

# Commonwealth of Virginia Drinking Water State Revolving Fund Program Intended Use Plan For the DWSRF FY2019 Capitalization Grant

September 16, 2018



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**Commonwealth of Virginia  
 Drinking Water State Revolving Fund Program  
 Intended Use Plan for FY 2019 Capitalization Grant**

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(Also available at <http://www.vdh.virginia.gov/drinking-water/>)

## **I. Summary**

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 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 \$32 million available for utilization under the FY 2019 DWSRF grant program. This amount includes EPA's capitalization grant, Virginia's required state match, and loan repayments from past recipients. It is unlikely that VDH will receive notification of the actual grant amount Virginia is eligible to apply for until June of next year.

## **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.

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 on our website) 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 internet postings and a public meeting that is held in Richmond, Virginia. The IUP 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-asides 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 later in 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 (or continuations) that have been implemented in the Program:

1. VDH is requiring **Asset Management Plans/Capital Improvement Plans** for all DWSRF applicants that have not completed one. This will promote responsible asset management and help to address the issue of aging infrastructure. Depending on availability of funds, VDH may make principal forgiveness funds available to assist those waterworks in need of completing a plan.
2. VDH completed our preliminary review of **small projects** (project budgets less than \$300,000) and made the following determination based on project readiness: VDH would not offer funding to any owner with more than two open/incomplete DWSRF projects to allow owners to focus efforts on completing the open DWSRF projects that were already awarded. As in prior years, VDH reserves the right to by-pass any open project that has not executed the assistance agreements/initiated construction within 12 months of the original award date. As evidenced by the multiple open projects, some waterworks were challenged with timely project loan closings and completions. Owners could expedite project closing or reprioritize their projects (and request withdrawal or bypass) to reduce active projects to less than three. Where after, VDH will reconsider making new offers. These bypassed projects will remain on the PPL with intended offer amounts in the event the owner can reduce the number of projects.
3. **Small projects** (less than \$300,000) special offers: The funding package under this special program is 100% as principal forgiveness (PF) (grant funds). To qualify for this offer VDH requires the principal forgiveness loan to be closed within 12 months of this offer letter.
4. **Lead Service Line replacements** special offers: In an effort to accelerate the removal of lead exposure to drinking water the DWSRF Program has made funding available for the complete removal of the public and/or private portion of the LSLs. The funding package under this special

program (continued from last year) is 100% as principal forgiveness (PF) (grant funds). To qualify for this offer VDH requires the principal forgiveness loan be closed within 12 months of this offer letter.

5. **Capacity Building Program or Expedited Closing Program.** Projects may be eligible for an additional interest reduction of **0.2%** under this special program. To qualify for the Capacity Building Program VDH requires a commitment to adjust rates to ensure minimum compound revenue increases of 2%<sup>1</sup> each year for the next five years. To qualify for the Expedited Closing Program VDH requires loan closings within 12 months of initial offer letters. Waterworks owners were instructed to notify VDH of their interest in participating in either of these special programs in their offer response letters. The intent of these programs are to accelerate loan closings and encourage financial capacity building.
6. **Disadvantaged waterworks:** For simplicity, the upper target rate tier of 1.25% of MHI was eliminated in 2017. Since that time, VDH is only using the **1% of MHI as a determinant for target rates**. Disadvantaged criteria has been modified as follows: Disadvantaged waterworks are those who meet the following criteria: Currently have or will have after project completion user rates that meet or exceed the target rate or are willing to adjust/raise rates in accordance with a VDH approved schedule.
7. **Projects in the EVGMA only:** To conserve water in the Eastern Virginia Groundwater Management Area (EVGMA) created pursuant to the EVGMA of 1992, 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 any equally ranked projects when both are located in the EVGMA.
8. **PER Requirement Revised:** The requirement to have a Preliminary Engineering Report (PER) drafted and submitted with the construction application was revised in 2017. The submission (or waiver) of the PER may be made a condition of the award. VDH believes this allows greater flexibility in the Program and may allow the funding of the PER as part of the construction award. A Preliminary Engineering Conference (PEC) is required.
9. **Design Build:** In an effort to better serve our waterworks owners the DWSRF Program made revisions to accommodate Design Build and other alternative project delivery methods.
10. **Refinance Loans; Rates Near Historic Lows:** Given the extremely low interest rates VDH encouraged publically-owned systems to consider refinancing local debt obligations related to drinking water infrastructure where construction was started and debt was incurred after July 1, 1993. The typical loan has an interest rate ranging from 1.5% to 2.5% with a 20-year term however; a 30-year term may be available for disadvantaged.
11. **Improved Funding Chances:** All waterworks owners with eligible projects were encouraged to apply. VDH's Program was able to offer funding to **all** eligible construction projects with completed applications in state fiscal years 2018, 2017, 2016, 2015, and 2014. VDH will attempt to offer funding to all eligible project applications recognizing that some may decline offers and withdraw from 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

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<sup>1</sup> Alternatively owners may commit to using an inflationary linked index such as the Consumer Price Index (CPI) or the Personal Consumption Index (PCE).

