

**Commonwealth of Virginia
Drinking Water State Revolving Fund Program
Intended Use Plan
For the DWSRF FY2016 Capitalization Grant**

DRAFT

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I. Summary

In accordance with the federal Safe Drinking Water Act Amendments (SDWA) of 1996 (P.L.104 - 182), which establish 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 under this program. This funding application is made in accordance with and under the agreements established in the Operating Agreement executed between the EPA and the Commonwealth of Virginia that provides the framework for the DWSRF Program in Virginia. The Commonwealth of Virginia expects to have a total of approximately \$25 million available for utilization under the FY 2016 DWSRF grant program.

II. Introduction

The VDH has primary enforcement responsibility (primacy) for the Virginia'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. Evidence of VDH's authority to enter into capitalization grant agreements with EPA is provided as an attachment.

This Draft Intended Use Plan (IUP) includes the Project Priority List and the Comprehensive Project List and the Construction Project Equivalency List. The most current version of the *Virginia Drinking Water State Revolving Fund Program - Program Design Manual*, (available upon request) is part of the IUP and outlines the Program's overall goals, 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.

In compliance with the requirement in SDWA sec. 1452(b)(1), the IUP undergoes public review and comment through a combination of mailings, internet postings, and a public meeting that was held in Richmond, Virginia. The IUP cover letter and announcement is also placed in the General Notices section of the Virginia Register.

III. DWSRF Program Goals

VDH is committed to using the capitalization grant for which it is applying to provide assistance to water systems through set-asides and for capital improvement projects that will further the public health protection objectives of the Safe Drinking Water Act. VDH intends to award all assistance available under this capitalization grant in full conformance with the DWSRF program and the terms and conditions of the capitalization grant award.

The Virginia DWSRF Program activity incorporates the federal, state match, program revenue and repayments, and miscellaneous additional funds to implement the statewide programs to ensure 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 Project Priority List (PPL) (Attachment 1) details the construction projects being funded, in priority order, and other relevant project information. The Comprehensive Project List (Attachment 1) details all eligible projects submitted during this state application process, and provides additional projects to be funded in priority order, should funding become available.

The set-aside funds are used to maintain and advance waterworks support initiatives that contribute to the sustainability of safe drinking water. The set-aside funds are made available to assist waterworks owners in protecting water supplies, ensuring the reliable operation of water systems, preparing for future waterworks challenges, and developing their technical, financial, and managerial capacity (TMF - Capacity Development). Although the waterworks and their consumers are 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. The set-aside uses are outlined in Section V, Part C. of this document.

A. Long Term and Short Term Goals

VDH 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 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 DWSRF program provides VDH with the means to achieve these goals.

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

Long Term

- Protect the public health and welfare by supporting activities that ensure adequate water quantity and quality are provided to users of waterworks.
- Ensure the sustainability of the DWSRF program and related funding to benefit Virginians over the greatest number of years.
- Assist waterworks owners in complying with federal and state mandated drinking water regulations through programmatic, technical, and construction assistance.
- Assist waterworks owners to develop long term strategies for sustainable infrastructure (managerial, technical, and financial capability) to provide safe drinking water.
- Assist waterworks owners in the protection of their source waters by supporting source water protection programs.
- Make technical and financial assistance available to waterworks owners and consumers through effective outreach programs.

Short Term

- Allocate DWSRF Program funds efficiently so Virginians may realize a prompt benefit.
- Assist waterworks owners through innovative and effective 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.
- Ensure that state operator certification regulations meeting EPA national requirements are applied and ensure that training courses are provided that meet the needs of the lower classifications of licensed operators at the smaller waterworks.

- Demonstrate compliance with the capacity development authority, capacity development strategy and operator certification program provisions in order to avoid withholdings.
- Apply for the full amount of the DWSRF Grant in the first year of Congressional appropriation.
- Maintain unliquidated obligations (ULOs) at or below the national average of 10%. The ULO is the unexpended balance remaining from the amount of federal funds EPA obligated to an individual state/recipient which has not yet been “drawn down”.
- Maintain program pace at or above the national average of 89%. Program pace is a ratio of the dollar value of closed loans/binding commitments to the total dollars available for projects in the Fund. VDH will use 89% for a pace target for this fiscal year.
- Enter into binding commitments for projects which will proceed to construction or award of construction contracts within twelve months of initial offers of assistance.

