

Project Name: _____ Location (City/County) _____

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

RETURN APPLICATION TO:
Virginia Department of Health
Office of Drinking Water
109 Governor Street, 6th Floor
Richmond, VA 23219
(Voice: 804-864-7501)
(FAX: 804-864-7521)

Year-Round Submittals Accepted

Deadline to Submit for Review:
May 6, 2022

Note: Submit two complete and signed hard copy applications and two copies of all required attachments to the address shown at the left before the application deadline. USB thumb drives accepted. See Section J for details.

APPLICATION FOR THE LEAD ELIMINATION ASSISTANCE PROGRAM (LEAP)

Application also available at: <https://www.vdh.virginia.gov/drinking-water/fcap/leap/localities-waterworks/>

TYPE OF PROPOSED LSL PROJECT

- Lead Service Line Replacement (LSLR) Building a Lead Service Line (LSL) Inventory

IS THIS AN INDEPENDENT LSL PROJECT?

- Yes, the scope of this project only includes LSLR work/LSL Inventory work and therefore, only requires applying for LEAP funding
 No, the scope of this project includes other construction work and will require submittal of a separate Construction Application in addition to the LEAP Application

Applicants are advised to schedule the required Funding Application Discussion with the appropriate ODW Field Office 30 days prior to the deadline.

PRE-REQUIREMENTS FOR FUNDING

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

1. Have you been debarred or suspended from applying for state or federal funds? Yes No
2. Is your waterworks state, federally, or tribally owned? Yes No

PRE-REQUIREMENTS FOR LEAP APPLICATIONS

If you answer **NO** to any of these questions; **STOP** as you are not ready to apply for construction funds.
Please contact us to work with you on planning the project.

1. Are you either a community or non-profit noncommunity waterworks? (or will become one?) Yes No
2. Have you had a Funding Application Discussion with ODW's Field Office? Yes No
3. Do you currently or will you have less than three open DWSRF projects by July 1, 2022 (prior to the next awards)? Yes No
4. Do you have a current LSL Replacement Plan **or** is a request included in this application? Yes No

SECTION A - PROPOSED FINANCING

1. a. VDH Funding Assistance Needed (*Note: max \$500,000 for LSLR / max \$250,000 for LSL Inventory per applicant per application cycle*)
\$ _____

b. Other Funds Available, provide details below:

	<u>Amount</u>	<u>Name/Type of Funds</u>	<u>Status of Other Funding</u> (Approved, pending, indicate loan terms, and date available, etc.)
1	_____	_____	_____
2	_____	_____	_____
3	_____	_____	_____
4	_____	_____	_____

Subtotal: _____

c. Total Project Cost (1a + 1b) = \$ _____.

Provide funding documentation as Attachment J-1.

2. Do you have any outstanding debt related to the water and sewer system? Yes No

Provide outstanding debt documentation as Attachment J-2.

SECTION B – PROJECT, ORGANIZATIONAL, AND CONTACT INFORMATION

1. Project Name: _____ Location (City/County) _____

2. Waterworks info: New Existing

Community PWS ID number: _____ System Name: _____

Nonprofit noncommunity PWS ID number: _____ System Name: _____

Ownership Type: Publicly owned Investor/privately owned Other: Explanation: _____

3. 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. FAX Number: _____ E-mail Address: _____

f. Federal UEI#: _____ CCR # _____

4. Engineering Consultant (If applicable):

a. Firm Name: _____

b. Address: _____
Street Address/P.O. Box Town/City State ZIP

c. Preferred Contact Info:

Contact Person: _____
Name Title

Telephone Number: _____ Alternate Number: _____

E-mail Address: _____ Alternate E-mail Address: _____

FAX Number: _____

SECTION C – PROPOSED PROJECT DESCRIPTION – Provide Documentation

Please provide a brief summary and a detailed project description including a map/sketch depicting the project area, indicating targeted areas with high risk of exposure to lead in drinking water, if possible. (Sketches on 8 ½ by 11 inch portions of topo sheets are adequate.) If additional space is required, please include as an Attachment. **Provide documentation of LSL history and/or Action Level Exceedances as Attachment J-4.**

I. Brief Summary

- A. Briefly describe the proposed project. Will the project involve replacing LSLs, creating an LSL inventory, or both? What is the known history of risk to exposure of lead in drinking water? Any Action Level Exceedances? Is the number of LSLs known?