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 notified by letter or phone call 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. 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 are invested and investment proceeds are used to assist communities in Southwest Virginia in correcting water problems. 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 (includes Lee, Scott, Wise, Dickenson, Buchanan, Russell, and Tazewell counties). This endowment was established to assist in meeting the special needs of the Coalfields area 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 can be 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 wellbeing 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 below market rate loans and principal forgiveness loans) will decrease the loan funds available; however, principal forgiveness coupled with a waterworks business operations plan and a requirement to implement rate adjustments will reduce the demand on the principal forgiveness/grant funds by ensuring the long term financial 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.

## V. Sources and Uses of Funds

VDH will be applying for a DWSRF capitalization grant in the amount of approximately \$18,200,000. VDH is anticipating that this is the amount that Virginia will be eligible to receive under the DWSRF FY2019 appropriation. The final funding amount will be determined by Federal Appropriation and announced at a later date. Recent DWSRF capital grant amounts varied between \$13.6M to \$18.1M.

### A. Sources of Funds

Virginia expects to have approximately \$32 million available for utilization under this program. This total includes approximately \$10 million in repayment funds and \$3.6 million in the required 20% state match. A funding summary is provided as Attachment 4.

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. 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 \$26 million in DWSRF construction funds (from the 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 38), with funding breakdowns and other relevant project information. The \$26 million in funding currently represents priority projects 1 through 13. The current PPL reflects \$66.7 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, repayment funds, make phased awards should any additional funds be required. The Comprehensive Project List currently (Attachment 1-Projects 1 through 38) represents approximately \$67.2 million in total funding requested and details all projects submitted during this state application process and the current status of the project.

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 or the life of the asset being financed (whichever is less). The interest rate is set to equal one percent below the prevailing "AA" market rate at loan closing. Recent loan closings have been between 1.5% and 2.5% 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 and the proposed changes above.

## 2. Additional Subsidization

The DWSRF requires that no less than 20% of the cap grant amount and no more than an optional additional 30% of the cap grant amount be provided in the form of 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 (assumed to equal \$18.2M) that will be provided via principal forgiveness loans. Any subsequent revision to this PPL will likewise demonstrate that between 20% and 50% of the capitalization grant will be provided via principal forgiveness loans. See Attachment 2.

## 3. Green Infrastructure

Currently funds provided under the DWSRF for water efficiency, energy efficiency, green infrastructure, or other environmentally innovative activities are optional. VDH will attempt to meet EPA’s goal of 20%. The efficiency projects VDH expects to fund are shown 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. The amount of funds VDH expects to be able to provide to small systems is shown in 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 must meet requirements for adequate technical, financial, and managerial (T, M, F) capacity, federal super cross-cutting authorities (i.e. Davis-Bacon Wage Act, American Iron and Steel provisions, Single Audit), and DWSRF program requirements. Projects designated by VDH as “equivalency” will be required to meet additional federal cross cutters such as environmental and other reviews prior to funds being disbursed. VDH reviews each project to ensure requirements are met prior to loan closing. Phased projects or those identified as design-build will be reviewed to ensure all requirements are met before funds are disbursed.

## 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. It must be recognized that this is a challenge as VDH will not know the amount of the grant allocation for Virginia until May or June of 2019.

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 will be requested.

Administration – These funds will support the administrative functions of the DWSRF Program, including the DWSRF Project Officer, the Financial and Construction Assistance Program (FCAP) Division Director, and the DWSRF Project Supervisor, and the Environmental Review Technician (for conducting environmental reviews related to the State Environmental Review Program and reviews of federal and state environmental impacts related to SRF construction funded projects).

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.

VDH provides funding to 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 funds VRA costs through the use of administration fees charged to DWSRF loan recipients. If the administration fees are insufficient to fund VRA, VDH may use a portion of this set aside to cover any additional costs.

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

2. Small System Technical Assistance:

Virginia will request 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 will request the entire 10% available and allowed set-aside funding for the current year.

a. Public Water System Supervision

- Fund four Project Engineers to facilitate technical and administrative project reviews.
- Fund the Advisor to the Office Director position.
- Fund the Employee Training and Development Coordinator to facilitate ODW staff's technical and administrative training.
- 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 SRF Fiscal Specialist position.
- Partially fund the Accountant and Business Manager positions.
- Fund Statistical Analyst supporting State Environmental Review Program, Source Water Protection Program and other ODW program support functions.
- Fund the Database Administrator and database development/maintenance.
- Fund the Special Projects Engineer.
- Fund Environmental Health Specialist (GIS) position for working related to Source Water Protection and Capacity Development implementation.
- Fund Operator Certification Training Coordinator to conduct training events for waterworks staff.
- Fund wage positions for support of the DWSRF/Cap Dev marketing, data division, and other program support.
- Continue funding for technical training, web casts, website design and development, travel, conferences, on-line training, and meetings for ODW staff.
- Fund the SDWIS development, upgrades, and transition to cloud computing.
- Continue vehicle maintenance for fieldwork.
- Continue funding for replacement copy machines, fax machines, printers, GPS systems, and cell phones.
- Continue lease payments for central and field offices.