IV. Program Implementation

The DWSRF Program is managed to maximize benefits available to waterworks owners and Virginians. VDH frequently reviews the Program effectiveness and makes necessary revisions to ensure continued financial sustainability, integration with the Public Water System Supervision Program (PWSS), and success operation.

A. Important Program Changes

VDH is noting the following important changes that have or will be implemented in the Program:

- Davis-Bacon Wage Requirement wage rates apply for SRF construction projects.
- American Iron and Steel provisions is being incorporated into the program.
- EPA required signage will be incorporated into the program.
- EPA’s Cyber-security requirements will be incorporated into the program.

B. Coordination with Enforcement

VDH coordinates efforts between the Capacity Development Program, the Financial and Construction Assistance Program (FCAP), the ODW Field Office staff and the ODW Enforcement section utilizing EPA’s Enforcement Targeting Tool (ETT) to identify noncompliant waterworks with health-based violations. Owners with violations for monitoring, operator certification, or other non-construction related issues are typically not included. These waterworks are directly notified by letter of available DWSRF opportunities approximately one month before the application deadlines and encouraged to apply. Additional points are awarded for those owners that apply for construction funds that will resolve ETT related issues. Projects with higher ETT scores get higher priority.

C. Demonstration Project for the Commonwealth of Virginia

The SDWA authorizes Virginia to establish a special demonstration project to loan funds to a regional endowment for “...financing 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 the funding years 1997 through 2000, 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.

D. Financial Health

The financial health of the program is reflected in both the active non-construction activities and in funding opportunities. Both areas are integrated and affect the other's success, i.e. activities promoting or enhancing delivery of a safe drinking water reduce the demand on the loan area by ensuring the

long-term well being of the waterworks. The DWSRF (the Fund) will be maintained in perpetuity for providing financial assistance as authorized and limited by the SDWA. The Fund includes state match, interest earnings, Federal grant dollars, and repayments of principal and interest on loans received.

E. Program Coordination

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.

F. Disadvantaged Program

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 waterworks business operations plan and implantation of target user rates will reduce the demand on the loan fund by ensuring the long term well-being of the waterworks. The waterworks business operations plan is used by VDH to ensure a new (or struggling) owner has the managerial, technical, and financial capacity to provide for the long-term operation 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.

G. Coalfield Water Development Fund (CWDF) Program

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 loans to a regional endowment, and such loans 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.

V. Sources and Uses of Funds

VDH is applying for a DWSRF capitalization grant in the amount of \$14,600,000. VDH is anticipating that this is the approximate amount that Virginia is eligible to receive under the DWSRF FY2016 appropriation. The final funding amount will be determined by Federal Appropriation.

A. Sources of Funds

Virginia expects to have approximately \$25 million available for utilization under this program. This total includes approximately \$7.0 million in repayment funds and \$2.9 million in the required 20% state match.

Virginia's required 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.

EPA allows for states to charge a reasonable fee to administer the DWSRF Program. VDH reserves the right to apply a \$6,000 loan closing fee on select projects that can be added to the principal of the loan. Part of the interest on a loan (from zero to 1.5%) may be designated by VDH as an

administration fee and used by VDH for the administration of the program. Except for the origination and admin fee all other repayments funds will be returned to the Fund for use on future construction or refinance projects. No admin fee applies on interest-free loans. Fees collected are deposited in separate, non-project accounts and are used only for administration of the DWSRF Program.

B. Construction Projects

VDH intends to provide approximately \$20.5 million in DWSRF construction funds (from the 2016 cap grant, state match, and repaid interest and principal – see Attachment 4). The PPL (Attachment 1) identifies the VDH construction projects to receive dollars for funding in priority order (VDH has offered funding to Projects 1 through 25), with funding breakdowns and other relevant project information. The \$20.5 million in funding currently represents priority projects 1 through 23, with partial funding of project 24. Project 25 is a request for a rate reduction of an existing DWSRF loan and will not incur any project funds. The current PPL reflects \$27.5 million in funding assistance offered; however, this total will be adjusted by VDH based on EPA funding, applicant responses, project readiness in accordance with DWSRF criteria, changes in project scope, and/or actual construction bid results. VDH will utilize available SRF funds from prior year grant awards or repayment funds should any additional funds be required. The Comprehensive Project List (Attachment 1-Projects 1 through 27) represents approximately \$28.7 million in total funding requested and details all projects submitted during this state application process and the current status of the project. If additional funds become available, VDH will continue down the list to fund eligible and complete project applications in priority order. If the list is exhausted VDH may consider funding project applications from prior years.

