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### Contacts

**VDH Richmond Central Office – FCAP Contacts**

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### FCAP Project Contacts

**Lexington Field Office**

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As of February 14, 2019

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## Webcast Agenda

1. Overview - Office of Drinking Water (ODW) and Financial & Construction Assistance Program (FCAP)
2. What's New for FY20 Construction Funds?
3. What's Continued from Previous Years?
4. FCAP Funding Eligibility and Program Details
5. FCAP Applications - Refinance, Construction, and Source Water Protection
6. Funding Through Capacity Development



## Office of Drinking Water

### Mission

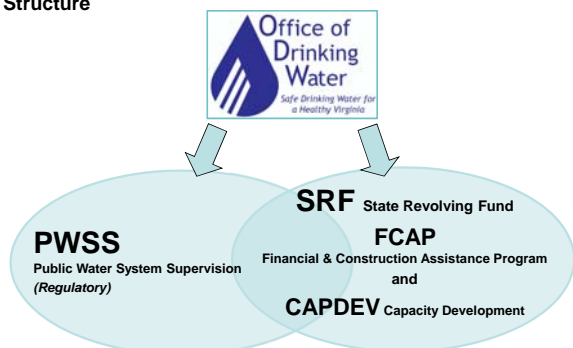
*Protect public health by ensuring that all people in Virginia have access to an adequate supply of clean, safe drinking water that meets federal and state drinking water standards.*



<http://www.vdh.virginia.gov/drinking-water/>



## ODW's Role & Structure



## Office of Drinking Water Funding Sources

ODW manages the following two funding sources:

- Drinking Water State Revolving Fund (DWSRF) Program = federal funds + state match
- Water Supply Assistance Grant (WSAG) Fund Program = all state funds

Note: For all proposed construction projects, regardless of the funding source, please use our Construction Application.



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## Drinking Water State Revolving Loan Fund (DWSRF) Goal

Provide a comprehensive and integrated technical and financial assistance program to waterworks through a balanced approach of using set-asides and construction funds.



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## Drinking Water State Revolving Loan Fund

### Construction/Project Funds:

- Correcting public health problems and ensuring compliance with the Safe Drinking Water Act and state regulations
- Replacing Aging Infrastructure & Critical Assets
- Other

### Set-asides Funds (non-construction):

- Enhance the long term capacity to produce safe drinking water
- Program admin, courses, scholarships, planning & design funds, direct technical assistance, & more!



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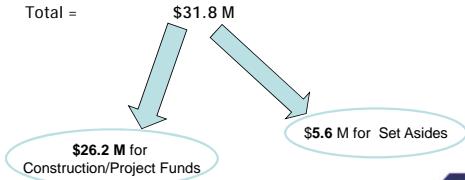
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## Drinking Water State Revolving Loan Fund (DWSRF)

DWSRF simplified - Follow the Money - Ex. for 2019:

EPA grant = \$18.1 M (Determined by Feds, VDH applies annually)  
 State Match = \$3.6 M (20% required by each state)  
 Repayments = \$10.1 M (repayments on past loans)  
 Total = \$31.8 M



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## Construction Funding History

SFY	Closed Loans/Grants	Projects
1997 - 2005	\$ 127,723,879	120
2006	\$ 16,833,000	17
2007	\$ 12,124,046	15
2008	\$ 6,193,126	12
2009	\$ 13,707,176	18
ARRA	\$ 23,580,837	21
2010	\$ 10,060,423	13
2011	\$ 15,496,322	16
2012	\$ 18,330,972	16
2013	\$ 26,077,006	15
2014	\$ 28,182,614	20
2015	\$ 16,262,052	20
2016	\$ 16,912,070	24
2017	\$ 17,435,147	20
2018	\$ 26,938,449	23
2019 (expected)	\$ 25,000,000	25
<b>Total =</b>	<b>\$400,857,119</b>	<b>395</b>

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## What's New for FY 20 Construction Funding?



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## What's New for FY 20 Construction Funding?

### DWSRF Capitalization Grant Amount

- \$18M (approx.) to be available in 2020
- \$25M (approx.) intended for DWSRF construction projects awards.

### Other Items of Interest

- VDH is in a position to fund large capital improvement projects (upwards of \$10 M). Phased approach for very large projects.
- Typical interest rates range from 1.5% to 2.5% with a 20 year term and 2.3% to 3.0% for a 30 year term (for 30 year term - needs to be disadvantaged).



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## What's New for FY 20 Construction Funding?

### Readiness to Proceed

- Funding offers may not be made to waterworks owners that have more than two open DWSRF funded projects.
- VDH reserves the right to determine this on a case by case basis and will consider many factors including acute and/or chronic health issues.
- Owners should focus their efforts on completing open DWSRF projects that have already been awarded.
- Applicants can withdraw from consideration any open project that they believe are of lesser priority to reduce the number of open DWSRF projects.



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## What's New for FY 20 Construction Funding?

### Readiness to Proceed and Timely Use of Funds

- To promote readiness to proceed and timely use of funds, VDH intends to offer reduced interest rates (of up to 25 bps) for recipients that can close loans within 12 months of the award date.

- Time is of the essence!



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## What's New for FY 20 Construction Funding?

### Preliminary Engineering Conference Deadline Revised

- A Preliminary Engineering Conference (PEC) is required for all proposed construction projects.
- The deadline to have a PEC with the appropriate ODW Field Office is now **March 1** (previously February 15<sup>th</sup>)
- Please contact your ODW Field Office as soon as possible to schedule the PEC.
- Document PEC and submit minutes with application.
- Preliminary Engineering Report (PER) can be funded as part of the construction application.



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## What's New for FY20 Construction Funding?

### Asset Management Plans

Approximately 50% of the applicants have them, however,

Starting in 2018 all applicants to the DWSRF:

- Required to have an AMP, or Capital Imp. Plan,
- Can include either in their project's const. cost.
- Receive extra DWSRF points in scoring.

The DWSRF and the Cap Dev Division:

- Will provide up to \$15,000 as grant funds for those that do not have a AMP or CIP.
- DWSRF procurement guidelines.
- Will provide a template upon request.
- Will provide other assistance.
- Will review and track AMP submissions.