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. Assistance Under Capacity Development:

- Funding the Capacity Development Manager, three Sustainability 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 Security Officer.
- Funding the Special Projects Engineer (at 30%) related to source water and well head protection.
- Partial funding of the Office of Drinking Water Director and Deputy Director positions for Capacity Development/Source Water Protection issues.
- 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.
- 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 funding is requested.
- Direct Technical Assistance - Training to Waterworks:
  - *“Management, Methods and Money, Understanding Concepts in Capacity Development”* provides waterworks decision-makers with the basics of operating a sustainable waterworks.
  - *“Establishing a Successful and Sustainable Waterworks: Revenues, Rates, and Funding Short Course”* will assist in full-cost pricing, staffing, and business plan development. *“Distribution System Operators”* Course provides operators with a week-long course devoted to all aspects of effective operation and maintenance of distribution systems.
  - *“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.
  - *“Contaminants of Concern”* provides operators and waterworks decision makers with information regarding identification and treatment of new emerging contaminants.
  - Distance learning website funding to support the Mountain Empire Community College program.
  - *Small System Applied Math*.
  - 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.
- Funds are also provided for legal assistance in contract renewals/commitments, proportional lease payments, insurance costs, and audit services.
- Travel costs for Capacity Development Staff and other ODW staff instructors
- Travel costs associated with the training events conducted for waterworks.
- Virginia Tech’s Water Operators Short School Instructors travel *costs*

#### b. Wellhead Protection

- Funding for additional staff time directed toward wellhead protection activities by positions funded by other set-asides.
- GIS Source Water Assessment maintenance.
- Funds for use in supplementing existing state efforts to further protect source water.

Contractual – ODW issued contracts to CHA and TetraTech to continue the Source Water Protection Program services

### **VI. 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 considers all meaningful public input and comments and makes revisions to the IUP and project priority lists if necessary.

The VDH posted this Intended Use Plan under the Financial & Construction Assistance Programs at <http://www.vdh.virginia.gov/drinking-water/> for a 60-day public comment period beginning September 17, 2018. The VDH also provided notice by email of the availability of the IUP to all organizations and individuals on its distribution list.

November 16, 2018 is the closing of the public comment period.

The VDH will hold a public meeting to solicit comments and recommendations regarding this IUP on Wednesday, October 17, 2018 at the VDH's Office of Drinking Water, 6th floor library, 109 Governor Street, VA 23219.

ATTACHMENT 1



**2019 PROJECT PRIORITY LIST (Projects 1 through 38)**  
**2019 COMPREHENSIVE PROJECT LIST (Projects 1 through 38)**



Priority	City / County	Owner Information	Project Name	Project Description	Service Population	Point Total	Designation	Program Type Code	Principal Forgiveness	Project Cost	SRF Amount for this IUP	Cumulative SRF Amount	Notes
1	Buchanan	Buchanan County PSA	Water Distribution System Improvements to Reduce DBPs	Installation of improvements at the Lovers Gap Water Storage Tank; Buchanshire Water Storage Tank; Guesses Fork Water Storage Tank; Jewell Ridge Water Storage Tank to reduce TTHM levels. Improvements are expected to consist of aeration, ventilation, and mixing.	3591	77	H:C	VWSRF	\$500,000	\$1,100,000	\$1,100,000	\$ 1,100,000	2