The EPA established certain requirements and goals for use of the DWSRF funds for water infrastructure construction. The VDH has captured the funds provided in support of these requirements and goals in Attachment 2.

1. Loan Terms and Fees

Under the DWSRF Program, the repayment period for loans is 20 years at an interest rate equal to one percent below the prevailing “AA” market rate at loan closing. Recent loan closings have been between 1.5% and 3.0% interest.

Principal forgiveness, lower interest rates, and 30-year term loans may also be provided for those recipients whose projects qualify as “disadvantaged”. See the DWSRF Program Design Manual for details.

2. Additional Subsidization

The DWSRF requires that no less than 20% and no more than 30% of assistance provided be in the form of additional subsidies. These may be negative interest rates, principal forgiveness, grants, or any combination of these. The VDH does not intend to provide any funding as negative interest rates or grants; however, principal forgiveness will be provided for eligible projects. The fundable range of the PPL demonstrates the percent of the capitalization grant that will be provided via principal forgiveness loans. Any subsequent revision to this PPL will likewise demonstrate that between 20% and 30% of the capitalization grant will be provided via principal forgiveness loans.

3. Green Infrastructure

Currently funds provided under the DWSRF for water efficiency, energy efficiency, green infrastructure, or other environmentally innovative activities are optional. VDH's attempts to meet EPA's goal of 20% is reflected in Attachment 2.

4. Assistance to Small Communities

All states are required to provide, to the extent possible, a minimum of fifteen percent (15%) of funds available annually for loans to small systems. Small systems are those that serve fewer than 10,000 persons. Based on the projects in the fundable range of the PPL, VDH may be able to provide approximately 100% of the funds available to small systems (see Attachment 2).

5. Emergency Projects

One or more projects identified in this IUP may be bypassed to provide funding for an emergency project where an imminent and severe public health or water quality problem exists, that requires the immediate construction of facilities to eliminate an existing potentially hazardous condition. Emergency projects are described in the DWSRF Program Design Manual. A project not on the current PPL may be funded only if it meets the emergency criteria. Emergency projects are expected meet requirements for technical, financial, and managerial capacity, environmental review, and other cross-cutting Federal authorities as applicable prior to funds being disbursed.

6. Project Requirements

All projects are expected meet requirements for adequate technical, financial, and managerial (T, M, F) capacity, federal cross-cutting authorities, Davis-Bacon Wage Act, American Iron and Steel provisions, DWSRF program requirements, environmental and other reviews prior to funds being disbursed. VDH reviews each project to ensure requirements are met.

7. Project By-passes

In order to meet the established goals, conditions, and requirements of the DWSRF capitalization grant, VDH reserves the right to bypass higher ranked projects identified in the PPL. Projects may be by-passed in accordance with the DWSRF Program Design Manual and in compliance with EPA requirements due to the owner's inability to meet Program requirements in a timely manner. Any project previously identified on an IUP that is bypassed will be given consideration for future SRF loan funding.

8. Revisions to the Project Priority List

During any subsequent revisions to the PPL VDH will attempt to meet all EPA requirements including overall grant award conditions.

C. SET-ASIDES:

The set-asides are four categories of non-project funds that are "set side" and used for specified purposes up to a maximum amount allowable by federal statute. VDH determines the level of set aside funding each based on the activities and projects proposed by VDH staff, waterworks owners, and public input under each funding year. Attachment 3 to this IUP lists the suggested uses of set-aside funds proposed during the solicitation or public input phase of IUP development. An overview of major funding initiatives for the set-aside funds is given below. VDH reserves the right to utilize any unrequested available funds out of the 4, 2, and 10 percent set-asides in future years if needed.

1. Administration and Technical Assistance:

The entire 4% available and allowed for the current year is being requested.

a. Administration – These funds will support the administrative functions of the DWSRF Program, including one Project Engineer, the DWSRF Project Officer, the Financial and Construction Assistance Program (FCAP) Division Director, DWSRF Fiscal Technician position, and the DWSRF Project Supervisor. 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 meetings sponsored by EPA, CIFA, and others. Travel for EPA's National Needs Survey Training (recurring every four years) is being included.