- B. Briefly describe the proposed project scope of LSL work. Is the age of service lines known? Is the material type of pipes and connections on the public and private sides known? If known, please describe. How many lines are estimated to be replaced?

- C. Briefly explain how the public and private sides of the LSL will be replaced. Will plumbers be certified by the locality and hired by the homeowners to replace the private side (rebate model)? Will a contractor replace both sides? Other approaches?

- D. Briefly describe the state of your current LSL inventory. Does an inventory exist? If yes, what information does it include and when was it last updated? What methods were used to verify LSLs? (Ex: historical records, excavation, scratch test, data, etc.)

II. Demographics

- A. Describe income levels in the proposed project area. What is the Median Household Annual Income (MHI) of the area to be served (\$____/year)? Has a specific area been identified as high risk to exposure of lead in drinking water?

- B. Describe the type, number, and stories of structures (single family homes, apartments, schools, child care centers, etc.) and amount of vacant land for the area that benefits from the projects. If the area contains a significant number of vacation homes or homes that are typically occupied less than half of the calendar year, then please provide details.

DATA AS ATTACHMENT J-3: Use the census block or latest update for county/city/towns (<http://data.census.gov>). Provide project specific income survey data for those projects not large enough to be identifiable via census information.

If you have applied or will apply to other funding agencies that require an income survey, attach the results to this application. For efficiency, consider doing income and user agreement surveys at the same time. For assistance, please contact VDH-ODW.

C. Environmental Justice

The Environmental Protection Agency (EPA) Environmental Justice Screening Tool EJSCREEN located at (<https://www.epa.gov/ejscreen>) will be utilized to help analyze the Environmental Justice benefits of project. Provide Census Tracts for the community benefiting directly from this project. _____

Has the community benefiting directly from this project lost jobs through the nation’s energy transition to clean energy? (Examples include coal production or supporting jobs lost or petroleum/natural gas production or supporting jobs lost.) Yes No.
If Yes, provide explanation and attach documentation. _____

SECTION D – SCHEDULE AND READINESS TO PROCEED

- 1. Readiness to proceed. This application assumes you have not initiated design or construction. IF this is not the case, please contact VDH.
 - (a) Please provide a copy of the Funding Application Discussion meeting documentation/notes, and if applicable: letter reports, design notes or the Preliminary Engineering Report (or waiver letter) for the project as **Attachment J-7**.
 - (b) Project Schedule – if additional space is required, please include as an Attachment.
 - (i) If the project will require a Contractor for LSL work, please use the Construction Project Schedule on our website to plan your project. This document will be required as part of the initial meeting if your project scores high enough to receive funding. The anticipated schedule must be provided below.

<u>ACTIVITY</u>	<u>ANTICIPATED COMPLETION DATE</u>
Engineering Procurement	_____
Submit PER	_____
Submit P & S	_____
Environmental Review	_____
Advertise Project for Bid	_____
Open Bids	_____
Award Project	_____
Substantial Completion	_____

- (ii) If the project will follow a rebate model, where homeowners will procure plumbers to replace LSLs on the private side, please describe the following: (1) how the public side of the LSL will be replaced, (2) plans to coordinate replacement of the public and private sides of the LSL at the same time, (3) timeline for developing and executing a training program to certify plumbers on your LSLR program requirements before they are placed on an approved list for homeowners, (4) timeline for marketing and outreach to advertise your LSLR program to homeowners (5) timeline for developing LSLR program application materials and forms and overall LSLR program process.

- (iii) If the project will involve building an LSL inventory, please describe the following: (1) plans to identify and verify LSLs (ex: old records, building structure age, data extrapolation, excavation, scratch test, etc.), (2) plans, methods, and/or technology that will be used to collect and maintain data to build an LSL inventory, (3) general timeline estimate to complete LSL inventory.

SECTION E -STATISTICAL DATA REQUIRED FOR TECHNICAL, MANAGERIAL, & FINANCIAL (TMF) REVIEW

1. Connections and Population:

ID	Data Description	Connections	Population ⁽⁴⁾
a.	Existing residential		
b.	Existing total		
c.	Project residential ⁽¹⁾		
d.	Project total ⁽¹⁾		
e.	Future residential ^(2, 3)		
f.	Future total ^(2, 3)		

Notes:

- (1) New connections and/or existing connections that benefit from the project.
- (2) For a water line extension project, e. = a. + c. and f. = b. + d because new connections are being added. For any project that benefits existing connections only, e. = a. and f. = b., and then c. and d. will reflect how many existing residential and total connections, respectively, benefit from the project.
- (3) For a project that benefits existing connections (e.g. – water line replacement) **and** also adds new connections (water line extension) then c. and d. will reflect how many residential and total connections, respectively, benefit from the project (connections that benefit from the project + new connections). In this case, e. = a. + new residential connections added and f. = b. + new total connections added.
- (4) Provide population estimates based on the previous column (connections).