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## What's New for FY 20 Construction Funding?

### Changes to Disadvantaged Criteria

- To better accommodate waterworks addressing aging infrastructure.
- Disadvantaged waterworks qualifying for 30 year loans and/or principal forgiveness --- must have or will have monthly user rates that exceed the target rates.
- Waterworks may receive disadvantaged designation if taking over another waterworks which would be determined to be disadvantaged under this criteria, is considered failing, under performing, or by providing drinking water service to existing unserved areas with public health challenges.



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## What's New for FY 20 Construction Funding?

### Changes to Disadvantaged Criteria

The following were eliminated as requirements for being considered disadvantaged:

- Apply for a construction loan to resolve a health or compliance problem;
- Will serve less than 10,000 people on a retail connection basis;
- Have a customer demographic where the Median Household Income (MHI) is 80 percent or less than the state average MHI.
- Be experiencing financial stress. One indication may be a negative cash flow.



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## What's New for FY 20 Construction Funding?

### Disadvantaged Criteria

- Average monthly residential water user rates exceeds the monthly target user rates.
- Method to determine average monthly residential water user rates is new for FY 20. Discussed on next slide.
- Due to this change, the monthly target user rate will be determined by FCAP Staff at the time of the construction application review.
- Monthly target user rates are set as a percentage of Median Household Income (MHI).



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## What's New for FY 20 Construction Funding?

### Reminders regarding Median Household Income (MHI)

- Use MHI from area that benefits from the project.
- Use US Census Website to obtain MHI.
- If US Census Website Data does not appear to be representative of the project area - Income Survey an option.
- Use VDH's Income Survey Template (on website) or use your own if the form is materially the same as ODWs.

### Income Survey -- Percent Required

- 100 residential connections and under = 80%
- 101 to 500 residential connections = 75%
- Greater than 500 residential connections = 66.6%



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## What's New for FY 20 Construction Funding?

### Changes to Method Used to Determine Average Monthly Residential Water User Rate

- Change made in response to stakeholders input.
- Previous method used average monthly water usage data in combination with the waterworks current rate structure.
- ODW will now use actual billing data to determine the avg. monthly residential water user rate.
- See ODW FCAP website for User Rate Analysis spreadsheet.



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## What's New for FY 20 Construction Funding?

### Small Construction Projects

- VDH reserves the right to award 100 percent principal forgiveness to small projects -- to reduce program requirements/costs and to expedite awards/disbursements.
- Limited principal forgiveness funds and limited staff to manage high number of small projects.
- VDH reserves the right to limit these 100 percent principal forgiveness offers for small projects that have documented acute and/or chronic health issues.



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## What's New for FY 20 Construction Funding?

### Consolidation/Regionalization

- ODW encourages the consolidation of ownership of small (or failing) systems to better leverage economies of scale and the capacity of the existing/larger system.
- ODW reserves the right to require regionalization for small (or failing) systems to improve financial capacity as a condition of the funding.
- Loans to consolidate (acquire ownership by transfer of assets and liabilities) waterworks may receive special funding if the waterworks to be acquired is considered failing, at-risk of failure, or has inadequate technical, managerial, and financial (TMF) capacity.



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## What's New for FY 20 Construction Funding?

### Water Line Extension to Serve Failing Private Wells

- ODW will consider providing principal forgiveness (PF) for projects that qualify as disadvantaged.
- Others may be eligible for low interest loans.
- Documentation to support private well issues.
- No funding for private service lines.

Amount of PF per residential connection for actual to target ratio (actual user rate/target user rate) of:

- \$0 - ratio less than 1.0 (unless adjusting/raising rates)
- \$12,500 - ratio of 1.0 to 1.25
- \$25,000 - ratio greater than 1.25



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## What's Continued From Previous Years?

To be continued...



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## What's Continued From Previous Years?

### More details later in the presentation:

- Lead Service Line Replacement Program.
- Preliminary Engineering Conference (PEC) Requirement. Contact the appropriate ODW Field Office to schedule this ASAP - prior to submitting the VDH Construction Application.
- Preliminary Engineering Report - can be funded as part of the construction project.
- Design-Build and other alternative project delivery methods.



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## What's Continued From Previous Years?

### Building Financial Sustainability

- VDH reserves the right to require the implementation of rate changes including but not limited to annual rate increases.

### How may VDH assist you?

- VDH intends to offer reduced interest rates (up to 25 bps) for recipients that commit to compound annual rate increases of at least 2% a year for five years as long as any additional funds generated are for the use of the waterworks.



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## What's Continued From Previous Years?

### Projects in the Eastern Virginia Groundwater Management Area (EVGMA) Only:

- To conserve water in the EVGMA, VDH reserves the right to give precedence to water projects that do not involve withdrawal of groundwater from the coastal plain aquifer over those projects that do withdraw groundwater in the EVGMA.
- VDH will only apply this evaluation to equally ranked projects when both are located in the EVGMA.



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## DWSRF Funding Eligibility and Program Details



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## Construction Loan Eligibility Criteria

### Applicants:

- Current or Future waterworks owners
- Community type waterworks
- Non-Profit Non-Community type waterworks
- Political Subdivisions (towns, cities, counties) & Public Service Authorities
- Private/investor owned waterworks

*Any sized waterworks that meets the above criteria is eligible to apply.*

*Not for state, tribal, or federally-owned waterworks.*



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## Construction Loan Eligibility Criteria

### Project priorities:

- Correct/prevent public health compliance problems,
- Improve the Technical, Managerial, and Financial (TMF) Capacity of the waterworks, and/or
- Improve reliability, sustainability or resiliency

### *Not meant for:*

- Growth or economic development
- Fire protection
- Reservoirs
- Emergency projects



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## Construction Loan Eligibility Criteria

*Not meant for (continued from previous slide):*

Per EPA requirements:

- Water systems that lack adequate technical, managerial, and financial (TMF) capacity or that cannot achieve adequate TMF capacity are ineligible for financial assistance from DWSRF funds.



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## Construction Loan Eligible Projects

New Construction, repair, replacement or improvement of:



Source, Treatment...