From this grant set aside, VDH funds a portion of the Virginia Resources Authority (VRA) for credit analysis summaries for each project, project loan closings, funding disbursements, accounting tasks, compliance review of closed loans, and annual audit of the construction loan fund. VDH intends to fund any additional costs from through the use of administration fees charged to DWSRF loan recipients.

Funds are also provided for legal assistance in contract renewals/commitments, proportional lease payments, insurance costs, and audit services.

b. Technical Assistance – No activity.

2. Small System Technical Assistance:

Virginia is requesting the full 2% available and allowed of the Small System Technical Assistance funding.

- a. Funding is provided to support six part-time data entry positions and three inspector positions to cover transient non-community waterworks.
- b. Funding is provided for routine travel and for lab equipment and supplies for training classes.

3. State Program Management:

Virginia is requesting the entire 10% available and allowed of set-aside funding for the current year.

a. Public Water System Supervision

- Fund three Project Engineers to facilitate technical and administrative project reviews.
- Fund one part-time Engineering Consultant in the Central Office as a policy analyst and advisor to the Director on matters pertaining to field office management, liaison actions with other state agencies, and EPA.
- Fund the Employee Training and Development Coordinator to facilitate technical and administrative training, and address continuity development.
- Fund six Environmental Inspector positions.
- Fund one paralegal position to assist in preparing and processing enforcement actions and monitor compliance for enforcement targeting tool (ETT) and violations reporting.
- Fund the HR/Personnel Analyst to address ODW hiring, retention, continuity planning, and supervisory development.
- Fund the Database Administrator and database development/maintenance.

- Fund the SDWIS development, upgrades, and transition to cloud computing. (approx. \$103,000).
 - Funding the Special Projects Engineer (at 70%).
 - Continue funding for technical training, web casts, travel, conferences, on-line training, and meetings for ODW staff. (approx. \$143,000).
 - Continue vehicle maintenance for field work.
 - Continue funding for replacement copy machines, fax machines, printers, GPS systems, cell phones, pressure recorders, test gauges, and colorimeters.
 - Continue lease payments for central and field offices. (approx. \$36,000).
- b. Source Water
- Activities funded under 15% set-aside.
- c. Capacity Development
- Activities funded under 15% set-aside.
- d. Operator Programs:
- Activities funded under 15% set-aside.

4. Local Assistance and other State Programs:

Virginia is requesting all of the 15% of the available and allowed Local Assistance and other State Program funds, with no more than 10% in a category. Initiatives funded upon prior year grants, as well as newly-established initiatives, will continue in this grant performance period.

- a. Loan for Land and Protection Measures – No new money is added this year.
- b. Assistance Under Capacity Development:
- Funding the Capacity Development Manager, two Capacity Development Coordinators, and one part-time position to develop and oversee all capacity development programs, data collection, and reporting. Expenditures also include travel related to program development, workshops, conferences, and data collection.
 - Funding the Technology Transfer Manager and the Security Officer.
 - Funding the Special Projects Engineer (at 30%) and fund the Office Specialist (wage position) for tasks related to source water and well head protection.
 - Technical Assistance – continuation of funds for capacity development and project planning grants, to include both construction and non-construction planning. Non-construction planning grants are; as examples: Rate and Financial Studies, Asset Management, Climate Change Mitigation, and Sustainability/Reliability Studies. (approx. \$294,000).
 - Technical Assistance - Engineering Services Contract(s). VDH has entered into contracts for engineering services through consulting engineering firm(s) to provide small scope (less than \$15,000 each) project engineering directly to small water systems that do not have the financial, technical and or managerial capacity to retain an engineer. These projects shall address compliance and/or capacity issues of small public community systems serving less than 10,000 persons. (approx. \$150,000).
 - Receivership Program – no new funding added.
 - DWSRF database upgrades and integration funding. (approx. \$40,000).
 - Direct Technical Assistance - Training to Waterworks: (approx. \$671,000).