2	Nelson	Nelson Co	Piney River System DBP Compliance	The addition of a Granular Activated Carbon (GAC) treatment system consisting of one Calgon MD72 unit or equal which includes two 42 inch diameter skid mounted pressure vessels with booster feed and backwash pumps, and appurtenances.	179	48	H:P	VWSRF	\$75,000	\$150,000	\$150,000	\$ 1,250,000	2
3	Pulaski	Pulaski, Town of	Water Improvements to address storage and leakage issues	Construction of approximately 8,050 LF of 8-inch waterline between the two pressure zones; upgrades to the Veteran's Hill and Needmore pump stations; modify the interior piping of the Veteran's Hill, Needmore 1 and Needmore 2 water storage tanks; incorporate mixing and tank aeration systems; construct a sodium permanganate feed system at the raw water pump station; and coating and painting of all three water tanks.	9,473	42	H:P	VWSRF	\$300,000	\$1,584,940	\$ 1,584,940	\$ 2,834,940	2
4	Tazewell	Tazewell Co PSA	Pocahontas System Purchase	To purchase the distribution lines, pump stations and storage tanks, along with the customer connections to assist a system struggling to meet compliance requirements and provide safe water.	1,200	63	H:P	VWSRF	\$389,000	\$780,832	\$ 780,832	\$ 3,615,772	2
5	Smyth	Saltville, Town of	Water System Improvements (phase II)	Four pumps, water end and motor (to match or exceed ex. capacity); one pump, water end only (to match or exceed ex. capacity), four variable frequency motor controllers, and seven master meters, 2'-4" diameter.	2,555	59	H:P	VWSRF	\$141,000	\$141,000	\$ 141,000	\$ 3,756,772	
6	Wise	Big Stone Gap, Town of	State Route 610 WL Replacement	Replacement of approximately 5,000 LF of 12-inch and smaller waterline; replacement of approximately 800 LF of 3/4-inch service line; reconnect 25 residential connections; installation of eight (8) fire hydrant assemblies; and associated appurtenances.	58	49	H:P	VWSRF	\$368,000	\$596,233	\$ 596,233	\$ 4,353,005	2
7	Wise	Big Stone Gap, Town of	Shelby Ave. WL Replacement	Replacement of approximately 1,500 LF of 2-inch galvanized waterline with 6-inch waterline; replacement of approximately 225 LF of 3/4-inch service line; reconnect 9 residential connections; installation of two (2) fire hydrant assemblies; and associated appurtenances.	21	46	H:P	VWSRF	\$125,000	\$125,000	\$ 125,000	\$ 4,478,005	
8	Smyth	Rye Valley Water Authority	Route 16 WL Replacement	Construction of approximately 2,600 LF of 6" water line, reconnection of 11 +/- existing service meters, and replacement of approximately 2,600 LF of 4" line.	20	44	H:P	VWSRF	\$100,000	\$100,000	\$ 100,000	\$ 4,578,005	
9	Norton/Wise	Norton, City of	Clear Creek WL Replacement Phase II	Replacement of approximately 1,400 LF of 4-inch waterline with 6-inch waterline; replacement of approximately 400 LF of 3/4-inch service line; reconnect 16 residential connections; installation of two (2) fire hydrant assemblies; and related appurtenances.	36	53	H:P	VWSRF	\$111,090	\$111,090	\$ 111,090	\$ 4,689,095	
10	Norton/Wise	Norton, City of	Josephine WL Replacement	Replacement of approximately 1,500 LF of 6-inch waterline; replacement of approximately 500 LF of 3/4-inch service line; reconnect 15 residential connections; installation of one (1) fire hydrant assembly; and associated appurtenances.	36	53	H:P	VWSRF	\$132,347	\$132,347	\$ 132,347	\$ 4,821,442	
11	Lee	Dryden Water Authority	Bill Jesse Rd and Mary Hobbs Rd WL Replacements	Replacement of approximately 7,690 LF of 4-inch and 2-inch waterline with 6-inch and smaller waterline; replacement of approximately 1,300 LF of 3/4-inch service line; reconnect 26 residential connections; installation of six (6) fire hydrant assemblies; and associated appurtenances.	62	53	H:P	VWSRF	\$340,000	\$501,000	\$ 501,000	\$ 5,322,442	2
12	Lee	Pennington Gap, Town of	Town-wide Water Meter Replacement	Replacement of 800 3/4-inch meters in-kind.	1,840	61	H:P	VWSRF	\$123,000	\$246,240	\$ -	\$ 5,322,442	1
13	Smyth	Marion, Town of	Prater Lane Pump Station Generator	A backup electric generator sized at 150 KW to operate the entire pump station with an automatic transfer switch, and a sound attenuation enclosure around the generator to reduce noise impact.	8,950	44	H:P	VWSRF	\$58,000	\$115,200	\$ -	\$ 5,322,442	1