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## Construction Loan Eligible Projects



Monitoring/Control, Distribution,  
Emergency Power, Security...




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## Construction Loan Eligible Activities

Projects Can Include:

- Preparation of Preliminary Engineering Reports
- Development of Plans and Specifications
- Leak Detection Studies and Water Audits
- Asset Management Plans
- Well Drilling and Development
- Land Acquisition/Conservation Easements for Source Water Protection/Development

*These eligible activities can be included as part of the overall Construction Project!*




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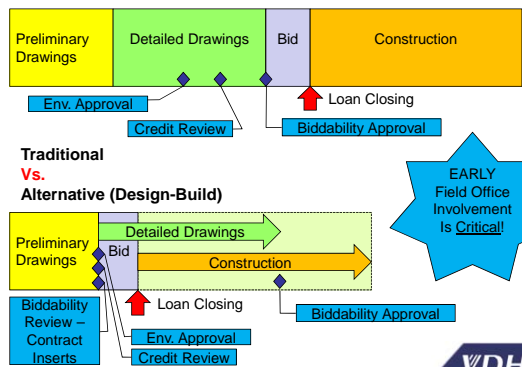
## Drinking Water Funding Program Details

### Design-Build

- VDH made revisions to accommodate Design Build and other alternative project delivery methods.
- Locality needs ordinance to authorize alternative project delivery method.
- VDH's first design build project (\$5.6 M in VDH FY 17 funding). Under construction – close to completion.
- Contact VDH as soon as possible to ensure that you will meet all procurement requirements.



## Project Delivery Comparison, FCAP



## Lead Service Line Replacement Program

- Eligibility = Community waterworks or non-profit non-transient waterworks owners who have confirmed or suspected lead service lines (includes utility and/or customer portion of the service line).
- Grant rebates of the lesser of the actual cost of replacement or \$5,000 per lead service line (LSL) replaced for the private portion of the lead service line replaced.
- Up to \$500 of the \$5,000 may be used for administrative/investigative work.
- VDH reserves the right to limit the grant to a total of \$500,000 per applicant per funding year, and the administrative costs to \$25,000.



## Lead Service Line Replacement Program

- Lead Service Line (LSL) replacement must be a complete replacement (public and private side of the service line).
- Partial replacements are only eligible if the action completes the entire replacement.
- Includes pipe entry at or into the structure - up to and including a shut off valve.
- Excludes premise plumbing.
- VDH funded 3 LSL replacement projects in FY 18 and 3 more in FY19.




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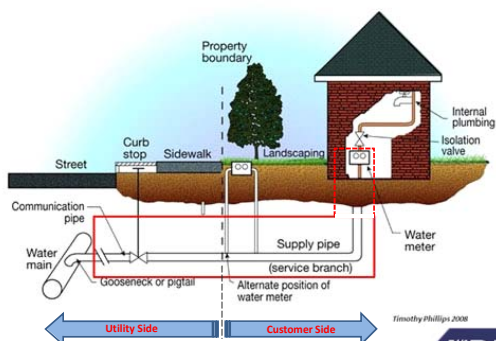
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## Lead Service Line Replacement Schematic




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## Lead Service Line Replacement Program

### Required with the quarterly disbursement requests

- Completion of the lead service replacement (e.g. plumbing invoice to property owner or to the waterworks showing the address of the work and total cost of work)
- Waterworks confirmation completion (e.g. copy of waterworks or final building inspectors report)
- Waterworks payment confirmation of past rebates provided to the home owners or authorized third party to avoid any duplicate payments. Property addresses must be shown.
- Running tally of all residences/addresses that had service line replacements done under this program to avoid any duplicate payments. Property addresses must be shown.




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## Water Debt - Refinancing

- VDH's Program allows for refinancing local public dept obligations related to drinking water infrastructure.

### Criteria:

- Construction started and such debt was incurred after July 1, 1993.
- Davis-Bacon wage requirements met when construction initiated on or after October 30, 2009.
- American Iron and Steel requirements met when plans and specifications approved on or after January 17, 2014.

Privately-owned systems are not eligible for refinancing.



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## Priority Ranking

As a condition of each capitalization grant ODW must develop a Project Priority List (PPL)

- Evaluate projects based on an EPA-approved criteria
- Rank projects in priority order
- Offer funding in strict priority order
- Make the PPL available to the public
- Establish a public comment period/meeting
- Address public comments
- Allow for EPA review/approval
- Allowed to by-pass projects
- Unfunded projects are welcomed in subsequent years



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## Priority Ranking

Priority is based on:

- Acute Health issues (e.g. enforcement, BWN, SWTR/TCR violations, GUDI)
- Chronic Health issues (e.g. PMCL violations, lead/copper, ETT>10)
- Public Health (e.g. imp. pressure, reduce leakage, inadequate individual home water supplies, SMCLs, ETT 5 to10)
  - Compliance with Regulations
- Other Factors:
  - Rates as related to Median Household Income
  - Regionalization
  - Readiness
  - Availability of other funds
  - Projected cost per connection
  - Sustainability/reliability/GPR



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## However!

While priority is based on Acute, Chronic, Public Health - VDH has funded many types of projects.

Do you need funding assistance for the following? **How may we assist you with:**

- Aging Water System Infrastructure
- Replacing Critical Water System Assets
- In general - "taking care of what you currently have"

We encourage all waterworks owners with eligible projects to apply!



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## Financial Assistance Packages

### Construction Projects and Refinance Loans

- Funding about 20 projects annually
- Average project size is about \$1-2 M.
- Largest projects = \$13 M (complete), \$35 M (in design stage)
- Core program:
  - 20 year loan term
  - Interest rate is 1% below the 20 year AA municipal bond market. (Currently 1.5% to 2.5%)
- VDH disadvantaged designation:
  - 30 year term, typical interest rate = 2% to 3%
  - Principal forgiveness (grant) funds available if criteria met



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## Disadvantaged

- Disadvantaged waterworks qualifying for 30 year loans and/or principal forgiveness --- must have or will have average monthly water user rates that exceed the monthly target water rates.
- Target rate =  $x\%$  x Median Household Income (MHI)
- ODW will determine "x" during the review process.
- Use MHI from area that benefits from project
- ODW will then determine the target rate based on the percentage used for "x".