- *“Establishing a Successful and Sustainable Waterworks: Revenues, Rates, and Funding Short Course”* will assist in full-cost pricing, staffing, and business plan development.
 - *“Hands-on Training at a Full Scale Water Plant”* at a full-scale water plant to provide activities related to the full-scale, conventional plant and operator water quality control.
 - Distance learning website funding to support the Mountain Empire Community College program.
 - *Small System Applied Math.*
 - *Fundamental Principles of Asset Management.*
 - *“Management, Methods and Money: Understanding Concepts in Capacity Development”* which addresses planning, green infrastructure, asset management, and operations liability.
 - A week-long course devoted to all aspects of effective operation and maintenance of the distribution system. Topics include water quality parameters, including odors, tastes, corrosion by-products, pathogens, and turbidity; leakage and flushing.
 - Provide specialty seminars and training events for waterworks owners/operators on various topics. Virginia Tech was awarded contracts to conduct training and to provide scholarships to training courses for disadvantaged operators/owners.
 - Outreach materials, training supplies, and GPS units continued funding.
 - Funding for software and database upgrades. (approx. \$40,000).
 - GIS Source Water Assessment maintenance. (approx. \$25,000).
 - Energy Efficiency Audits/Grants – VDH will work with the Virginia Department of Mines and Minerals under their existing Energy Efficiency Audit Program to provide contracted energy audits for all interested waterworks to ensure energy usage is conserved as fully as possible.
- c. Delineate Source Water Areas
- No activity funded under this category.
- d. Wellhead Protection (approx. \$245,000).
- Funding for additional staff time directed toward wellhead protection activities by positions funded by other set-asides.
 - Funds for use in supplementing existing state efforts to further protect source water.
 - Contractual – contracts have been issued to CHA, Golder Associates and TetraTech to continue the Source Water Protection Program services that were provided under a single previous contract.

V. Public Review and Comment

In compliance with the requirement in SDWA sec. 1452(b)(1) to provide for public review and comment, the IUP undergoes public comment via mailings, internet, and a public meeting. The IUP cover letter is also placed in the General Notices section of the Virginia Register. VDH will consider all meaningful public input and comments and make revisions to the IUP and project priority lists if necessary.

The VDH posted this Intended Use Plan at <http://www.vdh.virginia.gov/drinkingwater/financial/IntendedUsePlan16.htm> for a 60 day public

comment period beginning August 24, 2015. The VDH also provided notice by email of the availability of the IUP to all organizations and individuals on its distribution list.

The VDH will hold a public meeting to solicit comments and recommendations regarding this IUP on Thursday, October 8, 2015 at the ODW's East Central Satellite Office, 300 Turner Road, Richmond, VA 23225. October 23, 2015 is the close of the public comment period.

Attachment 1

Project Priority List (Projects 1 through 25)/Comprehensive Project List

(See the website posting at : <http://www.vdh.virginia.gov/ODW/financial/IntendedUsePlan16.htm>)

Attachment 2

Priority	CTY/CNTY	OWNER	Project	SRF Funding Amount	SRF Loan Amount	SRF Principal Forgiveness	GPR	Assistance to Small Systems	Note
1	Louisa	Louisa County PSA	WTP DBP Upgrades	\$ 1,911,000	\$ 1,624,000	\$ 287,000	\$ 153,043	\$ 1,911,000	
3	Wise	Appalachia, Town of	Tanks Repl. (4)	\$ 162,000	\$ -	\$ 162,000	\$ 10,000	\$ 162,000	W
4	Scott	Scott County PSA	SCPSA Sust. Imprvs.	\$ 1,343,000	\$ 1,007,000	\$ 336,000	\$ 7,203	\$ 1,343,000	E
5	Caroline	Port Royal, Town of	Water Tank/Meters/Dist. Sys. Repl.	\$ 800,000	\$ 320,000	\$ 480,000	\$ 800,000	\$ 800,000	W
6	Wise	Wise County PSA	Hix Orchard WL Repl.	\$ 234,000	\$ 58,000	\$ 176,000	\$ -	\$ 234,000	W
7	Wise	Wise County PSA	Carriage Hill WL Repl. - Ph.II	\$ 220,000	\$ 55,000	\$ 165,000	\$ 1,055	\$ 220,000	
8	Lee	Pennington Gap, Town of	WTP Repairs & Imprvs.	\$ 290,000	\$ 72,000	\$ 218,000	\$ -	\$ 290,000	
9	Lee	Jonesville, Town of	Water Sys. Imprvs. - Ph.II	\$ 1,045,000	\$ 313,000	\$ 732,000	\$ 52,106	\$ 1,045,000	W
13	Lee	Woodway WA	State Rt. 642 WL Repl.- Ph.II	\$ 100,000	\$ -	\$ 100,000	\$ 2,245	\$ 100,000	W
14	Tazewell	Pocahontas, Town of	Greater Tazewell WTP to Town - Ph. IV	\$ 150,000	\$ -	\$ 150,000	\$ 150,000	\$ 150,000	W
16	Southampton	Ivor, Town of	New Well, Tank Fence/Aband. Old Well	\$ 228,000	\$ 80,000	\$ 148,000	\$ -	\$ 228,000	
17	Wise	Wise, Town of	Hospital Water Tank Rehab.	\$ 200,000	\$ 40,000	\$ 160,000	\$ -	\$ 200,000	
20	Henry	Henry County PSA	Philpott WTP Water Prod. Expans.	\$ 13,182,000	\$13,182,000	\$ -	\$ -	\$ -	
Total ---->				\$19,865,000	\$16,751,000	\$3,114,000	\$1,175,652	\$6,683,000	