**2019 PROJECT PRIORITY LIST (Projects 1 through 38)**  
**2019 COMPREHENSIVE PROJECT LIST (Projects 1 through 38)**

Priority	City / County	Owner Information	Project Name	Project Description	Service Population	Point Total	Designation	Program Type Code	Principal Forgiveness	Project Cost	SRF Amount for this IUP	Cumulative SRF Amount	Notes
14	Smyth	Thomas Bridge Water Corp.	Water Meter Upgrade	Replacement of 651 residential service meters with remote radio read. The new meters can be installed in the existing meter setter.	1,432	42	H:P	VWSRF	\$162,000	\$162,000	\$ 162,000	\$ 5,484,442	
15	Lee	Lee County Public Service Authority	Giles Hollow Community WL Ext. Phase I	Approximately 12,500 LF of 8-inch waterline; approximately 13,000 LF of 6-inch waterline; approximately 3,000 LF of 3/4-inch service line; water service to approximately 30 residential connections; one (1) pressure Reducing Station; installation of four (4) fire hydrant assemblies; and associated appurtenances.	71	35	H:P	VWSRF	\$343,000	\$510,500	\$ 510,500	\$ 5,994,942	2
16	Washington	Washington Co Service Authority	Mary's Chapel Archery Route Rd WL Ext	Installation of approximately 18,750 LF of 6-inch and 4-inch waterline; installation of fire hydrants on a portion of the project; a pump station, hydropneumatic tanks and vault; and upgrade of existing pipe on Reedy Creek to facilitate the line extension.	38	28	H:P	VWSRF	\$380,000	\$868,343	\$ 868,343	\$ 6,863,285	2
17	Frederick	Frederick Water	Opequon Water Supply Plan Project	Two 4 MGD intake screens, a 8 MGD raw water pump station, 3 miles of 20-inch raw water piping, 8 MGD surface water treatment plant, and a 20-inch finished water transmission main.	78,305	23	H:P	VWSRF	\$0	\$36,000,000	\$ 10,500,000	\$ 17,363,285	3, 9
18	Scott	Scott County Public Service Authority	Weber City Water Main Replacement	Approximately 6,000 LF of 2" replacement water main and appurtenances.	120	41	H:P	VWSRF	\$118,850	\$118,850	\$ -	\$ 17,363,285	1
19	Lee	Woodway Water Authority	State Route 932 WL Replacement Project	Replacement of approximately 2,135 LF of 2-inch waterline with 2-inch and 4-inch waterline; replacement of approximately 120 LF of 3/4-inch service line; reconnect 3 residential connections and; associated appurtenances.	12	39	H:P	VWSRF	\$110,695	\$110,695	\$ -	\$ 17,363,285	1
20	Lee	Woodway Water Authority	State Route 641 WL Replacement	Replacement of approximately 1,095 LF of 2-inch waterline with 6-inch waterline; replacement of approximately 200 LF of 3/4-inch service line; reconnect 5 residential connections; installation of two (2) fire hydrant assemblies; and associated appurtenances.	12	39	H:P	VWSRF	\$119,345	\$119,345	\$ -	\$ 17,363,285	1
21	Wise	Coeburn, Town of	Water Meter Replacement Phase II	Replace approximately 488 of 3/4-inch meters.	1,181	52	H:P	VWSRF	\$150,078	\$150,078	\$ -	\$ 17,363,285	1
22	Washington	Washington Co Service Authority	Mendota Road WL Ext	Installation of approximately 58,950 LF of 8-inch waterline, installation of fire hydrants and other necessary appurtenances.	205	24	H:P	VWSRF	\$350,000	\$2,967,755	\$ 2,967,755	\$ 20,331,040	2
23	Wise	Appalachia, Town of	Andover and Wise WL Replacement	Reconnect 43 customer connections, replacement of 1,500 LF of 6-inch and related appurtenances.	133	46	H:P	VWSRF	\$219,984	\$219,984	\$ -	\$ 20,331,040	1
24	Henry	Henry County Public Services Authority	Fieldale Lead Line Replacement Phase I	Replacement of approximately 2,400 LF of existing lead-jointed cast iron and galvanized steel water mains with new 6" line and replacement of existing lead and/or galvanized steel service lines with new 3/4" HDPE material for 34 +/- existing residential customers.	68	36	H:P	VWSRF	\$500,000	\$500,000	\$ 500,000	\$ 20,831,040	
25	Windsor	Windsor, Town of	Duke and Virginia Streets WL Replacement	Replace approximately 2500 feet of 4-inch asbestos cement waterlines as well as approximately 1100 feet of 2-inch galvanized waterline with NSF approved 8-inch pipe.	79	26	H:P	VWSRF	\$75,000	\$150,000	\$ 150,000	\$ 20,981,040	2
26	Wise	Wise Co Service Authority	WTP Metering	The installation of a 14" mag meter for raw influent flow, a 10" mag meter for backwash flow, a 14" mag meter for finished water flow, a new check valve for the backwash piping, ancillary piping, and appurtenances for installation.	10,685	46	H:P	WSAG	\$58,000	\$58,000	\$ 58,000	\$ 21,039,040	
27	Richmond	Richmond, City of	LSL Replacements	Replacement of approximately 200 lead service lines on the private/customer side of the water meter.	770	30	H:P	VWSRF	\$500,000	\$500,000	\$ 500,000	\$ 21,539,040	
28	New Kent	New Kent County DPU	Route 618 Waterline Reliability and Efficiency Project	Approximately 10,000 LF of new 16-inch waterline; two 12-inch isolation valves on existing waterline; and pressure reducing valve. The project will eliminate the need for 6 booster pumps, 2 water storage tanks, and one supply well/pump.	2,275	27	H:P	VWSRF	\$0	\$3,150,000	\$ 3,150,000	\$ 24,689,040	2
29	Wise	Wise, Town of	Health Department Water Tank Rehab. Project	Rehabilitation of the 250,000 gallon Health Department Water Tank.	5,273	19	H:P	VWSRF	\$104,000	\$208,700	\$ 208,700	\$ 24,897,740	2
30	Alexandria	VA American Water	Lead Service Line Replacement 2018	Replace up to 100 lead service lines to include the portion in the public right of way and on the customer's private property. The service replacement work will include only the water service line from the water main to the first inside shutoff valve or first 5 feet. The service lines are expected to be 2-inches or less in diameter.	300	18	H:P	VWSRF	\$500,000	\$500,000	\$ 500,000	\$ 25,397,740	
2019	Amelia	Amelia Co	Amelia County Tank Project 17-18	A new 500,000 gallon elevated water tank with altitude valve and mixing valve; a 12-inch water tap; a 12-inch waterline to connect the new tank to the existing water system; and an altitude valve and vaults at the existing elevated tank. the new tank will serve as a backup storage system for the existing tank.	740	10	H:P	VWSRF	\$300,000	\$1,706,000	\$ 1,706,000	\$ 27,103,740	2