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## Financial Assistance Packages

### Small Construction Grants

- Must be designated by VDH as disadvantaged
- VDH reserves the right to limit these 100 percent principal forgiveness offers for small projects that have documented acute and/or chronic health issues.

### Construction Loans

- Core term offer (20 year term)
- Loan with 30 year term - if designated by VDH as disadvantaged

### Construction Grant and Loan/Grant Blends

- Must be designated by VDH as disadvantaged

### All Expenditure Reimbursement



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## Other Items to Note

### FCAP Funding:

- Typical timeline is 3.5 yrs from application to completion.
- Many repeat applicants
- Larger projects - we have partnered with other sources
- Other:
  - Credit review by Virginia Resources Authority (VRA) required on all loans
  - Expenditure reimbursement - 5 business days
  - Payments start 6 months after project completion
  - No prepayment penalty - only borrow what's needed.
  - Bond Counsel is required for Public Entities
  - Letter of Credit is required for Private Entities



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## Applications

### Typical Annual Cycle:

January	ODW website updated
February	ODW Funding Webcast
April 1 <sup>st</sup>	Application deadline (construction, refinance, source water protection)
June/July	Funding offers made
Aug./Sept.	Award letters
Sept./Oct.	Initial meetings

\*No Application Fee!

\*No Local Match for Most Applications!

\*Preliminary Engineering Conference must be scheduled ASAP

On line at: <http://www.vdh.virginia.gov/drinking-water/financial-construction-assistance-programs/drinking-water-funding-program-details/>



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## Drinking Water Funding Program Requirements

Once our water system is in the DWSRF program what are some of the program requirements?



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## Drinking Water Funding Program Requirements

### Procurement

- All applicants must abide by the Virginia Public Procurement Act (VPPA) for all VDH funded activities.
- All applicants must abide by the EPA's requirement for Minority and Women's Business Enterprises (MBE/WBE) Good Faith Efforts.
- All procurement for VDH funded activities must be reviewed/approved.

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## Drinking Water Funding Program Requirements

### Preliminary Engineering Report (PER) and Plans/Specifications

If required by the ODW Field Office:

- PER - ODW Field Office and funding agency must review/approve.
- Plans/specifications - ODW Field Office and funding agency must review/approve.

### Environmental Review

- An environmental review is required for every VDH funded project.
- Environmental Assessment or Categorical Exclusion.

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### Drinking Water Funding Program Requirements

#### Davis-Bacon Wage Requirement

Applies for SRF construction projects. The Davis-Bacon Act has been added to the list of Federal cross-cutter requirements.

#### American Iron and Steel Requirements

Applies to SRF construction loan projects with plans and specifications approved on or after 1/17/2014. Funding recipients and contractors certify compliance.

VDH reviews the information above during on-site construction project evaluations.



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### 10 to 15 Minute Break?



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### FCAP Applications - Refinance, Construction, and Source Water Protection



<http://www.vdh.virginia.gov/drinking-water/financial-construction-assistance-programs/drinking-water-funding-program-details/>



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# ODW Applications - On Our Website

PROGRAM DOCUMENTATION

[a. Funding Announcement letter](#)

MANUALS

[a. DWSRF Program Design Manual](#)

[b. WSAG Program Guidelines](#)

APPLICATIONS – Please note application review deadline above.

[a. Refinance Loan Application PDF | Word](#)

[b. Construction Funds Application PDF | Word](#)

[c. Construction Funds Application Instructions](#)

[d. 1452K Source Water Protection Initiative Application PDF | Word](#)

[e. Planning & Design Fund Application PDF | Word](#)

[f. Planning & Design Fund Application Instructions](#)

OTHER FACTSHEETS/FORMS

[a. Program Comment and Set-Aside Suggestion](#)

[b. Construction Project Schedule Excel | Word](#)

[c. Cash Flow Template](#)

[d. Resource Available](#)

[e. Example Resolution](#)


[f. Income Survey Template](#)

[g. Factsheet MRE/NDIS Requirements](#)

[h. Certification Regarding Lobbying](#)

[i. Building Financial Sustainability](#)

[j. User Rate Analysis](#)



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# Excerpt from Funding Announcement Letter

(1) **Public Comments and Set-Aside Suggestions Invited** (Submission deadline April 1)

To identify ways to improve our Program, VDH seeks meaningful input from the public, the waterworks industry, or other interested party. Anyone may make comments or recommendations to support or revise the Program. Anyone has the opportunity to suggest new or continuing set-aside (non-construction) activities. Set-aside funds help VDH assist waterworks owners to prepare for future drinking water challenges and assure the sustainability of safe drinking water.

(2) **Construction, Consolidation, and Refinance Fund Requests** (Application deadline April 1)


Owners of community waterworks and nonprofit noncommunity waterworks are eligible to apply for construction funds. VDH makes selections based on criteria described in the DWSRF Program Design Manual, such as: existing public health problems, noncompliance, affordability, regionalization, the availability of matching funds. VDH anticipates a funding level of \$25 million.

(3) **1452(a) Source Water Protection Initiatives** (Application deadline April 1)

Loan funds are available to: (1) community and non-profit noncommunity waterworks to acquire land conservation easements and (2) to community waterworks, only to establish local voluntary incentive-based protection measures.

(4) **Lead Service Line (LSL) Replacement Program:** (Application deadline April 1)

In an effort to accelerate the removal of lead in drinking water the DWSRF Program has made funding available for the complete removal of the public and/or private portion of the LSL. In conjunction with other available funds this program intends to provide up to \$5000 dollars as grant funds (of which up to \$500 may be eligible as an admin fee) for each service line replaced on the homeowners side of the meter. The LSL includes pipe entry into the structure (up to shut off valve) but excludes the premise plumbing.



