

VIRGINIA DEPARTMENT OF HEALTH (VDH)  
OFFICE OF DRINKING WATER (ODW)  
FINANCIAL AND CONSTRUCTION ASSISTANCE PROGRAM (FCAP)

**HARD COPY**  
**APPLICATION SUBMISSIONS:**  
Virginia Department of Health  
Office of Drinking Water  
**ATTN: Katie Sallee**  
109 Governor Street, 6th Floor  
Cube 6-N-10  
Richmond, VA 23219



**DIGITAL**  
**APPLICATION SUBMISSIONS:**  
[DWSRF.Applications@vdh.virginia.gov](mailto:DWSRF.Applications@vdh.virginia.gov)  
Format the email subject as follows:  
*FY27 DWSRF Refinance Application –  
City/County – Project Name"*

**DWSRF deadline August 7, 2026**

**APPLICATION FOR REFINANCE FUNDS OR  
TO PURCHASE A WATERWORKS**

Application also available at: <https://www.vdh.virginia.gov/drinking-water/fcap/drinking-water-funding-program/>  
FCAP contact information available at: <https://www.vdh.virginia.gov/drinking-water/fcap/directory/>

Incomplete information may result in the delay or rejection of the application request.

If approved the refinance will be for the same final maturity up to a 20-year loan at the core term interest which is set at closing but has historically been around 1.5 to 3.0%. VDH reserves the right to offer a 30-year term if the waterworks meets certain disadvantaged criteria. The Safe Drinking Water Act allows the DWSRF to provide for extended term loans to disadvantaged communities provided that the loan terminates no later than the date that is 30 years after the date of the project completion and does not exceed the expected design life of the project. VDH reserves the right to provide special offer terms to consolidate failing waterworks to improve reliability.

**PRE-SCREENING REQUIREMENTS:**

If you answer **YES** to any of these questions; **STOP** as you are not eligible to apply for Refinance funds.

- 1. Have you been debarred or suspended from applying for state or federal funds?  Yes  No
- 2. Is your waterworks state, federally, tribally, or privately owned?  Yes  No
- 3. Is the waterworks classified as a Non-community Waterworks (i.e. NTNC or TNC)?  Yes  No

**OTHER REQUIREMENTS – The following questions pertain to the construction debt being refinanced:**

If you answer **NO** to any of these questions; **STOP** as the funding request appears to be ineligible or your application needs to be revised.

- 4. If the debt was incurred for projects in addition to the construction of drinking water infrastructure can the drinking water portion be readily allocated with supporting documentation?  Yes  No
- 5. Is the debt pre-payable or current callable?  Yes  No
- 6. Was the debt incurred for DW construction with a construction initiation date after July 1, 1993?  N/A, Unsure  Yes  No
- 7. If construction was initiated after October 30, 2009; were Davis-Bacon Wage requirements incorporated into the construction?  N/A, Unsure  Yes  No
- 8. If plans and specifications were approved after January 16, 2014; were American Iron and Steel or Buy American requirements incorporated into the construction?  N/A, Unsure  Yes  No
- 9. For FY 2022 or newer projects, if Build America, Buy America (BABA) was required were these BABA requirements incorporated into the construction?  N/A, Unsure  Yes  No

**SECTION A: ORGANIZATIONAL AND CONTACT INFORMATION**

Legal Owner of Waterworks or Authorized Agent

- a. Name: \_\_\_\_\_
- b. Address: \_\_\_\_\_  
*Street Address/P.O. Box*      *Town/City*      *State*      *ZIP*
- c. Contact Person: \_\_\_\_\_
- d. Telephone Number: \_\_\_\_\_ Alternate Number: \_\_\_\_\_
- e. E-mail Address: \_\_\_\_\_
- f. Federal UEI #: \_\_\_\_\_

**SECTION B: DEBT REFINANCING OR PURCHASE INFORMATION**

The Drinking Water loan can only be used to pay outstanding principal amount of the indebtedness to be refinanced plus reasonable financing expenses, and the loan must be pre-payable or currently callable.

1. Debt Refinance or Purchase Funding for Drinking Water Infrastructure only

|  |                 |
|--|-----------------|
| Amount of debt eligible for refinance or Purchase Funding (principal only) | \$ _____        |
| Other eligible costs (e.g. Bond Counsel)                                   | \$ _____        |
| VDH loan closing costs (assumed)*  | \$ _____ 6,000  |
| <b>Total Amount of VDH funding assistance needed</b>                       | <b>\$ _____</b> |

\*VDH reserves the right to apply a closing fee of \$6,000 for all applicable loan offers to defray the cost of this service. The \$6,000 may be included in the principal of the loan. If VDH determines a loan closing fee does not apply it will be eliminated from the final budget.

Existing final maturity and desired final maturity of debt: \_\_\_\_\_

2. Type of security applicant anticipates giving for the loan: *[Check All Appropriate Type(s)]*

- Pledge of Revenue of the Water System Only.
- Pledge of Revenue of Water and Sewer System.
- General Obligation of the Locality.
- Other – Describe: \_\_\_\_\_

**SECTION C: PROJECT DATA**

The following information will be used to determine the life of the loan and refers to the drinking water project that was funded with the original debt.