**2019 PROJECT PRIORITY LIST (Projects 1 through 38)**  
**2019 COMPREHENSIVE PROJECT LIST (Projects 1 through 38)**

Priority	City / County	Owner Information	Project Name	Project Description	Service Population	Point Total	Designation	Program Type Code	Principal Forgiveness	Project Cost	SRF Amount for this IUP	Cumulative SRF Amount	Notes
32	Pulaski	Pulaski County PSA	Water Meter Replacement	Replacement of approximately 725 meters per year over the next 3 years.	5,060	24	H:P	VWSRF	\$160,000	\$641,000	\$ -	\$ 27,103,740	2
33	Sussex	Sussex County SA	Northeastern Water Filter Project	Installation of three vertical pressure filters with high rate manganese dioxide coated sand media for iron and manganese removal.	85	19	H:P	WSAG	\$133,000	\$531,600	\$ -	\$ 27,103,740	2
34	Smyth	Saltville, Town of	Saltville WCSA Interconnection	A backup water service connection with Washington County SA with the construction of 1,700 feet of 6" water line, pressure control valve vault and a meter.	2,555	48	H:P	WSAG	\$0	\$133,000	\$ -	\$ 27,103,740	7
35	Wise	Wise Co Service Authority	Hickory Gap PRV Stations	The installation of two (2) separate PRV stations along the line in Hickory Gap to replace the single PRV vault with two (2) actual PRVs in it. Each station will consist of its own precast vault, PRV and associated piping.	10,685	32	O	VWSRF	\$91,000	\$91,000	\$ -	\$ 27,103,740	1
36	Wise	Wise Co Service Authority	Water Tank Security Fencing	Installation of approximately 1,030 LF of chain-link, barbed wire security fence at four (4) existing tanks in the system - Blackwood Tank 265 ft., Bean Gap Tank 225 ft., Fairgrounds Tank 225 ft., and South Mountain Tanks 315 ft.	10,685	30	O	VWSRF	\$52,000	\$52,000	\$ -	\$ 27,103,740	1
37	Scott	Scott County Public Services Authority	Fairview Community WL Ext. Project (Phase I)	Phase I will include construction of 82,400 LF of 6-inch waterline; 11,700 LF of 2-inch waterline; 840 LF of 1-inch waterline; 2,940 LF of 3/4-inch waterline; 50 gate valves; 33 fire hydrants and associated appurtenances.	170	25	O	VWSRF	\$150,000	\$150,000	\$ -	\$ 27,103,740	1
38	Pittsylvania	Pittsylvania Co Service Authority	Hwy 58 W. System Interconnection	Interconnect 3 water systems to the Henry County Hwy 58 West system. Mount Hermon Interconnection: construct approx. 57,500 LF of 12" water along State Routes 878, 869, 844, 883 and 863, a pressure sustaining/reducing valve assembly and related appurtenances; Mount Cross Interconnection: construct approx. 21,400 LF of 8" water line along state Route 750, a pressure reducing valve assembly and related appurtenances; and Route 29 North Interconnection: construct approx. 18,200 LF of 8" water line along State Routes 41 and 863, a booster pump station and related appurtenances.	5,824	19	O	VWSRF	\$0	\$11,938,000	\$ -	\$ 27,103,740	3, 9

**NOTES:** VDH expects to have about \$26,000,000 for SRF project funding. Additional projects may be funded in priority order if funds become available.

1. Project was By-passed due to readiness. VDH will reconsider these offer when owner reduces the number of open/incomplete DWSRF projects to less than 3.
2. The loan portion of the project will be funded with a 30 year loan (or the design life of the assets) at 2.5% interest.
3. The loan portion of the project will be funded with a 20 year loan (or the design life of the assets) with the interest rate set at closing (historically between 1.5% and 3% interest).
4. All eligible acute, chronic health/ SDWA compliance or public health projects are designated as Health (Designation H).
5. Designation H projects are funded in descending order of acute, chronic health/SDWA compliance and then public health projects.
6. Total Health points are considered after acute, chronic and public health points.
7. Project Withdrawn by owner.
8. VDH reserves the right to switch funding sources to meet the needs of the SRF Program and EPA grant requirements.
9. VDH expects this project to be phased over multiple funding years.

**Designation Codes:**  
H - Health (A-Acute, C-Chronic, P-Public)  
O - Other Eligible Project  
I - Incomplete Application  
N - Not Eligible, N/A - Not Applicable  
W - Withdrawn