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# ODW Applications - Manuals

MANUALS

[a. DWSRF Program Design Manual](#)

[b. WSAG Program Guidelines](#)





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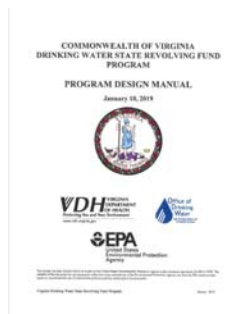
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## Cover Page - Program Design Manual



VDH VIRGINIA  
DEPARTMENT  
OF HEALTH  
Protecting You and Your Environment

## ODW Applications

**APPLICATIONS** – Please note application review deadline above.

- a. Refinance Loan Application [PDF](#) [Word](#)
- b. Construction Funds Application [PDF](#) [Word](#)
- c. Construction Funds Application Instructions
- d. 1452K Source Water Protection Initiative Application [PDF](#) [Word](#)
- e. Planning & Design Fund Application [PDF](#) [Word](#)
- f. Planning & Design Fund Application Instructions [PDF](#)

<http://www.vdh.virginia.gov/drinking-water/financial-construction-assistance-programs/drinking-water-funding-program-details/>

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## Refinance Loan Application



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## Refinance Loan Application - Required Attachments

**SECTION G: REQUIRED ATTACHMENTS:** Please label your attachments with corresponding numbers (i.e. G-1, G-2, etc.). Enter "NA" for Not applicable.

1. Outstanding debt amount and with whom. Include origination date(s) of the debt obligation(s) to be refinanced.
2. Estimated Refinance savings. Use the net present value savings of the existing debt minus the potential refinance debt. Assume a level debt service schedule with semi-annual payments at an interest rate of 2.75% for 20 years or shorter to match the existing final maturity date. The first payment will be six months after loan closing and should occur within 12 months of application submittal. If you have difficulty calculating this savings, please contact VDES.
3. Controlling Board Authorization or Owner's Letter identifying Agent Authorized to make application to the DWSRF.
4. One copy of the latest income (unaudited) financial statement.
5. One copy of the current year budget.
6. One copy each of the five most recent annual audits. If the applicant has existing debt held by VRA and audit submittals are current, it is not necessary to submit. This item may be submitted in PDF format on a CD provided 2 copies of the CD are submitted.
7. One copy of the bond and loan agreement to be refinanced.
8. One copy of your current rate structure.

Office of Drinking Water - FCAP Funding

Page 3 of 3

REFINANCE/PURCHASE




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## Construction Funds Application

Project Name: \_\_\_\_\_ Location: City/County \_\_\_\_\_ January 3, 2019

**RETURN APPLICATION TO:**  
Virginia Department of Health  
Office of Drinking Water  
2000 North 2nd Street, 2nd Floor  
Richmond, VA 23219  
Phone: 804-645-1111  
Fax: 804-645-1112

**OR:**  
State, submit your completed and signed application and two copies of all required attachments to the office where all the work for the application is being done.

### APPLICATION FOR CONSTRUCTION FUNDS

Applications are available at: <http://www.vdh.virginia.gov/DrinkingWater/ConstructionFunds>

Dear Board/Committee/Agency:

Applications are subject to a selection by regional Preliminary Engineering Conference with the appropriate DWSRF Field Office prior to March 1st.

#### PRE-REQUIREMENTS FOR FUNDING

For projects \$10 or more, other projects, \$100 or more, apply for funds.

1. Have you been placed on a waiting list for a future date? ☐ Yes ☐ No
2. Is your construction site, property, or facility vacant? ☐ Yes ☐ No

#### PRE-REQUIREMENTS FOR CONSTRUCTION APPLICATION

Please submit all of the following information to the office where all the work for the application is being done.

1. Do you have a preliminary engineering conference (PEC) with DWSRF Field Office? ☐ Yes ☐ No
2. Do you have a preliminary engineering conference (PEC) with DWSRF Field Office? ☐ Yes ☐ No
3. Do you have an adequate drinking water source or source agreement contract? ☐ Yes ☐ No
4. Do you have a preliminary engineering conference (PEC) with DWSRF Field Office? ☐ Yes ☐ No
5. Do you have a preliminary engineering conference (PEC) with DWSRF Field Office? ☐ Yes ☐ No
6. Do you have a preliminary engineering conference (PEC) with DWSRF Field Office? ☐ Yes ☐ No
7. Do you have a preliminary engineering conference (PEC) with DWSRF Field Office? ☐ Yes ☐ No
8. Do you have a preliminary engineering conference (PEC) with DWSRF Field Office? ☐ Yes ☐ No




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## Construction Funds Application - Required Attachments

**SECTION C - REQUIRED ATTACHMENTS -** Please check those attached and label your attachments with corresponding numbers (i.e. C-1, C-2, etc.).

1. Other Funds Available (e.g. Letters of conditions, award letters, etc.)
2. Outstanding debt amount and with whom
3. Controlling Board Authorization or Owner's Letter identifying Agent Authorized to make application to the DWSRF.
4. Project issue documentation.
5. Median Household Income - including site income surveys if census information not at project level.
6. VDH's 4 page Construction Project Schedule.
7. Results of user agreement commitment initial survey with project map.
8. Adequate drinking water source or source agreement contract - VDH approved.
9. Preliminary Engineering Conference documentation notes or VDH-Office of Drinking Water letter mail warning this requirement. If a Preliminary Engineering Report has been drafted for this project include a copy of that also. Any letter reports, design reviews, or alternative analysis should be included in this section. Regionalism should be considered as an option.
10. Explain status of necessary permits (401-404, VDES, Groundwater withdrawal, etc.)




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## Construction Funds Application - Required Attachments

11. Current rate schedule for water connection fee for water and date of last increase.
12. Monthly average of residential water usage. Use total annual gallons billed for in-town residential customers divided by 12 months and divide by the total number of in-town residential customers.
13. Average Monthly Residential Water User Rate Analysis - using VDH project only template.
14. Listing of 10 largest water users and estimated monthly consumption per user.
15. Basis for O, M & R cost for proposed project and existing system.
16. One copy of the latest interim (unaudited) financial statement.
17. One copy of the current year budget.
18. One copy each of the three most recent (within 5 years) annual audits (or Tax Returns for individuals).
19. For the proposed project - a six-year cash flow analysis of revenue - using VDH project only template and expenses (operating budget) showing a bottom line feasible for debt service.
20. For the entire waterworks including proposed project(s) - a six-year cash flow analysis - using VDH overall waterworks template of revenue and expenses (operating budget) showing a bottom line feasible for debt service.
21. Supporting documentation used to determine the percent of leakage in the system. For this application, leakage is the amount of real water lost in the distribution system (leak and tanks from cracks, leaks, and tank overflows) divided by total water production. Should match Section O.I.F.
22. Asset Management Plan (as described in Section F).