W, E Represents a Water (W) and/or an Energy (E) Efficiency Project.

Attachment 3

FY2016 DWSRF Set-Aside Suggested Use Schedule

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.

Item	Name	Suggested Amount	Activity Description	Funded Yes/No	Amount
1	Mountain Empire Community College	\$86,988	To continue development of the on-line distance learning Water Degree Program which provides training, education and certification for drinking water operators.	Yes	\$86,988
2	Virginia Tech	\$516,550	Continuation of all courses for operators and owners of waterworks that have already been developed and deployed.	Yes	\$516,550
3	Virginia Tech	\$40,000	Continuations of administrative services for ODW through Virginia Tech CPE including ongoing communications to waterworks operators, survey administration, committee meeting organization, creation of marketing materials, and providing documentation.	Yes	\$40,000
4	Wise County Public Service Authority	\$60,000	Wise County Public Service Authority, with the initial support of the Towns of Big Stone Gap and Pennington Gap, is seeking funding to explore the possibilities and opportunities a regional infrastructure cooperative may have on reducing operating expenses.	No	\$0
5	Scott County Public Service Authority	None	Enhancement of CPE Workshops. Add Video on Demand (VOD) component to the current VDH/VT CPE Workshops. Making archived courses available via VOD would simplify the process and increase accessibility to the courses. (No cost estimate provided however ODW estimates this activity to exceed \$40,000 per year).	No	\$0
6	Scott County Public Service Authority	None	Improvement of ODW Client Services. Study and create a database system of on-line accounts for every PWS owner in Virginia. Scan paper files, reports, sample results, and other documentation. This would then be made available to owners, operators, and consultants through a password protected portal. (No cost estimate provided however ODW estimates this activity to exceed \$60,000 to initial study and construct; and \$30,000 per year for maintenance).	No	\$0
	TOTAL	\$703,538			\$643,538

Notes:

Items 1 through 3 are continuations of past suggestions.

Attachment 4

I. SOURCES

Federal Allocation (Fed Grant Year):	2016	\$14,600,000	
State's General Fund (20% match required) =		\$2,920,000	
Other state funds (overmatch) =		\$0	
SUBTOTAL 1			\$17,520,000

Other sources (Repaid P & I + earned interest) =			
interest earned (0945)		1,000	
interest earned (VWSRF)		54,604	
repaid principal to June 30		6,026,675	
repaid interest to June 30		1,384,673	
SUBTOTAL 2			\$7,466,952

Grand Total Funds Available = \$24,986,952

II. USE for Set-asides

Category	Maximum % and Name	Percent chosen	Current Amount
1	4% DWSRF Administration and Technical Assistance	4.00%	584,000
2	2% Small System Technical Assistance	2.00%	292,000
3	10% State Program Management	10.00%	1,460,000
4	15% Local Assistance and other State Programs	15.00%	2,190,000
Sub-total for all Set-asides		31.00%	\$4,526,000
III. USE for Loan funds			
	Federal Allocation =		\$14,600,000
	minus set asides		<u>\$4,526,000</u>
	Federal loan funds for projects		\$10,074,000
	plus 20% match required =		<u>\$2,920,000</u>
	plus Other state funds =		<u>\$0</u>
	SUBTOTAL		\$12,994,000
	plus other sources =		\$7,466,952
	SUBTOTAL		\$20,460,952
	Amount available after subtracting Set-asides =		\$20,460,952
	Balance available for individual project loan and subsidies =		\$20,460,952
	Subsidies--not more than 30% of grant =	30.00%	\$4,380,000
	<u>Loans (min) =</u>		<u>\$16,080,952</u>
	Total =		\$20,460,952