ATTACHMENT 2

CTY/CNTY	OWNER	Project	SRF Funding Amount	GPR	Assistance to Small Systems	SRF Loan Amount	SRF Principal Forgiveness	Required min. 20% Subsidy	Optional 30% Additional Subsidy
Frederick	Frederick Water	Opequon Water Supply Plan Project	\$ 36,000,000	\$ -	\$ -	\$36,000,000	\$ -		\$ -
		<b>Total ----&gt;</b>	<b>\$36,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$36,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Estimated-&gt;</b>	SRF Cap Grant Amount =	\$ 18,200,000	<b>198%</b>	<b>0%</b>			<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
In the event the first project drops out there are sufficient dollars in other projects to meet equalency requirements.									
<b>EVALUATION OF OTHER GRANT REQUIREMENTS AND GOALS</b>									
CTY/CNTY	OWNER	Project	SRF Funding Amount	GPR	Assistance to Small Systems	SRF Loan Amount	SRF Principal Forgiveness	Required min. 20% Subsidy	Optional 30% Additional Subsidy
Buchanan	Buchanan County PSA	Water Distribution System Improvements to Re	\$ 1,100,000	\$ -	\$ 1,100,000	\$ 600,000	\$ 500,000	\$ 500,000	\$ -
Pulaski	Pulaski, Town of	Water Improvements	\$ 1,584,940	\$ -	\$ 1,584,940	\$ 1,284,940	\$ 300,000	\$ 300,000	\$ -
Tazewell	Tazewell Co PSA	Pocahontas System Purchase	\$ 780,832		\$ 780,832	\$ 391,832	\$ 389,000	\$ 389,000	\$ -
Smyth	Saltville, Town of	Water System Improvements (phase II)	\$ 141,000	\$ -	\$ 141,000	\$ -	\$ 141,000	\$ 141,000	\$ -
Wise	Big Stone Gap, Town of	State Route 610 WL Replacement	\$ 596,233	\$ 3,658	\$ 596,233	\$ 228,233	\$ 368,000	\$ 368,000	\$ -
Wise	Big Stone Gap, Town of	Shelby Ave. WL Replacement	\$ 125,000	\$ 6,286	\$ 125,000	\$ -	\$ 125,000	\$ 125,000	\$ -
Smyth	Rye Valley Water Authority	Route 16 WL Replacement	\$ 100,000	\$ 928	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	\$ -
Norton/Wise	Norton , City of	Clear Creek WL Replacement Phase II	\$ 111,090	\$ 5,800	\$ 111,090	\$ -	\$ 111,090	\$ 111,090	\$ -
Norton/Wise	Norton , City of	Josephine WL Replacment	\$ 132,347	\$ 5,800	\$ 132,347	\$ -	\$ 132,347	\$ 132,347	\$ -
Lee	Dryden Water Authority	Bill Jesse Rd and Mary Hobbs Rd WL Replac	\$ 501,000	\$ 501,000	\$ 501,000	\$ 161,000	\$ 340,000	\$ 340,000	\$ -
Lee	Pennington Gap, Town of	Town-wide Water Meter Replacement	\$ 246,240	\$ 79,622	\$ 246,240	\$ 123,240	\$ 123,000	\$ 123,000	\$ -
Smyth	Marion, Town of	Prater Lane Pump Station Generator	\$ 115,200	\$ -	\$ 115,200	\$ 57,200	\$ 58,000	\$ 58,000	\$ -
Smyth	Thomas Bridge Water Corp.	Water Meter Upgrade	\$ 162,000	\$ -	\$ 162,000	\$ -	\$ 162,000	\$ 162,000	\$ -
Lee	Lee County Public Service Au	Giles Hollow Community WL Ext. Phase I	\$ 510,500	\$ -	\$ 510,500	\$ 167,500	\$ 343,000	\$ 343,000	\$ -
Washington	Washington Co Service Autho	Mary's Chapel Archery Route Rd WL Ext	\$ 868,343	\$ -	\$ 868,343	\$ 488,343	\$ 380,000	\$ 380,000	\$ -
Scott	Scott County Publice Service	Weber City Water Main Replacement	\$ 118,850	\$ 118,850	\$ 118,850	\$ -	\$ 118,850	\$ 67,563	\$ 51,287
Lee	Woodway Water Authority	State Route 932 WL Replacement Project	\$ 110,695	\$ 3,881	\$ 110,695	\$ -	\$ 110,695	\$ -	\$ 110,695
		<b>Total ----&gt;</b>	<b>\$7,304,270</b>	<b>\$725,825</b>	<b>\$7,304,270</b>	<b>\$3,502,288</b>	<b>\$3,801,982</b>	<b>\$3,640,000</b>	<b>\$161,982</b>
<b>Estimated-&gt;</b>	SRF Cap Grant Amount =	\$ 18,200,000	<b>40%</b>	<b>4%</b>			<b>20.9%</b>	<b>20.0%</b>	<b>0.9%</b>
<b>Estimated-&gt;</b>	Total SRF Project Funds =	\$ 26,000,000			<b>28%</b>				

### ATTACHMENT 3

#### 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	Requester's Name	Project Name	Activity Description	Project Total Cost	Requested Amount	Eligible Amount	Intend to Fund?
1	Mountain Empire Community College	Water/Wastewater Distance Learning Website	To continue development of the on-line Associate in Applied Sciences Water Degree Program which provides training, education, certification and re-certification study for water/wastewater professionals.	\$79,858	\$79,858	\$79,858	Yes
2	Wise County Public Service Authority	SWVA Regional Satellite Leak Detection	To fund the waterline mapping portion of the satellite leak detection pilot program in SWVA.	\$100,000	\$100,000	\$60,000	Yes
3	AWWA VA Section	Services for CCC and Backflow Training Program	To provide program administration and training services for the cross connection control and backflow training program.	\$29,000	\$29,000	\$29,000	Yes
4	Virginia Tech Continuing & Professional Education	MMM Understanding Concepts in Cap Dev	Short course for lead operators and supervisors who are involved in the development, implementation and refinement of the various management programs needed at a successful waterworks.	\$41,000	\$41,000	\$41,000	Yes
5	Virginia Tech Continuing & Professional Education	Establishing a Successful & Sustainable Waterworks	Short course dedicated to the financial side of maintaining a waterworks for management personnel to understand and implement a business plan that allows for an analysis of needs, budget development, and capital improvements.	\$48,000	\$48,000	\$48,000	Yes
6	Virginia Tech Continuing & Professional Education	Hands-on Training at a Full Scale Water Plant	Two-day short course dedicated to hands-on activities related to the maintenance and operations of a full-scale plant.	\$40,000	\$40,000	\$40,000	Yes
7	Virginia Tech Continuing & Professional Education	Applied Math & Basic Science for WW Operators	Short course to assist operators with refining their math and science skills and to better prepare them for the licensure exam, as well as their daily job duties.	\$47,000	\$47,000	\$47,000	Yes
8	Virginia Tech Continuing & Professional Education	Basic Groundwater for Small Systems Personnel	Short course for small systems operators to provide extensive information to prepare for their licensure exam.	\$32,000	\$32,000	\$32,000	Yes
9	Virginia Tech Continuing & Professional Education	Small Systems Applied Math	Short course for small system operators on math concepts, math associated with hydraulics, wells, treatment systems, disinfection, and administration.	\$66,000	\$66,000	\$66,000	Yes