## Construction App. - Page 4 of 10 (more than 3 sentences OK)

January 1, 2019

### SECTION D - PROPOSED PROJECT DESCRIPTION - Provide Documentation

Please provide a brief summary and a detailed project description including a sketch depicting the project area and proposed facilities including length of waterlines, storage tank(s) size, etc. (Sketches on 8 1/2 by 11 portions of tape sheets are adequate.)

#### I. Brief Summary - 3 sentences or less for each A, B, and C.

- A. Briefly describe the public health issue, concern, or problem that this project intends to correct or address. This can include reliability, redundancy, variability, climate change, or green project related issues. Attach supporting info as necessary.

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- B. Briefly describe the proposed project scope of work for this (e.g. diameter, volume, pump capacity) and utility (e.g. linear feet for pipe and number for tanks and pump stations).

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- C. Briefly quantify the benefits expected to be realized (or problems corrected) upon successful completion of the project.

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## Construction Funding - Instructions

VIRGINIA DEPARTMENT OF HEALTH  
OFFICE OF DRINKING WATER  
FINANCIAL AND CONSTRUCTION ASSISTANCE PROGRAMS (FCAP)

### INSTRUCTIONS FOR COMPLETION OF APPLICATION FOR CONSTRUCTION FUNDS

The following instructions are intended to supplement instructions and explanatory information incorporated into the PROGRAM DESIGN MANUAL, and the APPLICATION FOR CONSTRUCTION FUNDS (Application). If you experience problems in completing the Application after reading through these documents, please do not hesitate to contact the following Program staff for direct assistance.

Steve Peden, Division Director, FCAP, 804-864-7489  
Kath Kinnear, Project Supervisor, 540-403-0420, or  
Howard Eckman, Project Officer, 804-864-7107

Submit two complete and signed hard copy applications and two copies of all required attachments to the address below before 4 PM on the application deadline (typically April 1).

Virginia Department of Health  
Office of Drinking Water  
100 Governor Street, 4th Floor  
Richmond, VA 23219

Note: Year Round Submittals are accepted, however VDH expects to evaluate all projects received by the application deadline together.

Applicants are advised to schedule the required Preliminary Engineering Conference with the appropriate ODW Field Office prior to March 1st.

Answer all of the pre-application, pre-application, and information sharing questions on page one. These questions are intended to assist you in determining your eligibility under the program prior to completing the application form.



# 1452 K Source Water Protection Initiative Application

**TOWN AND COUNTY OF REALTY**  
**1452 K SOURCE WATER PROTECTION INITIATIVE APPLICATION**  
 PHYSICAL AND ECONOMIC DATA SHEET (PHEDS) (2014-2015)

**SOURCE WATER PROTECTION INITIATIVE**  
**1452 K SOURCE WATER APPLICATION**

- Local Acquisition or Conservation Easement
- Private Source Water Protection Easement

**RETRY APPLICATION FOR**

Office of Drinking Water  
 200 University Avenue, 200 Floor  
 Denver, Colorado 80202  
 Phone: 303.861.7222  
 Fax: 303.861.7223

January 1, 2019

**SECTION A - PROJECT, ORGANIZATIONAL, AND CONTACT INFORMATION**

- Project Name: \_\_\_\_\_ Location (City/County): \_\_\_\_\_
  - ☐ Publicly owned easement PWS ID number: \_\_\_\_\_
  - ☐ Nonpublicly owned easement PWS ID number: \_\_\_\_\_
  - ☐ Easement acquisition/lease PWS ID number: \_\_\_\_\_
  - ☐ Other (if the above) \_\_\_\_\_
- Consent Granted by USFWS? ☐ Yes ☐ No

Legal Owner of Easement or Subsurface Rights

  - Name: \_\_\_\_\_
  - Address: \_\_\_\_\_
  - Contact Person: \_\_\_\_\_
  - Organization/Location: \_\_\_\_\_
  - FAX Number: \_\_\_\_\_ E-mail Address: \_\_\_\_\_
  - Phone (203): \_\_\_\_\_ PWS # \_\_\_\_\_
- Easement/Consent (if applicable)

  - Easement Name: \_\_\_\_\_
  - Address: \_\_\_\_\_
  - Produced Consent Ref: \_\_\_\_\_
  - Consent Status: \_\_\_\_\_
  - Assigned Number: \_\_\_\_\_ Assigned E-mail Address: \_\_\_\_\_
  - E-mail Address: \_\_\_\_\_
  - FAX Number: \_\_\_\_\_

**VERMONT**  
 DEPARTMENT OF HEALTH

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# ODW Applications - On Our Website

**PROGRAM DOCUMENTATION**

a. [Funding Announcement letter](#)

**MANUALS**

a. [CWSRF Program Design Manual](#) 

b. [WSAG Program Guidelines](#)

**APPLICATIONS – Please note application review deadline above.**

a. [Refinance Loan Application PDF](#)  [Word](#)

b. [Construction Funds Application PDF](#)  [Word](#)

c. [Construction Funds Application Instructions](#)

d. [1452K Source Water Protection Initiative Application PDF](#)  [Word](#)

e. [Planning & Design Fund Application PDF](#)  [Word](#)

f. [Planning & Design Fund Application Instructions](#) 

**OTHER FACTSHEETS/FORMS**

a. [Program Comment and Set-Aside Suggestion](#)

b. [Construction Project Schedule Excel](#) [Word](#)

c. [Cash Flow Template](#)

d. [Resources Available](#)

e. [Example Resolution](#)

f. [Income Survey Template](#)

g. [Factsheet MBE/WBE Requirements](#)

h. [Certification Regarding Lobbying](#)

i. [Building Financial Sustainability](#)

j. [Use Rate Analysis](#)

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Protecting You and Your Environment