2. Water Usage and losses: - **Provide supporting documentation as Attachments J-9 and J-16**

- a. 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 divided by the total number of in-town residential customers.
- b. 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])

3. Rates: **Attach rate schedules as Attachment J-8**

- a. Existing monthly water charges (explain here):
- b. When were water rates last increased? **Please provide dates and amount/percentage of increase as Attachment J-8.**
- c. What is your connection fee for water?
- d. Are rate increases anticipated as a result of this project? Yes No
If yes, please provide the amount and percentage increase expected and the anticipated effective date for the increase(s).

4. Water Users

a. Service Area Jurisdictions	b. # of Existing Residential Connections	c. # of Project Residential Connections at Completion
_____	_____	_____
_____	_____	_____
_____	_____	_____

d. Existing drinking water usage _____ gpd. _____ % residential _____ % nonresidential

e. As **Attachment J-11**, identify Ten (10) Largest Users of the Water System and Estimated Monthly Consumption per user.

5. Determine Average Monthly Residential Water User Rate:

Provide an average monthly residential water user rate analysis as **Attachment J-10** - using VDH project only template.

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

6. 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 C, II, A, page 3 of 8) \$ _____ x 0.01 = \$ _____ /month. This is your **Target User Rate**.
(12 months/year)

7. Evaluate Current Rate Structure:

Does the value in Item 6 (water user rate) equal or exceed the value in item 7 (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 VRA credit review.

If you answered “No” then the information indicates the owner needs 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 are 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.

SECTION F – PROJECT BUDGET INFORMATION

1. LSL Replacement	\$ _____
2. LSL Administrative Fees	\$ _____
3. LSL Inventory	\$ _____
4. Other (e.g. Additional costs if submitting separate SRF Construction Application)	\$ _____
5. Contingencies (up to 10% of the construction costs for PLANNING ONLY*)	\$ _____
6. TMF (Asset Management Plan, WBOP, Studies, etc.)	\$ _____
7. Loan Closing Fee**	\$ _____ 6,000
8. TOTAL [Round to the nearest thousand] (should match Section A)	\$ _____

*During the planning process only, you may calculate contingency amounts up to 10% of the estimated construction costs. **Please note: the contingency amount that will be included in the final budget will not exceed 5% of the construction costs.**

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

- 1) Other Funds Available (e.g. Letters of conditions, award letters, etc.)
- 2) Outstanding debt amount and with whom
- 3) Median Household Income – including site income surveys if census information not at project level.
- 4) Project issue documentation.
- ~~5) Results of user agreement/commitment initial survey with project map. NEW CONNECTIONS ONLY – N/A~~
- ~~6) Adequate drinking water source or source agreement contract – VDH approved. – N/A~~
- 7) Funding Application Discussion documentation/notes or VDH-Office of Drinking Water letter/email waiving this requirement. If a Preliminary Engineering Report has been drafted for this project, include a copy of that also. Any letter reports, design memos, or alternatives analysis should be included in this section. Regionalization should be considered as an option.

****Required for Technical, Managerial, Financial (TMF) Review****
- 8) Current rate schedule for water connection fee for water and date of last increase.
- 9) 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.
- 10) Average Monthly Residential Water User Rate Analysis – using VDH project only template.
- 11) Listing of 10 largest water & sewer users and estimated monthly consumption per user.
- 12) One copy of the latest interim (unaudited) financial statement. (Budget vs. Actual Expenditures)
- 13) One copy of the current year budget.
- 14) One copy of the most recent annual audits.
- 15) For the proposed project – a six-year cash flow analysis of revenue – using VDH project only template - and expenses (operating budget) showing as a bottom line funds available for debt service.
- 16) 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 lines and tanks from cracks, leaks, and tank overflows divided by total water production. Should match Section F.1.f.
- 17) Lead Service Line (LSL) Replacement Plan.

Items 7, 12, 14 and 17 may be submitted in PDF format on a thumb drive provided two (2) copies are submitted.

Items 15 and 16 may also be included in spreadsheet format on the thumb drives. Please make note on the application that the information is included in the attached digital material.