Item	Requester's Name	Project Name	Activity Description	Project Total Cost	Requested Amount	Eligible Amount	Intend to Fund?
10	Virginia Tech Continuing & Professional Education	O & M of Distribution Systems	A week-long course devoted to all aspects of distribution systems, basic hydraulics, and the operation and maintenance of fire hydrants, air release valves, pumps, tanks, pipes, meters and other facilities within a distribution system.	\$80,000	\$80,000	\$80,000	Yes
11	Virginia Tech Continuing & Professional Education	CPE for Water Utility Owners, Managers & Operators	Nine televised workshops at 13 locations offered for general training purposes and a means for waterworks operators to meet their continuing education requirements.	\$180,000	\$180,000	\$180,000	Yes
12	Virginia Tech Continuing & Professional Education	Short School Scholarships	Scholarships to cover all costs of six participants in one of the three, week-long short courses (Introductory to Advanced courses) offered as a part of the annual water operators short school.	\$7,800	\$7,800	\$7,800	Yes
13	Virginia Tech Continuing & Professional Education	Administrative Services	Establish a contract with administrative services through Virginia Tech CPE to assist ODW with outreach efforts to waterworks personnel in VA including ongoing communication to waterworks operators, survey administration, committee meeting organization, creation of marketing materials, and providing documentation.	\$40,000	\$40,000	\$40,000	Yes
14	Virginia Tech Continuing & Professional Education	Contaminants of Concern	Short course on CECs, CCLs, and the chemistry, toxicity and effectiveness of treatment options for several chemicals of concern through case studies and what has been gleaned through research.	\$42,000	\$42,000	\$42,000	Yes

Total: \$792,658

Note: The Office of Drinking Water reserves the right to include some or all of the set-aside suggestion funding where monies and IUP approvals allow. Some of the suggestions maybe implemented in-house rather than through contracts.

Attachment 4

<b>Virginia Drinking Water State Revolving Fund Program</b>				
<b>Intended Use Plan - Funding Summary with Projected Set-Asides</b>				
<b>I. SOURCES</b>				
Federal DWSRF Grant Allocation =		\$18,200,000		
State's General Fund - 20% match required =		\$3,640,000		
<b><i>SUBTOTAL 1</i></b>		<b>\$21,840,000</b>	<b>\$21,840,000</b>	
Other sources =				
	Interest earned (0945)	\$2,000		assumed
	Interest earned (VWSRF)	\$300,000		assumed
	Repaid principal to June 30	\$8,300,000		assumed
	Repaid interest to June 30	\$1,600,000		assumed
		<b>\$10,202,000</b>		
<b><i>SUBTOTAL 2</i></b>			<b>\$10,202,000</b>	
<b>RECAPTURE from unused In-kind funds</b>		<b>\$0.0</b>		
			<b>\$0</b>	
<b><i>Grand Total Funds Available =</i></b>			<b>\$32,042,000</b>	
<b>II. USES for Set-asides</b>				
	Cat.	Maximum % and Name	Percent chosen	Current Grant Amount
	1	2% Small System Technical Assistance	2.00%	\$ 364,000
	2	4% DWSRF Administration & Tech. Assistance	4.00%	\$ 728,000
	3	10% State Program Management	10.00%	\$ 1,820,000
	4	15% Local Assistance and other State Programs	15.00%	\$ 2,730,000
		<b>Total =</b>	<b>31.00%</b>	<b>\$ 5,642,000</b>
<b>III. USES for Loan funds</b>				
Federal Allocation =		\$18,200,000		
minus set asides		\$5,642,000		
Federal loan funds		\$12,558,000	77.528%	Federal share
plus 20% match required =		\$3,640,000	22.472%	State share
<b>SUBTOTAL</b>			<b>\$16,198,000</b>	
plus Other state funds =		\$0		
<b>SUBTOTAL</b>			<b>\$16,198,000</b>	
plus other sources =		\$10,202,000		
<b>SUBTOTAL</b>			<b>\$26,400,000</b>	
<b>plus Recapture from unused in-kind</b>		<b>\$0</b>		
<b><i>TOTAL Amount Available (less Set-Asides)</i></b>			<b>\$26,400,000</b>	
Balance available for individual project loan and subsidies =				\$ 26,400,000
Subsidies -- not less than 20% nor more than 30% of grant to be used =				\$ 3,640,000
			Loans (max) =	\$ 22,760,000
			<b>Total =</b>	<b>\$ 26,400,000</b>