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# Other Factsheets/Forms

## OTHER FACTSHEETS/FORMS

- a. [Program Comment and Set-Aside Suggestion](#)
- b. [Construction Project Schedule Excel| Word](#)
- c. [Cash Flow Template](#)
- d. [Resources Available](#)
- e. [Example Resolution](#)
- f. [Income Survey Template](#)
- g. [Factsheet MBE/WBE Requirements](#)
- h. [Certification Regarding Lobbying](#)
- i. [Building Financial Sustainability](#)
- j. [User Rate Analysis](#)



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## Construction Project Schedule

**CONSTRUCTION PROJECT SCHEDULE FOR  
VDH OFFICE OF DRINKING WATER  
FINANCIAL AND CONSTRUCTION ASSISTANCE PROGRAMS (FCAP)**

Project Name: \_\_\_\_\_ VDH Project Number: \_\_\_\_\_  
Prepared By: \_\_\_\_\_ Prepared Date: \_\_\_\_\_ Revised Date(s): \_\_\_\_\_

ACTION	Responsible Party	Start Date	Completion Date	
			Planned	Actual
<b>FUNDING APPLICATION &amp; PROJECT MANAGEMENT</b>				
1. Obtain necessary bank approval for project	Owner			
2. Schedule to Feb. 15th and attend Preliminary Engineering Conference at VDH-CDM Field Office	Owner			
3. Prepare and submit Application for Construction Fund and Construction Change Directive	Owner			
4. Develop and submit project schedule for project management, construction, and design	Owner			
5. Submit construction schedule to VDH-CDM Field Office	Owner			
6. Submit construction schedule to VDH-CDM Field Office	Owner			
7. Submit Request for Proposal (RFP) for engineering services	Owner			
8. Submit Request for Proposal (RFP) for engineering services	Owner			
9. Submit Request for Proposal (RFP) for engineering services	Owner			
10. Submit Request for Proposal (RFP) for engineering services	Owner			
11. Submit Request for Proposal (RFP) for engineering services	Owner			
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13. Submit Request for Proposal (RFP) for engineering services	Owner			
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98. Submit Request for Proposal (RFP) for engineering services	Owner			
99. Submit Request for Proposal (RFP) for engineering services	Owner			
100. Submit Request for Proposal (RFP) for engineering services	Owner			

Page 1

**VDH VIRGINIA DEPARTMENT OF HEALTH**  
Protecting You and Your Environment

## User Rate Analysis Spreadsheet

**AVERAGE MONTHLY RESIDENTIAL WATER USER RATE ANALYSIS  
VIRGINIA DEPARTMENT OF HEALTH - OFFICE OF DRINKING WATER  
FINANCIAL AND CONSTRUCTION ASSISTANCE PROGRAMS (FCAP)**

Project Name: \_\_\_\_\_ Prepared Date: \_\_\_\_\_  
Prepared By: \_\_\_\_\_ Revised Date(s): \_\_\_\_\_  
Contact email: \_\_\_\_\_ Contact phone: \_\_\_\_\_  
Attachment (s): \_\_\_\_\_ Page: \_\_\_\_\_

1. Number of Residential Water Users:

- a. In primary service area (i.e., in town) 1,000 connections
- b. Out of primary service area (i.e., out of town) 500 connections
- c. TOTAL 1,500 connections

Notes:

- (1) Wastewater systems should include the number of end users to adequately reflect the average monthly residential water user rate.
- (2) Residential customers only.

2. Existing Water Billing Information:

Amount (s) billed for residential water users in previous \_\_\_\_\_ month(s):

- a. No. of months: 12
- Amount Billed - base rate: \$ 200,000.00
- Amount Billed - usage: \$ 175,000.00
- Amount Billed - other monthly user fees: \$ 75,000.00
- Total Amount Billed: \$ 450,000.00
- CR: \_\_\_\_\_
- b. Total Amount Billed: \_\_\_\_\_

Notes:

- (1) Complete only 2 a. or 2 b., not both.
- (2) Should be based on 12-month total or the time period since your last rate increase, if you have spread rates during previous 12 months.

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## All Applications - Friendly Reminders

- Federal DUNS and CCR numbers - if you don't have these numbers when you apply, please note this. These will be **required** if you receive/accept a VDH funding offer.
- Remember to sign/date the application.**
- Please submit all required attachments. If an item is not applicable, then note "N/A". Most items will be applicable.
- Fill out the complete application - no blanks please.
- Please submit two complete sets of the application and two complete sets of all required attachments.

## What Happens After the Applications Are Submitted?

- April 1 - VDH Applications are due every year. Due = postmarked.
- Submit all applications to address listed on first page - Richmond Central Office (where they are logged in).
- April 9 - April 12, 2019 - Applications to be reviewed.
- If application lacks an attachment/further clarification is needed - you and your consultant (if consultant listed on application) will be contacted during this timeframe via e-mail.
- Deadline provided for needed information.



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## What Happens After the Applications Are Submitted?

- If application is woefully incomplete or the activity applied for isn't eligible, then it will not be scored/ranked.
- After April 9 - 12<sup>th</sup> review period, the appropriate ODW Field Office will also review the applications.
- Capacity Development Review (TMF, Waterworks Business Operations Plan required?).
- Scoring/ranking of all applications finalized.
- Approx. June/July 2019 - funding offers made.



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## How May ODW Assist You?

How may the Office of Drinking Water assist you in funding your proposed capital improvement project?

- Addressing Health Issues
- Regionalization/Consolidation
- Replacing Aging Water System Infrastructure
- Replacing Critical Water System Assets
- And, all other eligible activities

Please contact us to discuss your proposed project!

<http://www.vdh.virginia.gov/drinking-water/financial-construction-assistance-programs/drinking-water-funding-program-details/>



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## Capacity Development Program

### Funding through Capacity Development



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## Funding through Capacity Development

The Division of Capacity Development also provides funding through several opportunities. These include:

Planning and Design Grants

Small Project Engineering Services

“Set-aside” Suggestions

Set-aside suggestions are ideas that interested parties may submit to ODW for state-wide programs to further the promotion of the drinking water industry. Typically this refers to operator training.



