue Waterline Replacements	9	3	20	O	VWSRF	WSL	\$100,000	\$100,000	\$24,897,047
1185755	Tazewell 2	P-O	24-09	Tazewell County Public Service Authority James Spencer	St. Clair Heights Water Line Extension	369	141	19	O	VWSRF	WSL	\$1,548,390	\$1,548,390	\$26,445,437
5089852	Henry 12	P-O	25-09	Henry County Public Service Authority Tim Pace/ Benny Summerlin	Route 58 West Water Extension	351	145	16	O	VWSRF	WSL	\$1,790,000	\$1,653,100	\$28,098,537

DWSRF Projects - FY 2009
Comprehensive Project List
ATTACHMENT 2

PWSID	CnyCty/ District	Owner Type Code	Project Number	OwnerName/Contact	ProjName	Populati on	Conns	Point Total	Designation Code	PrgrmUse Type	Prgrm Type Code	Project Total Cost	Requested Amount	Cummulative
1035088	Carroll 3	P-O	26-09	Carroll County Public Service Authority Ray Hill	Airport Road/Route 100 Connector	326	170	13	0	VWSRF	WSL	\$2,323,100	\$2,239,520	\$30,338,057
1185744	Tazewell 2	P-O	27-09	Tazewell County Public Service Authority James Spencer	Jewell Ridge Regional Inter-tie & Replacement	678	259	12	0	VWSRF	WSL	\$360,000	\$360,000	\$23,797,047
1167900	Russell 2	P-O	28-09	Russell County Public Service Authority Jerry Holbrook	Finney Water Line Extension	163	65	10	0	VWSRF	WSL	\$900,933	\$850,933	\$31,188,990
1035	Carroll 3	P-O	29-09	Carroll County Public Service Authority Ray Hill	Fancy Gap Water & Sewer Extensions	284	190	7	0	VWSRF	WSL	\$3,714,900	\$3,714,900	\$34,903,890
1191883	Washington 3	P-O	30-09	Washington County Service Authority Robbie Cornett, Interim General Manager	Mendota Road Phase II	33	13	7	0	VWSRF	WSL	\$567,951	\$548,451	\$35,452,341
2770900	Roanoke City 5	P-O	31-09	Western Virginia Water Authority Sarah Baumgardner	Delaney Court Waterline Replacement	118	42	5	0	VWSRF	WSL	\$720,854	\$720,854	\$36,173,195
1191883	Washington 3	P-O	32-09	Washington County Service Authority Robbie Cornett, Interim General Manager	Childress Hollow Road	26	10	3	0	VWSRF	WSL	\$436,425	\$407,925	\$36,581,120
6033425	Caroline 16	I-O	33-09	Ladysmith Water Company William Seltzer, President	Water Treatment Plant Refinancing	3476	993	2	0	VWSRF	WSL	\$1,012,000	\$1,012,000	\$37,593,120
2163650	Rockbridge 6	I-O	34-09	Rockbridge County Public Service Authority Karen S. Austin	RCPSA 16" Transmission Main	3673	1748	1	0	VWSRF	WSL	\$2,405,617	\$2,271,617	\$39,864,737
1051377	Dickenson 2	P-O	35-09	John Flannagan Water Authority William Stokes	One (1) MG Water Storage Tank	20000	9100	25	I	VWSRF	WSL	\$1,100,000	\$945,000	\$23,437,047
6107200	Loudoun	P-O	36-09	Town of Hillsboro Matt Danielson	Hillsboro Well #2	86	28		I	VWSRF	WSL	\$233,310	\$233,310	\$40,098,047