- 1. Project Completion Date: \_\_\_\_\_
- 2. Design Life of the Project (years): \_\_\_\_\_

**SECTION D: MEDIAN HOUSEHOLD INCOME (MHI)**

The following information will be used to determine disadvantaged community status. Use the census block or latest update for county/city/towns from the [US Census Website](#). If you have an income survey, attach the results to this application.

- 1. Median Household Annual Income (MHI) of service area \$ \_\_\_\_\_/year

**SECTION E: WATER USAGE AND RATES:**

- 1. What is the current monthly average number of gallons of water used per residential connection? \_\_\_\_\_ gallons/month.

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.

- 2. Determine Average Monthly Residential Water User Rate: \_\_\_\_\_

Provide an average monthly residential water user rate analysis as Attachment G3 - using VDH project only template. This template is located on the ODW webpages - [Drinking Water Funding Program Details & Application - Drinking Water](#)

Average Monthly Residential Water User Rate = \$ \_\_\_\_\_/month

- 3. When were water rates last increased or adjusted? \_\_\_\_\_

- 4. Determine Target User Rates:

Target user rates are set as a percent of Median Household Income (MHI). The annual MHI utilized for a project is to be based upon the latest census figures or latest update for the city, town or county in which the waterworks is located. Multiply by 0.01 (or 1%) and divide by 12 months to get the monthly target rate.

MHI (from item Section E, 1. Above) = \$ \_\_\_\_\_ x 0.01 = \$ \_\_\_\_\_/month. This is your **Target User Rate**.  
(12 months/year)

- 5. Evaluate Current Rate Structure:

Does the value in Item 2 (water user rate) equal or exceed the value in item 4 (target user rate), above?  Yes  No

If you answered “Yes” your waterworks/project may qualify as Disadvantaged. However, rate increases/adjustments may be required to meet debt obligations or pass a Virginia Resources Authority (VRA) credit review.

Please note that a project may also qualify as **Disadvantaged** if the customer demographic in the area benefitting from the project has a Median Household Income (MHI) of 80% or less than the state MHI (using US Census data).

If you answered “No” then the information indicates the owner may need to adjust water rates to ensure adequate revenues. Having adequate financial resources is crucial to maintaining a successful and sustainable waterworks. Furthermore, EPA mandates that all borrowers receiving program assistance must demonstrate full financial capacity in order to receive funds.

Waterworks may be expected to meet or exceed the target rate criteria at or before the time of project completion. VDH reserves the right to require a rate revision plan and implementation schedule acceptable to VDH.

- 6. Provide the percent of water loss within the system. Unbilled authorized consumption (e.g. firefighting) should be excluded.

Water losses as a percentage of total production. = \_\_\_\_\_%

- This percentage includes:  Real water losses (Physical losses from leaks/bursts in the distribution lines and tank overflows)  
 Apparent water losses (includes metering inaccuracies and unauthorized usage [theft/illegal use])

**SECTION F: APPLICATION CERTIFICATION**

**By signing this application, you are certifying that you have been authorized to apply on behalf of the Owner or Controlling Board.**

Submittal of this application is only a starting point for discussion and is not a binding agreement on either party.

Incomplete information may result in the delay or rejection of the application request.

The undersigned representative of the applicant certifies that the information contained herein, and the attached statements and exhibits are true, correct, and complete to the best of their knowledge and belief. The undersigned agrees to clarify or supplement information pertaining to this application upon request. The undersigned recognizes that the information contained herein may be subject to state Freedom of Information Act requirements. **The undersigned acknowledges that a part of any interest required on a closed loan can be used by VDH to support the drinking water program.**

**Owner or Chief Administrative Officer of Waterworks:**

NAME and TITLE: \_\_\_\_\_

ORGANIZATION: \_\_\_\_\_

SIGNATURE : \_\_\_\_\_ DATE: \_\_\_\_\_

**SECTION G: REQUIRED ATTACHMENTS: Please label your attachments with corresponding numbers (i.e. G-1, G-2, etc.).**

Enter “N/A” for Not applicable.

- G-1. Outstanding debt amount and with whom. Include origination date(s) of the debt obligation(s) to be refinanced.
- G-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 2.8% 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 these savings, please contact VDH.
- G-3. Average Monthly Residential Water User Rate Analysis – using VDH project only template.  
<https://www.vdh.virginia.gov/content/uploads/sites/14/2022/02/J-User-Rate-Analysis-v2.28.2022.xlsx>
- G-4. Current rate schedule to include connection fee for water and date of last increase.
- G-5. One copy of the latest interim (unaudited) financial statement.
- G-6. One copy of the current year budget.
- G-7. One copy of the most recent annual audits. Please note that an applicant should have a completed financial audit with no significant findings for at least one of the last three years prior to the application deadline. If you do not have this, then you may not be eligible to apply for funding. Please contact VDH’s Capacity Development Team for additional information on this. Please see the link for their contact information: [Capacity Development - Drinking Water](#)
- G-8. One copy of the bond and loan agreement to be refinanced.
- G-9. One copy of your current rate structure.