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## Ensuring Adequate Capacity

### Clean & Safe Drinking Water



Source



Treatment



Distribution

Technical, Managerial, & Financial Capacity of Systems

Strong, Effective State Programs



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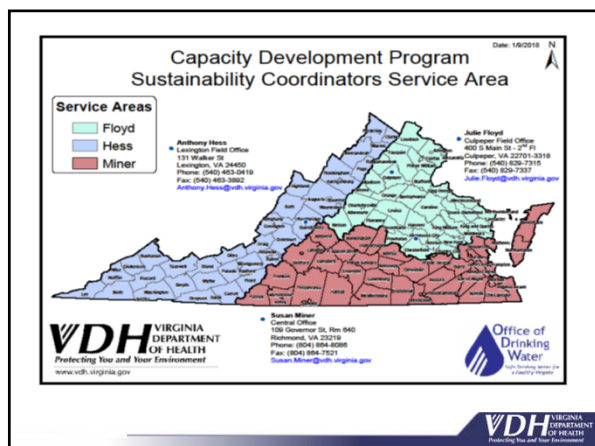
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### Quick Look at Planning Grants

- Applications Year-round
- Only for Community and non-profit Nontransient Noncommunity waterworks (Not state or federally owned)
- Maximum grant amount of \$35,000.

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### Quick Look at Planning Grants

- Application Process is competitive
- Applications not funded in immediately will be reviewed in September for possible funding
- Virginia Procurement Act requirements apply
- <http://www.vdh.virginia.gov/odw/financial/dwfundingprogramdetails.htm>

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## Eligibility

- Community Waterworks owners
  - Public or
  - Private
  - Not State or Federally owned
- Non-Profit NTNCs
- Fewer than 10,001 persons served by the waterworks
- Documented evidence of non-compliance with State and/or Federal Regulations
- Must show need based on existing rates, MHI, etc.



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## Eligible Projects

- Up to 3 applications/year per waterworks
  - Only 2 can be funded per waterworks per year
  - Must be discrete areas of the waterworks
    - Source
    - Treatment
    - Distribution



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## Example Projects

- Preliminary Engineering Reports
- Treatment System Evaluations due to MCL exceedances
- Hydraulic Evaluation - Distribution System Improvements related to excessive water loss
- Drilling, testing & sampling of test wells to determine source feasibility related to source capacity
- Source water quality/quantity studies were violations have been on-going
- Asset Management Plan (as funding allows)
- Rate Studies (as funding allows)



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## Funding Available

Planning on funding 6 -8 Grants for FY2018

FY 2017 Statistics:

- received 15 applications totaling approximately \$0.5M
- funded 5 applications totaling approx. \$200,000

*The Application process is Competitive*



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## Procurement

- Virginia Procurement Act procedures must be followed
- You will not be reimbursed for expenses incurred before properly procuring services
- MBE / WBE applies
- Failure to properly procure will jeopardize your funding
- We will help walk you through the procurement steps



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## Payment of Funds

- For Preliminary Engineering Reports (PER)
  - First half may be paid when Engineer submits PER to ODW Field Office
  - Second Half may be paid after approval
- Reimbursement for Expenses
- Turnaround reasonable (and folks in the business know what to expect)



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## Competitive Application Process

All Planning Grant Applications Will be Scored and Ranked:

1. Acute Health Risks
2. Chronic Health Risks
3. Public Health Risks
4. Other



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## Competitive Application Process

Additional points will be given for:

- Amount of documented water loss
- Size of Waterworks (Small waterworks have priority)
- Documentation of other funding
- Household MHI (Affordability)
- Consolidation / Regionalization

Refer to the Program Design Manual

<http://www.vdh.virginia.gov/odw/financial/documents/2016Funding/03-SRF%20Program%20Design%20Manual.pdf>



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## Summary

- Designed for small, rural, financially stressed, community waterworks.
- Funds for planning and design (**Environmental Assessment excluded**)
- **Up to \$35,000 each.** Local match of funds **are not required.**
- Limited to less than 10,001 persons served.
- ODW awards 6-8 per year depending on available funds.
- Additional projects will be considered based on availability of funds.
- Priority given to documented Acute and Chronic Health needs.
- Applications accepted on a year-round basis; with all project scored and ranked for funding in September of each year.
- **15 Month project schedule will be strictly adhered to**



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### Small Project Engineer Services

Designed to fund engineering services at waterworks which may not be able to otherwise afford these services. Eligible waterworks include Community and Non-profit Non-transient Noncommunity systems serving a population of 10,000 persons or less. These services are intended to supplement the Office of Drinking Water's technical assistance services.

SPES utilizes task order requests for initiating projects.



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### Small Project Engineer Services

The types of engineering projects are small design, or documentation of as-built, and generally include:

- Required as-built drawing and specifications
- Small chemical feed design documents for upgrades
- Design documents for sampling or injection points
- Waterworks Business Operation Plans
- Asset Management Plans



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### Small Project Engineer Services

Field Office staff can make waterworks referrals to the Director of Capacity Development. Referrals include:

- Waterworks name and PWSID
- Administrative contact
- Telephone number
- E-mail address
- Reason for referral



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## Small Project Engineer Services

Task orders from the consultants are submitted to the Director of Capacity Development and reviewed for approval. All waterworks in the Field Offices have equal access to project funding. Task orders are on a first-come first-serve basis. Field Office staff reviews task orders to insure the project scope addresses the issue initiating the referral.



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## Thank You for Participating in the Webcast!



More information at:  
<http://www.vdh.virginia.gov/drinking-water/>



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## Questions?

### FCAP Related Questions? Contact:

Keith J. Kornegay, P.E., Project Supervisor

Email: [Keith.Kornegay@vdh.virginia.gov](mailto:Keith.Kornegay@vdh.virginia.gov) (540) 463-0420

### Capacity Development Related Questions? Contact:

Barry Matthews, CPG, Director - Division of Training, Capacity Development and Outreach

Email: [Barry.Matthews@vdh.virginia.gov](mailto:Barry.Matthews@vdh.virginia.gov) (804) 864-7515

\*Other FCAP and Capacity Development Team Members are available to assist with questions.



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