Project Name: Location (City/County)

VIRGINIA DEPARTMENT OF HEALTH (VDH)

OFFICE OF DRINKING WATER (ODW)

FINANCIAL AND CONSTRUCTION ASSISTANCE PROGRAMS (FCAP)

**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.**

 ***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**

#### **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.

1. Have you had a Funding Application Discussion with ODW’s Field Office?  [ ]  Yes [ ]  No.
2. Do you currently or will you have less than three open DWSRF projects by July 1, 2022 (prior to the next awards)? [ ]  Yes [ ]  No.
3. 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*)

$ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Other Funds Available, provide details below:

Amount Name/Type of Funds Status of Other Funding (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**.

1. 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: [ ]  Publically 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:

1. FAX Number: E-mail Address:
2. 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.**

## Brief Summary

1. **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?**

1. **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?**

1. **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?**

1. **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

1. **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?**

1. **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.

1. **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.

1. 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.

ACTIVITY ANTICIPATED COMPLETION DATE

 Engineering Procurement \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Submit PER \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Submit P & S \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Environmental Review \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Advertise Project for Bid \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Open Bids \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Award Project \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Substantial Completion \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. 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.

1. 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 c. # of Project Residential

 Connections 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 A, II, A. page 3 of 8) $\_\_\_\_\_\_\_\_\_\_\_\_ x 0.01 = $ /month. This is your **Target User Rate**.

 (12 months/year)

7. Evaluate Current Rate Structure:

 Yes No

 Does the value in Item 6 (water user rate) equal or exceed the value in item 7 (target user rate), above? [ ]  [ ]

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.**

\*\*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.

**SECTION G – FINANCIAL DATA**

1. Estimated Annual Water Facilities Costs - From PER or other sources based on existing PWS’s **Financial Statements**
2. Net O, M & R (for existing water facilities) $

 **USE Financial Statements**

1. Existing Annual Debt Service for water system $

**USE Financial Statements**

1. O, M & R for Proposed Facilities $
2. Total (Sum of a+b+c) $
3. Sources of Residential and Nonresidential Revenues as a Percentage of Total Annual Water Revenue
4. Residential % b. Nonresidential %
5. For the proposed project - Provide a six-year cash flow analysis **as Attachment J-15** - using VDH project only template- of revenue and expenses (operating budget) showing as a bottom line the funds available for debt service.

**SECTION H – LEAD SERVICE LINE (LSL) REPLACEMENT PLAN**

A Lead Service Line (LSL) Replacement Plan is a document that describes how a water utility will complete replacements of lead service lines and/or galvanized requiring replacement service lines, protect the health of affected customers, and maintain compliance with certain requirements of the Lead and Copper Rule Revisions (LCRR). Please provide documentation as **Attachment J-17**.

* For additional details on LSL Replacement Plan criteria, please visit:

<https://www.vdh.virginia.gov/content/uploads/sites/14/2022/01/LSL-Replacement-FAQs-rev-1-12-22.pdf>

Please note that if a separate Construction Application is submitted, an Asset Management Plan (AMP) may also be required and would need to be included in the project budget.

## SECTION I – 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 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.