Drinking Water State Revolving Funds

The Virginia Department of Health (VDH) is pleased to announce several opportunities for funding drinking water infrastructure. ALL applications may be submitted year round; however, VDH will conduct one round of evaluations submitted by the deadline. Applications postmarked/received after the due date will be considered for funding in the following round. Funding is made possible by our Drinking Water State Revolving Fund (DWSRF) Program, the Bipartisan Infrastructure Law (BIL) and the Water Supply Assistance Grant Fund (WSAG) Program (if funds are available). Our **FY 2023** DWSRF Intended Use Plan will be developed using your input on these issues. The BIL funds are broken down in three different categories: DWSRF Supplemental, which has all the same eligibilities that the base DWSRF Program does; DWSRF Lead Service Line, which is explained in item #4; and DWSRF Emerging Contaminants, which is focused on PFAS, but also includes the contaminants listed in the Draft Fifth Contaminant Candidate List (CCL 5).

1. Public Comments and Set-Aside Suggestions Invited (Submission deadline May 6, 2022)

To identify ways to improve our Program, VDH seeks meaningful input from the public, the waterworks industry, or any 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 prepare for future drinking water challenges and assure the sustainability of safe drinking water.

2. Construction, Consolidation, and Refinance Fund Requests (BIL Application deadline April 8, 2022; DWSRF Application deadline May 6, 2022)

Owners of community waterworks and nonprofit non-community 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, and the availability of matching funds. VDH anticipates a funding level of approximately $38 million for BIL funding and $35 million in DWSRF funding.

3. Safe Drinking Water Act § 1452(k) (42 U.S. Code § 300j-12 (k)) Source Water Protection Initiatives (Application deadline May 6, 2022)

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

4. Lead Service Line (LSL) Replacement Program: (BIL Application deadline April 8, 2022; DWSRF Application deadline May 6, 2022)

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 LSLs. In conjunction with other available funds, $2 million is set aside annually, to provide up to $5,000 dollars as grant funds (of which up to $500 may be eligible as an admin fee) for each service line replaced on the homeowner’s side of the meter. The LSL includes pipe entry into the structure (up to shut off valve) but excludes the premise plumbing. Maximum amount of grant funding is $500,000 per funding year. In addition, up to $250,000 is available annually for LSL inventory building until investigative LSL work is complete.

VDH anticipates a funding level of approximately $42 million under BIL for larger infrastructure work. The U.S. Environmental Protection Agency (EPA) has not released guidance on the use of these funds at this time. Please contact VDH for more information about these funds prior to submitting an application.

5. Planning and Design Grants (Applications accepted year-round)

The Planning & Design Fund Program (Program) provides financial assistance for eligible projects at community and nonprofit, non-transient non-community (NTNC) waterworks. The Program is part of VDH’s strategy to implement capacity development requirements in the 1996 Safe Drinking Water Act (SDWA) Amendments.

VDH will consider up to three applications from a waterworks owner in each funding year. However, due to the demand for the Program and limited funds for projects, offers will be limited to a maximum of two grants, of not more than $35,000 each, per eligible waterworks owner per funding year. Multiple applications from one owner must be for different areas of a waterworks’ infrastructure (e.g. source, treatment, distribution, security, etc.) or for a completely different waterworks (i.e., a waterworks with a different PWSID #). VDH reserves the right to fund a project received at any time during the year, or to by-pass any project for lack of progress at any time. VDH also reserves the right to decide if funding is contingent upon adjusting water rates and/or requiring savings for financial reserves. Funding is not contingent on receiving a local match. Additional information is available at: https://www.vdh.virginia.gov/drinking-water/capacity-development/planning-and-design-fund/

The VDH’s DWSRF Program Design Manual describes the features of the above opportunities for funding. After receiving the aforementioned public input, VDH will develop an Intended Use Plan (IUP) for public review and comment. When developed, the IUP will describe specific details for use of the funds. A public meeting is planned and written comments will be accepted before submittal of a final version to the EPA for approval.

Applications, set-aside suggestion forms, Program Design Manuals, and information materials are available on the VDH DWSRF web site https://www.vdh.virginia.gov/drinking-water/fcap/drinking-water-funding-program/

This information can also be obtained from Kelly Ward, FCAP Director, by calling (804) 864-7500 or writing to VDH – ODW, 109 Governor St., 6th Floor, Richmond, VA 23219. Any comments should be directed to Ms. Ward.